



Scott C. Goebel
Senior Vice President
Deputy General Counsel
Fidelity Investments

82 Devonshire Street V10E, Boston, MA 02109-3614
617.563.0371 [REDACTED]

November 5, 2013

Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Release No. 34-70688; File No. SR-NSCC-2013-02

Dear Ms. Murphy:

Fidelity Investments ("Fidelity")¹ appreciates the opportunity to respond to the Securities and Exchange Commission's (the "SEC" or "Commission") request for comment with respect to Amendment No. 3 of a proposed rule change submitted by National Securities Clearing Corporation ("NSCC") to institute Supplemental Liquidity Deposits to its Clearing Fund, which are designed to ensure that NSCC has adequate liquidity resources to meet its liquidity needs (the "Proposal").² Fidelity submits this comment letter on behalf of National Financial Services LLC ("NFS"),³ an NSCC Member affected by the Proposal.⁴

¹Fidelity Investments is one of the world's largest providers of financial services, with assets under administration of \$4.4 trillion, including managed assets of \$1.9 trillion, as of September 30, 2013. The firm is a leading provider of investment management, retirement planning, portfolio guidance, brokerage, benefits outsourcing and many other financial products and services to more than 20 million individuals and institutions, as well as through 5,000 financial intermediary firms.

²See Notice of Filing of Proposed Rule Change to Institute Supplemental Liquidity Deposits to Its Clearing Fund Designed to Increase Liquidity Resources to Meet Its Liquidity Needs, Exchange Act Release No. 69313 (April 4, 2013), 78 FR 21487 (April 10, 2013); Notice of Filing Amendment No. 1 and Designation of a Longer Period for Commission Action on Proposed Rule Change, as Modified by Amendment No. 1, to Institute Supplemental Liquidity Deposits to Its Clearing Fund Designed to Increase Liquidity Resources to Meet Its Liquidity Needs, Exchange Act Release No. 69620 (May 22, 2013), 78 FR 32292 (May 29, 2013); Notice of Filing Amendment No. 2 and Order Instituting Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change, as Previously Modified by Amendment No. 1, To Institute Supplemental Liquidity Deposits to Its Clearing Fund Designed to Increase Liquidity Resources To Meet Its Liquidity Needs, Exchange Act Release No. 34-69951 (Jul. 9, 2013), 78 FR 42140 (Jul. 15, 2013); Notice of Designation of Longer Period for Commission Action on Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change, as Modified by Amendment Nos. 1 and 2, To Institute Supplemental Liquidity Deposits to Its Clearing Fund Designed to Increase Liquidity Resources to Meet Its Liquidity Needs, Exchange Act Release No. 34-70501 (Sep. 25, 2013), 78 FR 60347 (Oct. 1, 2013); Notice of Filing Amendment No. 3 to a Proposed Rule Change, as Previously Modified by Amendment Nos. 1 and 2, To Institute Supplemental Liquidity Deposits to Its Clearing Fund Designed to Increase Liquidity Resources to Meet Its Liquidity Needs, Exchange Act Release No. 34-70688 (October 15, 2013), 78 FR 62846 (Oct. 22, 2013).

³National Financial Services LLC, a Fidelity Investments company, offers broker-dealer firms a comprehensive, fully disclosed clearing platform that includes a dedicated service model, a global trading platform, and a source of leading investment solutions. As of June 30, 2013, NFS serves nearly 260 broker-dealers representing over \$450 billion in assets under administration.

⁴Unless otherwise defined in this comment letter, capitalized terms have the meanings ascribed to them in the Proposal.

As mentioned in our earlier comment letters to the Commission on this topic,⁵ Fidelity fully supports the overall objectives of the Proposal, including NSCC's goal to maintain sufficient financial resources to withstand a default by its largest unaffiliated Member or Affiliated Family. NSCC has made a number of significant changes to the Proposal with Proposed Rule Change Amendment No. 3 ("Amended Proposal"). These changes include, among other items, NSCC (i) removing those provisions that, collectively, deal with the imposition of Regular Activity Liquidity Obligations while maintaining the provisions relating to the Special Activity Liquidity Obligations; (ii) establishing a standing Member-based advisory group, the Clearing Agency Liquidity Council ("CALC"), as a forum for the discussion of liquidity and liquidity-related financing needs and trends; and (iii) making available new, daily reporting that shows each Member the amount of liquidity NSCC would need in the event of that Member's default.

We believe that the Amended Proposal is a helpful development in the process of determining how best to increase NSCC's liquidity resources to meet its liquidity needs. We believe the NSCC has addressed the area of greatest Member concern in removing provisions of the Proposal that collectively deal with the imposition of the Regular Activity Liquidity Obligations. Moreover, by separately establishing the CALC as a forum for the discussion of liquidity and liquidity-related financing needs and trends, NSCC has indicated a willingness to jointly develop solutions with the industry. As we mentioned in our June 26, 2013 comment letter to the Commission on the Proposal, Fidelity urges the NSCC to continue to review alternatives for Members to fund their Regular Activity Supplemental Deposit and we believe that such alternatives should include (i) the provision of a standby irrevocable letter of credit and (ii) a deposit of US Treasury Securities. Finally, we believe that Members will be provided greater transparency with respect to their liquidity exposure with the NSCC, and will be better able to plan for their liquidity obligations, through daily reports that NSCC has committed to provide under the Amended Proposal. Accordingly, Fidelity recommends that SEC approve the NSCC's Amended Proposal pursuant to Section 19(b)(2) of the Securities Exchange Act of 1934.

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⁵Fidelity has commented on previous versions of the Proposal. Our comment letter dated April 25, 2013 is available at: <http://www.sec.gov/comments/sr-nsc-2013-02/nsc201302-7.pdf> and our comment letter dated June 26, 2013 is available at <http://www.sec.gov/comments/sr-nsc-2013-02/nsc201302-17.pdf>

Elizabeth M. Murphy

November 5, 2013

Page 3 of 3

Fidelity thanks the Commission for considering our comments. We would be pleased to provide any further information or respond to any questions that you may have.

Sincerely,

A handwritten signature in dark ink, appearing to read "Scott C. Goebel", is centered on the page. The signature is fluid and cursive.

Scott C. Goebel

cc:

The Honorable Mary Jo White, Chairman
The Honorable Luis A. Aguilar, Commissioner
The Honorable Daniel M. Gallagher, Commissioner
The Honorable Kara M. Stein, Commissioner
The Honorable Michael S. Piwowar, Commissioner

Mr. John Ramsay, Acting Director, Division of Trading and Markets
Mr. James R. Burns, Deputy Director, Division of Trading and Markets
Mr. Peter Curley, Associate Director, Division of Trading and Markets
Mr. Michael Macchiaroli, Associate Director, Division of Trading and Markets
Mr. Thomas Granelli, Depository Trust Clearing Corporation