computer wordlengths are finite in length, digital systems are limited in their capability to represent real number values. Finite wordlength errors related to round-off, truncation, and data conversion have the potential to adversely impact the performance of digital instrumentation and control (I&C) systems.

The Office of Nuclear Regulatory Research has investigated the technical bases and review guidance regarding aliasing and finite wordlength errors in nuclear facilities. Hazards associated with these errors are minimized through proper design and selection of sample rates and computer wordlengths. Draft NUREG–1709 provides the regulatory background, theoretical information, practical issues, best engineering practices, review guidance, and examples associated with sample rate and computer wordlength selection. This information is used by NRC staff to identify proper treatment of aliasing and finite wordlength error in digital I&C systems.

While draft NUREG–1709 is intended for NRC staff use, the NRC realizes that licensees and vendors may reference the NUREG for their particular I&C development. Because of its impact on I&C development, the NRC is requesting comments on draft NUREG–1709. The comment period will last until March 1, 1999, at which time the NRC will consider the comments and pursue a final version. To send comments on draft NUREG–1709, refer to the comment instructions at the front of the report. Comments may also be sent to the NRC Home page, as detailed below.

Electronic Access

Draft NUREG–1709, is available electronically by visiting NRC's Home Page (http://www.nrc.gov) and choosing ''Reference Library,'' then ''NRC (NUREG) report number,'' then ''NRC Staff Reports,'' and then ''NUREG–1709.'' Instructions for sending comments electronically are included with the document at the web site.

Dated at Rockville, Maryland, this 24th day of August, 1999.

For the Nuclear Regulatory Commission.

Sher Bahadur,

Chief, Engineering Research Applications Branch, Division of Engineering Technology, Office of Nuclear Regulatory Research.

[FR Doc. 99–28227 Filed 10–27–99; 8:45 am]

BILLING CODE 7590–01–P

SECURITIES AND EXCHANGE COMMISSION

[Rel No. IC–24106; File No: 812–11514]

JNL Variable Fun LLC; Notice of Application

October 21, 1999.

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

ACTION: Notice of application for an order under section (c) of the Investment Company Act of 1940 (''1940 Act'' or ''Act'').

SUMMARY OF APPLICATION: Applicant seeks an order under Section 6(c) of the 1940 Act exempting Applicant and its series and any other open-end investment company or series thereof advised or managed by Jackson National Life Insurance Company (''JNL''), Jackson National Financial Services, LLC, or their affiliates, or any entities controlled by or under common control with JNL, and that follows an investment strategy that is the same as the JNL/First Trust Dow Target 5 Series (''DJIA 5 Series''), the NJL/First Trust Dow Target 10 Series (''DJIA 10 Series''), the JNL/First Trust Global Target 15 Series (''Target 15 Series''), or the JNL/ First Trust S&P Target 10 Series (''S&P Target 10 Series'') (''Future Companies''), from the provisions of section 12(d)(3) of the 1940 Act to the extent necessary to permit them to establish and maintain series which may invest up to 10.5% of their total assets (the DJIA 10 Series) or up to 20.5% of their total assets (the DJIA 5 Series) or up to 7⅙% of their total assets (the Target 15 Series) or up to 10.5% of their total assets (the S&P Target 10 Series), in securities of issuers that derive more than (15%) of their gross revenues from securities related activities.

APPLICANT: JNL Variable Fund LLC.

FILING DATE: The application was filed on February 12, 1999, and amended on April 28, 1999, and September 3, 1999.

HEARING OR NOTIFICATION OF HEARINGS: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing on the application by writing to the Secretary of the Commission and serving Applicant with a copy of the request personally or by mail. Hearing requests must be received by the Commission by 5:30 p.m. on November 15, 1999, and must be accompanied by proof of service on the Applicant in the form of an affidavit or, for lawyer, a certificate of service. Hearing requests should state the nature of the interest, the reason for the request, and the issues contested. Persons may request notification of hearing by writing to the Secretary of the SEC.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549–0609; Applicant, c/o Amy D. Eisenbeis, Esq., Jackson National Life Insurance Company 5901 Executive Drive, Lancing, Michigan 48911–5389.

FOR FURTHER INFORMATION CONTACT: Joyce Merrick Pickholz, Senior Counsel, or Kevin M. Kirchoff, Branch Chief, Office of Insurance Products, Division of Investment Management, at (202) 942–0670.

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application is available for a fee from the SEC's Public Reference Branch 450 Fifth Street, NW, Washington, D.C. 20549–0102 [tel (202) 942–8090].

Applicant's Representations

1. JNL is a stock life insurance company organized under the laws of the State of Michigan. JNL is licensed to transact life insurance and annuity business in the District of Columbia and all states except New York. JNL's ultimate parent is Prudential Corporation plc, a British financial services group.

2. Applicant is a Delaware limited liability company registered with the Commission as an open-end investment company. Applicant's 12 series, including the DJIA 5 Series, the DJIA 10 Series, the Target 15 Series and the S&P Target 10 Series (the DJIA 5 Series and the DJIA 10 Series, the ''DJIA Series'' together with the Target 15 Series and S&P Target 10 Series, ''Series''), serve as underlying investment vehicles for variable annuity contracts offered by JNL through Jackson National Separate Account I (''JNL Account I''), a registered unit investment trust.

3. Jackson National Financial Services, LLC (the ''Manager''), a wholly owned subsidiary of JNL, serves as applicant's investment adviser and in such capacity has responsibility for the overall management of the investment strategies and policies of Applicant and its series. The Manager has retained First Trust Advisers L.P. (''Sub-adviser'') as sub-adviser for each of Applicant's series.

4. The DJIA 5 Series will invest approximately twenty percent (20%) of its total assets in the common stock of each of the five companies with the lowest per share stock price of the ten companies in the Dow Jones Industrial Average (the ''DJIA'') that have the highest dividend yield as of the close of

business on or about the last business day prior to the initial investment date and annually, on the anniversary of said initial investment date, thereafter (each a ''Stock Selection Date'').

5. The DJIA 10 Series will invest approximately ten percent (10%) of its total assets in the common stock of each of the ten companies in the Dow Jones Industrial Average (''DJIA'') with the highest dividend yield as of each Stock Selection Date.

6. The Target 15 Series will invest approximately six and two-thirds percent (6⅔%) of its total assets in the common stock of each of fifteen companies which are components of the DJIA, the Financial Times Industrial Ordinary Share Index (''FT Index'') and the Hang Seng Index. Such companies will have the five lowest per share stock prices of the ten companies in each respective index which have the highest dividend yield in such respective index at the close of business on or about the last business day prior to each applicable Stock Selection Date.

7. The S&P Target 10 Series will invest approximately ten percent (10%) of its total assets in the common stock of each of the ten companies with the greatest one year appreciation of the one hundred and twenty-five companies in the S&P 500 Index that have the lowest price to sales ratio as of the close of business on or about the last business day prior to each Stock Selection Date. Such one hundred and twenty-five companies will be selected from two hundred and fifty companies that have the largest market capitalization in the S&P 500 Index as of the close of business on or about the last business day prior to each applicable Stock Selection Date.

8. The DJIA is comprised of thirty stocks chosen by the editors of The Wall Street Journal. The DJIA is the property of the Dow Jones & Company, Inc., which is not affiliated with JNL, JNL Account I or Applicant and does not participate in any way in the creation of any Series or the selection of their stocks.

9. The FT Index is comprised of thirty stocks chosen by the editors of The Financial Times as representative of the British industry and commerce. The FT Index is the property of The Financial Times and is not affiliated with JNL, JNL Account-1 or Applicant and does not participate in any way in the creation of any Series or the selection of their stocks.

10. The Hang Seng Index consists of thirty-three of the three hundred fifty-eight stocks and represents approximately 70% of the total market capitalization of the stocks listed on the Hong Kong Stock Exchange. The Hang Seng Index is the property of HSI Services Limited and is not affiliated with JNL, JNL Account-1 or Applicant and does not participate in any way in the creation of any Series or the selection of their stocks.

11. The S&P 500 Index consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market-value weighted index with each stock's weight in the index proportionate to its market value. the S&P 500 Index is the property of The McGraw-Hill Companies, Inc. which is not affiliated with JNL, JNL Account I or the Applicant and does not participate in any way in the creation of any Series or the selection of their stocks.

12. The objective of each Series is to provide an above-average total return through a combination of dividend income and capital appreciation. On each Stock Selection Date, each Series will allocate or reallocate its investments so that its assets are invested, in substantially equal amounts, in the common stock of the companies meeting each Series respective investment criteria (as held in a Series, such common stock is referred to as the ''Common Shares''). A percentage relationship among the Common Shares held in each Series will be established for each Series as of the Stock Selection Date. When funds are deposited into or withdrawn from a Series during the year, Common Shares will be purchased or sold for said Series, as appropriate, to duplicate, as nearly as practicable, the percentage relationship of the number of Common Shares established on the immediately preceding Stock Selection Date for said Series. Applicant states that the percentage relationship among the number of Common Shares in each Series therefore should remain stable until the next Stock Selection Date.

13. Section 817(h) of the Internal Revenue Code of 1986, as amended (''Code''), provides that in order for a variable contract which allocates funds to a Series to qualify as an annuity contract under the Code, the investments underlying the variable contracts must be adequately diversified in accordance with regulations issued by the United States Department of the Treasury (''Treasury''). To be adequately diversified, each Series must have (a) no more than 55% of the value of its total assets represented by any one investment; (b) no more than 70% of the value of its total assets represented by any two investments; (c) no more than 80% of the value of its total assets represented by any three investments; and (d) no more than 90% of the value of its total assets represented by any four investments (the ''Section 817(h) diversification requirements'').

14. The Series intend to comply with the Section 817(h) diversification requirements. The Manager has entered into an agreement with the Sub-adviser that requires the Series to be operated in compliance with the Treasury regulations including the Section 817(h) diversification requirements. Therefore, the Sub-adviser may depart from a Series' applicable investment strategy, if necessary, in order to meet the Section 817(h) diversification requirements.

15. Applicant represents that, except in order to meet the Section 817(h) diversification requirements, the Common Shares purchased for each Series will be chosen solely according to the formula described above, and will not be based on the research opinions or buy or sell recommendations of the Sub-adviser. During each year, the Sub-adviser will invest additional amounts received from JNL Account I in additional Common Shares or arrange sales of Common Shares to meet redemption or transfer requests, so that the proportion relationship among the number of shares of each stock in the Series established on the immediately preceding Stock Selection Date is maintained, to the extent practicable. The Sub-adviser has no discretion as to which Common Shares are purchased. However, the Sub-advisor will have limited discretion with respect to the short-term investment of any cash that may exist in a Series following: (a) the purchase or sale of the appropriate portion of Common Shares based on the formulas noted herein, to the extent that all of the cash can not be used to purchase such securities or more securities need to be sold than that necessary to meet redemption needs, due to round-lot purchase and sale requirements; or (b) a default by an issuer of Common Shares in the payment of its outstanding obligations, a decrease in the price of the security or other credit factors such that in the opinion of the Sub-advisor the retention of the applicable Common Share would be detrimental to the applicable Series.

16. Securities purchased for each of the Series may include securities of issuers in the DJIA, the FT Index, the Hang Seng Index or the S&P 500 Index that derived more than fifteen percent of their gross revenues in their most fiscal year from securities related activities.

Applicant's Legal Analysis

1. Section 12(d)(3) of the 1940 Act, with limited exceptions, prohibits an investment company from acquiring any security issued by any person who is a

broker, dealer, underwriter or investment adviser. Rule 12d3–1 under the 1940 Act exempts purchases by an investment company of securities of an issuer (except its own investment adviser, promoter or principal underwriter or their affiliates) that derived more than fifteen percent of its gross revenues in its most recent fiscal year from securities related activities, provided that, among other things, immediately after such acquisition, the acquiring company has invested not more than five percent of the value of its total assets in securities of the issuer.

2. Section 6(c) of the 1940 Act provides that the Commission may exempt any person, transaction or class of transactions from any provisions of the 1940 Act or any rule thereunder, if and 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 policy and provisions of the 1940 Act.

3. Applicant requests that the Commission exempt the Applicant from the provisions of Section 12(d)(3) in order to permit the Series to acquire securities of an issuer that derives more than 15% of its gross revenues from securities related activities, provided that; (a) those securities are included in the DJIA, the FT Index, the Hang Seng Index or the S&P 500 Index as of the applicable Stock Selection Date; (b) with respect to the DJIA 5 Series, the securities represent one of the five companies with the lowest per share stock price of the ten companies in the DJIA that have the highest dividend yield as of Stock Selection Date; (c) with respect to the DJIA 10 Series, the securities represent one of the ten companies with the lowest per share stock price of the ten companies in the DJIA that have the highest dividend yield as of each Stock Selection Date; (d) with respect to the Target 15 Series, the securities represent the fifteen companies which reflect the five lowest per share stock prices of the ten companies in each of the DJIA, the FT Index and the Hang Seng Index and which have the highest dividend yield in such respective index as of each Stock Selection Date; (e) with respect to the S&P Target 10 Series, the securities represent the ten companies with the greatest one year price appreciation of the one hundred and twenty-five companies in the S&P 500 Index that have the lowest price to sales ratio as of each Stock Selection Date. The one hundred and twenty-five companies will be selected from two hundred and fifty companies that have the largest market capitalization in the S&P Index as of each Stock Selection Date; and (f) as of the first business day after each Stock Selection Date, with respect to the DJIA 5 Series, the value of the Common Shares of each securities related issuer represents approximately 20%, but not more than 20.5% of the value of the DJIA 5 Series total assets, with respect to the DJIA 10 Series, the value of the Common Shares of each securities related issuer represents approximately 10%, but not more than 10.5% of the value of the DJIA 10 Series' total assets, with respect to the Target 15 Series, the value of the Common Shares of each securities related issuer represents approximately 6⅔%, but not more than 7 $\frac{1}{16}$% of the value of the Target 15 Series total assets, and with respect to the S&P Target 10 Series, the value of the Common Shares of each securities related issuer represents approximately 10%, but not more than 10.5% of the value of the S&P Target 10 Series total assets. The 20%, 5%, 10.5% and 7$\frac{1}{16}$% respective standards will be based on the prices of the Common Shares as of the first business day after the applicable Stock Selection Date.

4. Applicant and each Series undertake to comply with all of the requirements of Rule 12d3–1, except the condition prohibiting an investment company from investing more than five percent of the value of its total assets in securities of a securities related issuer.

5. Applicant asserts that Section 12(d)(3) was intended: (a) to prevent investment companies from exposing their assets to the entrepreneurial risk of securities related business; (b) to prevent potential conflicts of interest; (c) to eliminate certain reciprocal practices between investment companies and securities related businesses; and (d) to ensure that investment companies maintain adequate liquidity in their portfolios.

6. A potential conflict could occur if an investment company purchased securities or other interests in a broker-dealer to reward that broker-dealer for selling fund shares, rather than solely on investment merit. Applicant maintains that this concern does not arise in this situation because the Sub-adviser does not have discretion in choosing the Common Shares or the amount purchased. The stock must first be included in the DJIA, the FT Index, the Hang Seng Index, or the S&P 500 Index, as applicable, (none of which are affiliated with the Applicant, the Manager or the Sub-adviser). In addition, the securities must also qualify based on applicable arithmetic formula for each Series, as of the applicable Stock Selection Date.

7. Applicant states that prior Section 12(d)(3) relief has been granted to applicants which were unit investment trusts with no discretion to choose the portfolio securities or the amount purchased, but with discretion to sell portfolio securities to the extent necessary to meet redemptions. Additionally, relief has also been granted to an applicant which was a managed investment company issuing variable annuities which resulted in continuing new premiums that needed to be invested on a continual basis, and where such continuing investments were made based on the ratios of the number of shares established at the beginning of each year, using an investment strategy similar to that proposed by the Applicant, and not based on the advisers discretion.

8. The Sub-adviser is permitted to deviate from the applicable formula for the respective Series where circumstances are such that the investment of the particular Series would fail to meet the Section 817(h) diversification requirements and would thus cause the annuity contracts to fail to qualify as an annuity contract under the Code. Applicant maintains that, in such a situation, the Sub-adviser must be permitted to deviate from the investment strategy of the applicable Series, but only in order to meet the Section 817(h) diversification requirements and then only to the extent necessary to do so. Additionally, the Sub-adviser has limited discretion with respect to the short-term investment of any cash that may exist in a Series due to round-lot purchase and sale requirements and certain defaulted security situations. Applicant states that this limited discretion does not raise the concerns that Section 12(d)(3) is designated to prevent.

9. Applicant submits that the liquidity of the Series' portfolios is not a concern because the shares of common stock selected are each included in the DJIA, FT Index, Hang Seng Index or S&P 500 Index and traded on the New York Stock Exchange, the American Stock Exchange, the London Stock Exchange, the Hong Kong Stock Exchange, or over-the-counter markets and are among the most actively traded securities in their respective markets.

10. Applicant also submits that the investment policies of the Series will not lead to reciprocal practices between the Applicant and issuers involved in securities related businesses since purchases by the Series will have no significant effect on these issuers. The common stocks of securities related issuers represented in the DJIA, the FT Index, the Hang Seng Index and the S&P

500 Index are widely held and have active markets and potential purchases by a Series would represent an insignificant amount of the outstanding common stock and the trading volume of any of those issuers.

11. Applicant states that a conflict of interest could occur if broker-dealers are influenced to recommend certain investment company funds which invest in the stock of the broker-dealer or any of its affiliates. However, because of the large market capitalization of the DJIA, the FT Index, the Hang Seng Index and the S&P 500 Index issuers, and the small portion of these issuers common stock and trading volume that would be purchased by the Series, Applicant finds that it is extremely unlikely that any advice offered by a broker-dealer to a customer as to which investment company to invest in would be influenced by the possibility that JNL Account I or one of the Series would be invested in the broker-dealer or parent thereto.

12. Applicant states that another potential conflict of interest could occur if an investment company directed brokerage to an affiliated broker-dealer in which the company has invested to enhance the broker-dealers profitability or to assist it during financial difficulty, even though that broker-dealer may not offer the best price and execution. To preclude this type of conflict, Applicant agrees, as a condition of the application, that no company held in any Series portfolio, or any affiliate of such company, will act as broker for any Series in the purchase or sale of any security for their portfolios.

13. Finally, Applicant represents that any Future Companies will comply with the terms and conditions for the Series. Applicant submits that without class relief, exemptive relief for any Future Companies would have to be requested and obtained separately and would present no issues under the 1940 Act not already addressed in the application. Applicant states that if it were to repeatedly seek exemptive relief with respect to the same issues, investors would not receive additional protection or benefit, and investors and the Applicant could be disadvantaged by increased costs from preparing such additional requests for relief. Applicant asserts that the requested class relief is appropriate in the public interest because the relief will promote competitiveness in the variable annuity market by eliminating the need to file redundant exemptive applications, thereby reducing administrative expenses and maximizing efficient use of resources.

Applicant's Conditions

The Applicant agrees that the order granting the requested relief shall be subject to the following conditions:

1. As to the DJIA Series, the Common Shares are of issuers included in the DJIA as of the applicable Stock Selection Date;
2. As to the DJIA 10 Series, the Common Shares represent one of the ten companies in the DJIA that has the highest-dividend yield as of the applicable Stock Selection Date;
3. With respect to the DJLA 5 Series, the Common Shares represent one of the five companies with the lowest dollar per share price of the ten companies in the DJIA that has the highest dividend yield as of the applicable Stock Selection Date;
4. With respect to the DJIA 10 Series, on the first business day after each Stock Selection Date, the value of the Common Shares of each securities related issuer represents approximately ten percent (10%) of the value of the DJIA 10 Series total assets, but in no event more than ten and one-half percent (10.5%) of the value of the DJIA 10 Series total assets;
5. With respect to the DJIA 5 Series, on the first business day after each Stock Selection Date, the value of the Common Shares of each securities related issuer represents approximately twenty percent (20%) of the value of the DJIA 5 Series total assets, but in no event more than twenty and one-half percent (20.5%) of the value of the DJIA 5 Series total assets;
6. As to the Target 15 Series, the Target Stocks are of issuers included in the DJIA, FT Index and the Hang Seng Index as of the applicable Stock Selection Date;
7. As to the Target 15 Series, the Target Stocks represent one of the ten companies in each of the DJIA, FT Index and Hang Seng Index that has the highest dividend yield as of the applicable Stock Selection Date;
8. With respect to the Target 15 Series, the Target Stocks represent one of the five companies with the lowest per share price of the ten companies in each of the DJIA, FT Index or the Hang Seng Index that has the highest dividend yield as of the applicable Stock Selection Date;
9. With respect to the Target 15 Series, on the first business day after each Stock Selection Date, the value of the Target Stocks of each securities related issuer represents approximately six and two-thirds percent ($6\frac{2}{3}$%) of the value of the Target 15 Series total assets, but in no event more than seven and one-sixth percent ($7\frac{1}{6}$%) of the value of the Target 15 Series total assets;
10. As to the S&P Target 10 Series, the S&P Target Stocks are of issuers included in the S&P 500 Index as of the applicable Stock Selection Date;
11. As to the S&P Target 10 Series, the S&P Target Stocks represent one of the ten companies with the greatest one year price appreciation of the one hundred and twenty-five companies in the S&P 500 Index that have the lowest price to sales ratio as of the applicable Stock Selection Date. The one hundred and twenty-five companies will be selected from two hundred and fifty companies that have the largest market capitalization in the S&P 500 Index as of the applicable Stock Selection Date;
12. With respect to the S&P Target 10 Series, on the first business day after each Stock Selection Date, the value of the S&P Target Stocks of each securities issuer represents approximately ten percent (10%) of the value of the S&P Target 10 Series total assets, but in no event more than ten and one-half percent (10.5%) of the value of the S&P Target 10 Series total assets; and
13. As to any Series, no issuer whose securities are held by any Series, nor any affiliate thereof, will act as broker for such Series in the purchase or sale of any security for such Series.

Conclusion

For the reasons summarized above, Applicant asserts that the requested exemptions are appropriate in the public interest and 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, under delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99–28197 Filed 10–27–99; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Agency Meetings

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: [64 FR 57499, October 25, 1999

STATUS: . Open meetings.

PLACE: 450 Fifth Street NW, Washington, DC.

DATE PREVIOUSLY ANNOUNCED: October 20, 1999.

CHANGE IN THE MEETING: Cancellation.

The open meeting scheduled for Wednesday, October 27, 1999 at 10:00 a.m., has been canceled. The subject of this meeting was an appeal by the