

Organization (KEDO) and State Department (Public Meeting) (Contact: Donna Chaney, 301-415-2644)

Week of June 19—Tentative

Tuesday, June 20, 2000

9:25 a.m. Affirmation Session (Public Meeting) (If needed)

9:30 a.m. Briefing on Final Rule—Part 70—Regulating Fuel Cycle Facilities (Public Meeting)

1:30 p.m. Briefing on Risk-Informed Part 50, Option 3 (Public Meeting)

Week of June 26—Tentative

There are no meetings scheduled for the Week of June 26.

*THE SCHEDULE FOR COMMISSION MEETINGS IS SUBJECT TO CHANGE ON SHORT NOTICE. TO VERIFY THE STATUS OF MEETINGS CALL (RECORDING)—(301) 415-1292. CONTACT PERSON FOR MORE INFORMATION: Bill Hill (301) 415-1661.

The NRC Commission Meeting Schedule can be found on the Internet at: <http://www.nrc.gov/SECY/smj/schedule.htm>

This notice is distributed by mail to several hundred subscribers; if you no longer wish to receive it, or would like to be added to it, please contact the Office of the Secretary, Attn: Operations Branch, Washington, D.C. 20555 (301-415-1661). In addition, distribution of this meeting notice over the Internet system is available. If you are interested in receiving this Commission meeting schedule electronically, please send an electronic message to wmh@nrc.gov or dkw@nrc.gov.

Dated: May 19, 2000.

William M. Hill, Jr.,

Secy Tracking Officer, Office of the Secretary.

[FR Doc. 00-13151 Filed 5-22-00; 1:16 pm]

BILLING CODE 7590-01-M

NUCLEAR REGULATORY COMMISSION

Indiana Michigan Power Company, Donald C. Cook Nuclear Plant, Units 1 and 2; Notice of Correction to Biweekly Notice of Issuance of Amendments to Facility Operating Licenses

On May 17, 2000 (65 FR 31364), the **Federal Register** published the Biweekly Notice of Applications and Amendments to Operating Licenses Involving No Significant Hazards Considerations. On page 31364, under Indiana Michigan Power Company, Docket Nos. 50-315 and 50-316, the

amendment number was incorrectly noted. It should read, "Amendment Nos.: 244 and 225.

Dated at Rockville, Maryland this 18th day of May 2000.

For the Nuclear Regulatory Commission.

John F. Stang,

Senior Project Manager, Section 1, Project Directorate III, Division of Licensing Project Management, Office of Nuclear Reactor Regulation.

[FR Doc. 00-13064 Filed 5-23-00; 8:45 am]

BILLING CODE 7590-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42786; File No. SR-Amex-99-49]

Self-Regulatory Organizations; American Stock Exchange LLC; Order Partially Approving Proposed Rule Change Relating to Investment Series of the iShares Trust Based on Foreign Stock Indexes

May 15, 2000.

I. Introduction

On December 28, 1999, the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change relating to listing and trading investment series of the iShares trust based on foreign stock indexes. The proposed rule change was published for comment in the **Federal Register** on March 28, 2000.³ No comments were received on the proposal. This order approves the proposed rule change with respect to the iShares S&P Europe 350 Index Fund and the iShares S&P/TSE 60 Fund.

II. Description of the Proposal

The Exchange proposes to list and trade under Amex Rules 1000 *et seq.* the following investment series (each a "Fund" and collectively, the "Funds") of the iSharesSM Trust⁴ ("Trust") based on indexes (referred to herein as "Underlying Indices") comprised in whole or part of equity securities issued

by foreign issuers as follows: (1) iShares S&P Europe 350 Index Fund and (2) iShares S&P/TSE 60 Fund. Amex Rules 1000A *et seq.* apply to Index Funds Shares.

In addition to the Funds listed above, the Trust's 1940 Act exemptive application requests that the exemptive relief sought in the Application apply to Funds (referred to herein as "Additional Funds") based on the following indexes: (1) S&P Euro Index; (2) Dow Jones Global Media Sector Index; (3) Dow Jones Global Pharmaceuticals Sector Index; and (4) Dow Jones Global Telecommunications Sector Index. Funds on these indexes will not be the subject of the Trust's initial registration statement, which will cover the iShares S&P Europe 350 Index Fund and the iShares S&P/TSE 60 Fund. The Exchange proposes to list and trade the Additional Funds, listed above, that are the subject of the Trust's 1940 Act exemptive application after an effective registration statement is in place for those funds. All descriptions herein that apply to the two proposed iShares Funds also apply to the Additional Funds.

A detailed description of each Underlying Index for the Funds and the Additional Funds, as prepared by the compilers of the Underlying Indices, is available in the Commission's Public Reference Room as Exhibit B. These descriptions include information regarding component selection criteria, issue changes, index maintenance, index availability, index description, and industry group distribution by market capitalization.

"Passive" or Indexing Investment Approach

The investment objective of each Fund is to provide investment results that, before expenses, correspond generally to the price and yield performance of companies in the Underlying Index. In seeking to achieve the respective investment objective of each Fund, Barclays Global Fund Advisors, ("the Advisor"), will utilize some variety of "passive" or indexing investment approach. Certain Funds will use a replication strategy by which an index fund seeks to match an Underlying Index's performance, before fees and expenses, by buying and selling all of the Underlying Index's securities in the same proportion as they are reflected in the Underlying Index. These funds reserve the right not to invest in every security in the Underlying Index if the Advisor believes it is not practical to do so under the circumstances. It is anticipated that the iShares S&P/TSE 60 Fund will use a replication strategy.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 42543 (March 17, 2000), 65 FR 16433.

⁴ The Trust has filed with the Commission an Application for Orders ("Application") under Sections 6(c) and 17(b) of the Investment Company Act of 1940 ("1940 Act") as amended, for the purpose of exempting the Trust from various provisions of the 1940 Act and Amex Rules thereunder (File No. 812-11598).

Representative Portfolio Sampling Approach

Other Funds may not hold all or most of the securities in the Underlying Index ("Component Securities"). This may be the case, for example, when there are substantial costs involved in compiling an entire Underlying Index basket that contains scores of Component Securities or, in certain instances, when a Component Security is illiquid. In cases such as these, a Fund will attempt to hold a representative sample of the Component Securities in the Underlying Index, which will be selected by the Adviser utilizing quantitative analytical models in a strategy known as "representative portfolio sampling." It is anticipated that the iShares S&P Europe 350 Index Fund will use this technique.

No Fund will concentrate *i.e.*, hold more than 25% of its assets in the stocks of a single industry or a group of industries) its investments in issuers of one more more particular industries, except that a Fund will concentrate to the extent that its Underlying Index concentrates in the stocks of such particular industry or industries.

Under this strategy, each security is considered for inclusion in a Fund based on its contribution to certain capitalization, industry, and fundamental investment characteristics. The Adviser will seek to construct the portfolio of a Fund so that it will have capitalization, industry and fundamental investment characteristics that perform like those in the corresponding Underlying Index. From time to time, adjustments will be made in the portfolio of each Fund in accordance with changes in the composition of the Underlying Index, or to maintain compliance as a "regulated investment company" under the Internal Revenue Code.⁵ Certain of these Funds may also hold some securities that are not components of the relevant

⁵ In order for a Fund to qualify for tax treatment as a regulated investment company, it must meet several requirements under the Internal Revenue Code. One requirement that as of the close of each quarter of the Fund's taxable year: (1) At least 50 percent of the market value of the Fund's total assets must be represented by cash items, U.S. government securities, securities of other regulated investment companies and other securities, with such other securities limited for purposes of this calculation in respect of any one issuer to an amount not greater than 5 percent of the value of the Fund's assets and not greater than 10 percent of the outstanding voting securities of such issuer, and (2) not more than 25 percent of the value of its total assets may be invested in the securities of any one issuer, or of two or more issuers that are controlled by the fund (within the meaning of Section 851(b)(4)(B) of the Internal Revenue Code) and that are engaged in the same or similar trades or businesses or related trades or business (other than U.S. government securities or the securities of other regulated investment companies).

Underlying Index if the Adviser decides it is appropriate in view of such Funds' investment objectives and investment or tax constraints. If the representative portfolio sampling technique is used, a Fund will not be expected to track its Underlying Index with the same degree of accuracy as would an investment vehicle that invested in every Component Security of the Underlying Index with the same weightings as the Underlying Index. It is anticipated that, over time, the Adviser in such case will be able to employ representative portfolio sampling techniques such that the expected tracking error of a Fund relative to the performance of its Underlying Index will be less than 5 percent.

Procedures for Creation and Redemption of iShares of the Funds

Procedures for the creation and redemption of iShares of the proposed Funds are similar to procedures for creation and redemption of certain other Index Fund Shares based on a foreign stock index currently listed on the Amex (*i.e.*, WEBS), which do not utilize processes of the National Securities Clearing Corporation ("NSCC") in connection with the transmittal of trade instructions, the transfer of component securities and the cash component, and the transfer of iShares on creation and redemption. In contrast, creation and redemption procedures applicable to Portfolio Depository Receipts, such as SPDRs and Index Fund Shares, such as Select Sector SPDRs based on domestic stock indexes, utilize such NSCC processes.

Purchase or Creation of Creation Unit Aggregations

The trust will issue and sell iShares of each Fund only in Creation Unit Aggregations⁶ on a continuous basis through the distributor, SEI Investments Distribution Company ("the Distributor"), without a sales load. The price will be the net asset value ("NAV") next determined after receipt, on any business day, of an order in proper form. The consideration for purchase of Creation Unit Aggregations of a Fund generally consists of the in-kind deposit of a designated portfolio of equity securities (the "Deposit Securities") per each Creation Unit Aggregation of the stocks and weightings in the relevant Fund's portfolio ("Fund Securities") and an amount of cash (the "Cash Component") computed as described below. Together,

⁶ iShares cannot be redeemed individually but must be redeemed in Creation Unit Aggregations applicable to the specific Fund.

the Deposit Securities and the Cash Component constitute the "Fund Deposit," which represents the minimum initial and subsequent investment amount for a Creation Unit Aggregation of any Fund. The Trust will impose a Transaction Fee in connection with the creation and redemption of Creation Unit Aggregations.

The Cash Component is an amount equal to the Balancing Amount. The "Balancing Amount" is an amount equal to the difference between the NAV of the iShares (per Creation Unit Aggregation) and the "Deposit Amount." The "Deposit Amount" is an amount equal to the market value of the Deposit Securities. If the Balancing Amount is a positive number (*i.e.*, the NAV per Creation Unit Aggregation exceeds the Deposit Amount), the Cash Component will be paid to the Trust by the Creator. If the Balancing Amount is a negative number (*i.e.*, the NAV per Creation Unit Aggregation is less than the Deposit Amount), the creator will receive cash in an amount equal to the differential.

The Adviser, through NSCC, will make available on each Business Day immediately prior to the opening of business on the Amex, currently 9:30 a.m., New York time, the list of the names and the required number of shares of each Deposit Security to be included in the current Fund Deposit for each Fund. Such Fund Deposit is applicable, subject to any adjustments, to effect creations of Creation Unit Aggregations of a given Fund, until such time as the next-announced composition of the Deposit Securities is made available.

It is anticipated that the deposit of Deposit Securities and the Cash Component in exchange for iShares will be made primarily by institutional investors, arbitrageurs, and the Exchange specialist. Creation Unit Aggregations are separable upon issuance into identical shares that are listed and traded on the Amex.

Redemption of Creation Unit Aggregations

Shares may be redeemed only in Creation Unit Aggregations at their NAV next determined after receipt of a redemption request in proper form by the fund through the Distributor and only on a business day. Immediately prior to the opening of business on the Amex on each business day, the Adviser, through NSCC, will identify the Fund Securities that will be applicable (subject to possible amendment or correction) to redemption requests for each Fund received in proper form on that day.

Fund Securities received on redemption may not be identical to Deposit Securities that are applicable to creations of Creation Unit Aggregations.

Unless cash redemptions are available or specified for a Fund, the redemption proceeds for a Creation Unit Aggregation generally consist of Fund Securities—as announced by the Adviser on the Business day of the request for redemption received in proper form—plus cash in an amount equal to the difference between the NAV of the iShares being redeemed, as next determined after a receipt of a request in proper form, and the value of the Fund Securities (the “Cash Redemption Amount”).

If it is not possible to effect deliveries of the Fund Securities, the Trust may in its discretion exercise its option to redeem iShares in cash, and the redeeming beneficial owner will be required to receive redemption proceeds in cash. In addition, an investor may request a redemption in cash which the Fund may, in its sole discretion, permit. In either case, the investor will receive a cash payment equal to the NAV of its iShares based on the NAV of iShares of the relevant Fund next determined after the redemption request is received in proper form. A Fund may also, in its sole discretion, upon request of a shareholder, provide the redeemer a portfolio of securities that differs from the exact composition of the Fund Securities but does not differ in NAV.

Availability of Information Regarding Fund Shares and Underlying Indices

In addition to the list of names and amount of each security constituting the current Deposit Securities of the Portfolio Deposit, the Cash Component effective as of the previous business day, per outstanding share of each Fund, is expected to be made available each business day. The Exchange expects to disseminate, every 15 seconds during regular Amex trading hours, through the facilities of the Consolidated Tape Association (“CTA”), an amount per Fund Share representing the sum of the estimated Cash Component effective through and including the previous business day, plus the current value of the Deposit Securities in U.S. dollars, on a per share basis.

The value of each Underlying Index will be updated intra-day on a real-time basis as individual Component Securities change in price. These intra-day values of the Underlying Indices will be disseminated every 15 seconds throughout the trading day. In addition, these organizations will disseminate a value for each Underlying Index once

each trading day, based on closing prices in the relevant exchange market. Each Fund will make available on a daily basis the names and required number of shares of each of the Deposit Securities in a Creation Unit Aggregation, as well as information regarding the cash-balancing amount. The NAV for each Fund will be calculated and disseminated daily. In addition, the Adviser maintains a website that provides information about the returns and methodology of various indices, and will include the relevant Underlying Index for each Fund. The Trust also intends to maintain a website that will include the relevant prospectuses and additional quantitative information that is updated on a daily basis, including daily trading volume and closing price for each Fund. The Amex also intends to disseminate a variety of data with respect to each Index Series on a daily basis by means of CTA and Consolidated Quotation High Speed Lines, including shares outstanding and cash amount per Creation Unit Aggregation, which will be made available prior to the opening of the Amex. The closing prices of the Funds’ Deposit Securities are readily available from, as applicable, the relevant exchanges, automated quotation systems, or on-line information services such as Bloomberg or Reuters.

Dissemination of Indicative Portfolio Value

In order to provide updated information relating to each Fund for use by investors, professionals and persons wishing to create or redeem iShares based on indexes with non-U.S. components, it is expected that the Exchange will disseminate through the facilities of the CTA an updated indicative portfolio value (“Value”) for each of the Funds traded on the Exchange as calculated by a securities information provider (“Value Calculator”). It is anticipated that the methodology utilized in connection with the Funds will be similar to procedures used to calculate the Value for WEBS currently trading on the Exchange. The Value will be disseminated on a per iShares basis every 15 seconds during regular Amex trading hours of 9:30 a.m. to 4:15 p.m. New York time. The equity securities values included in the Value are the values of the Deposit Securities, which are the same as the portfolio that is to be utilized generally in connection with creations and redemptions of iShares in Creation Unit Aggregations on that day. The equity securities included in the Value reflects the same market

capitalization weighting as the Deposit Securities in the portfolio for the particular iShares Fund. In addition to the value of the Deposit Securities for each Fund, the Value includes the Cash Component. The Value also reflects changes in currency exchange rates between the U.S. dollar and the applicable home foreign currency.

The Value may not reflect the value of all securities included in the applicable Underlying Index. In addition, the Value does not necessarily reflect the precise composition of the current portfolio of securities held by each Fund at a particular point in time. Therefore, the Value on a per iShares basis disseminated during Amex trading hours should not be viewed as a real-time update of the NAV of a particular Fund, which is calculated only once a day. While the Value that will be disseminated by the Amex by 9:30 a.m. is expected to be generally very close to the most recently calculated Fund NAV on a per iShares basis, it is possible that the value of the portfolio of securities held by a Fund may diverge from the Deposit Securities Values during any trading day. In such case, the Value will not precisely reflect the value of the Fund portfolio.

However, during the trading day, the Value can be expected to closely approximate the value per Fund share of the portfolio of securities for each Fund except under unusual circumstances (e.g., in the case of extensive rebalancing of multiple securities in a Fund at the same time of the Advisor). The circumstances that might cause the Value to be based on calculations different from the valuation per Fund share of the actual portfolio of a Fund would not be different that circumstances causing any index fund or trust to diverge from an underlying benchmark index.

The Exchange believes that dissemination of the Value based on the Deposit Securities provides additional information regarding each Fund that would not otherwise be available to the public and is useful to professionals and investors in connection with iShares trading on the Exchange or the creation or redemption of iShares.

For each Fund, the Value Calculator will utilize closing prices (in applicable foreign currency prices) in the principal foreign market(s) for securities in the Fund portfolio, and convert the price to U.S. dollars. This Value will be updated every 15 seconds during Amex trading hours to reflect changes in currency exchange rates between the U.S. dollar and the applicable foreign currency. The Value will also include the applicable Cash Component for each Fund.

For Funds that include foreign stocks, the principal foreign markets for which have trading hours overlapping regular Amex trading hours, the Value Calculator will update the applicable Value every 15 seconds to reflect price changes in the applicable foreign market or markets, and convert such prices into U.S. dollars based on the current currency exchange rate. When the foreign market or markets are closed but the Amex is open, the Value will be updated every 15 seconds to reflect changes in currency exchange rates after the foreign markets close.

Other Characteristics of iShares

It is anticipated that a minimum of two Creation Unit Aggregations for each Fund will be outstanding at the commencement of trading on the Exchange. The number of shares per Creation Unit Aggregation is anticipated to be approximately 50,000 shares.

Fund shares will be registered in book-entry form through the Depository Trust Company ("DTC"). Trading in Fund shares on the Exchange will be effected until 4:15 p.m. each business day. The minimum trading increment under Amex rule 127 for Fund Shares will be $\frac{1}{64}$ of \$1.00.

Dividends from net investment income will be declared and paid at least annually by each Fund. Distributions of realized securities gains, if any, generally will be declared and paid at least once a year, but each Fund may make distributions on a more frequent basis to comply with Internal Revenue Code distribution requirements. Certain of the Funds intend to make the DTC book-entry Dividend Reinvestment Service available for use by beneficial owners of the Fund through DTC Participants for reinvestment of their cash proceeds.

The Exchange, in an information circular, will inform member firms, prior to commencement of trading, that investors purchasing iShares will be required to receive a Fund prospectus prior to or concurrently with the confirmation of a transaction therein.⁷

Original and Annual Listing Fees

The Amex original listing fee applicable to the listing of iShares is \$5,000 for each Fund. In addition, the annual listing fee under Section 141 of the Amex *Company Guide* will be based upon the year-end aggregate number of

outstanding iShares for all Funds combined.

Stop and Stop Limit Orders

Amex Rule 154, Commentary .04(c) provides that stop and stop limit orders to buy or sell a security other than an option, which is covered by Amex rule 950(f) and Commentary thereto, the price of which is derivatively priced based upon another security or index of securities, may with the prior approval of a Floor Official be elected by a quotation, as set forth in Commentary .04(c)(i-v). The Exchange has designated iShares as eligible for this treatment.⁸

Trading Halts

In addition to other factors that may be relevant, the Exchange may consider factors such as those set forth in Amex rule 918C(b) in exercising its discretion to halt or suspend trading in a Fund. These factors include: (1) The extent to which trading is not occurring in stocks underlying the specific underlying index; or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair orderly market are present. Trading in iShares will halt in the event that market-wide circuit breakers are triggered pursuant to Amex to Rule 117.

III. Discussion

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and in particular, with the requirements of Section 6(b)(5).⁹ Specifically, the Commission finds that the proposal to list and trade the iShares S&P Europe 350 Index Fund and iShares S&P/TSE 60 Fund will provide investors with a convenient and less expensive way of participating in the securities markets, including involvement with equities issued by foreign issuers. The Exchange's proposal should advance the public interest by providing investors with increased flexibility in satisfying their investment needs by allowing them to purchase and sell a single security replicating or to a large extent representing the performance of several portfolios of stock a negotiated prices throughout the business day. Accordingly, the Commission finds that the Exchange's proposal will promote just and equitable principles of trade,

foster cooperation and coordination with persons engaged in resulting, clearing, settling, processing information with respect to, and facilitating transactions in securities, and, in general, protect investors and the public interest consistent with Section 6(b)(5) of the Act.¹⁰

Amex Rules 1000 A *et seq.* provide for the listing and trading of Index Fund Shares, which are shares issued by an open-end management investment company that seeks to provide investment results that correspond generally to the price and yield performance of a specified foreign or domestic index.¹¹ The Exchange currently lists under Amex Rules 1000A *et seq.* eighteen series of World Equity Benchmark Shares ("WEB TM") based on Morgan Stanley Capital International foreign stock indices;¹² and nine series of Select Sector SPDRs® based on Selected Sector Indexes comprised of stocks representing various industry sectors and included in the S&P 500® Index.¹³ Similar to these other types of Index Fund Shares, the Commission believes that the iShares S&P Europe 350 Index Fund and iShares S&P/TSE 60 Fund will provide investors with an alternative to trading a broad range of securities on an individual basis, and will give investors the ability to trade a product representing an interest in a portfolio of securities designed to reflect substantially the applicable Underlying Index. The iShares S&P Europe 350 Index Fund and iShares S&P/TSE 60 Fund will allow investors to: (1) Respond quickly to market changes through intra-day trading opportunities; (2) engage in hedging strategies similar to those used by institutional investors; and, (3) reduce transactions costs for trading a portfolio of securities.

Although these iShares are not leveraged instruments, and, therefore do not possess any of the attributes of stock index options, their prices will be derived and based on the value of the securities and the cash held in the Fund. Accordingly, the level of risk involved in the purchase or sale of these

¹⁰ 15 U.S.C. 78f(b)(5). In approving this rule, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹¹ See Securities Exchange Act Release No. 3647 (March 8, 1996), 61 FR 10606 (March 14, 1996).

¹² "World Equity Benchmark Shares" and "WEBS" are service marks of Morgan Stanley Group, Inc. See Securities Exchange Act Release No. 41983 (October 6, 1999), 64 FR 56008 (October 15, 1999).

¹³ "S&P®", "S&P 500®", and "SPDRs®" are trademarks of The McGraw-Hill Companies, Inc., and "Select Sector SPDR" is service mark of The McGraw-Hill Companies, Inc., See Securities Exchange Act Release 40479 (December 4, 1998), 63 FR 68483 (December 11, 1998).

⁷ In its 1940 Act exemptive application, the Trust requests relief from the prospectus delivery requirements imposed by Section 24(d) of the 1940 Act. The Exchange will inform member firms of the prospectus delivery requirements applicable at commencement of trading.

⁸ See Securities Exchange Act Release No. 29063, note 9, (SR-Amex-90-31) regarding Exchange designation of equity derivative securities as eligible for such treatment under Amex rule 154, Commentary .04(c).

⁹ 15 U.S.C. 78f(b)(5).

Funds is similar to the risk involved in the purchase or sale of traditional common stock, with the exception that the pricing mechanism for these Funds is based on a portfolio of securities. Nevertheless, the Commission believes that the unique nature of the iShares S&P Europe 350 Index Fund and iShares S&P/TSE 60 Fund raises certain product design, disclosure, trading and other issues that must be addressed.

Generally

The Commission believes that the proposed iShares S&P Europe 350 Index Fund and iShares S&P/TSE 60 Fund are reasonably designed to provide investors with an investment vehicle that substantially reflects in value the index it is based upon. In this regard, the Commission notes that the Funds will be developed and maintained using two different investment approaches. The iShares S&P/TSE 60 Fund will use a replication strategy by which the Fund will seek to match the Underlying Index's performance, before fees and expenses, by buying and selling all of the Underlying Index's securities in the same proportion as they are reflected in the Underlying Index. The Fund may not invest in every security in the underlying index if the Adviser believes it is not practical to do so.

The iShares S&P Europe 350 Index Fund will be managed using the representative portfolio sampling approach. Under this strategy, the Adviser will seek to construct the portfolio of a Fund so that it will consist of securities that have capitalization, industry, and fundamental investment characteristics that perform like those in the corresponding Underlying Index. The Fund may not hold all or most of the securities in the Underlying Index and may hold some securities that are not part of the Underlying Index. However, the Fund will not concentrate more than 25% of its assets in the stocks of a single industry or a group of industries, except to the extent that its Underlying Index does so. The Exchange represents that the tracking error on the Fund relative to the performance of its Underlying Index will be less than 5 percent.

The aim of these component selection processes is to make index components highly representative of the overall economic sector composition and market capitalization of a given market. The Commission believes that the aforementioned criteria should serve to ensure that the underlying securities of these indexes are well capitalized and actively traded.

Listing and Trading

The Commission finds that the Amex's proposal contains adequate rules and procedures to govern the listing and trading of the iShares S&P Europe 350 Index Fund and iShares S&P/TSE 60 Fund. These Funds will be subject to the full panoply of Amex listing and delisting/suspension rules and procedures governing the trading of Index Fund Shares on the Amex. As such, these Funds are subject to the Amex rules governing the trading of equity securities, including, among others, rules governing trading halts, notices of members, responsibilities of the specialist, account opening and customer suitability requirements, and the election of a stop or limit order. Amex surveillance procedures for Index Fund Shares will also be applicable to the iShares S&P Europe 350 Index and iShares S&P/TSE 60 Fund. The Commission believes that the surveillance procedures developed by the Amex for Index Fund Shares are adequate to address the concerns associated with the listing and trading of these Funds, including any concerns associated with purchasing and redeeming Creation Units.

In addition, the Exchange has designated that a minimum of two creation units, approximately 100,000 shares, will be required to be outstanding at start-up of trading. The Commission believes this minimum number is sufficient to help to ensure that a minimum level of liquidity will exist at the start of trading. Furthermore, the Commission finds that registering the Fund shares in book-entry form through DTC, managing the distribution of dividend from net investment income, if any, and permitting beneficial owners of the Funds to offer the DTC book-entry Dividend Reinvestment Service are characteristics of the Funds that are consistent with the Act and should allow for the maintenance of fair and orderly markets and perfect the mechanism of a free and open market.

Furthermore, the Commission believes that the Exchange's proposal to trade the iShares S&P Europe 350 Index Fund and iShares S&P/TSE 60 Fund in minimum fractional increments of $\frac{1}{64}$ of \$1.00 is consistent with the Act. The Commission believes that such trading should enhance market liquidity, and should promote more accurate pricing, tighter quotations, and reduced price fluctuations. The Commission also believes that such trading should allow customers to receive the best possible execution of their transactions in the Funds. Additionally, the Commission

believes that the proposed original listing fee of \$5,000 is reasonable as is the proposed method for calculating the annual fee.

Dissemination of Information Regarding the Funds

The Commission believes that the Values and figures that the Exchange proposes to have disseminated for the iShares S&P Europe 350 Fund and iShares S&P/TSE 60 Fund will provide investors with timely and useful information concerning the value of the individual Funds. The Exchange represents that the Value information will be disseminated, every 15 seconds during regular Amex trading hours, through the facilities of the CTA and will reflect currently-available information concerning the value of the assets comprising the Deposit Securities and the Cash Component. The intra-day value of the Underlying Index also will be disseminated every 15 seconds throughout the trading day. On a daily basis, the Fund will make available the names and required number of shares of each of the Deposit Securities in a Creation Unit Aggregation, and the NAV will be calculated and disseminated. The Exchange represents that the Fund will maintain a website containing the prospectuses and relevant material that is updated daily, including trading volume and closing prices for each Fund. Additionally, the Exchange represents that it will disseminate on a daily basis the shares outstanding and cash amount per Creation Unit Aggregation.

Disclosure

The Commission believes that the Exchange's proposal will ensure that investors have information that will allow them to be adequately apprised of the terms, characteristics, and risks of trading the iShares S&P Europe 350 Fund and iShares S&P/TSE 60 Fund. Investors purchasing iShares will be required to receive a fund prospectus prior to or concurrently with the confirmation of a transaction therein. Alternatively, as previously noted, the Funds will be subject to the Exchange's rules and procedures for Index Fund Shares. This includes the provisions in Commentary .03 to Amex Rule 1000A, which provides for delivery of a product description for series that have granted relief from the prospectus delivery requirements of the 1940 Act.¹⁴ The prospectus or product description will address the special terms and

¹⁴ See Securities Exchange Act Release No. 42787 (May 15, 2000) (approving delivery of product description in lieu of prospectus).

characteristics of the Funds, including a statement regarding their redeemability and method of creation, and a statement regarding the likelihood of whether such products will trade below, at, or above net asset value, based on the rule of discount or premiums.¹⁵ The delivery requirement will extend to a member or member organization carrying an omnibus account for a non-member broker-dealer, who must notify the non-member to make the product description available to its customers on the same terms as are directly applicable to members and member organizations. Finally, Commentary .03 provides that a member or member organization must deliver a prospectus to a customer upon request.

The Commission also notes that prior to commencement of trading in the Funds, the Exchange will issue a circular to its members explaining the unique characteristics and risks of this particular type of security. The circular also will note the Exchange members' prospectus or product description delivery requirements, and highlight the characteristics of purchases in the iShares S&P Europe 350 Funds and iShares S&P/TSE 60 Fund. The circular also will inform members of their responsibilities under Amex Rule 411 in connection with customer transactions in these securities.

Accordingly, the Commission believes that the rules governing the trading of the iShares S&P Europe 350 Fund and iShares S&P/TSE 60 Fund provide adequate safeguards to prevent manipulative acts and practices and to protect investors and the public interest.

Scope of the Order

The Commission is approving the iShares S&P Europe 350 Fund and iShares S&P/TSE 60 Fund. Approval of iShares on the S&P Euro Index, Dow Jones Global Media Sector Index, Dow Jones Global Pharmaceuticals Sector Index, and Dow Jones Global Telecommunications Sector Index remains pending. Additionally, approval of other similarly structured products, or additional iShare Funds based on foreign stock indexes will require review by the Commission pursuant to Section 19(b) of the Act prior to being traded on the Exchange.

IV. Conclusion

It Is Therefore Ordered, pursuant to Section 19(b)(2) of the Act,¹⁶ that the proposed rule change (SR-Amex-99-

49) is partially approved with respect to the iShares S&P Europe Index Fund and iShares S&P/TSE 60 Fund.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁷

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-13003 Filed 5-23-00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[File No. 1-04951]

Issuer Delisting; Notice of Application To Withdraw From Listing and Registration (Westcoast Energy Inc., Common Stock, No Par Value, and Associated Common Stock Purchase Rights)

May 18, 2000.

Westcoast Energy Inc. ("Company") has filed an application with the Securities and Exchange Commission ("Commission"), pursuant to section 12(d) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 12d2-2(d) thereunder,² to withdraw its Common Stock, no par value, and associated Common Stock Purchase Rights (referred to collectively herein as the "Securities"), from listing and registration on the Pacific Exchange, Inc. ("PCX").

The Company, which is based in Vancouver, British Columbia, and whose Securities are additionally listed on the Toronto Stock Exchange ("TSE"), in Canada, and on the New York Stock Exchange ("NYSE"), is seeking to withdraw the Securities from listing and registration on the PCX at this time in order to save the costs associated with such listing and related compliance.

The Company has stated that its application relates solely to the withdrawal of the Securities from listing and registration on the PCX and shall have no effect upon the Securities' continued listing and registration on the NYSE under section 12(b) of the Act.³

The withdrawal of the Securities from listing and registration on the PCX was approved by the Company's board of directors at a meeting held on February 15 and 16, 2000. Furthermore, the Company has included with its application a copy of a letter from the PCX indicating that the Equity Listings Committee of the PCX, at a meeting held on May 2, 2000, has approved the

Company's request that the Securities be removed from listing and registration on the Exchange, pending final approval of the Commission.

Any interested person may, on or before June 9, 2000, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549-0609, facts bearing upon whether the application has been made in accordance with the rules of the PCX and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁴

Jonathan G. Katz,
Secretary.

[FR Doc. 00-13067 Filed 5-23-00; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-24459; 812-11976]

Yahoo! Inc.; Notice of Application

May 18, 2000.

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

ACTION: Notice of application for an order under section 3(b)(2) of the Investment Company Act of 1940 (the "Act").

SUMMARY: Applicant Yahoo! Inc. ("Yahoo!") seeks an order under section 3(b)(2) of the Act declaring it to be primarily engaged in a business other than that of investing, reinvesting, owning, holding or trading in securities. Applicant is a global Internet new media company that offers a branded network of media, commerce and communication services. On April 5, 2000, a temporary order was issued pursuant to section 3(b)(2) of the Act exempting applicant from all provisions of the Act until July 10, 2000.

Filing Dates: The application was filed on February 11, 2000 and amended April 5, 2000 and May 16, 2000.

Hearing for Notification of Hearing: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving

¹⁵ As per telephone conversation between Mike Cavalier, Associate General Counsel, Amex, and Heather Traeger, Attorney, Division of Market Regulation, SEC, on May 15, 2000.

¹⁶ 15 U.S.C. 78s(b)(2).

¹⁷ 17 CFR 200.30-3(a)(12).

¹⁵ U.S.C. 78l(d).

² 17 CFR 240.12d2-2(d).

³ 15 U.S.C. 78l(b).

⁴ 17 CFR 200.30-3(a)(1).