4. Applicants state that section 10(f) was adopted in response to concerns about the ''dumping'' of otherwise unmarketable securities on investment companies, either by forcing the investment company to purchase unmarketable securities from its underwriting affiliate, or by forcing or encouraging the investment company to purchase the securities from another member of the syndicate. Applicants submit that these abuses are not present in the context of the Portfolios because, as discussed above, a decision by a Subadviser to one discrete portion of a Portfolio to purchase securities from an underwriting syndicate, a principal underwriter of which is an affiliated person of a Subadviser to a different portion of the same Portfolio, involves no potential for ''dumping.'' In addition, applicants assert that aggregating purchases would serve no purpose because any common purchases would be coincidence, and not the result of a decision by a single Subadviser, because there is no collaboration among Subadvisers.

## Applicants' Conditions

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

1. Each Portfolio will be advised by a MSDWD Adviser and at least one Unaffiliated Subadviser and will be operated consistent with the manner described in the application.

2. Neither the MSDWD Adviser (except by virtue of serving as Subadviser) nor the Affiliated Broker-Dealer will be an affiliated person or a second-tier affiliate of any Unaffiliated Subadviser or any officer, trustee or employee of the Portfolio engaging in the transaction.

3. No MSDWD Adviser will directly or indirectly consult with any unaffiliated Subadviser concerning allocation of principal or brokerage transactions.

4. No. MSDWD Adviser will participate in any arrangement under which the amount of its subadvisory fees will be affected by the investment performance of an Unaffiliated Subadviser.

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

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 98–21594 Filed 8–11–98; 8:45 am]

**BILLING CODE 8010–01–M**

# TENNESSEE VALLEY AUTHORITY

## Environmental Impact Statement for Addition of Electric Generation Peaking Capacity

**AGENCY:** Tennessee Valley Authority.

**ACTION:** Notice of intent.

**SUMMARY:** The Tennessee Valley Authority (TVA) will prepare an environmental impact statement (EIS) for the proposed addition of peaking capacity to the TVA electric generation system. The EIS will evaluate the potential environmental impacts of installing and operating proposed simple cycle natural gas fired combustion turbines to provide the needed peaking capacity. TVA wants to use the EIS process to obtain the public's comments on this proposal.

**DATES:** Comments on the scope of the EIS must be postmarked no later than September 11, 1998. TVA will conduct public meetings on the scope of the EIS. The locations and times of these meetings are announced below.

**ADDRESSES:** Written comments should be sent to Greg Askew, P.E., Senior Specialist, National Environmental Policy Act, Tennessee Valley Authority, mail stop WT 8C, 400 West Summit Hill Drive, Knoxville, Tennessee 37902–1499. Comments may also be e-mailed to gaskew@tva.gov.

**FOR FURTHER INFORMATION CONTACT:** Roy V. Carter, P.E., EIS Project Manager, Environmental Research Center, Tennessee Valley Authority, mail stop CEB 4C, Muscle Shoals, Alabama 35662–1010. E-mail may be sent to rvcarter@tva.gov.

**SUPPLEMENTARY INFORMATION:**

## Project Description

Construction and operation of simple cycle natural gas-fired combustion turbine units are proposed by TVA to meet up to 1,350 MW of peaking requirements with some capacity available as early as June 2000. Up to eight natural gas-fired combustion turbines would be installed at one, two or three existing TVA power plant sites.

The three TVA power plant sites under consideration are Johnsonville Fossil Plant in Humphreys County, Tennessee; Gallatin Fossil Plant in Sumner County, Tennessee; and Colbert Fossil Plant in Colbert County, Alabama. Each of these TVA plant sites have both coal-fired units and natural gas and/or fuel oil fired combustion turbines. These TVA plant sites offer potential advantages over greenfield sites. These advantages include use of existing plant infrastructure (water service, natural gas supply at two sites, transmission line access, combustion turbine maintenance and operating staff), existing land ownership, and an accelerated project schedule with reduced risk. Also, inherent in incremental development of industrial sites such as these is the potential for reduced environmental impacts.

Each site installation would consist of up to eight natural gas fired combustion turbine-generators. Fuel oil would be the secondary fuel. These combustion turbines would employ dry low-$NO_x$ combustion chambers and/or water injection for $NO_x$ control. Typical manufacturers and models of simple cycle combustion turbines for the proposed application are General Electric models GE 7001 EA and GE 7001 FA, and Westinghouse models WH 501D5A and WH 501 FA Other appurtenances and ancillary equipment would include step-up transformers for 161 kilovolt or 500 kilovolt service, transmission line connection equipment, demineralized water to supply the water injection $NO_x$ control systems, and maintenance and operational support buildings or equipment.

Other actions necessary for operation of combustion turbines at the Colbert site would include one or more natural gas pipeline taps and conveyances.

## TVA's Integrated Resource Plan

This EIS will tier from TVA's *Energy Vision 2020'An Integrated Resource Plan and Final Programmatic Environmental Impact Statement. Energy Vision 2020* was completed in December 1995 and a Record of Decision issued on February 28, 1996. Energy Vision 2020 analyzed a full range of supply-side and demand-side options to meet customer energy needs. These options were ranked using several criteria including environmental performance. Favorable options were formulated into strategies to effectively meet electric energy and peak capacity needs of TVA's customers for a range of postulated futures. A portfolio of options drawn from several robust strategies was chosen as TVA's preferred alternative. In this preferred alternative, three supply-side options selected to meet peak capacity needs were: (1) addition of combustion turbines to TVA's generation system, (2) purchase of market peaking capacity, and (3) call options on peaking capacity. The short-term action plan of *Energy Vision 2020* identified a need for 3,000 MW of baseload and peaking additions through the year 2002.

Because Energy Vision 2020 identified and evaluated alternative supply-side and demand-side energy

resources and technologies for meeting peak capacity needs, this EIS will not reevaluate those alternatives. This EIS will focus on the site-specific impacts of constructing and operating additional TVA combustion turbines at three candidate sites.

### Proposed Issues To Be Addressed

The EIS will describe the existing environmental and socioeconomic resources at each of the three sites that may be potentially affected by construction and operation of natural gas-fired combustion turbines. TVA's evaluation of potential environmental impacts to these resources will include, but not necessarily be limited to the impacts on air quality, water quality, aquatic and terrestrial ecology, endangered and threatened species, wetlands, aesthetics and visual resources, noise, land use, historic and archaeological resources, and socioeconomic resources. Because the proposed projects would be located on previously disturbed property at operating TVA power plant sites, the on-site issues of terrestrial wildlife, habitat, and vegetation; aesthetics and visual resources; land use conversion; and historic and archaeological resources are not likely to be important. Also, the proposed units would have no process wastewater discharge and will require no new water supply source, thus impacts to aquatic ecology are unlikely.

### Alternatives

The results of evaluating the potential environmental impacts related to these issues and other important issues identified in the scoping process together with engineering and economic considerations will be used in selecting a preferred alternative. At this time, TVA has identified the following alternatives for detailed evaluation: (1) a single site alternative, (2) alternatives employing two of the three sites, (3) an alternative employing all three sites, and (4) no action.

### Scoping Process

Scoping, which is integral to the NEPA process, is a procedure that solicits public input to the EIS process to ensure that: (1) Issues are identified early and properly studied; (2) issues of little significance do not consume substantial time and effort; (3) the draft EIS is thorough and balanced; and (4) delays caused by an inadequate EIS are avoided. TVA's NEPA procedures require that the scoping process commence after a decision has been reached to prepare an EIS in order to provide an early and open process for determining the scope of issues to be addressed and for identifying the significant issues related to a proposed action. The scope of issues to be addressed in the draft EIS will be determined, in part, from written comments submitted by mail or e-mail, and comments presented orally or in writing at public meetings. The preliminary identification in this notice of reasonable alternatives and environmental issues is not meant to be exhaustive or final.

The scoping process will include both interagency and public scoping. The public is invited to submit written comments or e-mail comments on the scope of this EIS no later than the date given under the DATES section of this notice and/or attend the public scoping meetings. TVA will conduct three public scoping meetings using an open house format. At each meeting, TVA staff will be present to discuss the project proposals and the environmental issues, and to receive both oral and written comments. The meeting locations and schedule are as follows: Monday, August 31, Gallatin Civic Center, 210 Albert Gallatin Road, Gallatin, Tennessee; Tuesday, September 1, Humphreys County Board of Education Building, 2443 Highway 70 East, Waverly, Tennessee; Thursday, September 3, Lions Club Building, Corner of Church and First Streets, Cherokee, Alabama. The times for all three open house meetings are 4:00 p.m. to 9:00 p.m.

The agencies to be included in the interagency scoping are U.S. Fish and Wildlife Service, Tennessee Department of Conservation and Environment, the Tennessee State Historic Preservation Officer, and other agencies as appropriate.

Upon consideration of the scoping comments, TVA will develop alternatives and identify important environmental issues to be addressed in the EIS. Following analysis of the environmental consequences of each alternative, TVA will prepare a draft EIS for public review and comment. Notice of availability of the draft EIS will be published by the Environmental Protection Agency in the **Federal Register**. TVA will solicit written comments on the draft EIS, and information about possible public meetings to comment on the draft EIS will be announced. TVA expects to release a final EIS in May 1999.

Dated: August 6, 1998.

**Kathryn J. Jackson,**

*Executive Vice President, Resource Group.*

[FR Doc. 98–21580 Filed 8–11–98; 8:45 am]

BILLING CODE 8120–08–P

## OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

**[Docket No. 301–117]**

## Extension of Section 301 Investigation: Intellectual Property Laws and Practices of the Government of Paraguay

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Notice.

**SUMMARY:** The United States Trade Representative (USTR) has determined to extend the investigation of the acts, policies and practices of the Government of Paraguay that deny adequate and effective protection of intellectual property rights.

**DATES:** The USTR made this determination on Tuesday, August 4, 1998.

**ADDRESSES:** Office of the United States Trade Representative, 600 17th Street, N.W., Washington, DC 20508.

**FOR FURTHER INFORMATION CONTACT:** Claude Burcky, Director for Intellectual Property, (202) 395–6864; Kellie Meiman, Director for Mercosur and the Southern Cone, (202) 395–5190; or Geralyn S. Ritter, Assistant General Counsel, (202) 395–6800.

**SUPPLEMENTARY INFORMATION:** On January 16, 1998, the USTR identified Paraguay as a Priority Foreign Country under the ''Special 301'' provisions of the Trade Act of 1974, as amended (19 U.S.C. 2242). In identifying Paraguay as a Priorty Foreign Country, the USTR noted deficiencies in Paraguay's acts, policies and practices regarding intellectual property, including a lack of effective action to enforce intellectual property rights. The USTR also observed that the Government of Paraguay has failed to enact adequate and effective intellectual property legislation covering patents, copyrights and trademarks. As required under Section 302(b)(2)(A) of the Trade Act (19 U.S.C. 2412(b)(2)(A)), an investigation of these acts, policies and practices was initiated on February 17, 1998.

### Extension of Investigation

Numerous bilateral negotiations have been held on these issues since the initiation of this investigation. Although Paraguay has indicated that it will take a number of actions to improve protection for intellectual property and, in particular, to strengthen the enforcement of intellectual property rights, significant progress on a majority of U.S. concerns has not occurred. These issues are too complex and complicated to resolve before the end of