confidential because it is public information.

Sections 32 and 33 of the Act as amended, and Rules 53, 54 and 57(b) under the Act, permit among other things, utility holding companies registered under the Act to make direct or indirect investments in exempt wholesale generators (''EWGs'') and foreign utility companies (''FUCOs''), as defined in Sections 32 and 33 of the Act, respectively, without the prior approval of the Commission, if certain conditions are met. Rules 53 and 54 do not create a reporting burden for respondents. These rules do, however, contain recordkeeping and retention requirements. As required by Congress, the Commission mandates the maintenance of certain books and records identifying investments in and earnings from all subsidiary EWGs or FUCOs in order to measure their financial effect on the registered systems.

The Commission estimates that the total annual recordkeeping and record retention burden under Rule 53 will be a total of 160 hours (10 hours per respondent × 16 respondents = 160 burden hours). It is estimated that there will be no burden hours associated with Rule 54.

Under Rule 57(b) there is an annual requirement for any public utility company that owns one or more FUCOs to file Form U–33–S. The information contained in Form U–33–S allows the Commission to monitor overseas investments by public utility companies.

The Commission estimates that the total annual reporting burden under Rule 57(b) will be 30 hours (3 hours per respondent × 10 filings = 30 hours).

Rules 53, 54, 57(b) each impose a mandatory recordkeeping requirement of this information collection. It is mandatory that qualifying companies provide the information required by Rules 53, 54 and 57(b). There is no requirement to keep the information confidential because it is public information.

Rule 58 under the Act allows registered holding companies and their subsidiaries to acquire energy-related and gas-related companies. Acquisitions are made, within certain limits, without prior Commission approval under Section 10 of the Act. However, within sixty days after the end of the first calendar quarter in which any exempt acquisition is made, and each calendar quarter thereafter, the registered holding company is required to file with the Commission a Certificate of Notification on Form U–9C–3 containing the information prescribed by that form. The Commission uses this information to determine the existence of financial detriment, regarding the acquisition of certain energy-related companies, to the interests the Act is designed to protect. The Commission estimates that the total annual reporting burden is 1,008 hours to comply with these requirements (63 respondents × 16 = 1,008 burden hours).

Rule 71 requires that certain information be filed by employees of registered holding companies who represent the companies' interests before Congress, the Commission or the Federal Energy Regulatory Commission on either Form U–12(I)–A or Form U–12(I)–B. The filings must provide, among other things, the identity of the representative, the person's position and compensation, and a quarterly statement of those expenses not incurred in the ordinary course of business. Employees appearing for the first time must file this information on Form U–12(I)–A within ten days of an appearance. Employees appearing on a regular basis may file the information in advance on Form U–12(I)–B, which will remain valid for the remainder of the year in which it was first filed and for the following two calendar years. Thereafter, it may be renewed for additional three-year periods within thirty days of the expiration of the prior filing.

The information collection prescribed by Form U–12(I)–A and Form U–12(I)–B is required by Rule 71 under the Act. Rule 71 implements section 12(i) of the Act, which expressly requires the filing of the prescribed disclosure information with the Commission in the interest of investors and consumers. The Commission estimates that the total annual reporting burden of collections under Rule 71 is 167 hours (250 responses × forty minutes = 167 burden hours).

Part 257 generally mandates the preservation, and provides for the destruction, of books and records of registered public utility holding companies subject to Rule 26 under the Act and service companies subject to Rule 93. Part 257 prescribes which records must be maintained for regulatory purposes and which media methods may be used to maintain them. Further, it sets a schedule for destroying particular documents or classes of documents.

The Commission estimates that there is an associated recordkeeping burden of 25 hours in connection with the record preservation programs administered by registered holding companies under Part 257 (25 recordkeepers × 1 hour = 25 burden hours).

It is mandatory that records subject to Part 257 be maintained by the holding companies and their service companies for the prescribed period. There is no requirement to keep the information related to Part 257 confidential, because it is public information.

These estimates of average 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 SEC rules and forms.

It should be noted that an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Please direct general comments regarding the above information to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503; and (ii) Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: October 12, 2001.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01–26725 Filed 10–23–01; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 25214; 812–11928]

Clearwater Investment Trust and Clearwater Management Co., Inc.; Notice of Application

October 18, 2001.

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

ACTION: Notice of application under section 6(c) of the Investment Company Act of 1940 (the ''Act'') for an exemption from section 15(a) of the Act and rule 18f–2 under the Act.

SUMMARY OF APPLICATION: The requested order would permit applicants, Clearwater Investment Trust (the ''Trust'') and Clearwater Management Co., Inc. (the ''Adviser''), to enter into and materially amend investment subadvisory agreements without obtaining shareholder approval.

FILING DATES: The application was filed on January 6, 2000, and amended on

April 10, 2000, and August 13, 2001, and amended on October 3, 2001.

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 November 13, 2001, and should be accompanied by proof of service on the 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 who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

ADDRESSES: Secretary, Commission, 450 Fifth Street, NW, Washington, DC 20549–0609; Applicants, c/o Richard T. Holm, Esq., Clearwater Management Co., Inc., 332 Minnesota Street, Suite 2100, St. Paul MN 55101–1394.

FOR FURTHER INFORMATION CONTACT: Deepak T. Pai, Senior Counsel, at (202) 942–0574, or Nadya Roytblat, Assistant Director, at (202) 942–0564 (Division of Investment Management, Office of Investment Company Regulations).

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).

Applicants' Representations

1. The Trust, a Massachusetts business trust, is registered under the Act as an open end management investment company. The Trust is comprised of three separate series, each with its own distinct investment objectives, policies, and restrictions (each, a ''Fund'').[1]

2. The Adviser is registered under the Investment Advisers Act of 1940 (''Advisers Act''). The Trust, on behalf of each Fund, has entered into investment advisory agreements with the Adviser (each, an ''Advisory Agreement''), pursuant to which the Adviser serves as the investment adviser to the Funds. Each Advisory Agreement has been approved by the Funds' initial shareholder and by a majority of the Trust's board of trustees (the ''Board''), including a majority of the trustees who are not ''interested persons,'' as defined in section 2(a)(19) of the Act, of the Trust or the Adviser (''Independent Trustees'').

3. Under the Advisory Agreements, the Adviser, subject to Board oversight, provides each Fund with investment research, advise, and supervision, and furnishes an investment program for each Fund. The Advisory Agreements also provide that the Adviser may delegate its responsibility for providing investment advise and making investment decisions for a particular Fund to one or more subadvisers (''Subadvisers''). The Adviser selects Subadvisers based on the Adviser's continuing evaluation of their skills in managing assets pursuant to particular investment styles. The Adviser screens potential new Subadvisers and engages in an on-going analysis of the continued advisability as to the retention of its existing Subadvisers. From time to time, the Adviser may recommend to the Board that the services of a Subadviser be terminated. Each Fund pays the Adviser a fee for its services based on the Fund's average daily net assets.

4. The Adviser and each Fund have entered into investment subadvisory agreements (''Subadvisory Agreements'') with each Subadviser. None of the Trust's existing Subadvisers is an ''affiliated person,'' as defined in section 2(a)(3) of the Act, of the Fund or the Adviser (other than by serving as a Subadviser to the Fund). Each Subadviser, and any future Subadviser will be, registered under the Advisers Act or exempt from registration. The Adviser pays each Subadviser's fees out of the fees the Adviser receives from each Fund.

5. Applicants request relief to permit the Adviser to enter into and materially amend Subadvisory Agreements without obtaining shareholder approval. Applicants state that shareholder approval of a Subadvisory Agreement with a Subadviser that is an affiliated person of the Trust or the Adviser (other than by reason of serving as a Subadviser to one or more of the Funds) (''Affiliated Subadviser'') will be obtained.

Applicant's Legal Analysis

1. Section 15(a) of the Act provides, in relevant part, that it is unlawful for any person to act as an investment adviser to a registered investment company except under a written contract approved by a majority of the investment company's outstanding voting shares. Rule 18f–2 under the Act provides that each series or class of stock in a series company affected by a matter must approve the matter if the Act requires shareholder approval.

2. Section 6(c) of the Act authorizes the Commission to exempt persons or transactions from the provisions of the Act, or from any rule thereunder, to the extent that the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act. Applicants request an exemption under section 6(c) of the Act from section 15(a) of the Act and rule 18f–2 under the Act to permit them to enter into and materially amend Subadvisory Agreements without shareholder approval.

3. Applicants assert that a Fund's investors rely on the Adviser to select and monitor Subadvisers best suited to manage the Fund's portfolio. Applicants submit that, from the perspective of an investor, the role of the Subadvisers is comparable to that of individual portfolio managers employed by other investment company advisory firms. Applicants contend that requiring shareholder approval of Subadvisory Agreements would impose expenses and unnecessary delays on the Funds, and may preclude the Adviser from promptly acting in a manner considered advisable by the Board. Applicants note that the Advisory Agreements will remain subject to section 15(a) of the Act and rule 18f–2 under the Act, including the requirements for shareholder approval.

Applicants' Conditions

Applicants agree that any order granting the requested relief will be subject to the following conditions:

1. Before a Fund may rely on the order requested in this application, the operation of the Fund in the manner described in this application will be approved by a majority or the Fund's outstanding voting securities, as defined in the Act, or by its initial shareholder, provided that, in the case of approval by the initial shareholder, the pertinent Fund's shareholders purchase shares on the basis of a prospectus containing the disclosure contemplated by condition 2 below. Similarly, before a Future Fund

[1] Applicants also request relief with respect to future Funds and any other registered open-end management investment company and its series that in the future: (a) is advised by the Adviser, or a person controlling, controlled by or under common control (within the meaning of section 2(a)(9) of the Act) with the Adviser; (b) operates in substantially the same manner as the Funds with regard to the Adviser's responsibility to select, evaluate, and supervise Subadvisers; and (c) complies with the terms and conditions in the application (''Future Funds''). The only existing registered open-end management investment company that currently intends to rely on the requested order is named as an applicant. (p. 2, fn. 1) No Fund or Future Fund will incorporate the name of any Subadviser in the Fund's name.

may rely on the order requested in this application, the operation of the Future Fund in the manner described in this application will be approved by its initial shareholder before a public offering of shares of such Future Fund, provided that shareholders purchase shares on the basis of a prospectus containing the disclosure contemplated by condition 2 below.

2. Each Fund will disclose in its prospectus the existence, substance, and effect of any order granted pursuant to the application. In addition, each Fund will hold itself out to the public as employing the management structure described in the application. The prospectus will prominently disclose that the Adviser has the ultimate responsibility to oversee Subadvisers and recommend their hiring, termination and replacement.

3. At all times, a majority of the Board will be Independent Trustees, and the nomination of new or additional Independent Trustees will be at the discretion of the then-existing Independent Trustees.

4. The Adviser will not enter into a Subadvisory Agreement with any Affiliated Subadviser without that agreement, including the compensation to be paid thereunder, being approved by the shareholders of the applicable Fund.

5. When a Subadviser change is proposed for a Fund with an Affiliated Subadviser, the Board, including a majority of the Independent Trustees, will make a separate finding, reflected in the Trust's Board minutes, that the change is in the best interests of the Fund and its shareholders and does not involve a conflict of interest from which the Adviser or the Affiliated Subadviser derives an inappropriate change.

6. Within 90 days of the hiring of any new Subadviser for any Fund, the Fund shareholders will be furnished all relevant information about a new Subadviser that would be contained in a proxy statement, including any change in such disclosure caused by the addition of a new Subadviser. Each Fund will meet this condition by providing shareholders with an information statement meeting the disclosure requirements of Regulation 14C, Schedule 14C, and Item 22 of Schedule 14A under the Securities Exchange Act of 1934 within 90 days of the hiring of a Subadviser.

7. The Adviser will provide general management services to each Fund, including overall supervisory responsibility for the general management and investment of each Fund's portfolio, and, subject to review and approval by the Board, will: (i) Set the Fund's overall investment strategies; (ii) select Subadviser(s); (iii) monitor and evaluate the performance of Subadviser(s); (iv) ensure that the Subadviser(s) comply with each Fund's investment objectives, policies and restrictions by, among other things, implementing procedures reasonably designed to ensure compliance; and (v) allocate and, where appropriate, reallocate a Fund's assets among its Subadvisers when a Fund has more than one Subadviser.

8. No trustee or officer of the Trust or director of officer of the Adviser will own, directly or indirectly (other than through a pooled investment vehicle that is not controlled by that trustee, director or officer), any interest in a Subadviser, except for: (i) Ownership of interests in the Adviser or any entity that controls, is controlled by, or is under common control with the Adviser; or (ii) ownership of less than 1% of the outstanding securities of any class of equity or debt of a publicly-traded company that is either a Subadviser or any entity that controls, is controlled by, or is under common control with a Subadviser.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01–26753 Filed 10–23–01; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC–25213; File No. 812–12140]

United Life & Annuity Insurance Company, et al.

October 17, 2001.

AGENCY: Securities and Exchange Commission (''SEC'' or ''Commission'').

ACTION: Notice of application for an order pursuant to Section 26(c) of the Investment Company Act of 1940 (''1940 Act'').

APPLICANTS: United Life & Annuity Insurance Company (''United Life'') and United Life & Annuity Separate Account One (''Separate Account One'', and together with United Life, ''Applicants'').

SUMMARY OF APPLICATION: Applicants seek an order approving the substitution of shares of the Limited Maturity Bond Portfolio of Neuberger Berman Advisers Management Trust for shares of the Fixed Income Portfolio of Credit Suisse Warburg Pincus Trust II held by Separate Account One to find certain variable annuity contracts and certificates (''Contracts'') issued by United Life.

FILING DATE: The application was filed on June 26, 2000, and amended on April 4, 2001 and October 9, 2001.

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 Secretary of the Commission 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 November 13, 2001, and 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 requester's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Secretary of the Commission.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549–0609. Applicants, Linda E. Senker, United Life & Annuity Insurance Company, c/o ING Variable Annuities, 1475 Dunwoody Drive, West Chester, PA 19380.

FOR FURTHER INFORMATION CONTACT: Kenneth C. Fang, Attorney, or Keith E. Carpenter, Branch Chief, at (202) 942–0670, Office of Insurance Products, Division of Investment Management.

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application is available for a fee from the Public Reference Branch of the Commission, 450 Fifth Street, NW, Washington, DC 20549–0102 (tel. (202) 942–8090).

Applicant's Representations

1. United Life is a stock life insurance company organized in 1955. United Life was originally domiciled in Louisiana. On December 18, 1998, United Life was re-domesticated to Texas. United Life is authorized to conduct business in 47 states, the District of Columbia and Puerto Rico. On July 24, 1996, Pacific Life and Accident Insurance Company (PLAIC) acquired one hundred percent ownership of United Life. PLAIC is a wholly-owned subsidiary of PennCorp Financial Group, Inc. On April 30, 1999, ING America Insurance Holdings, Inc. (''ING America'') acquired United Life. ING America's ultimate parent is ING Groep N.V. (The Netherlands) (''ING''). ING, based in the Netherlands, is a global financial services holding company.