



Shaw/Canwest meets CRTC, TELUS maybe in the cold?

LYA COMMENT – September 22, 2010

In the week of September 20th 2010, the CRTC held public hearings on the renewal of Shaw's cable television licenses as well as its acquisition of Canwest Global. As with the BCE/CTV deal, Shaw/Canwest raised significant questions for Canada's stakeholders in both broadcasting and telecom in terms of access to and delivery of media content.

This was the focus of my interview on Business News Network (BNN) on September 22 2010 with Michael Kane – you can see it by clicking on the following web link:

<http://www.lya.com/en/index.html>

Do the media deals mean that BCE and Shaw in particular could end up restricting access to programming to non-affiliated distributors (e.g. TELUS), or disadvantage them through high prices or other commercial terms that would render them uncompetitive – particularly on mobile or Internet platforms? This is of course where the CRTC as the regulator could have a role to play.

This concern is really a future hypothetical scenario, for example where Shaw would provide access to certain content only to its own mobile customers. Shaw at the CRTC hearing yesterday said it would not restrict access to Canwest's content, which in addition to being the "correct" thing to say also makes some business sense. Shaw as the owner of media assets would no doubt want to maximize the distribution of its programming to maximize ad revenues. Relying on exclusivity on its own mobile network, which it has not even launched yet, would tend to minimize rather than maximize the opportunity.

A more interesting and less hypothetical case is the exclusive carriage of BNN on Bell's mobile platforms, announced on Sept 16. Bell as the future owner of BNN has implied that it will have no obligation to provide BNN to third parties. The CRTC rules about this are applied case-by-case based on considerations for "undue preference" – e.g. does Bell/BNN exclusivity unfairly disadvantage Rogers' or its customers? But the CRTC rules as they apply to mobile delivery were only put in place late last year and are as yet untested.

But why would the owner of BNN want exclusivity on Bell or any another mobile carrier for that matter? According to LYA's research, the market of subscribers watching TV on their mobile set is promising but very small at the moment. The way to stimulate demand and growth in mobile TV would be to maximize its presence, not constrain it.

Lemay-Yates Associés Inc. / **Lemay-Yates** Associates Inc.

2015 Peel, Suite 980, Montreal QC H3A 1T8 / Tel: 514-288-6555 / lya@lya.com / www.LYA.com



Interestingly, Videotron – Bell’s archrival in Quebec – announced on launch of its mobile network that it will have access to live hockey feeds from RDS and TSN, also soon to be part of Bell.

How this will play out remains to be seen, but what is clear is that there will be many deals and regulatory discussions to come as the various players jockey for position in the new media age.

Please do not hesitate to contact LEMAY-YATES ASSOCIATES Inc. for research, analyses and strategic advice regarding your operations and positioning in the Canadian communications industry and how you can evolve your company to maximize its value.

You can buy some of our recent research, including our recent c-Ahead publication entitled “Mobile Applications, Apps and Smartphones in Canada” available for online purchase, also on our web site www.lya.com.

Your comments and feedback are always welcome. Please do not hesitate to contact us at 514-288-6555 or by emailing us at lya@lya.com.