

generators and foreign utility companies.

Applicants request authority for IP&L to issue and sell Short-Term Debt through the Authorization Period in a principal amount which, when added to the principal amount of its borrowings through the Utility Money Pool, would not at any time exceed \$300 million.

Applicants state that, presently, borrowings by IP&L have a lower effective cost than borrowings by Alliant Energy, its parent company.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[File No. 22-28586]

Application and Opportunity for Hearing: USG Corporation

March 22, 2002.

The Securities and Exchange Commission gives notice that USG Corporation has filed an application under Section 310(b)(1)(ii) of the Trust Indenture Act of 1939. USG asks the Commission to find that the trusteeship of National City Bank of Indiana as successor trustee under:

- An indenture dated October 1, 1986, between USG and Harris Trust and Savings Bank, a predecessor trustee, with respect to 9¼% Senior Notes due September 15, 2001 and 8½% Senior Notes due August 1, 2005, and
 - 12 indentures between USG and certain predecessor trustees, with respect to tax-exempt bonds listed in Exhibit A, that have not been qualified under the 1939 Act,
- is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify National City from acting as trustee under these indentures.

Section 310(b) of the 1939 Act provides, in part, that if a trustee under an indenture qualified under the Act has or acquires any conflicting interest described in that section, the trustee must, within ninety days after ascertaining that it has a conflicting interest, either eliminate the conflicting interest or resign. Section 310(b)(1) provides, with stated exceptions, that a trustee shall be deemed to have a conflicting interest if the trustee is also a trustee under another indenture under

which any other securities of the same obligor are outstanding. However, under Section 310(b)(1)(ii), specified situations are exempt from the deemed conflict of interest under Section 310(b)(1). Section 310(b)(1)(ii) provides, in part, that an indenture to be qualified shall be deemed exempt from Section 310(b)(1) if:

the issuer shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon, that trusteeship under the indenture * * * is not so likely to involve a *material conflict of interest* as to make it necessary in the public interest or for the protection of investors to disqualify such trustee from acting as such under one of such indentures * * * Section 310(b)(1)(ii) (emphasis added).

Under this provision, National City's trusteeship under the indentures may be excluded from the operation of Section 310(b)(1) if USG sustains the burden of proving, on application to the Commission, that a material conflict of interest is not so likely as to make it necessary in the public interest or for the protection of investors to disqualify National City from acting as trustee under any of the indentures.

In its application, USG alleges that:

1. USG issued the 9¼% Senior Notes due September 15, 2001 and the 8½% Senior Notes due August 1, 2005 in registered public offerings in the United States (Registration Statement Nos. 33-52433 and 33-60563), and USG qualified the indenture under the 1939 Act. USG issued the tax-exempt bonds under indentures that were not qualified under the 1939 Act. The securities outstanding under the indentures rank *pari passu* with each other and are wholly unsecured. However, none of the indentures references any other indenture.

2. As a result of a Resignation, Appointment and Acceptance Agreement, dated and effective June 18, 2001, National City succeeded as trustee under the qualified indenture. Under various other Resignation, Appointment and Acceptance Agreements that are listed in Exhibit A, National City has succeeded, or is in the process of succeeding, as trustee under the non-qualified indentures.

3. As of the date of USG's application, USG is in default under the indentures due to its filing of a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code on June 25, 2001. The commencement of a voluntary case under the U.S. Bankruptcy Code constitutes an "Event of Default" under Section 6.01 of the qualified indenture. The commencement of a voluntary case under the U.S. Bankruptcy Code also constitutes an "Event of Default" under each of the non-qualified indentures. Thus, USG is in default under all of the indentures.

4. Section 310(b)(1)(i) exempts an indenture from the provisions of Section 310(b) "if the indenture to be qualified and any such other indenture or indentures * * * are wholly unsecured and rank equally, and such other indenture or

indentures * * * are specifically described in the indenture to be qualified or are thereafter qualified." None of the indentures references any other indenture. USG asserts that the absence of these references does not create a risk of material conflict between the indentures where none otherwise exists.

5. USG asserts that because the securities outstanding under all of the indentures rank equally with one another in right of payment and are wholly unsecured, it is highly unlikely that National City would ever be subject to a conflict of interest with respect to issues relating to the priority of payment. National City would neither be in a position, nor required by the terms of any indenture, to assert that securities outstanding under one indenture are entitled to payment prior to payment of claims under another indenture.

6. Further, USG asserts that there are no material variations among the default and remedy provisions of the indentures. USG asserts that because of the similarity of these provisions, including the cross-default provisions, and the defaults under all of the indentures, it is highly unlikely as a practical matter that National City would find itself in a position of proceeding against USG for a default under one indenture but not another indenture.

7. USG asserts that it is in the best interest of USG and the holders of the securities under the indentures that National City serves simultaneously as trustee under all the indentures. National City is not a creditor of USG and has no business relationship with USG other than under the indentures. National City's trusteeship also will allow USG to avoid the significant duplicative costs associated with having more than one trustee and their separate professionals review, understand, and administer similar indentures, and interact with USG and other parties in interest as USG works to address its present financial circumstances.

USG has waived notice of a hearing in connection with this matter. Any interested persons should look to the application for a more detailed statement of the asserted matters of fact and law. The application is on file in the Commission's Public Reference Section, File No. 22-28586, 450 Fifth Street, NW., Washington, DC 20549.

The Commission also gives notice that any interested persons may request in writing that a hearing be held on this matter. Interested persons must submit those requests to the Commission no later than April 22, 2002. Interested persons must include the following in their request for a hearing on this matter:

- The nature of that person's interest;
- The reasons for the request; and
- The issues of law or fact raised by the application that the interested person desires to refute or request a hearing on.

The interested person should address this request for a hearing to: Margaret H. McFarland, Deputy Secretary, U.S.

Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. At any time after April 22, 2002, the Commission may issue an

order granting the application, unless the Commission orders a hearing.

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

Margaret H. McFarland,
Deputy Secretary.

EXHIBIT A.—TAX-EXEMPT OBLIGATIONS OF, OR ASSUMED BY, USG CORPORATION

Date of indenture	Description of issue	Predecessor trustee	Principal outstanding	Interest rate (percent)	Date trusteeship assumed	Maturity date
12/01/84	Nolan County Industrial Development Corporation Industrial Development Revenue Bonds (United States Gypsum Company Project) Series 1984 due 2014.	Bank One ¹ ..	\$ 1,000,000	7.25	06/21/01	12/01/2014
08/01/97	State of Ohio Solid Waste Disposal Revenue Bonds (USG Corporation Project) Series 1997 due 2032.	Bank One	45,000,000	5.60	06/22/01	08/01/2032
03/01/98	State of Ohio Solid Waste Disposal Revenue Bonds (USG Corporation Project) Series 1998 due 2033.	Bank One	44,400,000	5.65	06/22/01	03/01/2033
08/01/99	State of Ohio Solid Waste Disposal Revenue Bonds (USG Corporation Project) Series 1999 due 2034.	Bank One	9,000,000	6.05	06/22/01	08/01/2034
07/10/99	Pennsylvania Economic Development Financing Authority Solid Waste Disposal Revenue Bonds (USG Corporation Project) Series 1999 due 2031.	Chase ²	110,000,000	6.00	07/13/01	06/01/2031
09/01/77	Town of Shoals, Indiana Economic Development Revenue Bonds (United States Gypsum Company Project) Series A dated 1977 due 2007.	Bank One	1,000,000	5.90	08/01/01	09/01/2007
09/01/77	City of Fort Dodge, Iowa Industrial Development Revenue Bonds (United States Gypsum Company Project) Series A dated 1977 due 2007.	Bank One	1,000,000	5.90	09/18/01	09/01/2007
10/01/84	The Trustees of the Blaine County Industrial Authority Industrial Development Revenue Refunding Bonds (United States Gypsum Company Project) Series 1974 due 2010.	Bank One	1,000,000	7.25	(⁴)	10/01/2010
10/01/84	Jacksonville Port Authority Industrial Development Revenue Refunding Bonds (United States Gypsum Company Project) Series 1984 due 2014.	Bank One	1,000,000	7.25	09/06/01	10/01/2014
09/01/98	City of East Chicago, Indiana Solid Waste Disposal Revenue Bonds (USG Corporation Project) Series 1998 due 2038.	Bank One	10,000,000	5.50	10/16/01	09/01/2028
08/01/99	City of East Chicago, Indiana Solid Waste Disposal Revenue Bonds (USG Corporation Project) Series 1999 due 2029.	Bank One	10,000,000	6.375	10/16/01	08/01/2029
12/01/99	State of Oregon Solid Waste Disposal Facilities Economic Development Revenue Bonds Series 192 (USG Corporation Project) Series 1999.	Wells Fargo ³	11,000,000	6.40	10/01/01	12/01/2029

¹ Bank One Trust Company, N.A.

² Chase Manhattan Trust Company, National Association.

³ Wells Fargo Bank Northwest, National Association.

⁴ Pending.

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DEPARTMENT OF STATE

[Public Notice 3915]

**Shipping Coordinating Committee;
Notice of Meeting**

The U.S. Shipping Coordinating Committee (SHC) will conduct an open meeting at 10:00 a.m. on Tuesday, April

16, 2002, in Room 2415 at U.S. Coast Guard Headquarters, 2100 Second Street, SW., Washington, DC. The purpose of this meeting is to prepare for the Eighty-Fourth Session of the International Maritime Organization (IMO) Legal Committee (LEG 84), scheduled for April 22 through 26, 2002.

The Legal Committee will review the Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation, 1988, and its

Protocol of 1988 relating to Fixed Platforms Located on the Continental Shelf (SUA Convention and Protocol) to determine if the instruments need to be updated in light of the September 11, 2001 terrorist attacks against the United States of America. The Committee will also examine the draft Wreck Removal Convention with the objective of having the draft ready for a Diplomatic Conference in the 2004-5 biennium. In addition, the Legal Committee will consider a proposal to increase the