

it relates, that includes: (a) A description of the total amount of Plan assets involved in cross-trade transactions completed during the year; (b) a statement that the Plan fiduciary's authorization to participate in the cross-trading program can be terminated without penalty upon BlackRock's receipt of a written notice to that effect; (c) a statement that the fiduciary's authorization of the Plan's participation in the program will continue unless it is terminated; and (d) a description of any material change in BlackRock's cross-trade practices during the period covered by the summary. These reports will provide the Plan fiduciaries with a mechanism for monitoring the operation of the cross-trade program. The applicant represents that the authorization of each cross-trade will prevent BlackRock from favoring one account at the expense of another in the cross-trade transaction.

10. The securities involved in any cross-trade transaction will be only those for which there is a generally recognized market. BlackRock represents that each cross-trade transaction will be effected at the current market value for the securities on the date of the transaction. For all equity securities, the current market value shall be the closing price for the security on the date of the transaction. For all debt securities, the current market value shall be the fair market value of the security as determined on the date of the transaction in accordance with SEC Rule 17a-7 under the 1940 Act. In this regard, SEC Rule 17a-7(b) contains four possible means of determining "current market value" depending on such factors as whether the security is a reported security and whether its principal market is an exchange. This Rule is also applicable to registered investment companies for which BlackRock acts as an investment advisor.

In addition, BlackRock states that each cross-trade transaction will be effected at a price that: (a) In the case of any equity security, is within 10 percent of the closing price for the security on the day before the date on which BlackRock receives authorization from the independent Plan fiduciary to engage in the cross-trade transaction; and (b) in the case of any debt security, is within 10 percent of the fair market value of the security on the last valuation date preceding the date on which BlackRock receives authorization by the independent Plan fiduciary to engage in the cross-trade transaction. This safeguard prevents BlackRock from effecting cross-trades at prices that were not contemplated at the time the

independent fiduciary authorized the transaction.

Finally, each cross-trade transaction will be effected only where the trade involves less than five (5) percent of the aggregate average daily trading volume of the securities which are the subject of the transaction for the week immediately preceding the authorization of the transaction. BlackRock states that a particular cross-trade transaction may exceed this limit only by express authorization of independent fiduciaries on behalf of Plans affected by the transaction, prior to the execution of the cross-trade.

11. In summary, the applicant represents that the proposed transactions will satisfy the statutory criteria of section 408(a) of the Act because, among other things: (a) An independent Plan fiduciary must provide written authorization, terminable at will and without penalty, for each Plan's participation in the cross-trading program; (b) oral or written authorization must be provided by the independent Plan fiduciary to BlackRock prior to each cross-trade transaction; (c) all cross-trades will be executed at the current market price for the security on the date of the transaction, as determined by an independent third party source; (d) a cross-trade transaction will be effected only if certain price requirements are satisfied; (e) all securities involved in cross-trades will be ones for which there is a generally recognized market; (f) BlackRock will receive no commissions or additional fees as a result of the proposed cross-trades; (g) BlackRock will provide periodic reporting on cross-trade transactions to the participating Plan's independent fiduciary; (h) Plans participating in the cross-trading program will realize savings on their transactions due to the elimination of brokerage commissions, transaction fees and dealer markups; (i) the Plans participating in the cross-trading program will have assets of at least \$25 million; and (j) the Plans participating in the cross-trading program will not include any employee benefit plan established or maintained by BlackRock or its affiliates.

**FOR FURTHER INFORMATION CONTACT:** Mr. E.F. Williams of the Department, telephone (202) 219-8194. (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 of 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 2nd day of June, 1995.

**Ivan Strasfeld,**

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

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## NATIONAL INSTITUTE FOR LITERACY

### Agency Information Collection Activities Under OMB Review

**AGENCY:** National Institute for Literacy.

**ACTION:** Notice.

**SUMMARY:** In compliance with the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*), this notice announces that