

DTGS60003 Special Assistant to the Secretary and Deputy Director for Scheduling and Advance to the Secretary. Effective October 28, 2005.

Section 213.3397 Federal Housing Finance Board

FBOT00005 Staff Assistant to the Chairman. Effective October 25, 2005.

Authority: 5 U.S.C. 3301 and 3302; E.O. 10577, 3 CFR 1954–1958 Comp., P.218.

Office of Personnel Management

Linda M. Springer,

Director.

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POSTAL SERVICE

Board of Governors; Sunshine Act Meeting

Date and Times: Tuesday, December 6, 2005; 8 a.m. and 10 a.m.

Place: Washington, DC, at U.S. Postal Service Headquarters, 475 L'Enfant Plaza, SW., in the Benjamin Franklin Room.

Status: December 6–8 a.m. (Open); 10 a.m. (Closed)

Matters To Be Considered

Tuesday, December 6 at 8 a.m. (Open)

1. Minutes of the Previous Meetings, November 1, and 16, 2005.
2. Remarks of the Postmaster General and CEO Jack Potter.
3. Committee Reports.
4. Fiscal Year 2005 Audited Financial Statements.
5. Postal Service Fiscal Year 2005 Annual Report.
6. Final Fiscal Year 2007 Appropriation Request.
7. Capital Investment—Mail Processing Infrastructure (MPI), Phase 3.
8. Tentative Agenda for the January 10, 2006, meeting in Washington, DC.

Tuesday, December 6 at 10 a.m. (Closed)

1. Financial Update and Rate Case Planning.
2. Labor Negotiations Planning.
3. Strategic Planning.
4. Personnel Matters and Compensation Issues.

Contact Person for More Information: William T. Johnstone, Secretary of the Board, U.S. Postal Service, 475 L'Enfant Plaza, SW., Washington, DC 20260–1000. Telephone (202) 268–4800.

William T. Johnstone,
Secretary.

[FR Doc. 05–23391 Filed 11–22–05; 4:43 pm]

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SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

Upon written request, copies available from: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Extension:

Rule 0–1; SEC File No. 270–472; OMB Control No. 3235–0531.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) plans to submit to the Office of Management and Budget requests for extension of the previous approved collections of information discussed below.

The Investment Company Act of 1940 (the “Act”)¹ establishes a comprehensive framework for regulating the organization and operation of investment companies (“funds”). A principal objective of the Act is to protect fund investors by addressing the conflicts of interest that exist between funds and their investment advisers and other affiliated persons. The Act places significant responsibility on the fund board of directors in overseeing the operations of the fund and policing the relevant conflicts of interest.²

In one of its first releases, the Commission exercised its rulemaking authority pursuant to sections 38(a) and 40(b) of the Act by adopting rule 0–1 [17 CFR 270.0–1].³ Rule 0–1, as subsequently amended on numerous occasions, provides definitions for the terms used by the Commission in the rules and regulations it has adopted pursuant to the Act. The rule also contains a number of rules of construction for terms that are defined either in the Act itself or elsewhere in the Commission’s rules and regulations. Finally, rule 0–1 defines terms that serve as conditions to the availability of certain of the Commission’s exemptive rules. More specifically, the term “independent legal counsel,” as defined in rule 0–1, sets out conditions that funds must meet in order to rely on any of ten exemptive rules (“exemptive rules”) under the Act.⁴

¹ 15 U.S.C. 80a–1.

² For example, fund directors must approve investment advisory and distribution contracts. See 15 U.S.C. 80a–15(a), (b), and (c).

³ Investment Company Act Release No. 4 (Oct. 29, 1940) [5 FR 4316 (Oct. 31, 1940)]. Note that rule 0–1 was originally adopted as rule N–1.

⁴ The relevant exemptive rules are: Rule 10f–3 [17 CFR 270.10f–3], Rule 12b–1 [17 CFR 270.12b–1],

The Commission amended rule 0–1 to include the definition of the term “independent legal counsel” in 2001.⁵ This amendment was designed to enhance the effectiveness of fund boards of directors and to better enable investors to assess the independence of those directors. The Commission also amended the exemptive rules to require that any person who serves as legal counsel to the independent directors of any fund that relies on any of the exemptive rules must be an “independent legal counsel.” This requirement was added because independent directors can better perform the responsibilities assigned to them under the Act and the rules if they have the assistance of truly independent legal counsel.

If the board’s counsel has represented the fund’s investment adviser, principal underwriter, administrator (collectively, “management organizations”) or their “control persons”⁶ during the past two years, rule 0–1 requires that the board’s independent directors make a determination about the adequacy of the counsel’s independence. A majority of the board’s independent directors are required to reasonably determine, in the exercise of their judgment, that the counsel’s prior or current representation of the management organizations or their control persons was sufficiently limited to conclude that it is unlikely to adversely affect the counsel’s professional judgment and legal representation. Rule 0–1 also requires that a record for the basis of this determination is made in the minutes of the directors’ meeting. In addition, the independent directors must have obtained an undertaking from the counsel to provide them with the information necessary to make their determination and to update promptly that information when the person begins to represent a management organization or control person, or when he or she materially increases his or her representation. Generally, the independent directors must re-evaluate their determination no less frequently than annually.

Rule 15a–4(b)(2) [17 CFR 270.15a–4(b)(2)], Rule 17a–7 [17 CFR 270.17a–7], Rule 17a–8 [17 CFR 270.17a–8], Rule 17d–1(d)(7) [17 CFR 270.17d–1(d)(7)], Rule 17e–1(c) [17 CFR 270.17e–1(c)], Rule 17g–1 [17 CFR 270.17g–1], Rule 18f–3 [17 CFR 270.18f–3], and Rule 23c–3 [17 CFR 270.23c–3].

⁵ See Role of Independent Directors of Investment Companies, Investment Company Act Release No. 24816 (Jan. 2, 2001) [66 FR 3735 (Jan. 16, 2001)].

⁶ A “control person” is any person—other than a fund—directly or indirectly controlling, controlled by, or under common control, with any of the fund’s management organizations. See 17 CFR 270.01(a)(6)(iv)(B).

Any fund that relies on one of the exemptive rules must comply with the requirements in the definition of "independent legal counsel" under rule 0-1. We assume that approximately 3870 funds rely on at least one of the exemptive rules annually.⁷ We further assume that the independent directors of approximately one-third (1290) of those funds would need to make the required determination in order for their counsel to meet the definition of independent legal counsel.⁸ We estimate that each of these 1290 funds would be required to spend, on average, 0.75 hours annually to comply with the recordkeeping requirement associated with this determination, for a total annual burden of approximately 968 hours. Based on this estimate, the total annual cost for all funds' compliance with this rule is approximately \$66,126. To calculate this total annual cost, the Commission staff assumed that two-thirds of the total annual hour burden (645 hours) would be incurred by compliance staff with an average hourly wage rate of \$89 per hour,⁹ and one-third of the annual hour burden (323 hours) would be incurred by clerical staff with an average hourly wage rate of \$27 per hour.¹⁰

These burden hour estimates are based upon the Commission staff's experience and discussions with the fund industry. The estimates of average burden hours are made solely for the purposes of the Paperwork Reduction Act. These estimates are not derived from a comprehensive or even a representative survey or study of the costs of Commission rules.

Written comments are invited on: (a) Whether the collection of information is

necessary for the proper performance of the functions of the Commission, including whether the information has practical utility; (b) the accuracy of the Commission's estimate of the burdens of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burdens of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to R. Corey Booth, Director/Chief Information Officer, Office of Information Technology, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549.

Dated: November 16, 2005.

Jonathan G. Katz,

Secretary.

[FR Doc. E5-6538 Filed 11-25-05; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

Upon written request, copies available from: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Extension:

Rule 17a-7; SEC File No. 270-238; OMB Control No. 3235-0214.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520), the Securities and Exchange Commission (the "Commission") is soliciting comments on the collections of information summarized below. The Commission plans to submit these existing collections of information to the Office of Management and Budget ("OMB") for extension and approval.

Rule 17a-7 [17 CFR 270.17a-7] under the Investment Company Act of 1940 (the "Act") is entitled "Exemption of certain purchase or sale transactions between an investment company and certain affiliated persons thereof." It provides an exemption from section 17(a) of the Act for purchases and sales of securities between registered investment companies ("funds"), that are affiliated persons ("first-tier affiliates") or affiliated persons of affiliated persons ("second-tier

affiliates"), or between a fund and a first-or second-tier affiliate other than another fund, when the affiliation arises solely because of a common investment adviser, director, or officer. Rule 17a-7 requires funds to keep various records in connection with purchase or sale transactions effected in reliance on the rule. The rule requires the fund's board of directors to establish procedures reasonably designed to ensure that the rule's conditions have been satisfied. The board is also required to determine, at least on a quarterly basis, that all affiliated transactions effected during the preceding quarter in reliance on the rule were made in compliance with these established procedures. If a fund enters into a purchase or sale transaction with an affiliated person, the rule requires the fund to compile and maintain written records of the transaction.¹ The Commission's examination staff uses these records to evaluate for compliance with the rule.

The Commission estimates that approximately 968 funds enter into transactions effected in reliance on rule 17a-7 each year and, therefore, are subject to the rule's information collection requirements.² The average annual burden for rule 17a-7 is estimated to be approximately two burden hours per respondent, for an annual total of 1935 burden hours for all respondents.³ The estimates of burden hours are made solely for the purposes of the Paperwork Reduction Act, and are not derived from a comprehensive or even a representative survey or study of the costs of Commission rules.

Rule 17a-7 requires investment companies to maintain and preserve permanently a written copy of the procedures governing rule 17a-7 transactions. In addition, investment companies are required to maintain written records of each rule 17a-7

¹ The written records are required to set forth a description of the security purchased or sold, the identity of the person on the other side of the transaction, and the information or materials upon which the board of directors' determination that the transaction was in compliance with the procedures was made.

² These estimates are based on conversations with the examination and inspections staff of the Commission and fund representatives. Based on these conversations, the Commission staff estimates that most investment companies (3870 of the estimated 4300 registered investment companies) have adopted procedures for compliance with rule 17a-7. Of these 3870 investment companies, the Commission staff estimates that each year approximately 25% (968) enter into transactions affected by rule 17a-7.

³ This estimate is based in turn on the staff's estimate that the approximately 968 funds that rely on rule 17a-7 annually engage in an average of 8 rule 17a-7 transactions and spend approximately 15 minutes per transaction on recordkeeping required by the rule.

⁷ Based on statistics compiled by Commission staff, we estimate that there are approximately 4300 funds that could rely on one or more of the exemptive rules. Of those funds, we assume that approximately 90 percent (3870) actually rely on at least one exemptive rule annually.

⁸ We assume that the independent directors of the remaining two-thirds of those funds will choose not to have counsel, or will rely on counsel who has not recently represented the fund's management organizations or control persons. In both circumstances, it would not be necessary for the fund's independent directors to make a determination about their counsel's independence.

⁹ The staff estimates concerning the wage rate for professional time and for clerical time are based on salary information compiled by the Securities Industry Association. We use the annual salaries listed for the Director of Compliance and Executive Secretary positions to make our estimates. See Securities Industry Association, *Report on Management and Professional Earnings in the Securities Industry* (2004) (available in part at <http://www.careerjournal.com/salaryhiring> (last visited Sept. 14, 2005)). Note that the average hourly wage rate estimates are modified for an 1800-hour work-year, 2.7% inflation and adjusted upward by 35% to reflect possible overhead costs and employee benefits.

¹⁰ $(645 \times \$89/\text{hour}) + (323 \times \$27/\text{hour}) = \$66,126$.