



Fidelity Investments Canada ULC
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BY ELECTRONIC MAIL

December 24, 2009

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West, Suite 1903, Box 55
Toronto, ON M5H 3S8
Email: jstevenson@osc.gov.on.ca

Dear Sir:

Re: OSC Rule 13-502 - Fees

We are writing in response to the Request for Comments issued by the Ontario Securities Commission (the "OSC") and dated October 2, 2009 with respect to the proposed revisions to OSC Rule 13-502 – *Fees* (the "Revised Fee Rule"). We appreciate the opportunity to comment on the Revised Fee Rule.

About Fidelity Investments

Fidelity Investments Canada ULC ("Fidelity") is the 6th largest mutual fund management company in Canada managing almost \$52 Billion in assets through approximately 150 mutual funds and corporate pension plan assets. Fidelity is part of the Fidelity Investments organization based out of Boston, which is one of the world's largest providers of financial services.

Comments

It is Fidelity's view that the proposed increase is premature. While the markets are recovering, they are by no means fully recovered nor is the Ontario economy. Mutual fund investors will see increased costs in other ways in 2010 and 2011. The mutual fund industry is preparing to implement the point of sale project in 2010 and 2011 which will result in increased costs as the point of sale requirements are operationalized. In addition, mutual fund investors will see an increase in their fees due to the harmonized sales tax in 2010 as well as the costs of implementing the HST.

We would suggest that the OSC wait a year before implementing further fee increases. We think that this is an appropriate time to use not only the OSC's surplus but also a portion of its reserve fund, if necessary.

With respect to the proposed increases, mutual fund registrants (and mutual fund investors) continue to bear a disproportionate share of the costs of operating the OSC. We urge the OSC to consider the cost borne by the mutual fund product and investors going forward.

We thank you again for the opportunity to comment on the Revised Fee Rule. Please feel free to contact the undersigned should you wish to discuss our comments.

Yours sincerely,

(signed) "*W. Sian Burgess*"

W. Sian Burgess
Senior Vice-President, Deputy General Counsel and Chief Compliance Officer

c.c. Robert Strickland, President