



**PRESS RELEASE**  
**For immediate release**

**According to Cogeco Cable, CRTC measures to support  
over-the-air broadcasters will come at a higher cost  
to cable and satellite customers**

**Montreal, Canada. July 6, 2009.** Following the release earlier today of public notices by the Canadian Radio-television and Telecommunications Commission (CRTC), Cogeco Cable Inc. is deeply concerned with the federal broadcasting regulator's decision to impose substantial and growing cross-subsidies for the benefit of Canadian over-the-air (OTA) television broadcasters through a number of parallel regulatory measures.

Cogeco Cable already pays 5% of all its revenue derived from video distribution to fund Canadian television programming initiatives, which include the independently-managed Canadian Media Fund and Cogeco Program Development Fund. On October 30, 2008, the CRTC decided to create a new local programming improvement fund (LPIF) of approximately \$68 million annually to provide further financial support for local programs of the Canadian OTA television broadcasters. Canadian OTA television broadcasters are comprised essentially of the large public and private commercial television networks. To finance this new fund, the CRTC decided to impose an additional cross-subsidy of 1% of cable and satellite video distribution revenue. This additional mandatory cross-subsidy has now been increased to 1.5% of video distribution revenue to bring the LPIF at over \$100 million annually. A 6.5% aggregate cross-subsidy represents on average approximately \$48 per year for the Cogeco cable video consumer.

Of even greater concern is the fact that the CRTC has now reversed its position on fees for carriage and also decided to require that Canadian cable and satellite distributors pay substantial additional amounts to Canadian OTA television broadcasters for the distribution of their signals, which are available over the air for free, while continuing to require the distribution of these signals on cable and satellite. Based on publicly stated broadcaster expectation, this may well have an additional average impact of up to \$60 per year for Cogeco Cable video customers.

Another source for concern is the threat by the CRTC to have US television network signals removed from cable and satellite in Canada in order to further protect Canadian OTA television broadcasters.

"The CRTC has embarked on a course of action that will inevitably cause cable and satellite retail rates to rise significantly, and the choice of services presently available on Canadian cable and satellite to be further constrained, through these regulatory measures. Sadly, Canadian consumers have only until August 10, in the middle of summer vacations, to make their voice heard on these measures by filing comments in writing. The logic of having Canadian cable and satellite customers pay substantially more to support in fact the costly acquisition of prime time American television programs and its aggregation with subsidized Canadian local programs by

the Canadian OTA television broadcasters should be seriously challenged”, said Louis Audet, President and CEO of Cogeco Cable.

## **ABOUT COGECO CABLE**

Cogeco Cable ([www.cogeco.ca](http://www.cogeco.ca)) is a telecommunications company and is the second largest cable operator in Ontario, Québec and Portugal, in terms of the number of Basic Cable service customers served. Through its two-way broadband cable networks, Cogeco Cable provides its residential customers with Audio, Analogue and Digital Television, as well as HSI and Telephony services. Cogeco Cable also provides, to its commercial customers, data networking, e-business applications, video conferencing, hosting services, Ethernet, private line, VoIP, HSI access, dark fibre, data storage, data security and co-location services and other advanced communication solutions. Cogeco Cable’s subordinate voting shares are listed on the Toronto Stock Exchange (TSX: CCA).

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