(i) Upon the completion of the Exchange, no single issue of Ford-Owned Securities accounted for more than 25% of the assets of the VEBA;

(j) SSBT, acting as an independent fiduciary on behalf of the VEBA, monitored the Redemption and the Exchange; and

(k) SSBT, as independent fiduciary, approved the Redemption and the Exchange upon determining that the Redemption and the Exchange were in the best interests of the VEBA and its participants.

Notice to Interested Persons

The applicant represents that notice to interested persons will be made within twenty (20) business days following publication of this notice in the **Federal Register**. Comments and requests for a hearing must be received by the Department not later than sixty (60) days from the date of publication of this notice of proposed exemption in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT: Mr. Christopher J. Motta 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 of the Act and/or the Code, including any prohibited transaction provisions to which the exemption does 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) Before an exemption may be granted under section 408(a) of the Act and/or section 4975(c)(2) of the Code, the Department must find that the exemption is administratively feasible, in the interests of the plan and of its participants and beneficiaries, and protective of the rights of participants and beneficiaries of the plan;

(3) The proposed exemptions, if granted, will be supplemental to, and not in derogation of, any other provisions of the Act and/or the Code, including statutory or administrative exemptions and transitional 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

(4) The proposed exemptions, if granted, will be subject to the express condition that the material facts and representations contained in each application are true and complete, and that each application accurately describes all material terms of the transaction which is the subject of the exemption.

Signed at Washington, DC, this 24th day of September, 2001.

Ivan Strasfeld,

Director of Exemption Determinations, Pension and Welfare Benefits Administration, Department of Labor.

[FR Doc. 01–24151 Filed 9–26–01; 8:45 am]

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DEPARTMENT OF LABOR

Pension and Welfare Benefits Administration

[Prohibited Transaction Exemption 2001–34; Exemption Application No. D–10911, et al.]

Grant of Individual Exemptions; Derrerred Profit Sharing Plan of the Penske Corporation (the Plan) et al.

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).

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, DC. 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, 5 U.S.C. App. 1 (1996), 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.

Deferred Profit Sharing Plan of the Penske Corporation (the Plan) Located in Charlotte, North Carolina

[Prohibited Transaction Exemption No. 2001–34; Exemption Application No. D–10911]

Exemption

The restrictions of sections 406(a) and 406(b)(1) and (b)(2) and section 407(a) 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, (1) effective June 15, 2000, to the acquisition and holding by the Plan of interests (the Interests) in the Penske Company, LLC (the LLC), a wholly owned subsidiary of the Plan sponsor, the Penske Corporation (Penske), which were distributed (the Distribution) as dividends to the Plan as a shareholder of Penske common stock (Penske Stock); and (2) the proposed redemption, by the LLC, of the Interests held by the Plan for the greater of $3.37 per-unit or their fair market value at the date of the redemption, provided that the following conditions were or will be met:

(a) The Interests were acquired by the Plan pursuant to Plan provisions for individually-directed investment of participant accounts;

(b) The Plan's receipt and holding of the Interests occurred in connection with the Distribution;

(c) The Plan's acquisition of the Interests as a dividend paid to all holders of Penske Stock resulted from an independent act of Penske as a corporate entity, such that all holders of the Penske Stock, including the Plan, were treated in the same manner;

(d) Within 15 business days after the date the notice granting the final exemption is published in the **Federal Register**, the LLC will redeem the Interests held by the Plan for not less than $3.37 per unit;

(e) The price received by the Plan for the Interests is not less than the fair market value of the Interests on the date that the redemption occurs; and

(f) The Plan paid no fees or commissions in connection with the acquisition and holding of the Interests nor will it pay any fees or commissions in connection with the redemption of the Interests.

EFFECTIVE DATE: This exemption is effective as of June 15, 2000 with respect to the acquisition and holding by the Plan of the Interests. In addition, this exemption is effective as of the date the final exemption is granted with respect to the LLC's redemption of the Interests held by the Plan.

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 (the Notice) published on July 10, 2001 at 66 FR 36002.

Written Comments

The only written comments received by the Department were submitted by the applicant, Penske. These comments sought several changes to the Notice, each of which is discussed below.

In Representation 1 of the Summary of Facts and Representations (the Summary), the applicant requests that the first two sentences of the second paragraph be revised to read as follows for technical accuracy:

> As of December 31, 2000, the Plan had a total of 1,174 participants. The Plan had assets, as of March 31, 2000, with an approximate aggregate fair market value of $35,477,000. Also as of March 31, 2000, 49.8% (or $17,674,629) of the fair market value of the total assets of the Plan was invested in Penske Stock.

In addition, the applicant requests that the phrase ''qualifying employer security'' as used in footnote 2 of the Summary be revised to read ''employer security''. Further, in Representation 5 of the Summary, the applicant represents that the word ''Code'' in the next to the last line of the first paragraph should be revised to the word ''Act''. The Department concurs in these changes submitted by the applicant.

Finally, the applicant requests that Representation 11(a) of the Notice and its corresponding condition (a) be revised to read as follows: ''The Interests were acquired by the Plan as the result of a dividend paid to all holders of Penske Stock'' to remove any implication that the Plan participants directed their accounts to invest in the Interests. In response to this comment, the Department notes the suggested modification to Representation 11(a) but has determined to leave the language in condition (a) unchanged and to modify condition (c) to read as the follows: ''The Plan's acquisition of the Interests as a dividend paid to all holders of Penske Stock resulted from an independent act of Penske as a corporate entity, such that all holders of the Penske Stock, including the Plan, were treated in the same manner''.

Accordingly, after giving full consideration to the entire record, including the comments by the applicant, the Department has determined to grant the exemption as modified. In this regard, the comments submitted to the Department have been included as part of the public record of the exemption application. The complete application file, including all supplemental submissions received by the Department, is made available for public inspection in the Public Disclosure Room of the Pension and Welfare Benefits Administration, Room N–1513, U.S. Department of Labor, 200 Constitution Avenue. NW, Washington, D.C. 20210.

FOR FURTHER INFORMATION CONTACT: Khalif Ford of the Department, telephone (202) 219–8883. (This is not a toll-free number.)

Riggs Bank N.A., Located in Washington, DC

[Prohibited Transaction Exemption 2001–35; Exemption Application No. D–10928]

Exemption

Section I—Transactions

The restrictions of section 406(a) 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 (D) of the Code, shall not apply to: (a) the extension of credit (the Advance or Advances) by Riggs Bank N.A. (Riggs) to a participant-directed individual account plan (Plan); and (b) the Plan's repayment of an Advance or Advances, plus accrued interest.

Section II—Conditions

The relief provided under Section I is available only if the following conditions are met:

(a) Each Advance is made in connection with the administration of a portion of the Plan's assets by Riggs as a unitized fund (Unitized Fund) in order to facilitate redemptions from the Unitized Fund.

(b) Each Advance is made in accordance with the terms of a written agreement (the Agreement) that describes terms and procedures for the Advances, including standing instructions addressing the initiation, amount, repayment and formula or method for determining the interest rate payable with respect to each Advance and is approved in writing by a fiduciary of the Plan who is independent of and not an affiliate of Riggs (Independent Plan Fiduciary).

(c) Interest payable by the Plan on each Advance is determined in accordance with an objective formula or method described in the Agreement.

(d) The Plan repays each Advance and accrued interest in accordance with the terms of the Agreement within ten (10) business days after the initiation of the Advance.

(e) Each Advance is unsecured.

(f) The aggregate amount advanced on any business day that an Advance is initiated does not, after the Advance is made, exceed 25% of the total market value of the Unitized Fund.

(g) On the date that an Advance is initiated, Riggs provides the Independent Plan Fiduciary with notice of the amount of the Advance and the actual interest rate to be applied.

(h) Within ten (10) days after an Advance is fully repaid, Riggs provides the Independent Plan Fiduciary with a confirmation statement which includes the date of repayment, the amount of the Advance, the actual interest rate applied, and the total amount of interest paid by the Plan.

(i) The Agreement may be terminated by the Independent Plan Fiduciary at any time, subject to the Plan's repayment of any outstanding Advances.

(j) The Advances are made on terms at least as favorable to the Plan as those the Plan could obtain in an arm's-length transaction with an unrelated party.

(k) Neither Riggs nor its affiliate has or exercises any discretionary authority or control with respect to the initiation of an Advance, the amount of an Advance, the interest rate payable on an Advance, or the repayment of the Advance.

(l) The fair market value of the assets in the Unitized Fund is determined by

an objective method specified in the Agreement. In the case of employer stock, such stock must be stock for which market quotations are readily available from independent sources.

(m) Riggs or its affiliate is not (i) a trustee of the Plan (other than a nondiscretionary trustee who does not render investment advice with respect to the assets of the Unitized Fund), (ii) a plan administrator (within the meaning of section 3(16)(A) of the Act and Code section 414(g)), (iii) a fiduciary who is expressly authorized in writing to manage, acquire or dispose of on a discretionary basis any assets of the Unitized Fund, or (iv) an employer any of whose employees are covered by the Plan.

(n) (a) Riggs will maintain or cause to be maintained for a period of six years from the date of the granting of the exemption the records necessary to enable the persons described in paragraph (b) to determine whether the conditions of this exemption have been met, except that:

(1) A prohibited transaction will not be considered to have occurred if, due to circumstances beyond the control of Riggs, the records are lost or destroyed prior to the end of the six-year period; and

(2) No party in interest, other than Riggs, shall be subject to the civil penalty that may be assessed under section 502(i) of the Act, or to the taxes imposed by section 4975(a) and (b) of the Code, if the records are not maintained, or are not available for examination as required by paragraph (b); and

(b)(1) Except as provided in paragraph (b)(2) and notwithstanding any provisions of subsections (a)(2) and (b) of section 504 of the Act, the records referred to in paragraph (a) are unconditionally available at their customary location for examination during normal business hours by: (A) Any duly authorized employee or representative of the Department or the Internal Revenue Service; (B) Any fiduciary of the Plan, or any duly authorized employee or representative of such fiduciary; and (C) Any participant or beneficiary of the Plan or duly authorized representative of such participant or beneficiary.

(2) None of the persons described in paragraph (b)(1)(B) and (b)(1)(C) shall be authorized to examine trade secrets of Riggs or commercial or financial information which is privileged or confidential.

Section III—Definitions

(a) The term ''affiliate'' means (i) any person directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with such other person; (ii) any officer, director, or partner, employee or relative (as defined in section 3(15) of the Act) of such other person; and (iii) any corporation or partnership of which such other person is an officer, director or partner.

(b) The term ''control'' means the power to exercise a controlling influence over the management or policies of a person other than an individual.

EFFECTIVE DATE: The exemption is effective as of September 11, 2000.

For a more complete statement of the facts and representations supporting the Department's decision to grant this exemption, refer to the proposed exemption published on July 30, 2001, at 66 FR 39351.

FOR FURTHER INFORMATION CONTACT: Karen Lloyd of the Department, telephone (202) 219–8194. (This is not a toll-free number).

Principal Mutual Holding Company (PMHC), Located in Des Moines, IA

[Prohibited Transaction Exemption 2001–36; Exemption Application No. D–10940]

Exemption

Section I. Covered Transactions

The restrictions of section 406(a) 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 (D) of the Code, shall not apply to (1) the receipt of shares of common stock (Common Stock) issued by Principal Financial Group, Inc. (PFG), the successor entity to PMHC,[1] or (2) the receipt of cash (Cash) or policy credits (Policy Credits) by any eligible policyholder (the Eligible Policyholder) of Principal Life Insurance Company (Principal), a subsidiary of PMHC, which is an employee benefit plan (the Plan), including a Plan sponsored by Principal and its affiliates (the Principal Plan), in exchange for such Eligible Policyholder's mutual membership interest in PMHC, pursuant to a plan of conversion (the Plan of Conversion) adopted by PMHC and implemented in accordance with Iowa Insurance Law.

In addition, the restrictions of section 406(a)(1)(E) and (a)(2) and section 407(a)(2) of the Act shall not apply to the receipt and holding, by a Principal Plan, of Common Stock, whose fair market value exceeds 10 percent of the value of the total assets held by such Plan.

[1] For purposes of this exemption, references to PMHC will generally include references to PFG unless noted, or unless the context requires otherwise.

This exemption is subject to the general conditions set forth below in Section II.

Section II. General Conditions

(a) The Plan of Conversion is implemented in accordance with procedural and substantive safeguards that are imposed under Iowa Insurance Law and is subject to review and approval by the Iowa Commissioner of Insurance (the Commissioner).

(b) The Commissioner reviews the terms of the options that are provided to Eligible Policyholders of PMHC as part of such Commissioner's review of the Plan of Conversion, and only approves the Plan following a determination that such Plan is fair and equitable to all Eligible Policyholders. The New York Superintendent of Insurance (the Superintendent) may object to the Plan of Conversion if he or she finds that such Plan of Conversion is not fair and equitable to New York policyholders.

(c) As part of their separate determinations, both the Commissioner and the Superintendent concur on the terms of the Plan of Conversion.

(d) Each Eligible Policyholder has an opportunity to vote at a special meeting to approve the Plan of Conversion after receiving full written disclosure from PMHC and/or Principal.

(e) One or more independent fiduciaries of a Plan that is an Eligible Policyholder elects to receive Common Stock, Cash or Policy Credits pursuant to the terms of the Plan of Conversion and neither PMHC nor any of its affiliates exercises any discretion or provides ''investment advice,'' within the meaning of 29 CFR 2510.3–21(c) with respect to such acquisition.

(f) If Policy Credits are elected by a Plan policyholder holding a group annuity contract, the policyholder may elect to have the policy value increased by the amount of compensation allocated or to have the policy enhanced with an interest in a separate account (the Separate Account), which is maintained by Principal.

(1) If no election is made by a Plan policyholder, the ''default'' consideration for the policyholder is Policy Credits (in the form of an interest in the Separate Account), unless the contract or regulatory concerns preclude this form of compensation.

(2) Where applicable, Principal allocates the Policy Credit compensation received, on a *pro rata* basis, among the participants of the Plan

that is invested in the Separate Account, in accordance with their account balances, unless the policyholder directs otherwise, and neither PMHC nor its affiliates provides investment advice or recommendations to the policyholder on which option to choose or with respect to the default consideration, in the event no choice is made.

(3) No purchases or sales of assets are made between Principal or its affiliates and the Separate Account.

(4) Upon receiving a notice of withdrawal from a Plan policyholder, Northern Trust Company (NTC), the custodian for shares of Common Stock that are held in the Separate Account, may sell such shares of Common Stock on the open market at fair market value.

(5) The shares of Common Stock held in the Separate Account are voted in accordance with the procedures contained in Section 8.9 of the Plan of Conversion.

(g) In the case of a Principal Plan, U.S. Trust, N.A., the independent fiduciary appointed to represent the Principal Plans,

(1) Votes on whether to approve or not to approve the proposed demutualization;

(2) Elects between consideration in the form of Common Stock, Cash or Policy Credits on behalf of such Plans;

(3) Determines how to apply the Common Stock, Cash or Policy Credits received for the benefit of the participants and beneficiaries of the Principal Plans;

(4) Votes on shares of Common Stock that are held by the Principal Plans and disposes of such stock held by a Plan exceeding the limitation of section 407(a)(2) of the Act as soon as it is reasonably practicable, but in no event later than six months after the Effective Date of the Plan of Conversion;

(5) Provides the Department with a complete and detailed final report as it relates to the Principal Plans prior to the Effective Date of the demutualization; and

(6) Takes all actions that are necessary and appropriate to safeguard the interests of the Principal Plans and their participants and beneficiaries.

(h) Each Eligible Policyholder entitled to receive Common Stock is allocated at least 100 shares and additional consideration is allocated to Eligible Policyholders based on actuarial formulas that take into account each policy's contribution to the surplus of Principal, which formulas have been reviewed by the Commissioner.

(i) All Eligible Policyholders that are Plans participate in the demutualization on the same basis and within their class groupings as other Eligible Policyholders that are not Plans.

(j) No Eligible Policyholder pays any brokerage commissions or fees in connection with the receipt of the demutualization consideration.

(k) All of Principal's policyholder obligations remain in force and are not affected by the Plan of Conversion.

(l) The terms of the transactions are at least as favorable to the Plans as an arm's length transaction with an unrelated party.

Section III. Definitions

For purposes of this exemption:

(a) The term ''PMHC'' means Principal Mutual Holding Company, its successor in interest, Principal Financial Group, Inc. and any of their affiliates as defined in paragraph (b) of this Section III, unless noted, or unless the context requires otherwise.

(b) An ''affiliate'' of PMHC includes—

(1) Any person directly or indirectly through one or more intermediaries, controlling, controlled by, or under common control with PMHC (For purposes of this paragraph, the term ''control'' means the power to exercise a controlling influence over the management or policies of a person other than an individual.); and

(2) Any officer, director or partner in such person.

(c) The ''Effective Date'' refers to the date on which the closing of the initial public offering (the IPO) occurs, which will be a date occurring after the approval of the Plan of Conversion by voting policyholders and the Commissioner, provided that in no event will the Effective Date be more than 12 months after the date on which the Commissioner has approved or has conditionally approved the Plan of Conversion, unless such period is extended by the Commissioner. The Plan of Conversion will be deemed to become effective at 12:01 a.m., Central Time, on the Effective Date.

(d) The term ''Record Date'' means the date that is one year prior to the Adoption Date.

(e) The ''Adoption Date'' refers to the date that PMHC's Board of Directors adopted the Plan of Conversion. This date was March 31, 2001.

(f) The term ''Eligible Policyholder'' means a person who, on the Record Date, is the owner of one or more policies and who, as reflected in PMHC's or Principal's records, has a continuous membership interest in PMHC through ownership of one or more policies from the Record Date until and on the Effective Date. Members of PMHC who were issued policies on or before April 8, 1980 and transferred ownership rights of such policies on or before April 8, 1980 are Eligible Policyholders so long as such policies remain in force through the Effective Date.

(g) The term ''Policy Credit'' means consideration to be paid in the form of an increase in cash value, account value, dividend accumulations, face amount, extended term period or benefit payment, as appropriate, depending upon the policy. If the policy is owned by a qualified plan customer (the Qualified Plan Customer) [i.e., an owner of a group annuity contract issued by Principal, which contract is designed to fund benefits under a retirement plan which is qualified under section 401(a) and section 403(a) of the Code (including a plan covering employees described in section 401(c) of the Code, provided such plan meets the requirements of Rule 180 promulgated under the Securities Exchange Act of 1933, as amended) or which is a governmental plan described in section 414(d) of the Code, excluding (1) group annuity contracts that fund only guaranteed deferred annuities or annuities in the course of payments and (2) group annuity contracts for which Principal does not perform retirement plan recordkeeping services and whose group annuity contracts do not provide for investments in Principal's pooled unregistered separate accounts], the Policy Credit may take the form of a Separate Account Policy Credit or an Account Value Policy Credit. If the policy is owned by a Non-Rule 180 Qualified Plan Customer, the Policy Credit will take the form of an Account Value Policy Credit.

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 August 3, 2001 at 66 FR 40736.

Written Comments

The Department received five written comments with respect to the proposed exemption. Four comments were submitted by Plan policyholders of Principal while the fifth comment was submitted by PMHC. Of the policyholder comments received, three expressed opposition to the exemption for various reasons and were forwarded to PMHC for response. The fourth policyholder comment raised issues that were not relevant to PMHC's demutualization so it was not forwarded to PMHC for response.

PMHC's comment letter expressed concerns in a number of areas. PMHC also requested that the Department make certain changes to the proposed

exemption and the Summary of Facts and Representations.

Following is a discussion of the comments received.

Plan Policyholder Comments

The first commenter states that he is opposed to PMHC's demutualization because he believes money invested in a Plan should be taken after the participant reaches retirement age and any dividends received thereunder should be reinvested in the Plan. Otherwise, the commenter explains that he would look for a different type of company in order to purchase stock.

The second commenter indicates that he is opposed to the demutualization because it will expose the insurer to the ''abuse of stock options.'' The commenter also notes that there are ''millions of pensions (i.e., plans) relying on Principal'' which will be adversely affected by such abuse.

The third commenter states that he is generally opposed to the demutualization process because he believes it will allow an insurer to ''play the mergers and acquisitions game'' to the detriment of policyholders but to the benefit of the insurer's officers and directors. The commenter also explains that he cannot help but think that the prohibited transaction provisions of the Act from which PMHC has requested exemptive relief will protect the American public from the activities of such officers and directors.

PMHC states that it has reviewed the aforementioned comments and has concluded that the issues raised therein are not germane to the requested exemption but merely reflect the commenters' opposition to the demutualization transaction. Therefore, PMHC has declined to respond specifically to each of the comment letters. In PMHC's view, the comment letters do not request additional information but instead express the opinions of the commenters. However, PMHC observes that the commenters had a sufficient opportunity to express their opposition to the demutualization at the public hearing held on July 25, 2001. On July 24, 2001, PMHC explains that approximately 92 percent of the Principal policyholders who voted, voted to approve the Plan of Conversion.

PMHC's Comment

In its comment letter, PMHC has attempted to clarify the proposed exemption and the Summary of Facts and Representations in the following areas of specific concern:

1. *Superintendent's Findings.* In pertinent part, Section II(b) of the proposed exemption states that the Superintendent may object to the Plan of Conversion if he or she finds that such Plan of Conversion is ''not fair or equitable to all Eligible Policyholders.'' For purposes of clarification, PMHC states that the last sentence of this paragraph should end with the phrase ''not fair or equitable to New York policyholders.'' Accordingly, the Department has made the requested change in the final exemption.

2. *Allocation of Policy Credits by Principal.* Section II(f)(2) of the proposed exemption states that Principal will allocate Policy Credit compensation received on a *pro rata* basis, among the participants of the Plan that is invested in the Separate Account, in accordance with their account balances, unless the policyholder directs otherwise and that neither PMHC nor its affiliates will provide investment advice or recommendations to the policyholder on which option to choose or with respect to the default consideration, in the event no choice is made. PMHC states that this paragraph should begin with the words ''Where applicable'' to reflect the fact that Principal only allocates with respect to those defined contribution plan customers for whom Principal is the recordkeeper.

In response to this comment, the Department has made the requested change in the final exemption.

3. *Sale of Common Stock Held by the Separate Account.* Section II(f)(4) of the proposed exemption states that upon receiving a notice of withdrawal from a Plan policyholder, NTC, the custodian for shares of Common Stock that are held in the Separate Account will sell such shares on the open market at fair market value. PMHC explains that the word ''sells'' should be replaced with the words ''may sell'' because there will be a small percentage of liquid assets held in the Separate Account in addition to the Common Stock. If a withdrawal request can be accommodated by using the liquid assets, PMHC further explains that a sale may not be necessary. In all cases, PMHC notes that distributions will be based on the fair market value of the Common Stock, and no sales or purchases will be made to or from PMHC.

In response to this comment, the Department has made the requested change in the final exemption.

4. *Separate Account Voting Process.* Section II(f)(5) of the proposed exemption describes, in part, the voting to be utilized for the Separate Account. PMHC states that the mechanics of the voting process would be clearer if section II(f)(5) were revised to read as follows:

(5) The shares of Common Stock held in the Separate Account are voted in accordance with the procedures contained in Section 8.9 of the Plan of Conversion.

The Department does not object to PMHC's revisions to this comment and has made the requested modification. The Department, however, notes that Section 8.9 of the Plan of Conversion, emphasizes the roles to be undertaken by Principal, its agent or Northern Trust Investments, Inc. (NTI), the independent trustee for the Separate Account in voting shares of Common Stock that are held in the Separate Account. Specifically, Section 8.9 of the Plan of Reorganization currently requires that Principal or its agent obtain specific instruction from a Qualified Plan Customer as to how such Qualified Plan Customer wishes to vote shares of Common Stock representing such Qualified Plan Customer's interest in the Separate Account. If specific instruction is not given to Principal or its agent by the Qualified Plan Customer, Principal (or, if applicable, its agent) will vote on routine matters (e.g., the appointment of accountants), shares of Common Stock held in the Separate Account representing the interest of the Qualified Plan Customer, in the same ratio as those shares of Common Stock that are held in the Separate Account for which instructions have been given by Qualified Plan Customers.

In the event of a shareholder vote on a non-routine matter (e.g., proxies), Section 8.9 of the Plan of Conversion provides that shares of Common Stock held in the Separate Account will be voted in accordance with instructions provided by NTI. In this regard, NTI will instruct Principal or its agent that shares of Common Stock should be voted in a way that, in NTI's judgment, is in the best interest of the participants and beneficiaries of the Plans of Qualified Plan Customers in whose interest such Common Stock is held. In performing its fiduciary duties, as independent trustee of the Separate Account, NTI will act solely in the interest of the participants and beneficiaries of the Plans that have invested directly or indirectly in the Separate Account in accordance with section 404 of the Act and the provisions of Part 4 of Title I of the Act, and pursuant to an investment policy that seeks to maximize the long-term investment returns of the Separate Account.

5. *Common Stock Allocation.* Section II(h) of the proposed exemption states that each Eligible Policyholder entitled

to receive Common Stock will be allocated at least 100 shares and that additional consideration will be allocated to such Eligible Policyholders who own participating policies based on actuarial formulas that take into account each participating policy's contribution to the surplus of Principal. In the first sentence of Section II(h), PMHC requests that the phrases, ''who own participating policies'' and the word, ''participating'' in the next line be deleted. The Department has made the suggested revisions in the grant notice.

6. *Eligible Policyholder Definition.* Section III(f) of the proposed exemption defines the term ''Eligible Policyholder.'' The last sentence of Section III(f) states that ''Members of PMHC who were issued policies before April 8, 1980 and transferred ownership rights of such policies on or before April 8, 1980 are Eligible Policyholders so long as such policies remain in force on the Record Date.'' For purposes of clarification, PMHC suggests that this sentence be revised to read as follows: ''Members of PMHC who were issued policies on or before April 8, 1980 and transferred ownership rights of such policies on or before April 8, 1980 are Eligible Policyholders so long as such policies remain in force through the Effective Date.''

In response to this comment, the Department has made the requested change in the final exemption.

7. *PMHC's Restructuring Process.* Representation 6 of the Summary of Facts and Representations describes PMHC's restructuring process. To reflect the steps that are entailed in its demutualization, PMHC suggests that the second, third and fourth sentences of Representation 6 be replaced with the following text:

> Currently, PMHC owns Principal Financial Group, Inc., an Iowa business corporation (PFG Iowa), which owns all of the stock of Principal Financial Services, Inc., an Iowa business corporation, which, in turn, owns all of the stock of Principal. PMHC also currently owns Principal Financial Group, Inc. (PFG), a Delaware corporation, which owns all of the stock of Principal Iowa Newco, Inc. (PIN), an Iowa business corporation. PFG is a holding company the shares of which will be distributed to Eligible Policyholders and listed on the New York Stock Exchange. After PMHC is converted into a stock company, it will be merged with and into PIN. PFG Iowa will then merge with and into PIN. Principal Financial Services, Inc., will then merge with and into PIN and PIN will change its name to Principal Financial Services, Inc.

The Department notes the aforementioned revisions to Representation 6.

8. *Sale of Common Stock/Voting Process.* Representation 13 of the Summary of Facts and Representations restates the provisions of Sections II(f)(4) and (5) of the proposed exemption. As noted above, these conditions relate to the sale of Common Stock in the Separate Account by NTC, the custodian, and the voting procedures that are currently established for the Separate Account. In referring to its two previous comments, PMHC states that a request for a withdrawal from the Separate Account may not require a sale of Common Stock if the withdrawal can be accommodated using available liquid assets held by the Separate Account. Also, PMHC points out that the fifth paragraph in Representation 13, attributes some mechanical tasks regarding the voting of shares of Common Stock to NTI, whereas such tasks should be attributed to Principal or its agent under Section 8.9 of the Plan of Conversion, as explained above. PMHC asserts that Principal or its agent will cause the undirected shares to be voted under the ''mirror voting'' procedure and it states that such action will not involve any discretionary act on the part of Principal.

In response to this comment, the Department notes these clarifications made by PMHC.

For further information regarding the comments and other matters discussed herein, interested persons are encouraged to obtain copies of the exemption application file (Exemption Application No. D–10940) the Department is maintaining in this case. The complete application file, as well as all supplemental submissions received by the Department, are made available for public inspection in the Public Disclosure Room of the Pension and Welfare Benefits Administration, Room N–1513, U.S. Department of Labor, 200 Constitution Avenue, NW., Washington, DC 20210.

Accordingly, after giving full consideration to the entire record, including the written comments, the Department has decided to grant the exemption subject to the modifications and clarifications described above.

FOR FURTHER INFORMATION CONTACT: Ms. Jan D. Broady of the Department, telephone (202) 219–8881. (This is not a toll-free number.)

Miller International, Inc. Profit Sharing Plan (the Plan), Located in Denver, Colorado

[Prohibited Transaction Exemption 2001–37; Exemption Application No. D–10980]

Exemption

The restrictions of sections 406(a), 406(b)(1) and (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 to the sale of a certain three-acre parcel of vacant land (the Property) by the Plan to Miller International, Inc., the sponsor of the Plan and a party in interest with respect to the Plan; provided that the following conditions are satisfied:

(a) The sale is a one-time cash transaction;

(b) The Plan receives the current fair market value for the Property, as established by an independent qualified appraiser at the time of the sale; and

(c) The Plan pays no commissions or other expenses associated with the sale.

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 July 30, 2001 at 66 FR 39371.

FOR FURTHER INFORMATION CONTACT: Ekaterina A. Uzlyan of the Department at (202) 219–8883. (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 does 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, DC, this 24th day of September, 2001.

Ivan Strasfeld,

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

[FR Doc. 01–24150 Filed 9–26–01; 8:45 am]

BILLING CODE 4510–29–P

NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES

Submission for OMB Review: Comment Request

AGENCY: National Endowment for the Humanities.

ACTION: Notice.

SUMMARY: The National Endowment for the Humanities (NEH) has submitted the following public information collection request (ICR) to the Office of Management and Budget (OMB) for review and approval as required by the provisions of the Paperwork Reduction Act of 1995 (Pub. L. 104–13,44 U.S.C. Chapter 35). Copies of this ICR, with applicable supporting documentation, may be obtained by calling Susan G. Daisey, Acting Director, Office of Grant Management, the National Endowment for the Humanities (202–606–8494) or may be requested by email to sdaisey@neh.gov. Comments should be sent to the Office of Information and Regulatory Affairs, Attn: OMB Desk Officer for the National Endowment for the Humanities, Office of Management and Budget, Room 10235, Washington, DC 20503 (202–395–7316), within 30 days from the date of this publication in the **Federal Register**.

SUPPLEMENTARY INFORMATION: The Office of Management and Budget (OMB) is particularly interested in comments which: (1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (2) Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (3) Enhance the quality, utility, and clarity of the information to be collected; and (4) Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submissions of responses.

Agency: National Endowment for the Humanities.

Title of Proposal: Generic Clearance Authority to Develop Evaluation Instruments for the National Endowment for the Humanities.

OMB Number: N/A.

Affected Public: NEH grantees.

Total Respondents: 1,224 per year.

Frequency of Collection: On occasion.

Average Time per Response: 30 minutes.

Estimated Total Burden Hours: 612 hours per year.

Total Annualized capital/startup costs: 0.

Total annual costs (operating/maintaining systems or purchasing services): 0.

Description: The NEH is seeking a general clearance authority to develop evaluation instruments for its grant programs. These evaluation instruments will be used to collect information from NEH grantees from one to three years after the grantee has submitted the final performance report.

FOR FURTHER INFORMATION CONTACT: Ms. Susan G. Daisey, Acting Director, Office of Grant Management, National Endowment for the Humanities, 1100 Pennsylvania Avenue, NW., Room 311, Washington, DC 20506, or by email to: sdaisey@neh.gov. Telephone: 202–606–8494.

John W. Roberts,

Deputy Chairman.

[FR Doc. 01–24228 Filed 9–26–01; 8:45 am]

BILLING CODE 7536–01–M

NORTHEAST DAIRY COMPACT COMMISSION

Notice of Meeting

AGENCY: Northeast Dairy Compact Commission.

ACTION: Notice of special meeting.

SUMMARY: The Compact Commission will hold a special meeting to consider matters relating to expiration of Congressional consent to the Northeast Dairy Compact. This meeting will be held in Concord, New Hampshire.

DATES: The meeting will begin at 10:30 a.m. on Friday, September 28, 2001.

ADDRESSES: The meeting will be held at the Legislative Office Building, 33 North State Street, Room 301–303, Concord, NH.

FOR FURTHER INFORMATION CONTACT: Daniel Smith, Executive Director, Northeast Dairy Compact Commission, 64 Main Street, Room 21, Montpelier, VT 05602. Telephone (802) 229–1941.

Authority: 7 U.S.C. 7256.

Dated: September 20, 2001.

Daniel Smith,

Executive Director.

[FR Doc. 01–24154 Filed 9–26–01; 8:45 am]

BILLING CODE 1650–01–P

NUCLEAR REGULATORY COMMISSION

[Docket No. 50–458]

Entergy Operations, Inc. River Bend Station, Unit 1; Exemption

1.0 Background

Entergy Operations, Inc. (the licensee) is the holder of Facility Operating License No. NPF–47 which authorizes operation of the River Bend Station, Unit 1 (RBS). The license provides, among other things, that the facility is subject to all rules, regulations, and orders of the U.S. Nuclear Regulatory Commission (NRC or the Commission) now or hereafter in effect.

The facility consists of a boiling water reactor located in West Felciana Parish in Louisiana.

2.0 Request/Action

Title 10 of the Code of Federal Regulations (10 CFR) part 50, appendix G requires that pressure-temperature (P–T or P/T) limits be established for reactor pressure vessels (RPVs) during normal operating and hydrostatic or leak rate testing conditions. Specifically, 10 CFR part 50, appendix G, section IV.2.a states that ''* * *[t]he appropriate requirements on both the pressure-temperature limits and the minimum permissible temperature must be met for all conditions.'' Pursuant to 10 CFR part 50, appendix G, section IV.2.b, the requirements for these limits are the American Society of Mechanical Engineers (ASME) Boiler and Pressure Vessel Code (Code), section XI, appendix G Limits.

To address provisions of amendments to Technical Specification (TS) 3.4.11, ''RCS [Reactor Coolant System] Pressure and Temperature (P/T) Limits,'' and the RCS P/T limits in TS Figure 3.4–11, ''Minimum Temperature Required Vs. RCS Pressure,'' in the submittal dated January 24, 2001, as supplemented by