

**PRESS RELEASE**  
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## **CRTC decision on TVA Sports**

### **Quebecor seeks leave to appeal to Federal Court of Appeal**

**Montréal, February 16, 2018** — Quebecor today filed an application for leave to appeal the CRTC decision on TVA Sports to the Federal Court of Appeal. Quebecor is seeking a review of the decision issued by the CRTC on January 17, 2017 with respect to the rate paid by Bell TV for distribution of TVA Sports.

Quebecor fails to understand the CRTC's position in this case. TVA Group's offer was fully consistent with CRTC precedents, but the Commission made a decision based on principles and interpretations that depart from those applied in its previous decisions. The process has therefore become arbitrary and there are no longer any reference points or clear rules to follow.

Quebecor finds the decision particularly baffling in view of the fact that TVA Sports, a relatively recent market entrant, has carved out a strong position with nearly 1.9 million subscribers and a market share close to that of RDS. For more than 20 years, RDS enjoyed a monopoly position. The arrival of TVA Sports in 2011 entailed average annual investments in the order of \$100 million and created close to a hundred jobs. The channel carries high-quality content from top sports properties such as the National Hockey League, including the playoffs, Major League Baseball with Toronto Blue Jays games, Major League Soccer with Montréal Impact games, the Rogers Cup, WWE and the 2016 World Cup of Hockey. TVA Sports also produces more than 60 live broadcasts per year from many of regions of Québec. TVA Sports has thereby opened up the market to healthy competition and expanded the available supply of sports content, for the benefit of Québec television audiences.

An independent study produced in the fall of 2017 by DeepBlue found that increasing numbers of viewers attach equal importance to TVA Sports and RDS. A majority say it is important to have access to both channels in their TV package. Moreover, 65% of Quebecers who subscribe to both TVA Sports and RDS consider TVA Sports to be equal to or better than RDS.

"TVA Group's offer was reasonable and reflected the fair value of TVA Sports, without placing any undue burden on consumers," commented Pierre Karl Péladeau, President and CEO of Quebecor. "It is unfair to leave such a wide and unwarranted gap between the rates for TVA Sports and RDS. In an aggressively competitive environment, in which our industries must fight global giants that are not subject to any regulatory or fiscal obligations, the CRTC ought not to mortgage local programming services that are succeeding by innovating and carrying quality content, thereby enriching both industry workers and the country as a whole. The CRTC should issue clear guidelines about the application of each relevant criterion in its decisions. Without consistency, CRTC decisions will appear arbitrary and the credibility of its proceedings will be undermined."

In its application, Quebecor argues that the Commission's decision ignored the considerations deemed decisive in its past arbitration decisions, such as proportionality of revenues to subscriber

base, penetration rate, and the rates paid by other broadcasting distribution undertakings to carry TVA Sports and similar services.

Quebecor also believes that arbitrary application of the CRTC's decision-making criteria violates the principle of consistent decision-making by which any administrative tribunal such as the CRTC must be bound. Quebecor also contends that the CRTC exceeded its authority by violating the doctrine of legitimate expectation, whereby a party appearing before a public body is entitled to expect that the body's decisions will be in keeping with the expectations it has created by its past promises, commitments and practices.

### **About Quebecor**

Quebecor, a Canadian leader in telecommunications, entertainment, news media and culture, is one of the best-performing integrated communications companies in the industry. Driven by their determination to deliver the best possible customer experience, all of Quebecor's subsidiaries and brands are differentiated by their high-quality, multiplatform, convergent products and services.

Quebecor (TSX: QBR.A, QBR.B) is headquartered in Québec. It holds an 81.53% interest in Quebecor Media, which employs more than 10,000 people in Canada.

A family business founded in 1950, Quebecor is strongly committed to the community. Every year, it actively supports people working with more than 400 organizations in the vital fields of culture, health, education, the environment and entrepreneurship.

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