

is to seek capital growth. Both Discovery and Mid Cap normally invest the bulk of their assets in equity securities, although both can invest in other types of instruments as well. Both can invest in domestic as well as foreign securities. Both can invest in growth stocks or value stocks.

28. Minor differences between the two funds exist. For example, Mid Cap has somewhat less flexibility in its choice of investments, with a policy of investing at least 65% of its assets in securities of companies with medium market capitalizations, while Discovery may invest 100% of its assets in securities of companies of any size.

29. After the substitution, Contract owners invested in Mid Cap instead of Discovery will still be invested in a portfolio seeking capital growth primarily through investment in equity securities.

30. The net expense ratio for Mid Cap is lower than for Discovery. For the fiscal year ended December 31, 1999, the expense ratio for Discovery was 1.10% and the gross expense ratio for Mid Cap was 3.34%. Mid Cap's expenses, however, are subject to a voluntary 1.00% cap, which can be eliminated at any time. If this voluntary cap is eliminated and Mid Cap's expense ratio exceeds 1.00% at any time before July 1, 2001, FILI and EFILI will reimburse, from their general account assets, the accounts of their respective Contract owners who have been affected by the substitution to the extent necessary to limit the expenses actually incurred to 1.00%. Any reimbursement will be calculated on the same basis as under the voluntary cap currently in place and will be made by FILI's or EFILI's purchase of additional units (or fractional units) of the Mid Cap subaccount for the benefit of the accounts of their respective "substituted" Contract owners.

31. For the fiscal years ended December 31, 1998, 1997, and 1996 Discovery's total return was 7.3%, 11.4%, and 0.8%, respectively. In each year the fund trailed significantly the performance of its benchmark, the Standard & Poor's Composite Stock Price Index ("S & P 500"), which had returns of 28.58% in 1998, 33.36% in 1997 and 22.96% in 1996. Mid Cap's operations did not commence until December 28, 1998. Through September 30, 1999, Mid Cap's 1999 year to date total return was 12.8% and Discovery's was negative 16.61%. During the same period the S & P 500's return was 5.36%. Mid Cap has substantially outperformed Discovery in 1999, and the Applicants expect that it will continue to do so.

32. Applicants represent that (1) the substitution will be effected by redeeming shares of Discovery in cash on the date of the substitution at net asset value and using the proceeds to purchase shares of Mid Cap at net asset value on the same date; (2) Contract owners will not incur any fees or charges, including brokerage costs, as a result of the transfer of values from Discovery to Mid Cap; (3) all Contract values will remain unchanged and fully invested; (4) the substitution will not increase Contract or Separate Account fees and charges after the substitution; (5) Contract owners' rights and FILI's EFILI's obligations under the Contracts will not be altered in any way; and (6) all expenses incurred in connection with the substitution, including legal, accounting and other expenses, will be paid by FILI and EFILI. In addition, as of the date of filing the Application, Applicants represent that to the best of their knowledge, the substitution will not result in any adverse federal income tax consequences for Contract owners. Following the substitution, the subaccounts of FILI and EFILI that invest in Discovery will be terminated.

Applicants' Legal Analysis and Conditions

1. Section 26(b) of the 1940 Act provides that it shall be unlawful for any depositor or trustee of a registered unit investment trust holding the security of a single issuer to substitute another security for such security unless the Commission shall have approved such substitution; and the Commission shall issue an order approving such substitution if the evidence establishes that it is consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the 1940 Act.

2. Section 26(b) protects the expectations that the UIT will accumulate shares of a particular issuer. That Section insures that unnecessary or burdensome sales loads, additional reinvestment costs, or other charges will not be incurred due to an unapproved substitution of securities.

3. Applicants represent that the purposes, terms, and conditions of the substitution are consistent with the protections for which Section 26(b) was designed and will not result in any of the harms which Section 26(b) was designed to prevent.

4. Any Contract owner who does not want his or her assets allocated to Mid Cap would be able to transfer assets to any one or more of the other subaccounts available under his or her Contract without charge. Such transfers could be made prior to or after the date

of the substitution. Contract owners would, in all cases, have alternative investment options available, and Contract owners could transfer their assets at any time to those alternative options without the imposition of transfer charges or other sales charges.

5. The substitution will be effected at net asset value in conformity with Section 22 of the 1940 Act and Rule 22c-1 thereunder. Contract owners will not incur any fees or charges as a result of the transfer of account values from any Portfolio. There will be no increase in the Contract or Separate Account fees and charges after the substitution. All contract values will remain unchanged and fully invested. In addition, as of the date of filing of the Application, Applicants represent that to the best of their knowledge the substitution will not result in any adverse federal income tax consequences for Contract owners.

6. In light of the foregoing facts and representations, Applicants believe that the request to allow the substitution meets the applicable standards for an order under Section 26(b) of the 1940 Act. The application is consistent with applicable precedent. The staff of the Commission has previously granted similar requests for orders pursuant to Section 26(b) of the 1940 Act.

Conclusion

Applicants assert that, for the reasons summarized above, the Substitution is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 00-8295 Filed 4-4-00; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42592; File No. SR-Amex-00-06]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange LLC Providing Access to the Trading Floor by Allied Members and Former Members

March 29, 2000.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on

¹ 15 U.S.C. 78s(b)(1).

March 7, 2000, the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Amex. The Amex filed the proposal pursuant to Section 19(b)(3)(A) of the Act,² and Rule 19b-4(f)(6) thereunder,³ which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Amex proposes to amend its Constitution to provide access to its trading floor ("Trading Floor" or "Floor") by allied members and to establish a formal policy of permitting former members who have worked on the Trading Floor for more than 10 years to visit the Floor. The text of the proposed rule change is available upon request from the Amex or the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Amex has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Allied members are individuals who exercise control over members or member organizations. From time to time, allied members visit the Floor to exercise managerial oversight and to discuss business with their personnel, clients and others. Currently, allied members are not allowed on the Floor unless they are signed-in as visitors. These visitor clearance procedures are inconsistent with the status of allied members at the Exchange and unnecessarily delay the access of allied

members to the Floor. To rectify this situation, the Exchange proposes to amend Article IV to provide that allied members may have access to the Trading Floor without the need for clearing the Exchange's security procedures for visitors. Allied members will continue to be prohibited from effecting securities transactions on the Floor, except when effected in compliance with the provisions of Article IV, Section 3, of the Constitution, which provides that, under certain conditions, an approved allied member may be authorized to effect securities transactions as a "representative" when (i) a governor who is associated with the allied member is away from the Floor on Exchange business, (ii) an Exchange Official who is associated with the allied member is away from the Floor to attend a meeting of the Amex Board, or (iii) a member who is associated with the allied member is away from the Floor due to the requirements of military service or training.

The Exchange is proposing to establish a formal policy of providing those individuals who were members for more than 20 years before leaving the Floor with gold identification badges allowing them access to the Floor as visitors without going through the sign-in procedures applicable to visitors.⁴ Individuals who currently hold gold identification badges, but who have worked less than 20 years as members, would be permitted to keep their badges once the proposed policy is implemented. Going forward, however, an individual must have worked 20 years as a member on the Floor in order to receive the special gold identification badge. Eligible former members may only use their special access privileges for social purposes or to discuss membership leases. In addition, a Floor Official or other officer of the Exchange may terminate the special access privileges of a former member if these are used for purposes other than those expressly permitted, or if a former member disturbs the conduct of business at the Exchange.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act in general and furthers the objectives of Section 6(b)(5)⁵ in particular in that its

terms are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investor and the public interest; and are not designed to permit unfair discrimination between customers, issuers, brokers or dealers.

B. Self-Regulatory Organization's Statement on Burden on Competition

The proposed rule change will impose no burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

Written comments were neither solicited nor received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not:

- (i) Significantly affect the protection of investors or the public interest;
- (ii) impose any significant burden on competition; and
- (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, and since the Amex has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, it has become effective pursuant to Section 19(b)(3)(A) of the Act⁶ and Rule 19b-4(f)(6) thereunder.⁷ At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.⁸

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule

² 15 U.S.C. 78s(b)(3)(A).

³ 17 CFR 240.19b-4(f)(6).

⁴ As visitors, former members would remain subject to the Exchange's policies regarding visitors' access to the Floor. Telephone conversation between Bill Floyd-Jones, Assistant General Counsel, Amex, and Matthew Boesch, Paralegal, Division of Market Regulation, Commission, on March 29, 2000.

⁵ 15 U.S.C. 78f(b)(5).

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)(6).

⁸ In reviewing this proposal, the Commission has considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 450 Fifth Street, NW, Washington, DC. Copies of such filing will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to File No. SR-Amex-00-06 and should be submitted by April 26, 2000.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-8323 Filed 4-4-00; 8:45 am]

BILLING CODE 8010-01-M

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Minority Business Resource Center Advisory Committee; Cancellation of Meeting

Notice is hereby given of the cancellation of the Minority Business Resource Center Advisory Committee meeting for Tuesday, April 18, 2000, at 10:00 a.m. until 12:00 p.m. in Room 4438-4440 at the Department of Transportation, 400 7th Street, SW., Washington, DC 20590. (Originally announced at Vol. 65, No. 53, FR 14640, March 17, 2000.)

Issued in Washington, DC on March 27, 2000.

Luz A. Hopewell,

Director, Office of Small and Disadvantaged Business Utilization.

[FR Doc. 00-8324 Filed 4-4-00; 8:45 am]

BILLING CODE 4910-62-P

DEPARTMENT OF TRANSPORTATION

Coast Guard

[CGD08-00-002]

Lower Mississippi River Waterway Safety Advisory Committee

AGENCY: Coast Guard, DOT.

ACTION: Notice of meeting.

SUMMARY: The Lower Mississippi River Waterway Safety Advisory Committee (LMRWSAC) will meet to discuss various issues relating to navigational safety on the Lower Mississippi River and related waterways. The meeting will be open to the public.

DATES: LMRWSAC will meet on Wednesday, April 26, 2000, from 9:00 a.m. to 12 noon. This meeting may close early if all business is finished. Written material and requests to make oral presentations should reach the Coast Guard on or before April 17, 2000. Requests to have a copy of your material distributed to each member of the committee should reach the Coast Guard on or before April 17, 2000.

ADDRESSES: LMRWSAC will meet in the basement conference room of the Hale Boggs Federal Building, 501 Magazine Street, New Orleans, LA. Send written material and requests to make oral presentations to M.M. Ledet, Committee Administrator, c/o Commander, Eighth Coast Guard District (m), 501 Magazine Street, New Orleans, LA 70130-3396. This notice is available on the Internet at <http://dms.dot.gov>.

FOR FURTHER INFORMATION CONTACT: For questions on this notice, contact M.M. Ledet, Committee Administrator, telephone (504) 589-6271, Fax (504) 589-4999.

SUPPLEMENTARY INFORMATION: Notice of this meeting is given under the Federal Advisory Committee Act, 5 U.S.C. App. 2.

Agenda of Meeting

Lower Mississippi River Waterway Safety Advisory Committee (LMRWSAC). The agenda includes the following:

- (1) Introduction of committee members.
- (2) Remarks by RADM P. Pluta, Committee Sponsor.
- (3) Approval of the September 8, 1999 minutes.
- (4) Old Business:
 - a. PAWSS update.
 - b. Soft Dikes Working Group Report.
- (5) New Business: Physical Oceanographic Real-Time System (PORTS).
- (6) Next meeting.

(7) Adjournment.

Procedural

The meeting is open to the public. Please note that the meeting may close early if all business is finished. At the Chair's discretion, members of the public may make oral presentations during the meeting. If you would like to make an oral presentation at the meeting, please notify the Committee Administrator no later than April 17, 2000. Written material for distribution at the meeting should reach the Coast Guard no later than April 17, 2000. If you would like a copy of your material distributed to each member of the committee or subcommittee in advance of the meeting, please submit 28 copies to the Committee Administrator at the location indicated under Addresses no later than April 17, 2000.

Information on Services for Individuals With Disabilities

For information on facilities or services for individuals with disabilities, or to request special assistance at the meetings, contact the Committee Administrator at the location indicated under Addresses as soon as possible.

Dated: March 13, 2000.

K.J. Eldridge,

Captain, U.S. Coast Guard, Acting Commander, 8th Coast Guard Dist.

[FR Doc. 00-8378 Filed 4-4-00; 8:45 am]

BILLING CODE 4910-15-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Aviation Rulemaking Advisory Committee Rotorcraft Issues—New Task

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of new task assignments for the Aviation Rulemaking Advisory Committee (ARAC)

SUMMARY: Notice is given of two new tasks assigned to and accepted by the Aviation Rulemaking Advisory Committee (ARAC). This notice informs the public of the activities of ARAC.

FOR FURTHER INFORMATION CONTACT: Mark Shilling, Rotorcraft Standards Staff (ASW-119), Federal Aviation Administration, 2601 Meacham Blvd, Fort Worth, Texas 76137-4298; phone (817) 222-5110; fax (817) 222-5961 email Mark.R.Schilling@faa.gov.

⁹ 17 CFR 200.30-3(a)(12).