Pension and Welfare Benefits Administration

[Prohibited Transaction Exemption 96-20; Exemption Application No. D-09848, et al.]

Grant of Individual Exemptions; Associated Hospital Service of Maine (d/b/a Blue Cross and Blue Shield of Maine)

AGENCY: Pension and Welfare Benefits Administration, Labor.

ACTION: Grant of Individual Exemptions.

SUMMARY: This document contains exemptions issued by the Department of Labor (the Department) from certain of the prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974 (the Act) and/or the Internal Revenue Code of 1986 (the Code).

NOTICE: Notices were published in the Federal Register of the pendency before the Department of proposals to grant such exemptions. The notices set forth a summary of facts and representations contained in each application for exemption and referred interested persons to the respective applications for a complete statement of the facts and representations. The applications have been available for public inspection at the Department in Washington, D.C. The notices also invited interested persons to submit comments on the requested exemptions to the Department. In addition the notices stated that any interested person might submit a written request that a public hearing be held (where appropriate). The applicants have represented that they have complied with the requirements of the notification to interested persons. No public comments and no requests for a hearing, unless otherwise stated, were received by the Department.

The notices of proposed exemption were issued and the exemptions are being granted solely by the Department because, effective December 31, 1978, section 102 of Reorganization Plan No. 4 of 1978 (43 FR 47713, October 17, 1978) transferred the authority of the Secretary of the Treasury to issue exemptions of the type proposed to the Secretary of Labor.

Statutory Findings

In accordance with section 408(a) of the Act and/or section 4975(c)(2) of the Code and the procedures set forth in 29 CFR Part 2570, Subpart B (55 FR 32836, 32847, August 10, 1990) and based upon the entire record, the Department makes the following findings:

(a) The exemptions are administratively feasible;

(b) They are in the interests of the plans and their participants and beneficiaries; and

(c) They are protective of the rights of the participants and beneficiaries of the plans.

Associated Hospital Service of Maine (d/b/a Blue Cross and Blue Shield of Maine) and Blue Alliance Mutual Insurance Company Located in Portland, Maine

[Prohibited Transaction Exemption 96-20 Exemption Application No. D-09848]

Exemption

The restrictions of sections 406(a), 406(b)(1), and 406(b)(2) of the Act and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1)(A) through (E) of the Code shall not apply, effective August 18, 1993, to the past sales of certain securities (the Securities) by the Associated Hospital Service of Maine Retirement Plan (the Plan) to the Associated Hospital Service of Maine (d/b/a Blue Cross and Blue Shield of Maine) (BCBSME) and Blue Alliance Mutual Insurance Company (Blue Alliance), parties in interest with respect to the Plan; provided that the following conditions were met: (a) The sales of the Securities were one-time transactions for cash; (b) the purchase price paid by BCBSME and Blue Alliance was no less than the fair market value of the Securities on the date of the sales; (c) the fair market value of the Securities were determined by reference to an objective third party pricing service, as of the date of the sales; (d) the terms of the transactions were no less favorable to the Plan than those obtainable in similar transactions negotiated at arm's length with unrelated third parties; and (e) the Plan paid no costs, fees, or commissions associated with the transactions, nor other expenses associated with the application for exemption.

EFFECTIVE DATE: This exemption is granted and is effective as of August 18, 1993, the date of the sales of the Securities to BCBSME and Blue Alliance.

For a more complete statement of the facts and representations supporting the Department's decision to grant this exemption refer to the Notice of Proposed Exemption published on January 31, 1996 at 61 FR 3467.

FOR FURTHER INFORMATION CONTACT: Angelena C. Le Blanc of the Department, telephone (202) 219-8883 (This is not a toll-free number.) W.W. Taylor, Jr., M.D., P.C. Money Purchase Pension Plan (the Plan) Located in Memphis, Tennessee

[Prohibited Transaction Exemption 96-21;
I. Transactions

A. The restrictions of sections 406(a), 406(b)(1) and (2) of the Code imposed by section 4975(a) and (b) of the Code by reason of section 4975(c)(1)(A) through (D) of the Code shall not apply to the following transactions involving trusts and certificates evidencing interests therein:

(i) A plan's investment in each class of certificates does not exceed 25 percent of all of the certificates of that class outstanding at the time of the acquisition; and

(ii) Immediately after the acquisition of the certificates, 100
certificates representing an interest in a trust containing assets sold or serviced by the same entity. 2 For purposes of this paragraph B.(1)(iv) only, an entity will not be considered to service assets contained in a trust if it is merely a subservicer of that trust;

(2) The direct or indirect acquisition or disposition of certificates by a plan in the secondary market for such certificates, provided that the conditions set forth in paragraphs B.(1) (i), (iii) and (iv) are met; and

(3) The continued holding of certificates acquired by a plan pursuant to subsection I.A.(1) or (2).

Notwithstanding the foregoing, section I.A. does not provide an exemption from the restrictions of sections 406(a)(1)(E), 406(a)(2) and 407 for the acquisition or holding of a certificate on behalf of an Excluded Plan by any person who has discretionary authority or renders investment advice with respect to the assets of that Excluded Plan.

B. The restrictions of sections 406(b)(1) and (2) of the Act and the taxes imposed by section 4975(a) and (b) of the Code by reason of section 4975(c)(1)(E) of the Code shall not apply to:

(1) The direct or indirect sale, exchange or transfer of certificates in the initial issuance of certificates between the sponsor or underwriter and a plan when the person who has discretionary authority or renders investment advice with respect to the investment of plan assets in the certificates is (a) an obligor with respect to 5 percent or less of the fair market value of obligations or receivables contained in the trust, or (b) an affiliate of a person described in (a); if:

(i) The plan is not an Excluded Plan;

(ii) Solely in the case of an acquisition of certificates in connection with the initial issuance of the certificates, at least 50 percent of each class of certificates in which plans have invested is acquired by persons independent of the members of the Restricted Group and at least 50 percent of the aggregate interest in the trust is acquired by persons independent of the Restricted Group;

(iii) A plan's investment in each class of certificates does not exceed 25 percent of all of the certificates of that class outstanding at the time of the acquisition; and

(iv) Immediately after the acquisition of the certificates, no more than 25 percent of the assets of a plan with respect to which the person has discretionary authority or renders investment advice are invested in certificates representing an interest in a trust containing assets sold or serviced by the same entity. 2 For purposes of this paragraph B.(1)(iv) only, an entity will not be considered to service assets contained in a trust if it is merely a subservicer of that trust;

(2) The direct or indirect acquisition or disposition of certificates by a plan in the secondary market for such certificates, provided that the conditions set forth in paragraphs B.(1) (i), (iii) and (iv) are met; and

(3) The continued holding of certificates acquired by a plan pursuant to subsection I.A.(1) or (2).

Notwithstanding the foregoing, section I.A. does not provide an exemption from the restrictions of sections 406(a)(1)(E), 406(a)(2) and 407 for the acquisition or holding of a certificate on behalf of an Excluded Plan by any person who has discretionary authority or renders investment advice with respect to the assets of that Excluded Plan.

1 For purposes of this exemption, each plan participating in a commingled fund (such as a bank collective trust fund or insurance company pooled separate account) shall be considered to own the same proportionate undivided interest in each asset of the commingled fund as its proportionate interest in the total assets of the commingled fund as calculated on the most recent preceding valuation date of the fund.

2 In the case of a private placement memorandum, such memorandum must contain substantially the same information that would be disclosed in a prospectus if the offering of the certificates were made in a public offering under the Securities Act of 1933. In the Department's view, the private placement memorandum must contain sufficient information to permit plan fiduciaries to make informed investment decisions.
II. General Conditions

A. The relief provided under Part I is available only if the following conditions are met:

(1) The acquisition of certificates by a plan is on terms (including the certificate price) that are at least as favorable to the plan as they would be in an arm's-length transaction with an unrelated party;

(2) The rights and interests evidenced by the certificates are not subordinated to the rights and interests evidenced by other certificates of the same trust;

(3) The certificates acquired by the plan have received a rating at the time of such acquisition that is in one of the three highest generic rating categories from either Standard & Poor's Corporation (S&P's), Moody's Investors Service, Inc. (Moody's), Duff & Phelps Inc. (D & P) or Fitch Investors Service, Inc. (Fitch);

(4) The trustee is not an affiliate of any member of the Restricted Group. However, the trustee shall not be considered to be an affiliate of a servicer solely because the trust has succeeded to the rights and responsibilities of the servicer pursuant to the terms of a pooling and servicing agreement providing for such succession upon the occurrence of one or more events of default by the servicer;

(5) The sum of all payments made to and retained by the underwriters in connection with the distribution or placement of certificates represents not more than reasonable compensation for underwriting or placing the certificates; the sum of all payments made to and retained by the sponsor pursuant to the assignment of obligations (or interests therein) to the trust represents not more than the fair market value of such obligations (or interests); and the sum of all payments made to and retained by the servicer represents not more than reasonable compensation for the servicer's services under the pooling and servicing agreement and reimbursement of the servicer's reasonable expenses in connection therewith;

(6) The plan investing in such certificates is an "accredited investor" as defined in Rule 501(a)(1) of Regulation D of the Securities and Exchange Commission under the Securities Act of 1933.

B. Neither any underwriter, sponsor, trustee, servicer, insurer, nor any obligor, unless it or any of its affiliates has discretionary authority or renders investment advice with respect to the plan's plan or to the plan's plan to acquire certificates, shall be denied the relief provided under Part I, if the provision of subsection II.A. (6) above is not satisfied with respect to acquisition or holding by a plan of such certificates, provided that (1) Such condition is disclosed in the prospectus or private placement memorandum; and (2) in the case of a private placement of certificates, the trustee obtains a representation from each initial purchaser which is a plan that it is in compliance with such condition, and obtains a covenant from each initial purchaser to the effect that, so long as such initial purchaser (or any transferee of such initial purchaser's certificates) is required to obtain from its transferee a representation regarding compliance with the Securities Act of 1933, any such transferees will be required to make a written representation regarding compliance with the condition set forth in subsection II.A. (6) above.

III. Definitions

For purposes of this exemption:

A. "Certificate" means:

(1) A certificateÐ(1) That represents an interest in a Real Estate Mortgage Investment Conduit (REMIC) within the meaning of section 860D(a) of the Internal Revenue Code of 1986; and

(2) That is issued by and is an obligation of a trust;

with respect to certificates defined in (1) and (2) above for which First Union is either (i) the sole underwriter or the manager or co-manager of the underwriting syndicate, or (ii) a selling or placement agent.

For purposes of this exemption, references to "certificates representing an interest in a trust" include certificates denominated as debt which are issued by a trust.

B. "Trust" means an investment pool, the corpus of which is held in trust and consists solely of:

(1) Either

(a) Secured consumer receivables that bear interest or are purchased at a discount (including, but not limited to, home equity loans and obligations secured by shares issued by a cooperative housing association);

(b) Secured credit instruments that bear interest or are purchased at a discount in transactions by or between business entities (including, but not limited to, qualified equipment notes secured by leases, as defined in section III.T);

(c) Obligations that bear interest or are purchased at a discount and which are secured by single-family residential, multi-family residential and commercial real property (including obligations secured by leasehold interests on commercial real property);

(d) Obligations that bear interest or are purchased at a discount and which are secured by motor vehicles or equipment, or qualified motor vehicle leases (as defined in section III.U);

(e) "Guaranteed governmental mortgage pool certificates," as defined in 29 CFR 2510.3-101(i)(2);

(f) Fractional undivided interests in any of the obligations described in clauses (a)–(e) of this section B.1;

(2) Property which had secured any of the obligations described in subsection B.1;

(3) Undistributed cash or temporary investments made therewith maturing no later than the next date on which distributions are made to certificateholders; and

(4) Rights of the trustee under the pooling and servicing agreement, and rights under any insurance policies, third-party guarantees, contracts of suretyship and other credit support arrangements with respect to any obligations described in subsection B.1.

Notwithstanding the foregoing, the term "trust" does not include any investment pool unless: (i) The investment pool consists only of assets of the type which have been included in other investment pools, (ii) certificates evidencing interests in such other investment pools have been rated in one of the three highest generic rating categories by S&P's, Moody's, D & P, or Fitch for at least one year prior to the plan's acquisition of certificates pursuant to this exemption, and (iii) certificates evidencing interests in other investment pools have been purchased by investors other than plans for at least one year prior to the plan's acquisition of certificates pursuant to this exemption.

C. "Underwriter" means:

(1) First Union;

(2) Any person directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with First Union; or

(3) Any member of an underwriting syndicate or selling group of which First Union or a person described in (2) is a manager or co-manager with respect to the certificates.

D. "Sponsor" means the entity that organizes a trust by depositing
obligations therein in exchange for certificates.

E. “Master Servicer” means the entity that is a party to the pooling and servicing agreement relating to trust assets and is fully responsible for servicing, directly or through subservicers, the assets of the trust.

F. “Subservicer” means an entity which, under the supervision of and on behalf of the master servicer, services loans contained in the trust, but is not a party to the pooling and servicing agreement agreement.

G. “Servicer” means any entity which services loans contained in the trust, including the master servicer and any subservicer.

H. “Trustee” means the trustee of the trust, and in the case of certificates which are denominated as debt instruments, also means the trustee of the indenture trust.

I. “Insurer” means the insurer or guarantor of, or provider of other credit support for, a trust. Notwithstanding the foregoing, a person is not an insurer solely because it holds securities representing an interest in a trust which are of a class subordinated to certificates representing an interest in the same trust.

J. “Obligor” means any person, other than the insurer, that is obligated to make payments with respect to any obligation or receivable included in the trust. Where a trust contains qualified motor vehicle leases or qualified equipment notes secured by leases, “obligor” shall also include any owner of property subject to any lease included in the trust, or subject to any lease securing an obligation included in the trust.

K. “Excluded Plan” means any plan with respect to which any member of the Restricted Group is a “plan sponsor,” within the meaning of section 3(16)(B) of the Act.

L. “Restricted Group” with respect to a class of certificates means:
(1) Each underwriter;
(2) Each insurer;
(3) The sponsor;
(4) The trustee;
(5) Each servicer;
(6) Any obligor with respect to obligations or receivables included in the trust constituting more than 5 percent of the aggregate unamortized principal balance of the assets in the trust, determined on the date of the initial issuance of certificates by the trust; or
(7) Any affiliate of a person described in (1)-(6) above.

M. “Affiliate” of another person includes:
(1) Any person directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with such other person;
(2) Any officer, director, partner, employee, relative (as defined in section 3(15) of the Act), a brother, a sister, or a spouse of a brother or sister of such other person; and
(3) Any corporation or partnership of which such other person is an officer, director or partner.

N. “Control” means the power to exercise a controlling influence over the management or policies of a person other than an individual.

O. A person will be “independent” of another person only if:
(1) Such person is not an affiliate of that other person; and
(2) The other person, or an affiliate thereof, is not a fiduciary who has investment management authority or renders investment advice with respect to any assets of such person.

P. “Sale” includes the entrance into a forward delivery contract (which give one party the right but not the obligation to) deliver and accept delivery of the certificates.

Q. “Forward delivery commitment” means a contract for the purchase or sale of one or more certificates to be delivered at an agreed future settlement date. The term includes both mandatory contracts (which contemplate obligatory delivery and acceptance of the certificates) and optional contracts (which give one party the right but not the obligation to) deliver certificates to, or demand delivery of certificates from, the other party.

R. “Reasonable compensation” has the same meaning as that term is defined in 29 CFR 2550.408c-2.

S. “Qualified Administrative Fee” means a fee which meets the following criteria:
(1) The fee is triggered by an act or failure to act by the obligor other than the normal timely payment of amounts owing in respect of the obligations;
(2) The servicer may not charge the fee absent the act or failure to act referred to in (1);
(3) The entity to charge the fee, the circumstances in which the fee may be charged, and an explanation of how the fee is calculated are set forth in the pooling and servicing agreement; and
(4) The amount paid to investors in the trust will not be reduced by the amount of any such fee waived by the servicer.

T. “Qualified Equipment Note Secured By A Lease” means an equipment note:
(1) Which is secured by equipment which is leased;
(2) Which is secured by the obligation of the lessee to pay rent under the equipment lease; and
(3) With respect to which the trust’s security interest in the equipment is at least as protective of the rights of the trust as would be the case if the equipment note were secured only by the equipment and not the lease.

U. “Qualified Motor Vehicle Lease” means a lease of a motor vehicle where:
(1) The trust holds a security interest in the lease;
(2) The trust holds a security interest in the leased motor vehicle; and
(3) The trust’s security interest in the leased motor vehicle is at least as protective of the trust’s rights as would be the case if the trust consisted of motor vehicle installment loan contracts.

V. “Pooling and Servicing Agreement” means the agreement or agreements among a sponsor, a servicer and the trustee establishing a trust. In the case of certificates which are denominated as debt instruments, “Pooling and Servicing Agreement” also includes the indenture entered into by the trustee of the trust issuing such certificates and the indenture trustee.

For a more complete statement of the facts and representations supporting the Department’s decision to grant the exemption, refer to the notice of proposed exemption published on February 13, 1996 at 61 FR 5577.

FOR FURTHER INFORMATION CONTACT: Gary Lefkowitz of the Department, telephone (202)219-8881. (This is not a toll-free number.)

General Information

The attention of interested persons is directed to the following:

(1) The fact that a transaction is the subject of an exemption under section 408(a) of the Act and/or section 4975(c)(2) of the Code does not relieve a fiduciary or other party in interest or disqualified person from certain other provisions to which the exemptions do not apply and the general fiduciary responsibility provisions of section 404 of the Act, which among other things require a fiduciary to discharge his duties respecting the plan solely in the interest of the participants and...
beneficiaries of the plan and in a prudent fashion in accordance with section 404(a)(1)(B) of the Act; nor does it affect the requirement of section 401(a) of the Code that the plan must operate for the exclusive benefit of the employees of the employer maintaining the plan and their beneficiaries;

(2) These exemptions are supplemental to and not in derogation of, any other provisions of the Act and/or the Code, including statutory or administrative exemptions and transactional rules. Furthermore, the fact that a transaction is subject to an administrative or statutory exemption is not dispositive of whether the transaction is in fact a prohibited transaction; and

(3) The availability of these exemptions is subject to the express condition that the material facts and representations contained in each application accurately describes all material terms of the transaction which is the subject of the exemption.

Signed at Washington, D.C., this 29th day of March, 1996.

Ivan Strasfeld,
Director of Exemption Determinations
Pension and Welfare Benefits Administration, U.S. Department of Labor.

[FR Doc. 96-8137 Filed 4-2-96; 8:45 am]
BILLING CODE 4510-29-P

NATIONAL SCIENCE FOUNDATION

Collection of Information Submission for OMB Review; Comments Requested by April 16, 1996, Title of Proposed Collection, "Science Resources Studies Customer Satisfaction Survey"

In compliance with the requirement of Section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995, on Tuesday, April 11, 1995, Federal Register, Vol. 60, No. 69 18427, the National Science Foundation (NSF) published, for public comment, a proposed generic clearance for collection of information, "generic Clearance—NSF Surveys to Measure Customer Satisfaction." No Public comments were received. A proposed collection to be considered under that generic clearance is being forwarded to the Office of Management and Budget for consideration. Comments on the proposed data collection plans and instruments may be directed to OMB at the following address: Office of Management and Budget, IRA, ATTN: Jonathan Winer, New Executive Office Building, Room 3208, Washington, DC 20503.

Written comments should be received by April 16, 1996.

Abstract: This survey is to be directed at actual and potential users of NSF’s science and engineering data and analyses. It is not intended to develop a national sampling frame representing this entire community. Instead, it shall focus on a smaller group of actual and potential users with some well defined pertinent characteristics. The primary objective of this survey is to determine the kind and quality of science and engineering policy information desired by these users and their level of satisfaction with existing information.

Respondents and burden hours: 200 respondents at approximately 30 minutes per response.

Dated: March 28, 1996.

Herman G. Fleming,
NSF Clearance Officer.
[FR Doc. 96-8073 Filed 4-2-96; 8:45 am]
BILLING CODE 7555-01-M

NUCLEAR REGULATORY COMMISSION

Agency Information Collection Activities: Submission for OMB Review; Comment Request

AGENCY: Nuclear Regulatory Commission (NRC).

ACTION: Notice of the OMB review of information collection and solicitation of public comment.

SUMMARY: The NRC has recently submitted to OMB for review the following proposal for the collection of information under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35). The NRC hereby informs potential respondents that an agency may not conduct or sponsor, and that a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

1. Type of submission, new, revision, or extension: Revision/Extension.


3. The form number if applicable: Not applicable.

4. How often the collection is required: As necessary in order for NRC to assess the adequacy of proposed seismic design bases and the design bases for other geological hazards for nuclear power plants constructed and licensed in accordance with 10 CFR Part 50 and the Atomic Energy Act of 1954, as amended.

5. Who will be required or asked to report: Applicants and licensees for nuclear power plants.

6. An estimate of the number of responses: 1.

7. The estimated number of annual respondents: 2.

8. An estimate of the total number of hours needed annually to complete the requirement or request: 10,000.

9. An indication of whether Section 3507(d), Pub. L. 104-13 applies: Not applicable.

10. Abstract: Utilities that propose to build and operate nuclear power plants are required to design, construct, and maintain those plants to withstand geologic hazards, such as faulting, seismic hazards, and the maximum credible earthquake, to protect the health and safety of the public and the environment. NRC uses the information required by 10 CFR Part 100, Appendix A, to assess the adequacy of proposed seismic design bases and the design bases for other geological hazards for nuclear power plants.

A copy of the submittal may be viewed free of charge at the NRC Public Document Room, 2120 L Street, NW (Lower Level), Washington, DC. Members of the public who are in the Washington, DC, area can access the submission via modem on the Public Document Room Bulletin Board (NRC's Advanced Copy Document Library) NRC subsystem at FedWorld, 703-321-3339. Members of the public who are located outside of the Washington, DC, area can dial FedWorld, 1-800-303-9672, or use the FedWorld Internet address: fedworld.gov (Telnet). The document will be available on the bulletin board for 30 days after the signature date of this notice. If assistance is needed in accessing the document, please contact the FedWorld help desk at 703-487-4608. Additional assistance in locating the document is available from the NRC Public Document Room, nationally at 1-800-397-4209, or within the Washington, DC, area at 202-634-3273.

Comments and questions should be directed to the OMB reviewer by May 3, 1996: Peter Francis, Office of Information and Regulatory Affairs (3150-0093), NEOB–10202, Office of Management and Budget, Washington, DC 20503.

Comments can also be submitted by telephone at (202) 395-3084.

The NRC Clearance Officer is Brenda Jo Shelton, (301) 415-7233.

Dated at Rockville, Maryland, this 27th day of March 1996.