



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

**Cogeco Cable finds that the compensation for signal for conventional  
broadcasters is an inappropriate response to a broader problem**

**Montréal, November 24, 2009** – Cogeco Cable appeared before Canadian Radio-television and Telecommunications Commission (CRTC) hearings today to present its position on compensation for signal for conventional broadcasters.

Cogeco Cable believes the broadcasting industry is grappling with problems other than the erosion of market share and advertising revenue for conventional broadcasters, in particular rampant spending to purchase major US network programming. Cogeco Cable argued that granting broadcasters the right to charge compensation for signal would be irresponsible and inappropriate.

Among other substantive difficulties, Cogeco Cable cites:

- Conventional broadcasters invest much more in foreign programming than Canadian programming and do not show any willingness to change;
- The cable and satellite television distribution industry already contributes substantially to the production of programs broadcast by conventional broadcasters with an annual contribution of over \$166 million in 2008 for various funds supporting Canadian programming, in addition to \$102 million for the Local Programming Improvement Fund (LPIF).
- The concept of the market value for signal only works in a free market, which does not currently apply as the distribution of conventional television signals is a CRTC requirement;
- If a market value is attributed to conventional broadcaster signals, it would be relevant to attribute a value to the cable distribution facilities that make distribution of these signals possible;
- Most conventional broadcasters also own specialty channels that rebroadcast a fairly significant portion of content already broadcast by conventional broadcasters. These specialty channels collect compensation for signal, which already provide indirect fees for carriage to conventional broadcasters.
- If the CRTC grants compensation for signal to conventional broadcasters, we can expect the US conventional broadcasters, whose signals are currently not subject to compensation for signal in Canada, to follow suit and require as well as compensation for signal in this country.

"Compensation for signal is only a partial and inappropriate solution to a much broader problem," says Louis Audet, President and Chief Executive Officer, Cogeco Cable. "We are entitled to ask why the broadcasters are investing so much more in foreign programming than in producing Canadian content. We are also entitled to ask why they are not willing to commit to spending potential compensation for signal on Canadian content, while they have made local television their war horse. It would be irresponsible to create a situation where consumers pay more, because ultimately, they will pick up the tab without getting anything in return."

Cogeco Cable proposes three solutions to the problems currently facing conventional television:

- A CRTC requirement that the amount invested in foreign programming never exceed the amount invested in Canadian programming. This would allow a bigger proportion of funds allocated to local programming and restrict frenzied bidding for US programming.
- Carriage by Cogeco Cable of local signals of conventional broadcasters through its network, to areas these same broadcasters consider unprofitable to convert to a digital over-the-air transmitter;
- Implementation of a local news service under Cogeco Cable's current community programming budget, in smaller markets where conventional broadcasters consider it unprofitable to operate a local television station.

"We believe these solutions will allow Canadian conventional broadcasters to continue to receive the required funding to maintain them through existing programs (Canada Media Fund and subsidies via the income tax of all Canadians), without carrying the full weight of local production. Moreover, this will allow the entire system to breathe easier and particularly provide Canadians with greater assurance of access to the local programming they want, without having to spend more," said Mr. Audet.

## **ABOUT COGECO CABLE**

Cogeco Cable ([www.cogeco.ca](http://www.cogeco.ca)) 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 its business customers with data networking, e-business applications, video conferencing, web hosting, Ethernet, private line, VoIP, HSI, black fibre, data storage and 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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