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September 17, 2012

Mr. John Traversy
Secretary General
**Canadian Radio-television
and Telecommunications Commission**
1 Promenade du Portage
Ottawa, ON K1A 0N2

Dear Mr. Traversy:

**Re: Broadcasting Regulatory Policy CRTC 2012-385
Review of Local Programming Improvement Fund
Evidence Relating to Subscribers and LPIF**

1. In accordance with the direction set out in paragraph 21 of Broadcasting Regulatory Policy CRTC 2012-385, Access Communications Co-operative Limited ("Access Communications") is hereby filing evidence that our subscribers have never paid contributions associated with the Local Programming Improvement Fund ("LPIF").
2. As Access Communications indicated in March 2011 (Application No. 2011-0614-6) when we applied for an exemption from the requirement to make LPIF contributions, our licensed cable system in Regina did not pass-through the cost of LPIF to our customers. In that respect, we accepted the Commission's view in Broadcasting Public Notice CRTC 2008-100, where it stated that "there is no justification for BDUs to pass along any increased costs relating to the LPIF."
3. In the three years since the LPIF was implemented in September 1, 2009, Access Communications has raised the retail rate for the basic service and analog tiers (known as Cable Plus) in our Regina cable system by a total of \$7.00. The rate increases were implemented on July 1 of each year as follows: \$1.00 on July 1, 2010; \$3.00 on July 1, 2011 and \$3.00 on July 1, 2012. This combined \$7.00 rate increase has not included any amount that has been contributed to the LPIF.
4. We would emphasize in this regard that none of the notices announcing our rate increases over the past three years have suggested that the additional cost was attributed to the LPIF or to any other licence fee or regulatory obligation established by the Commission.

5. Given the extremely competitive environment in which our cable system operates in Regina, our rate increases have not even kept pace with the cost increases we have incurred. Our margins have been squeezed over the past three years precisely because we have not passed-through to our customers all of our increased costs.
6. Since 2009, Access Communications' revenues have increased by 27%, whereas our distribution costs, which include the wholesale fees we pay to licensed pay and specialty services and non-Canadian satellite services, have increased by 33%. Our distribution costs represented 38% of our subscriber revenues in 2009. In 2012, that percentage increased to more than 40%. As noted, the increase in distribution costs that we have incurred over the past three years is primarily a result of increased wholesale fees for pay and specialty services, such as Sportsnet (Sportsnet and Sportsnet One) and CTV (TSN, TSN2, etc.) and several U.S. satellite services (such as CNN).
7. In addition to these significant increases in our distribution costs, Access Communications has also experienced material growth in our operating costs over the past three years. Inflation and increased pressure on wages due to a highly competitive workforce market in Saskatchewan have both contributed to a 25% rise in operating costs since 2009.
8. The above-noted evidence clearly demonstrates that the LPIF contributions Access Communications' Regina cable system has made since 2009 have not been passed-through to our subscribers. Our subscribers have never paid contributions associated with LPIF.
9. We trust that this adequately responds to the Commission's direction in Broadcasting Regulatory Policy CRTC 2012-385. If the Commission requires any further information, please do not hesitate to contact the undersigned.

Sincerely,



Jim Deane
President & CEO