

CanWest-AAC deal is bad for Canadians

On January 10, 2007, **CanWest Global** announced a plan to purchase **Alliance Atlantis Communications**, with the help of US investment bank Goldman Sachs, for \$2.3 billion.

Alliance Atlantis is one of the country's last independent media companies. CanWest Global is one of the country's biggest, controlling 11 daily newspapers, two conventional TV networks with a total of 14 local stations, eight specialty TV channels and the canada.com website. **The deal under review today would add another 13 specialty TV channels to the CanWest Global ownership group.**

A bad choice: foreign ownership or the gutting of CanWest Global

The deal is based on debt and equity financing from Goldman Sachs. CanWest Global must earn enough profit on its existing media businesses and the AAC specialty channels by 2011 in order to take a controlling equity interest in the merged company. If not, foreign investor Goldman Sachs will own the lion's share of the company, which would be contrary to the *Broadcasting Act*. **But to get where it needs to go, CanWest Global is clearly prepared to strip its operations to the bone and reduce service to Canadians.**

Recent cuts at CanWest Global local newsrooms and operations

Since expanding its newspaper and TV properties over the last decade, CanWest has reduced local programming and newsgathering in its TV and newspaper operations. In the weeks leading up to the CRTC hearing, **the company announced hundreds more job cuts at Global TV and at the daily newspapers:**

- CanWest Global announced on October 4 that 200 jobs will be cut at Global TV across the country, including the reduction of newsgathering in Atlantic Canada and Quebec, and the closure of the Quebec City and Sherbrooke bureaus.
- CanWest is reducing the number of jobs in its newspaper news rooms. Some 15 editorial jobs are to be cut from each of at least six newsrooms: Vancouver Sun and Province, Edmonton Journal, Calgary Herald, Montreal Gazette and Ottawa Citizen.
- CanWest has begun centralizing page layout functions in Hamilton, eliminating local jobs in 11 communities.

Meanwhile, CanWest Global wants ever more favours from Canadians:

- Unlimited permission to run TV ads on the public airwaves
- New revenue from cable fees for private TV stations, without any new obligations for Canadian programming
- An end to rules requiring broadcasters to air local programming

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