

## ANNEX A – Bureau Enforcement Activities in the Communications Sector

This Annex provides a brief overview of recent Bureau enforcement cases relating to the telecommunications and broadcasting industries. It is not an exhaustive list of Bureau activity in the communications sector.

1. **Bell’s proposed acquisition of French language specialty channels from Corus Entertainment (2018):** The Bureau informed the parties that it would not approve a proposed transaction pursuant to which Corus would sell French language specialty channels Historia and Séries+ to Bell. Bell had previously divested 50% interests in the channels as part of a broader remedy package in a consent agreement between Bell and the Bureau to address the Bureau’s competition concerns regarding Bell’s acquisition of Astral Media in 2013. The Bureau’s review of the proposed transaction determined that the conditions that had led to the divestiture in 2013 had not materially changed to the point that the remedy was no longer necessary.<sup>46</sup>
2. **Bell’s acquisition of Manitoba Telecom Services (MTS) (2017):** After a nine-month investigation into Bell’s acquisition of MTS, the Bureau, Bell, and Xplornet Communications reached a consent agreement that addressed the Bureau’s concerns regarding the merger’s effect on mobile wireless services in Manitoba. Bell agreed to divest a significant number of subscribers and assets, as well as provide transitional services, to Xplornet Communications.<sup>47</sup>
3. **Settlement with Comwave in relation to level of service and pricing claims (2016):** The Bureau reached a settlement with Comwave Networks Inc., through which the company agreed to pay an administrative monetary penalty of \$300,000 for making what the Bureau concluded were false or misleading representations regarding charges and level of service for internet and home phone connections. The Bureau found that Comwave’s advertisements misrepresented the charges that consumers would pay for services, as the advertised prices were not attainable because of additional non-optional fees. In addition, the Bureau concluded that Comwave misrepresented its internet and home phone services as “unlimited” when in fact, there were monthly caps on usage. While this information was disclosed in fine print disclaimers, and Comwave’s staff was instructed to provide some of this information to consumers who phoned the call centre, the Bureau concluded that this was not sufficient to prevent the advertisements from being misleading. Comwave also agreed to establish a compliance program designed to help prevent similar issues in the future.<sup>48</sup>

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<sup>46</sup> Bureau, “[Backgrounder: Commissioner of Competition’s decision regarding Bell’s proposed acquisition of Historia and Séries+](#)” (May 31, 2018).

<sup>47</sup> Bureau, “[Competition Bureau statement regarding Bell’s acquisition of MTS](#)” (February 15, 2017).

<sup>48</sup> Bureau, “[Competition Bureau concludes that additional fees and limitations for internet and home phone services were not adequately disclosed](#)” (September 13, 2016).

4. **Settlements with Bell, Rogers and Telus in relation to false or misleading representations in advertisements (2015-2016):** The Bureau reached agreements with Bell, Rogers and Telus in relation to these carriers making, or permitting to be made, what the Bureau concluded were false or misleading representations to customers in advertisements for premium text messages appearing in pop-up ads, apps, and social media. The Bureau also determined that wireless customers were charged by third parties on their wireless phone bills for premium text messaging services, such as trivia questions and ringtones, which they did not intend to purchase and for which they had not agreed to pay. The companies involved agreed to issue up to \$24 million in rebates to customers and donate approximately \$1 million for consumer advocacy and research groups.<sup>49</sup>
  
5. **Bell and Rogers' acquisition of GLENTEL (2015):** The Bureau reached an agreement with the parties to resolve the Bureau's concerns that the acquisition of GLENTEL by Bell, followed by a subsequent sale of 50% of that carrier to Rogers, would result in a substantial lessening of competition in the wireless sector. Further to the agreement, the parties agreed to put administrative firewalls in place to prevent the sharing of competitively sensitive information, including subscriber information, pricing and promotional offers.<sup>50</sup>
  
6. **Postmedia's acquisition of Sun Media (2015):** Following a five-month review of Postmedia's proposed acquisition of Sun Media's English-language assets (including print newspapers and digital properties), the Bureau concluded that the proposed transaction was unlikely to substantially lessen or prevent competition in any relevant antitrust market. This conclusion was due to a combination of factors, such as the lack of close rivalry between their newspapers, existing competition from free local daily newspapers and the increasing competitive pressures from digital alternatives to traditional print newspapers.<sup>51</sup>
  
7. **Settlement with Bell in relation to false or misleading representations in reviews and ratings (2015):** The Bureau reached an agreement with Bell Canada concerning situations in which Bell employees were encouraged to post positive reviews and ratings of certain Bell-owned apps in app stores, without disclosing that they worked for Bell (a practice sometimes referred to as "astroturfing"). While Bell acted quickly to remove these ratings when it became aware of the matter, the Bureau determined that these reviews and ratings nevertheless created the general impression that they were made by independent and impartial consumers, and temporarily affected the overall star rating for the apps. Bell agreed to enhance and maintain its corporate

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<sup>49</sup> See Bureau, "[Bell customers to receive up to \\$11.82 million as part of Competition Bureau agreement](#)" (May 27, 2016); "[Telus customers to receive \\$7.34 million in rebates as part of Competition Bureau agreement](#)" (December 30, 2015); and "[Rogers agreement with Competition Bureau nets record refunds for wireless consumers](#)" (March 16, 2015).

<sup>50</sup> Bureau, "[BCE and Rogers' acquisition of GLENTEL: Competition Bureau reaches agreement with BCE and Rogers on measures to preserve competition in the wireless telecommunications sector](#)" (May 5, 2015).

<sup>51</sup> Bureau, "[Competition Bureau will not challenge Postmedia's acquisition of Sun Media](#)" (March 25, 2015).

compliance program to address the practice, as well as pay an administrative monetary penalty of \$1,250,000.<sup>52</sup>

8. **Eastlink's proposed acquisition of Bruce Telecom (2014):** Following an investigation, the Bureau concluded that the proposed acquisition would substantially lessen competition in the sale of wireline broadband internet services and certain service bundles in Port Elgin and Paisley, Ontario. Ultimately, the parties decided not to proceed with the proposed transaction.<sup>53</sup>
9. **TELUS' acquisition of Public Mobile (2013):** Following an investigation, the Bureau issued a No Action Letter to the parties indicating that the Bureau did not, at that time, intend to make an application under section 92 of the *Competition Act* with respect to the proposed transaction. In conducting its investigation, the Bureau reviewed information obtained from TELUS and Public Mobile, including strategic documents, business plans and customer switching data.<sup>54</sup>
10. **Bell's acquisition of Astral Media (2013):** Following an extensive review of the proposed acquisition, the Bureau reached an agreement with Bell to address the Bureau's concerns relating to competition in the supply of English and French pay and specialty programming services in Canada. Bell agreed to divest itself of Astral's ownership interest in a number of television programming services and agreed to certain restrictions, including a prohibition on imposing restrictive bundling requirements on any provider seeking to carry The Movie Network or Super Écran.<sup>55</sup>

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<sup>52</sup> Bureau, "[Bell Canada reaches agreement with Competition Bureau over online reviews](#)" (October 14, 2015).

<sup>53</sup> Bureau, "[Competition Bureau statement regarding the proposed acquisition of Bruce Telecom by Eastlink](#)" (August 19, 2014).

<sup>54</sup> Bureau, "[Competition Bureau statement regarding the proposed acquisition by TELUS of Public Mobile](#)" (November 29, 2013).

<sup>55</sup> Bureau, "[Significant divestitures in Bell-Astral merger to preserve competition](#)" (March 4, 2013).