

The NRC invites the following entities to participate in the scoping process:

a. The applicant, Exelon Generation Company, LLC.

b. Any Federal agency that has jurisdiction by law or special expertise with respect to any environmental impact involved, or that is authorized to develop and enforce relevant environmental standards.

c. Affected State and local government agencies, including those authorized to develop and enforce relevant environmental standards.

d. Any affected Indian tribe.

e. Any person who requests or has requested an opportunity to participate in the scoping process.

a. Any person who intends to petition for leave to intervene.

In accordance with 10 CFR 51.26, the scoping process for an EIS may include a public scoping meeting to help identify significant issues related to a proposed activity and to determine the scope of issues to be addressed in an EIS. The NRC has decided to hold public meetings for the PBAPS license renewal supplement to the GEIS. The scoping meetings will be held at the Peach Bottom Inn, 6085 Delta Road, Delta, PA on Wednesday, November 7, 2001. There will be two sessions to accommodate interested parties. The first session will convene at 1:30 p.m. and will continue until 4:30 p.m. The second session will convene at 7 p.m. with a repeat of the overview portions of the meeting and will continue until 10 p.m. Both sessions will be transcribed and will include (1) an overview by the NRC staff of the National Environmental Policy Act (NEPA) environmental review process, the proposed scope of the supplement to the GEIS, and the proposed review schedule; (2) an overview by Exelon of the proposed action, PBAPS license renewal, and the environmental impacts as outlined in the ER; and (3) the opportunity for interested Government agencies, organizations, and individuals to submit comments or suggestions on the environmental issues or the proposed scope of the supplement to the GEIS. Additionally, the NRC staff will host informal discussions one hour prior to the start of each session at the Peach Bottom Inn. No comments on the proposed scope of the supplement to the GEIS will be accepted during the informal discussions. To be considered, comments must be provided either at the transcribed public meetings or in writing, as discussed below. Persons may register to attend or present oral comments at the meetings on the NEPA scoping process by contacting Mr. Duke Wheeler by telephone at (800) 368-

5642, extension 1444, or by Internet to the NRC at dxw@nrc.gov no later than November 1, 2001. Members of the public may also register to speak at the meeting within 15 minutes of the start of each session. Individual oral comments may be limited by the time available, depending on the number of persons who register. Members of the public who have not registered may also have an opportunity to speak, if time permits. Public comments will be considered in the scoping process for the supplement to the GEIS. If special equipment or accommodations are needed to attend or present information at the public meeting, the need should be brought to Mr. Wheeler's attention no later than November 1, 2001, so that the NRC staff can determine whether the request can be accommodated.

Members of the public may send written comments on the environmental scoping process for the supplement to the GEIS to:

Chief, Rules and Directives Branch,
Division of Administrative Services,
Office of Administration, Mailstop T-6
D 59, U.S. Nuclear Regulatory
Commission, Washington, DC 20555-0001.

Comments may be hand-delivered to the NRC at 11545 Rockville Pike, Rockville, Maryland, between 7:45 a.m. and 4:15 p.m. on Federal workdays. To be considered in the scoping process, written comments should be postmarked by November 26, 2001. Electronic comments may be sent by the Internet to the NRC at Peach_Bottom_EIS@nrc.gov. Electronic submissions should be sent no later than November 26, 2001, to be considered in the scoping process. Comments will be available electronically and accessible through the NRC's Public Electronic Reading Room link <http://www.nrc.gov/NRC/ADAMS/index.html> at the NRC Homepage.

Participation in the scoping process for the supplement to the GEIS does not entitle participants to become parties to the proceeding to which the supplement to the GEIS relates. Notice of opportunity for a hearing regarding the renewal application was the subject of the aforementioned **Federal Register** notice of acceptance for docketing. Matters related to participation in any hearing are outside the scope of matters to be discussed at this public meeting.

At the conclusion of the scoping process, the NRC will prepare a concise summary of the determinations and conclusions reached, including the significant issues identified, and will send a copy of the summary to each participant in the scoping process. The

summary will also be available for inspection through the PERR link. The staff will then prepare and issue for comment the draft supplement to the GEIS, which will be the subject of separate notices and a separate public meeting. Copies will be available for public inspection at the above-mentioned addresses, and one copy per request will be provided free of charge. After receipt and consideration of the comments, the NRC will prepare a final supplement to the GEIS, which will also be available for public inspection.

Information about the proposed action, the supplement to the GEIS, and the scoping process may be obtained from Mr. Wheeler at the aforementioned telephone number or e-mail address.

Dated at Rockville, Maryland, this 17th day of September 2001.

For the Nuclear Regulatory Commission.

Cynthia A. Carpenter,

*Chief, Risk Informed Initiatives,
Environmental, Decommissioning and
Rulemaking Branch, Division of Regulatory
Improvement Programs, Office of Nuclear
Reactor Regulation.*

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POSTAL RATE COMMISSION

Sunshine Act Meetings

NAME OF AGENCY: Postal Rate Commission.

TIME AND DATE: 10:30 a.m., September 17, 2001.

PLACE: 1333 H Steet NW., Suite 300, Washington, DC 20268-0001.

STATUS: Closed.

MATTERS TO BE CONSIDERED: Personnel issues.

CONTACT PERSON FOR MORE INFORMATION:

Stephen L. Sharfman, General Counsel, Postal Rate Commission, 1333 H Street NW., Washington, DC, 202-789-7820.

Dated: September 19, 2001.

Steven W. Williams,

Acting Secretary.

[FR Doc. 01-23916 Filed 9-20-01; 2:07 pm]

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 25161; 812-12586]

The Victory Portfolios, et al.; Notice of Application

September 19, 2001.

AGENCY: Securities and Exchange Commission ("Commission").

ACTION: Notice of application under section 17(b) of the Investment Company Act of 1940 ("Act") for an exemption from section 17(a) of the Act.

Summary of Application: Applicants request an order to permit the proposed reorganization of the following series of the Victory Portfolios: U.S. Government Obligations Fund ("U.S. Government") with and into Gradison Government Reserves Fund ("Gradison"); and Investment Quality Bond Fund ("Investment Quality") with and into Intermediate Income Fund ("Intermediate Income"). Because of certain affiliations, applicants may not rely on rule 17a-8 under the Act.

Applicants: The Victory Portfolios ("Trust") and Victory Capital Management Inc. ("Adviser").

Filing Dates: The application was filed on July 24, 2001. Applicant have agreed to file an amendment during the notice period, the substance of which is reflected in this notice.

Hearing or Notification of Hearing: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on October 10, 2001, and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Commission's Secretary.

ADDRESSES: Secretary, Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Applicants c/o S. Elliot Cohan, Esq., Kramer Levin Naftalis & Frankel LLP, 919 Third Avenue, New York, New York 10022.

FOR FURTHER INFORMATION CONTACT: John L. Sullivan, Senior Counsel, at (202) 942-0681, or Mary Kay Frech, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the Commission's Public Reference Branch, 450 Fifth Street, NW., Washington, DC 20549-0102 (tel. 202-942-8090).

Applicant's Representations

1. The Trust, a Delaware business trust, is registered under the Act as an

open-end management investment company and currently offers 30 series, including Gradison, U.S. Government, Intermediate Government, and Investment Quality (each, a "Fund."). The Adviser, a New York corporation and wholly owned subsidiary of KeyCorp, is registered under the Investment Advisers Act of 1940 and is the investment adviser to the Funds. Each of McDonald & Co. Securities, Inc. and SNBOC and Company, each a wholly owned subsidiary of KeyCorp, owns of records, and may under certain circumstances have the power to vote, more than 5% of the outstanding voting securities of each Fund.

2. On May 23, 2001, the board of trustees of the Funds ("Board"), including a majority of the trustees who are not "interested persons," as defined in section 2(a)(19) of the Act ("Independent Trustees"), approved two separate Agreements and Plans of Reorganization and Termination (each, a "Plan"), under which U.S. Government will reorganize into Gradison, and Investment Quality will reorganize into Intermediate Income (Gradison and Intermediate Income are "Acquiring Funds," and U.S. Government and Investment Quality are "Acquired Funds"). Under the Plans, each Acquiring Fund will acquire all of the assets and substantially all of the liabilities of the corresponding Acquired Fund in exchange for shares of the Acquiring Fund (each, a "Reorganization"). The shares of each Acquiring Fund exchanged will have an aggregate net asset value equal to the aggregate net asset value of the corresponding Acquired Fund's shares determined as of the close of business on the business day preceding the closing date of the Reorganizations ("Closing Date"), which is currently anticipated to occur on October 12, 2001. On the Closing Date, each Acquired Fund will liquidate and distribute pro rata the classes of shares of the Acquiring Fund received in the Reorganization to the shareholders of the Acquired Fund. The value of the assets of the Funds will be determined in the manner set forth in the Funds' then-current prospectus and statement of additional information.

3. Applicants state that the investment objectives and policies of each Acquiring Fund are similar to those of the corresponding Acquired Fund. U.S. Government offers two classes of shares, and Gradison currently offers only one class of shares. In connection with the Reorganizations, Gradison will introduce a new class, and shareholders of U.S. Government will receive shares of Gradison subject

to the same sales charges and distribution fees as their current shares. Investment Quality and Intermediate Income both offer two classes of shares. Shareholders of Investment Quality will receive shares of intermediate Income subject to the same sales charges, distribution fees and shareholder servicing fees as their current shares.¹ No sales charge will be imposed in connection with the Reorganizations. The Funds will be responsible for paying pro rata one-half of the expenses incurred in connection with the Reorganizations, and the Adviser will be responsible for paying the other one-half of the expenses.

4. The Board, including a majority of the Independent Trustees, determined that the Reorganizations are in the best interests of the Funds and their shareholders and that the interests of the existing shareholders would not be diluted by the Reorganizations. In approving the Reorganizations, the Board considered various factors, including: (a) The investment objectives, policies and limitations of the Acquiring and Acquired Funds; (b) the terms and conditions of the Reorganizations; (c) the tax-free nature of the Reorganizations; (d) the expenses of the Acquiring and Acquired Funds; and (e) the economies of scale that are likely to result from the larger asset base of the combined Funds.

5. The Reorganizations are subject to a number of conditions, including that: (a) the shareholders of each Acquired Fund approve the respective Plan; (b) the Acquiring and Acquired Funds receive opinions of counsel that the Reorganizations will be tax-free for the Funds, and (c) applicants receive from the Commission an exemption from section 17(a) of the Act for the Reorganizations. Either Plan may be terminated by the mutual consent of the Acquiring and Acquired Fund or by either Fund in the case of a breach of the Plan. Applicants agree not to make any material changes to either Plan without prior approval of the Commission or its staff.

6. The mailing of the combined prospectus and proxy statement to shareholders of the Acquired Funds began on July 24, 2001, and definitive proxy materials were filed with the

¹ A deferred sales charge may be imposed on certain redemptions of one class of shares of Intermediate Income and the corresponding class of shares of Investment Quality. Following the Closing Date, shareholders of Investment Quality, who purchased shares that would have been subject to the deferred sales charge upon redeeming their shares had the Reorganization not occurred, can redeem their shares of Intermediate Income received in the Reorganization without the imposition of a deferred sales charge.

Commission on July 24, 2001. The shareholders of Investment Quality approved the Reorganization at a meeting held on September 13, 2001. The meeting of shareholders of U.S. Government is scheduled for September 27, 2001.

Applicants' Legal Analysis

1. Section 17(a) of the Act generally prohibits an affiliated person of a registered investment company, or an affiliated person of such a person, acting as principal, from selling any security to, or purchasing any security from, the company. Section 2(a)(3) of the Act defines an "affiliated person" of another person to include, among others: (a) Any person directly or indirectly owning, controlling, or holding with power to vote 5% or more of the outstanding voting securities of the other person; (b) any person 5% or more of whose securities are directly or indirectly owned, controlled, or held with power to vote by the other person; (c) any person directly or indirectly controlling, controlled by, or under common control with the other person; and (d) if the other person is an investment company, any investment adviser of that company.

2. Rule 17a-8 under the Act exempts from the prohibitions of section 17(a) mergers, consolidations, or purchases or sales of substantially all of the assets of registered investment companies that are affiliated persons, or affiliated persons of an affiliated person, solely by reason of having a common investment adviser, common directors/trustees, and/or common officers, provided that certain conditions set forth in the rule are satisfied.

3. Applicants believe that they may not rely on rule 17a-8 in connection with the Reorganizations because the Funds may be deemed to be affiliated by reasons other than having a common investment adviser, common directors/trustees, and/or common officers. Each of McDonald & Co. Securities, Inc. and SNBOC and Company owns of record, and may under certain circumstances have the power to vote, more than 5% of the outstanding voting securities of both Acquiring Funds and Acquired Funds. Accordingly, each Acquiring Fund may be deemed an affiliated person of a affiliated person of its corresponding Acquired Funds for a reason other than having a common investment adviser, common directors/trustees and/or common officers.

4. Section 17(b) of the Act provides that the Commission may exempt a transaction from the provisions of section 17(a) if evidence establishes that the terms of the proposed transaction,

including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned, and that the proposed transaction is consistent with the policy of each registered investment company concerned and with the general purposes of the Act.

5. Applicants request an order under section 17(b) of the Act exempting them from section 17(a) to the extent necessary to complete the Reorganizations. Applicants submit that the Reorganizations satisfy the standards of section 17(b). Applicants state that the Reorganizations will be based on the relative net asset values of the Acquiring and Acquired Funds' shares. Applicants also state that the investment objectives and policies of the Funds are similar. Applicants state that the board, including the Independent Trustees, has made the requisite determinations that the participation of the Acquiring and Acquired Funds in the Reorganizations is in the best interests of each Fund and that such participation will not dilute the interests of the existing shareholders of each Fund.

For the Commission, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

Agency Meetings

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meetings during the week of September 24, 2001: an open meeting will be held on Tuesday, September 25, 2001, in Room 1C30, the William O. Douglas Room, at 1 p.m., and closed meetings will be held on Wednesday, September 26, 2001 and Friday, September 28, 2001, at 10 a.m.

Commissioner Hunt, as duty officer, determined that no earlier notice thereof was possible.

The subject matters of the open meeting scheduled for Tuesday, September 25, 2001, will be:

1. The Commission will consider a recommendation to propose rules and form amendments that would require foreign private issuers and foreign governments to file their securities documents electronically through the Commission's Electronic Data

Gathering, Analysis, and Retrieval (EDGAR) system. Currently the Commission's rules only permit, but do not require, foreign issuers to file their securities documents on EDGAR.

For further information, please contact Elliot B. Staffin, Special Counsel, Office of International Corporate Finance, Division of Corporation Finance at (202) 942-2990.

2. The Commission will consider proposed rules regarding margin requirements for security futures. The Commission would propose these rules jointly with the Commodity Futures Trading Commission pursuant to authority delegated by the Board of Governors of the Federal Reserve System.

For further information, please contact Lisa Jones, Attorney, Division of Market Regulation at (202) 942-0063.

3. The Commission will consider whether to amend Securities Exchange Act of 1934 Rules 15c3-3, 17a-3, 17a-4, 17a-5, 17a-7, 17a-11, and 17a-13. These amendments are designed to eliminate duplicative or conflicting regulations applicable to firms that are fully-registered with the CFTC as an FCM and fully-registered with the SEC as a broker-dealer relating to the treatment of customer funds, securities or property, maintenance of books and records, financial reporting or other financial responsibility rules involving security futures products ("SFPs"), as directed by the Commodity Futures Modernization Act of 2000. The amendments are also designed to eliminate certain conflicting or duplicative recordkeeping, reporting, telegraphic notice, and quarterly count requirements involving SFPs for firms that are "notice" registered with the Commission under Exchange Act Section 15(b)(11)(A). These amendments were developed in consultation with the CFTC.

For further information, please contact Michael Macchiaroli, Associate Director, Division of Market Regulation at (202) 942-0132, Thomas McGowan, Assistant Director, Division of Market Regulation at (202) 942-4886, or Bonnie Gauch, Attorney, Division of Market Regulation at (202) 942-0765.

4. The Commission will consider extending the compliance date of Rule 11Ac1-7 under the Securities Exchange Act of 1934. Rule 11Ac1-7 requires a broker-dealer to disclose to its customer when the customer's order for listed options is executed at a price inferior to a better published quote, and to disclose the better published quote available at that time, unless the broker-dealer effects the transaction on an exchange