

protection of investors and the public interest and does not impose any significant burden on competition to allow the proposed rule change to become operative as of the date of this Order and be implemented on January 1, 2001. At any time within 60 days of the filing of such 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 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. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-ISE-00-26 and should be submitted by January 17, 2001.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-32893 Filed 12-26-00; 8:45 am]

BILLING CODE 8010-01-M

⁸ For purposes only of accelerating the operative date of this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁹ 17 CFR 200.30-3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43749; File No. SR-NASD-00-59]

Self Regulatory Organizations; Order Granting Accelerated Approval of Proposed Rule Change and Amendment No. 1 to the Proposed Rule Change by the National Association of Securities Dealers, Inc. to Permit the Inclusion of Certain Unit Investment Trusts in Nasdaq's Mutual Fund Quotation Service

December 20, 2000.

I. Introduction

On October 20, 2000, the National Association of Securities Dealers, Inc. ("NASD") through its wholly owned subsidiary, the Nasdaq Stock Market, Inc. ("Nasdaq") 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 to include certain unit investment trusts ("UITs") in Nasdaq's Mutual Fund Quotation Service ("MFQS"). Notice of the proposed rule change was published for comment in the **Federal Register** on December 1, 2000.³ No comments were received on the proposal. On December 13, 2000, Nasdaq filed Amendment No. 1 to the proposal.⁴ This order approves the proposed rule change, as amended, on an accelerated basis.

II. Description of the Proposal

Nasdaq proposes to amend NASD Rule 6800 to permit the inclusion of certain UITs in the MFQS.⁵ Changes made by Amendment No. 1 are indicated as follows. Proposed new

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See securities Exchange Act Release No. 43613 (November 22, 2000), 65 FR 75328 (December 1, 2000).

⁴ See Letter from Jeffrey S. Davis, Office of General Counsel, Nasdaq, to Katherine A. England, Assistant Director, Division of Market Regulation, Commission (December 13, 2000). Amendment No. 1 amended the language of proposed NASD Rule 6800 to reflect that UITs have "sponsors" rather than "investment advisors" and that the assets of such trusts are not "managed" as that term is defined in the Investment Company Act of 1940. This is a technical amendment and is not subject to notice and comment.

⁵ Section 4(2) of the Investment Company Act of 1940 defines a Unit Investment Trust as "an investment company which (A) is organized under a trust indenture, contract of custodianship or agency, or similar instrument, (B) does not have a board of directors, and (C) issues only redeemable securities, each of which represents an undivided interest in a unit of specified securities; but does not include a voting trust." 15 U.S.C. 80a-4(2).

language is in italics; proposed deletions are in brackets.

* * * * *

6800. Mutual Fund Quotation Service

(a) Description.

The Mutual Fund Quotation Service collects and disseminates through The Nasdaq Stock Market prices for [both] mutual funds, *closed-end funds*, [and] money market funds, *and unit investment trusts*.

(b) Eligibility Requirements.

To be eligible for participation in the Mutual Fund Quotation Service, a fund shall:

(1) be registered with the Commission as an open-end ("open-end fund") or a closed-end ("closed-end fund") investment company *or a unit investment trust* pursuant to the Investment Company Act of 1940,

(2) execute the agreement specified by the Association relating to the fund's obligations under the Program,

(3) pay, and continue to pay, the fees as set forth in Rule 7090, and

(4) submit quotations through an automatic quotation system operated by the Association.

(c) News Media Lists.

(1)(A) An eligible open-end fund shall be authorized for inclusion in the News Media List released by the Association if it has at least 1,000 shareholders or \$25 million in net assets.

(B) An eligible closed-end fund *or unit investment trust* shall be authorized for inclusion in the News Media List released by the Association if it has at least \$60 million in net assets.

(C) Compliance with subparagraphs (1)(A) and (B) shall be certified by the fund to the Association at the time of initial application for inclusion in the List.

(2)(A) An authorized open-end fund shall remain included in the New Media List if it has [either] *at least* 750 shareholders or \$15 million in net assets.

(B) An authorized closed-end fund *or unit investment trust* shall remain included in the News media List if it has *at least* \$30 million in net assets.

(C) Compliance with subparagraphs (2)(A) and (B) shall be certified to the Association upon written request by the Association.

(d) Supplemental List.

An eligible open-end fund, [or] closed-end fund *or unit investment trust* shall be authorized for inclusion in the Supplemental List released to vendors of Nasdaq Level 1 Service if it meets one of the criteria set out in subparagraph (1), subparagraph (2), or subparagraph (3) below:

(1) the fund *or unit investment trust* has net assets of \$10 million or more, or

(2) the fund or unit investment trust has had two full years of operation, or

(3) the fund's investment adviser or unit investment trust's sponsor:

(A) is the investment adviser or sponsor of at least one other fund or unit investment trust that is listed on the Mutual Fund Quotation Service and that has net assets of \$10 million or more; and

(B) [has at least \$15 million in total assets of open-end and closed-end funds under management] manages or sponsors open-end funds, closed-end funds, or unit investment trusts that have aggregate assets of at least \$15 million.

* * * * *

The MFQS was created to collect and to disseminate data pertaining to the value of open-end and closed-end funds. Currently, the MFQS disseminates the valuation date for over 11,000 funds. The Service facilitates this process by permitting funds included in the Service (or pricing agents designated by such funds) to use browser-based technology to transmit directly to Nasdaq a multitude of pricing information, including information about a fund's net asset value, offer price, and closing market price.

Funds must meet minimum eligibility criteria in order to be included in the MFQS.⁶ The MFQS has two "lists" in which a fund may be included—the News Media List and the Supplemental List—and each list has its own initial inclusion requirements.⁷ In addition, there are maintenance/continued inclusion requirements for the News Media list only. If a fund qualifies for the News Media List, pricing information about the fund is eligible for inclusion in the fund tables of newspapers and is also eligible for dissemination over Nasdaq's Level 1 Service, which is distributed by market data vendors. If a fund qualifies for the Supplemental List, the pricing information about that fund generally is not included in newspaper fund tables, but is disseminated over Nasdaq's Level 1 Service. Therefore, the Supplemental List provides significant visibility for funds that do not otherwise qualify for inclusion in the News Media List. Each fund incurs an annual fee for inclusion in the Service.⁸

MFQS provides valuable pricing information for a large portion of funds for which there is significant investor interest, but it currently covers no UITs. According to data compiled by the Investment Company Institute, as of the

end of 1999, there were a total of 10,418 trusts with a market value of \$94.60 billion, including 8,924 tax-free bond trusts, with a market value of \$25.56 billion; 409 taxable bond trusts, with a market value of \$4.28 billion; and 1,085 equity trusts, with a market value of \$64.76 billion.

Due to the similarity in pricing characteristics, Nasdaq proposes to apply to UITs the same MFQS listing standards that will apply to closed-end mutual funds. To qualify for initial inclusion in the News Media Lists, a closed-end fund must have at least \$60 million in net assets, and to remain in the News Media List, a closed-end fund would have to maintain at least \$30 million in net assets. These listing standards are designed to identify securities in which there is significant investor interest. Likewise, Nasdaq would apply to UITs the same criteria for inclusion in the Supplemental List as it applies to open and closed-end funds. An open-end or closed-end fund qualifies for inclusion in the Supplemental List if the fund has at least \$10 million in net assets, or the fund has had two full years of operation or if the investment advisor to the fund has at least one other fund listed on MFQS that has \$10 million in assets. In addition, the investment advisor must have under management at least \$15 million from open-end, closed-end, or money-market funds. Managed assets from other sources—such as pension funds—would not be included for purposes of determining whether the investment firm meets the requirement that it manage at least \$15 million in fund-related assets. Nasdaq proposes to apply the same three alternative criteria to UITs, requiring that they have \$10 million in assets, be in operation for two full years, or have a sponsor with sufficient fund- or UIT-related assets.

III. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change as Amended

The Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities association,⁹ and in particular, the requirements of Section 15A(b)(6)¹⁰ of the Act, because it is designed to foster cooperation and coordination with persons engaged in processing information with respect to securities, to remove impediments to

and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

The Commission believes that the proposal, as amended, will protect investors and the public interest by promoting better processing of fund pricing information. Specifically, the Commission notes that in Section 11A(a)(1)(C),¹¹ Congress found that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations and transactions in securities. The Commission believes that the proposed rule change will help to protect investors and the public interest by promoting better processing of price information in UITs. Accordingly, the Commission believes that the new listing criteria will provide greater transparency to the markets by providing greater pricing information for a broader base of investments for which there is significant investor interest. Nasdaq estimates that nearly all of the equity-based UITs that exist today would be eligible for inclusion in the MFQS under the proposed new standards. The Commission also believes the proposed listing standards serve as a means for the marketplace to screen issuers and to provide listed status only to *bona fide* investment companies with sufficient investor base and trading interest to maintain fair and orderly markets.

The Commission finds good cause for approving the proposed rule change, as amended, prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register**. The Commission notes that Nasdaq hopes to begin including UITs in the MFQS beginning on January 1, 2001 to enable investors to more easily monitor the performance of covered securities on a year-to-date basis, which is consistent with common practice. Accelerated approval of the proposed rule change, as amended, would therefore provided this improvement in service to investors more quickly. Further, proposed Amendment No. 1 provides clarity to the rule. It amended the language of proposed NASD Rule 6800 to reflect that UITs have "sponsors" rather than "investment advisors" and that the assets of such trusts are not "managed" as that term is defined in the Investment Company Act of 1940.¹² The Commission believes, therefore, that

⁹ In approving this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹⁰ 15 U.S.C. 78o-3(b)(6).

¹¹ 15 U.S.C. 78k-1(a)(1)(C)

¹² 15 U.S.C. 80b-2(a)(11).

⁶ See NASD Rule 6800.

⁷ See *id.*

⁸ See NASD Rule 7090.

granting accelerated approval of the proposed rule change, as amended, is appropriate and consistent with Section 15A(b)(6)¹³ of the Act.

IV. Conclusion

For the reasons discussed above, the Commission finds that the proposal, as amended, is consistent with the Act and the rules and regulations thereunder.

It is Therefore Ordered, pursuant to Section 19(b)(2) of the Act,¹⁴ that the proposed rule change, SR-NASD-00-59, as amended, be and hereby is approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁵

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-32944 Filed 12-26-00; 8:45 am]

BILLING CODE 8010-01-M

DEPARTMENT OF STATE

[Public Notice Number 3500]

Overseas Schools Advisory Council; Notice of Meeting

The Overseas Schools Advisory Council, Department of State, will hold its Executive Committee Meeting on Tuesday, January 30, 2001, at 9:30 a.m. in Conference Room 1105, Department of State Building, 2201 C Street, NW., Washington, DC. The meeting is open to the public.

The Overseas Schools Advisory Council works closely with the U.S. business community in improving those American-sponsored schools overseas, which are assisted by the Department of State and which are attended by dependents of U.S. Government families and children of employees of U.S. corporations and foundations abroad.

This meeting will deal with issues related to the work and the support provided by the Overseas Schools Advisory Council to the American-sponsored overseas schools. The agenda includes a review of the recent activities of American-sponsored overseas schools and the overseas schools regional associations, a presentation on the status of education in the United States and its impact on American-sponsored overseas schools, a review of the project selection process for the annual Program of Educational Assistance, and selection of projects for the 2001 program.

Members of the general public may attend the meeting and join in the discussion, subject to the instructions of the Chair. Admittance of public

members will be limited to the seating available. Access to the State Department is controlled, and individual building passes are required for all attendees. Persons who plan to attend should so advise the office of Dr. Keith D. Miller, Department of State, Office of Overseas Schools, Room H328, SA-1, Washington, DC 20522-0132, telephone 202-261-8200, prior to January 20, 2001. Each visitor will be asked to provide a date of birth and Social Security number at the time of registration and attendance and must carry a valid photo ID to the meeting. All attendees must use the C Street entrance to the building.

Dated: December 11, 2000.

Keith D. Miller,

*Executive Secretary, Overseas Schools
Advisory Council, U.S. Department of State.*

[FR Doc. 00-32990 Filed 12-26-00; 8:45 am]

BILLING CODE 4710-24-P

TENNESSEE VALLEY AUTHORITY

Environmental Assessment or Environmental Impact Statement on Proposal to Transfer 710 Acres at Site of the Previously Proposed Hartsville Nuclear Plant, Trousdale and Smith Counties, Tennessee

AGENCY: Tennessee Valley Authority (TVA).

ACTION: Notice of Intent.

SUMMARY: Members of the local communities in Trousdale and Smith Counties, Tennessee have requested TVA to transfer 710 acres (about 287 hectares) of land within the site of the formerly proposed Hartsville Nuclear Plant to a public/private entity for industrial and office development. TVA will prepare an environmental assessment (EA) or environmental impact statement (EIS) that assesses the impacts of the transfer. We are inviting comments concerning the scope of the issues and the alternatives that should be addressed in the EA/EIS.

TVA will begin by developing an EA for the proposed transfer. In the event that information gathered or analyses conducted in preparing this EA indicate that the proposal could have a significant impact on the environment, the agency will prepare an EIS. If TVA decides to prepare an EIS, the scoping process now underway for the EA will be used for the EIS and will not be repeated.

How and When to Comment: Send written comments to Peter K. Scheffler, Tennessee Valley Authority, 400 West Summit Hill Drive, Knoxville, Tennessee, 37902-1499. Send comments by e-mail to

pkscsheffler@tva.gov. You may comment by telephone to TVA's automated voice mail system at 1-800-TVA-LAND (882-5263). Mailed comments should be postmarked no later than 30 days following publication of this notice in the **Federal Register** to ensure consideration. E-mailed and telephoned comments should be made no later than 30 days following publication to ensure consideration.

FOR FURTHER INFORMATION CONTACT: You can find information on TVA's web site at www.tva.gov/environment/reports. For basic project information you can also contact Michael A. Montgomery, Tennessee Valley Authority, P.O. Box 292409, Nashville, TN 37229-2409; 615/232-6053; mamontgomery@tva.gov. For information on the environmental review, you can contact Charles L. McEntyre, Tennessee Valley Authority, 1101 Market Street, HB 2A, Chattanooga, TN 37402-2801; 423/751-4123; clmcentyre@tva.gov.

SUPPLEMENTARY INFORMATION:

Background

TVA acquired 1,940 acres (about 785 hectares) of land in Trousdale and Smith Counties, Tennessee, in the late 1960s and early 1970s as a site on which to construct a nuclear power plant. The site is located on the Cumberland River on the north shore of Old Hickory Reservoir at approximate river mile 285. The town of Hartsville is about 5 miles (8 kilometers) northwest of the site, and Nashville is about 40 miles (about 64 kilometers) southwest.

TVA prepared an EIS for the proposed nuclear plant on the proposed nuclear plant and made it available to the public on May 23, 1975. Following completion of the EIS, TVA began construction of the plant, but did not complete it. TVA has used some of the buildings on the site for storage and has leased other buildings for industrial activity.

In the years since the plant construction was discontinued, the pace of economic growth in the counties around the site has been slow, and high unemployment and low wages continue to be problems. Members of the local communities have seen the largely undeveloped site of the proposed nuclear plant as a suitable site for an industrial and office park which would help remedy the area's economic problems. On June 5, 2000, members of the local communities and elected representatives met with TVA to present the idea of transferring 710 acres (about 287 hectares) of the site to a public/

¹³ 15 U.S.C. 78o-3(b)(6).

¹⁴ 15 U.S.C. 78s(b)(2).

¹⁵ 17 CFR 200.30-3(a)(12).