



## **PRESS RELEASE**

**For immediate release**

### **Statement by Pierre Karl Péladeau**

**Montreal, 18 July 2022** – In response to the opinion piece by Keldon Bester and Ben Klass about the proposed Rogers-Shaw merger, published in the Globe and Mail on July 12, Pierre Karl Péladeau, President and CEO of Quebecor, made the following statement to correct certain inaccuracies:

“In their letter, Keldon Bester and Ben Klass have omitted key facts. They are certainly entitled to question this merger between two of Canada’s most successful entrepreneurial families, but we take issue with their baseless argument that competition would be enhanced by nixing the deal, especially as it contains a series of inaccurate statements.

#### **Inaccurate statement 1: Quebecor’s current pricing is objectively worse than Freedom**

You must compare apples to apples. Had Bester and Klass looked a bit closer, they would have seen that the mobile plans they’re comparing have very different coverage areas and data caps, particularly when it comes to domestic roaming. It is important to note that Freedom Mobile’s plans include very limited roaming, compared to no restrictions for Videotron customers, and that Freedom customers have no access to 5G. In fact, adjusting for the excessively high cost of an average national roaming package, Freedom’s plans are much more expensive than Quebecor’s.

Where in Canada have wireless prices come down most sharply over the past ten years? And where in Canada are wireless prices the lowest today? Klass answered these questions himself in a recent Canadian Media Concentration Research Project report\*: “Videotron’s market share in its home territory continues to rise, and currently stands as the best benchmark we have for the type of competition that could emerge over time in the other provinces. Indeed, although it initially shied away from an attempt to expand into other provinces, Videotron is again signaling that the time may be right to bring its wireless services to citizens of the rest of Canada. Slower progress has been made by Shaw’s Freedom Mobile brand in BC, Alberta, and Ontario.”

#### **Inaccurate statement 2: Quebecor wouldn’t be able to attract customers with bundled discounts in B.C., Alberta and Ontario**

Quebecor plans to offer consumers in British Columbia, Alberta and Ontario discounted multiservice bundles and innovative products, including both mobile and Internet, at even more competitive prices. We can bundle, and we will, on better terms than what anyone else, including Shaw Mobile, is offering today. We are even strongly considering offering telecom services in Manitoba, where Internet prices are amongst the highest in Canada. Bester and Klass should also be aware that the telecommunications landscape, including public policy and regulatory decisions, has changed considerably in Canada in recent years, making it more sustainable for new market entrants to invest and compete with the Big 3.

If Bester and Klass don’t think Quebecor can disrupt the market in Ontario and Western Canada, they might want to consider what has happened in Abitibi-Témiscamingue, a vast northern region of Quebec that until

recently was served solely and exclusively by a Bell subsidiary. Videotron entered the market less than 2 years ago and has already taken a 34% wireline market share and slashed consumers' bills by 35%, without owning its wireline network. This is a striking example of the impact that an agile new player with a proven track record can have if its goal is to disrupt the market and bring prices down.

**Inaccurate statement 3: Allowing Quebecor to take over Freedom would leave consumers in the wireless markets of those three provinces worse off than if Shaw were to continue operating independently**

We'll leave the answer to Klass himself, in his submission to the CRTC\*\* in May 2019: "If lower prices are an indication of the strength of regional competitors, then the data...lead us to conclude that competition from Freedom in Ontario and British Columbia...remains marginal. It is clear that Freedom's low pricing relative to the national carriers has not had a major impact on the nationals' main brand pricing—which remains set at more than twice the price of Freedom's plans—and similarly, the competitive pressure exerted by Eastlink in the Maritimes and Atlantic provinces has been less than that of Videotron in Quebec or Sasktel in Saskatchewan."

We believe this statement is even more valid today. Considering the diminished competitive intensity from Freedom in the last 16 months and its lack of 3500 MHz spectrum which is essential to 5G networks, how could Freedom be in a better position to compete on its own than coupled with Quebecor, whose track record in mobility has been unassailable for the last 15 years?

Quebecor has shown that it is the best player to create real competition and bring down prices, having done just that in Quebec, the first market in Canada where the Big 3 were forced to lower their prices to stay competitive. Will Quebecor be able to repeat its success in Ontario and Western Canada? In a simple word: yes."

*\*Media and Internet Concentration in Canada, 1984–2020*

*\*\*Telecom Notice of Consultation CRTC 2019-57*

**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.

Québec-based Quebecor (TSX: QBR.A, QBR.B) employs nearly 10,000 people in Canada.

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

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