

5 June 2001

Ontario Securities Commission
20 Queen Street West
Suite 1903, Box 55
Toronto, Ontario M4H 3S8

Attention: John Stevenson, Secretary
E-mail: jstevenson@osc.gov.on.ca

Concept Proposal to Revise Schedule 1 (Fees) to the Regulation to the *Securities Act* (Ontario)

We understand that under the Ontario Securities Commission concept proposal to amend its fee schedule, "participation fees" are intended to represent the benefit derived by market players from participating in Ontario's capital markets. The concept proposal says that the participation fee is based on a measure of the issuer's size which is intended to serve as a proxy for the issuer's use of the capital markets. Appendix B of the concept proposal sets out a comparison of fees actually paid by three reporting issuers over a two year period against fees that would be payable under the new fee schedule. The examples show that an issuer with a larger market capitalization who accesses the public markets on a regular basis by filing a prospectus will pay lower fees under the new schedule, while an issuer who uses the markets less frequently may pay higher fees, depending on its size. In each of the selected examples, the fees actually paid by the reporting issuer related to one or more public offerings, with the largest issuer having the highest number of public offerings in the period.

We question the basic premise of the participation fee calculation. In our case, it would result in our being charged a disproportionately high fee. Although Placer Dome Inc. has a market capitalization of over \$5 billion, its size does not relate to its use of the Ontario capital markets. Placer Dome Inc. has not filed a prospectus in Ontario since before its formation by amalgamation in 1987. Currently, Placer Dome Inc. pays approximately \$2,000 in annual filing fees to the Ontario Securities Commission. Under the proposed amendment, Placer Dome Inc. would pay an annual participation fee of \$65,000.

We strongly urge the Ontario Securities Commission to reconsider the basis on which participation fees would be calculated under the fee amendment proposal.

Yours truly,



J. Donald Rose
Vice-President, Secretary
and General Counsel

JDR/al