

C. Section VI.C.13 of Subagreement No. 3 is modified to read as follows: All written communications with the licensee will be made through NRC. After completing its portion of a safety inspection, the State will document to NRC its inspection's scope, details, and results in a report written in the format described in the NRC Inspection Manual. The NRC will use the information, as appropriate, in preparation of the NRC's final report. The State is responsible for the technical adequacy of State Resident Inspector's or State Inspector's inspection reports.

D. "State Resident Engineer" is modified in Subagreement No. 3 to read "State Resident Inspector."

E. State personnel who conduct decommissioning inspections pursuant to this Addendum and who need not be resident at nuclear power plants shall be referred to as "State Inspectors."

F. After NRC's withdrawal of its resident inspectors from licensed nuclear power plants in Illinois that have permanently ceased operations, State participation in NRC decommissioning inspections at these facilities will be governed by Subagreement 3 and this Addendum. This Addendum will not apply to State inspections conducted pursuant to any authority other than Subagreement No. 3.

G. State Inspectors will be State Resident Inspectors qualified and certified by the State in accordance with the NRC Inspection Manual, or its equivalent, for the specific inspection function they are to perform.

H. The State will utilize the NRC's Master Inspection Plan as the basis for proposing State Inspectors' participation in NRC scheduled decommissioning inspections. The State will submit inspection recommendations to the NRC Regional Administrator, Region III (or designee), at least one month prior to the scheduled inspection to allow sufficient time for NRC review and approval.

I. The State will perform decommissioning safety inspections only in accordance with the inspection plans using applicable procedures in the NRC Inspection Manual.

J. To facilitate cooperation and efficient use of resources, NRC and State Inspectors will conduct joint team decommissioning inspections under this Addendum. An NRC inspector will lead the team and be in charge of the inspection.

K. The principal senior management contacts for this Addendum will be the Director, Division of Nuclear Materials Safety, Region III, and the Manager,

Office of Nuclear Facility Safety, Illinois Department of Nuclear Safety.

Dated: September 28, 1999.

For the U.S. Nuclear Regulatory Commission.

Frank J. Miraglia,

Acting Executive Director for Operations.

Dated: October 4, 1999.

For the State of Illinois.

Thomas W. Ortiger,

Director, Illinois Department of Nuclear Safety.

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SECURITIES AND EXCHANGE COMMISSION

[File No. 22-28212]

Application and Opportunity for Hearing: Altos Hornos De Mexico, S.A., DE C.V.

October 18, 1999.

Notice is hereby given that Altos Hornos De Mexico, S.A., De C.V. ("Applicant"), has filed an application ("Application") under Section 310(b)(1)(ii) of the Trust Indenture Act of 1939 ("Act") for a finding by the Securities and Exchange Commission ("Commission") that the trusteeship of Norwest Bank of Minnesota, N.A. ("Norwest") as successor trustee under (i) an Indenture dated as of May 6, 1997 ("1997 Indenture"), by and between the Applicant and the Chase Manhattan Bank ("Chase"), the predecessor trustee, with respect to 11³/₈% Series A Senior Notes due April 30, 2002 ("Series A Notes"), and 11⁷/₈% Series B Senior Notes due April 30, 2004 ("Series B Notes," together with the Series A Notes, the "1997 Notes"), and (ii) an Indenture dated as of December 16, 1996 ("1996 Indenture," together with the 1997 Indenture, "Indentures") by and between the Applicant and Chase, the predecessor trustee, with respect to the issuance of 5¹/₂% Senior Discounted Convertible Notes ("1996 Notes," together with 1997 Notes, "Notes") due 2001, is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify Norwest from acting as trustee under either of the Indentures. Section 310(b) provides that if a trustee under an indenture qualified under the Act has or acquires any conflicting interest, it shall, within ninety days after ascertaining such a conflicting interest, either eliminate such conflicting interest or resign. Section 310(b)(1) of the Act provides that with certain exceptions, a

trustee shall be deemed to have a conflicting interest if such trustee is a trustee under another indenture in which any other securities of the same issuer are outstanding. However, under Section 310(b)(1)(ii) of the Act, certain situations are exempt from the deemed conflict of interest under Section 310(b)(1). Section 310(b)(1)(ii) provides in pertinent part that an indenture to be qualified shall be deemed exempt from Section 310(b)(1) if:

the issuer shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon, that trusteeship under the indenture * * * is not likely to involve a *material conflict of interest* as to make it necessary in the public interest or for the protection of investors to disqualify such trustee from acting as such under one of such indentures * * *

Section 310(b)(1)(ii) (emphasis supplied). In other words, dual trusteeship by Norwest under the Indentures may be excluded from the operation of Section 310(b)(1) if the Applicant sustains the burden of proving, on application to the Commission that a material conflict of interest is no so likely as to make it necessary in the public interest or for the protection of investors to disqualify Norwest from acting under either of the Indentures.

The Applicant alleges that:

1. The 1996 Notes and the 1997 Notes were issued in registered public offerings in the United States (Registration Statement No. 333-6094 and No. 333-7252), and both Indentures are qualified under the Act. The Notes under the Indenture rank *pari passu* with each other and are wholly unsecured. However, neither Indenture references the other Indenture.

2. Pursuant to the Instrument of Resignation, Appointment and Acceptance, dated July 27, 1999 (the "Succession Agreement"), effective as of July 27, 1999, Norwest succeeded to Chase as trustee under the Indentures.

3. As of the date of this Application, the Applicant is in default under the 1997 Indenture for failing to pay interest that was due on May 1, 1999. This default has continued for more than 30 days, thus constituting an Event of Default under Section 501(1) of the 1997 Indenture. Based on this default, the Applicant is also in default under the 1996 Indenture. Section 501(5) of the 1996 Indenture provides that an event of default includes:

a default under * * * any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidence any indebtedness for money borrowed by the Company * * * in an amount exceeding \$10,000,000 * * *

which default shall constitute a failure to pay * * * any interest or additional amounts on such indebtedness when due and payable after the expiration of any applicable grace period with respect thereto.

See 1996 Indenture, § 501(5). Thus, the Applicant is in default under both of its Indentures.

4. On May 25, 1999, the Applicant obtained from a Mexican court a declaration of suspension of payments ("Suspension of Payments"). Suspension of Payments is a form of protection from creditors under Mexican law afforded to a company to enable it to (i) seek a restructuring agreement with its creditors (ii) continue the operation of its business, and (iii) prevent liquidation. A description of certain effects of the Suspension of Payments is contained in the Applicant's form 20-F for the fiscal year ended December 31, 1998.

5. The Application asserts that had the 1997 Indenture simply contained a descriptive reference to the 1996 Indenture, no conflict of interest would be deemed to exist under Section 310(b)(1)(i) of the Act, and the Application would not be required. Section 310(b)(i) exempts an indenture from the provisions of Section 310(b) "if the indenture to be qualified and any such other indenture * * * or indentures * * * are wholly unsecured and rank equally and such other indenture or indentures * * * are specifically described in the indenture to be qualified or are thereafter qualified." The Section 310(b)(1) issue arises only because the 1997 Indenture does not refer to the 1996 Indenture. The Application asserts that this technical omission does not create a risk of material conflict between the two Indentures where none otherwise exists.

6. The Application asserts that because all of the Notes rank equally with one another in right of payment and are wholly unsecured, it is highly unlikely that Norwest would ever be subject to a conflict of interest with respect to issues relating to the priority of payment. Norwest would neither be in a position to, nor be required by the terms of either Indenture to, assert that the Notes outstanding under one Indenture are entitled to payment prior to payment of claims under the other Indenture.

7. Further, both Indentures contain almost identical default and remedy provisions. See 1996 Indenture, § 501 *et seq.*, 1997 Indenture, § 501 *et seq.* The Application asserts that due to the similarity of these provisions (including the cross-default provisions), it is unlikely as a practical matter that Norwest would find itself in a position

of proceeding against the Applicant for a default under one Indenture, but not the other Indenture.

8. The Application also asserts that it is in the best interest of the Applicant and the holders of the Notes that Norwest serve simultaneously under both Indentures. Given the existence of a default, Chase was required to resign as trustee under both Indentures due to Chase's concurrent status as a creditor of the Applicant. By succeeding to Chase as trustee under both Indentures, rather than just one, Norwest relieved Chase of an actual conflict and prevented the risk of an "orphan indenture" where the predecessor trustee has submitted its resignation but no successor has been appointed. Norwest is not a creditor of the Applicant and has no business relationship with the Applicant other than under the Indentures. Norwest's dual trusteeship also will allow the Applicant to avoid the significant duplicative costs associated with having two separate trustees and their separate professionals review, understand, and administer two similar Indentures, and interact with the Applicant and other parties in interest as the Applicant works to address its present financial circumstances.

Apart from granting relief under Section 301(b)(1)(ii) of the Act, the Commission may invoke its power to exempt Norwest under Section 304(d). On application by any interested person, Section 304(d) empowers the Commission to "exempt conditionally or unconditionally any person, registration statement, indenture, security or transaction * * * from any one or more of the provisions of this title, if and to the extent that such exemption is necessary or appropriate in the *public interest* and consistent with the *protection of investors* and purposes fairly intended by this title." Section 304(d) (emphasis supplied).

The Applicant waives notice and hearing with respect to the Application.

For a more detailed account of the matters of fact and law asserted, all persons are referred to said Application, which is a public document (File Number 22-28212) on file in the offices of the Commission at the Public Reference Section, 450 Fifth Street, NW, Washington, DC.

Notice is hereby given that any interested person may, not later than November 8, 1999, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of law or fact raised by such Application which he desires to controvert, or he may request that he be notified if the

Commission would order a hearing thereon. Any such request should be addressed: Jonathan G. Katz, Secretary, U.S. Securities and Exchange Commission, Washington, DC 20549-0609. At any time after said date, the Commission may issue an order granting the Application, upon such terms and conditions as the Commission may deem necessary or appropriate in the public interest or for the protection of investors, unless a hearing is ordered by the Commission.

For the Commission, by the Division of Corporation Finance, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-24088; File No. 821-11380]

Great-West Life & Annuity Insurance Company, et al.; Notice of Application

October 18, 1999.

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

ACTION: Notice of Application for approval under Section 26(b) of the Investment Company Act of 1940, as amended (the "1940 Act").

SUMMARY OF APPLICATION: Applicants seek an order approving the substitution of shares of the Maxim INVESCO Balanced Portfolio of the Maxim Series Fund for shares of the Fidelity VIP II Asset Manager Portfolio of the Fidelity Variable Insurance Products Fund II, and the substitution of shares of Maxim Stock Index Portfolio of the Maxim Series Fund for shares of the American Century VP Capital Appreciation Portfolio of American Century Variable Portfolios, Inc.

APPLICANTS: Great-West Life & Annuity Insurance Company ("GWL&A"), FutureFunds Series Account of GWL&A (the "FutureFunds Account") and Maxim Series Account of GWL&A (the "Maxim Account") (together, with the FutureFunds Account, the "Separate Accounts") and BenefitCorp Equities, Inc. ("BCE") (hereinafter all parties are collectively referred to as the "Applicants").

FILING DATE: The application was filed on October 29, 1998, and amended and restated on April 14, 1999, and July 15, 1999.

HEARING OR NOTIFICATION OF HEARING: An order granting the Application will be issued unless the commission orders a