

17 September 2012

**Via Access Key**

Mr. John Traversy  
Secretary General  
Canadian Radio-Television and  
Telecommunications Commission  
Ottawa, ON  
K1A 0N2

Dear Mr. Traversy:

**Local Programming Improvement Fund (“LPIF”)**

1. Novus Entertainment Inc. (“Novus”) is a Class 1 Broadcast Distribution Undertaking (“BDU”) serving Metro Vancouver.
2. As indicated in the letter we provided to the Commission on 25 April 2012, Novus has never levied a charge for the LPIF in the invoices which it sent to customers. Any price increases which Novus has implemented since LPIF was introduced have been made as a result of the rise in programming costs and the renewal of the Part II assessment by the Commission.
3. Notwithstanding the fact that the LPIF is being reduced and eventually eliminated, Novus’ programming and operating costs have continued to increase and its margins have continued to decrease. The Bell/CCSA decision resulted in a significant cost to Novus. As a result, it is not possible for Novus to reduce customers’ bills due to the decrease in the LPIF assessment made against Novus. The LPIF assessment has simply been absorbed by Novus in its overall operating costs and the decrease of LPIF has done little to decrease Novus’ operating costs in the face of rising programming costs.

4. Since Novus' customers have never had the LPIF added as a separate line item to their invoices and the cost has never been passed on to customers in the first place, Novus is not in a position to reduce customers' bills as a result of the reduction of the LPIF levy.

Yours truly,

*Original Signed By*

Donna L. Robertson

Co-President & Chief Legal Officer

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