

Research In Motion Background**Company Overview**

Research In Motion (RIM), headquartered in Waterloo, designs, manufactures, and markets wireless solutions under the BlackBerry brand. RIM's portfolio of products includes BlackBerry smartphones and PlayBook tablets, BlackBerry Enterprise Solution suites, and software development tools. BlackBerry devices use a push-based technology to deliver business and consumer applications to mobile users.

Financial Performance

RIM reported its fourth quarter 2012 and fiscal year 2012 results on March 29, 2012. For the entire fiscal 2012 (ending March 3, 2012), RIM reported revenues of US\$18.4 billion, down 7.4% from 2011. Gross margin declined to 35.7% from 44.4% in 2011 as average product prices declined. BlackBerry device shipments declined 6% to 49 million units and net income dropped to US\$1.2 billion, down 66% year-over-year.

Millions of USD (except for earning/share)	Most Recent Q	Same Q Last FY	Δ	Most Recent (Last) FY	Previous FY	Δ
Revenues:	4,190.0	5,556.0	(24.6%)	18,435.0	19,907.0	(7.4%)
Net Income(Loss):	(125.0)	934.3	(113.4%)	1,164.0	3,411.0	(65.9%)
Current Assets:	7,056.0	7,488.0	(5.8%)	7,056.0	7,488.0	(5.8%)
Cash and Short Term Investments:	1,774.0	2,121.0	(16.4%)	1,774.0	2,121.0	(16.4%)
Current Liabilities:	3,389.0	3,630.0	(6.6%)	3,389.0	3,630.0	(6.6%)
Research and Development:	386.0	383.0	0.8%	1,559.0	1,351.0	15.4%
Earnings (Losses)/share:	(0.24)	1.78	(113.4%)	2.22	6.34	(65.0%)
Adjusted Earnings (Losses)/share:	0.80	1.78	(55.1%)	4.20	6.34	(33.8%)

In the fourth quarter, revenues totalled US\$4.2 billion, down from US\$5.2 billion the previous quarter and down 25% year over year. These revenues were well below RIM's guidance (US\$4.6 to US\$4.9B) and analysts' expectations (US\$4.5B). RIM also reported a net loss of US\$125 million compared to net income of US\$265 million in Q3. Net income in the fourth quarter was negatively affected by a non-cash charge for reduced brand value and a BlackBerry 7 inventory write-down.

BlackBerry subscribers increased by 2.8 million to reach 77 million in the fourth quarter, the smallest increase in thirteen quarters. BlackBerry smartphone shipments decreased 21% from Q3 to 11.1 million units. PlayBook shipments increased by 233% to over 500,000 units, due to aggressive pricing and the introduction of PlayBook 2 software.

RIM is expecting lower revenues for the next several quarters until its BlackBerry 10 platform is introduced in the latter half of calendar 2012. RIM will report its first quarter 2013 results on June 28, 2012. RIM expects to post an operating loss for Q1. Factors cited for the Q1 loss include the competitive environment and RIM's aggressiveness in competing for business.

20(1)(c).21(1)(a).21(1)(b)

20(1)(c).21(1)(a).21(1)(b)

Strategic Direction and Restructuring

On January 22, 2012, Mr. Heins took over from Co-Chief Executive Officers Jim Balsillie and Mike Lazaridis. By his first earnings call (March 29th), Mr. Heins was calling for “substantial change” and said he was committed to doing whatever is needed to deliver long-term value.

21(1)(a).21(1)(b)
21(1)(a).21(1)(b)

Mr. Heins said that RIM needed to refocus on its core business strengths, including the enterprise market. Mr. Heins said that RIM would work to reclaim lost market share in this space by refocusing on the development and promotion of enterprise-specific products and services and by relying on partnerships to deliver consumer features and content outside of BlackBerry value proposition. In the consumer segment, RIM does not plan to be “all things to all people” but to go after specific target consumers that are more aligned with its enterprise strengths.

Mr. Heins and CFO Bidulka also spoke of plans to undertake a strategic review to streamline operations and save \$1 billion in this fiscal year. Mr. Heins spoke of a detrimental level of complexity in RIM’s structure and a lack of direct accountability. The strategic review was also to look at ways to leverage the BlackBerry platform and other RIM assets. During the fourth quarter call, Mr. Heins indicated that his mandate was to turn the company around, not sell it off, but added “if there is any element that we detect during that strategic review that would lead us into this direction, we would consider it, but it is not the direction we are pursuing”. RIM has hired advisors from J.P. Morgan Securities and RBC Capital Markets to help with the previously announced strategic review.

According to recent news reports, RIM is preparing for a major restructuring beginning in June that will see it eliminate at least 2,000 jobs worldwide (about 12% of the workforce). The Globe and Mail reported that the next round of layoffs is planned for before RIM’s first quarter end (June 2nd). Reuters reported that one source told them the layoffs could affect as many as 6,000 people globally across legal, marketing, sales, operations, and human resources divisions.

20(1)(c).21(1)(a).21(1)(b)
20(1)(c).21(1)(a).21(1)(b)

While analysts view change at RIM positively, they also note that headcount reductions are disruptive. Since the fourth quarter call, several executives (including Global Head of Sales Patrick Spence and Chief Legal Officer Karima Bawa) have left RIM; COO Kristian Tear and CMO Frank Boulben are incoming executives hired from outside RIM.

20(1)(c), 21(1)(a), 21(1)(b)

Canadian Footprint

RIM employs about 16,500 workers globally with almost 12,000 in Canada. The majority of its workforce is located in Waterloo Region (8,000+). Other RIM key locations include Ottawa (1,200+), and Halifax (500+). The company employs more than 5,000 R&D workers in its Canadian research facilities.

20(1)(c), 21(1)(a), 21(1)(b)

20(1)(c), 21(1)(a), 21(1)(b)

R&D Activities and SR&ED

RIM spent more than US\$1 billion on research and development in Canada in fiscal 2012. The company is the largest private R&D performer in Canada.

20(1)(c), 21(1)(a), 21(1)(b)

20(1)(c), 21(1)(a), 21(1)(b)

20(1)(c), 21(1)(a), 21(1)(b)

Lascu, Eva: SITT-STIT

From: de Tonnancour, Sylvain: ICT-TIC
Sent: Monday, May 28, 2012 13:33
To: Sheridan-Simzer, Andrea: ICT-TIC
Subject: FW: RIM update

FYI

-----Original Message-----

From: McDonald, Helen: SITT-STIT
Sent: May 28, 2012 1:30 PM
To: Gillis, Kelly: SITT-STIT; Beaudoin, Alain: SITT-STIT; Fulcher, James: ICT-TIC; Macartney, Nancy: ICT-TIC; de Tonnancour, Sylvain: ICT-TIC
Subject: Fw: RIM update

FYI

----- Original Message -----

From: Kennedy, Simon: SADMO-BSMDP
Sent: Monday, May 28, 2012 01:08 PM
To: McDonald, Helen: SITT-STIT; Morgan, Marta: IS-SI
Subject: Fw: RIM update

- Fyi.

----- Original Message -----

From: David Paterson [mailto:] 19(1)
Sent: Monday, May 28, 2012 12:30 PM
To: Kennedy, Simon: SADMO-BSMDP
Subject: RIM update

Hi Simon.

I wanted to ensure we keep in ongoing communication as we continue to see lots of speculation and opinion about RIM in the media - most recently this weekend with a Globe & Mail article speculating about job cuts. I have also contacted Richard Dicerni with a similar message.

As you will be aware, we have had some announcements recently concerning senior level individuals and there will likely be further changes to come yet. 20(1)(b),20(1)(c)

20(1)(b),20(1)(c)

On March 29, our new CEO Thorsten Heins explained that RIM is reviewing strategic opportunities to better focus our global business, partner in non-essential areas and significantly improve cost efficiencies - including a target of reducing overall costs by \$1 billion by the end of our fiscal year. This will require many difficult actions in Canada and elsewhere. We also indicated that we will soon be on-boarding a new Chief Marketing Officer and Chief Operating officer. We are making good progress on all fronts and we will keep in close touch with you as things progress.

Also on March 29, Thorsten underscored that RIM's primary focus is to complete the development work on our new BB10 operating system and launch it later this year. We remain very confident and excited about the opportunities with this innovative new mobile computing platform and its potential across many sectors for the future.

We are certainly in a very turbulent time in our sector, with several other global smartphone makers facing big challenges and changes as well. 20(1)(b),20(1)(c)

20(1)(b),20(1)(c)

Hope this is useful context for you. In the meantime, don't hesitate to reach out to me

if you have any questions or concerns.

David Paterson | Vice President, Government Relations and Public Policy | Research In Motion

19(1)

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Nancy Horsman
ADM, Tax Policy Branch
L'Esplanade Laurier, 16th Floor, East Tower
140 O'Connor Street
Ottawa, ON K1A 0G5
Nancy.Horsman@fin.gc.ca

Dear Ms. Horsman,

Thank you again for meeting with us on 20 April, 2012 to discuss Research In Motion's ("RIM") focus on innovation and R&D in Canada, our strategic plans for the future and our concerns regarding the changes to Canada's SR&ED program as set out in Budget 2012.

In addition to the information we shared in our meeting, we are pleased, as promised, to provide you with further data relating to our impact analysis. Attached you will find a breakdown of the financial impacts on RIM that would result from the proposed SR&ED changes (Schedule A). As discussed, this analysis has been generated using our (most recent) fiscal 2011 SR&ED submission as a base year. We have also provided a summary chart showing [redacted] 20(1)(b)

When fully implemented on January 1, 2014, the impact of proposed SR&ED changes on RIM would be in [redacted] 20(1)(b)

[redacted] 20(1)(b) To support this financial breakdown, we have also attached a copy of our actual FY11 SR&ED claim as filed with the Canada Revenue Agency ("CRA"), (Schedule C) which is referenced into Appendix A.

Reduction of SR&ED credits on Labour

In Schedule B, you will note that of the [redacted] 20(1)(b) in wages paid to our Canadian employees, approximately [redacted] 20(1)(b) was eligible for SR&ED credits. In our FY11 SR&ED filings, this was indicated on line 300 of the claim (See Schedule C). Budget 2012 proposals to reduce the SR&ED credits on labour to 15% from 20% represents a 25% reduction in the amount we claimed for FY11. [redacted] 20(1)(b)

Eliminating Capital Eligibility

R&D related capital expenditures have been the foundation of RIM's expanding R&D activities in Canada. These are dedicated R&D capital-related expenditures with the clear and sole purpose of supporting and growing RIM's substantial R&D activities. These purchases also have a significant beneficial impact for local Canadian suppliers of this equipment.

In our 2011 submission, RIM recorded [redacted] 20(1)(b) of capital expenditures that qualified for SR&ED credits and full first year deductibility. Of that total [redacted] 20(1)(b) was sourced from Canadian distributors. Examples of RIM's FY11 R&D related capital expenditures included establishment of a [redacted] 20(1)(b)

The Budget 2012 proposals to eliminate capital eligibility represent a 100% reduction to the amount we claimed in this area for 2011. This change will impact RIM and our Canadian suppliers.

The Proxy Method

Budget 2012's proposed reduction of the proxy method from 65% to 55% would also have a significant negative impact on RIM's SR&ED submission. The proxy method was implemented to decrease the cost of compliance by eliminating the need to rely on costly systems and complex tracking tools to capture the full and fair value of overhead costs. It was also believe to be a good approximation of the overhead costs the company was incurring in support of SR&ED activities. The proxy method also benefited CRA by reducing its costs as it greatly reduces the verification of these systems and tools during audits.

RIM has done a preliminary comparison of the proxy and traditional methods and in our case the calculations do result in good approximations of each other. Therefore the Budget 2012 budget proposals to reduce the proxy method to 55% would significantly increase the complexity and cost to RIM as it would require RIM to switch to the traditional method and thus incur greater effort, more approximation, increased resources and more system tools to achieve the same result as the proxy method at 65%. In addition this would increase costs and time to CRA in order to verify such a complex and detailed calculation. Which ironically, we believe the Jenkins Panel intended the opposite in its recommendation for timely financial support for companies that spend on R&D

Summary

We trust this additional analysis proves to be useful to you and that it will assist the Government in its consideration of how best to implement this significant policy change. As we discussed in our recent meeting with you, our Canada-based R&D staffing and capital purchasing requires a significant lead planning window so we can optimize our program on a go-forward basis. Decisions in this area are now pressing for RIM, especially as we are in a period of intense innovation 20(1)(b)

We would therefore hope to have an opportunity, at your earliest convenience, to discuss and compare analysis of the SR&ED changes. We are certainly available to walk you through the inputs to validate where the analysis aligns with the impacts you anticipated for leading Canadian innovation based companies like RIM. We are available to walk you and your team through the attached information either in person or via teleconference. We will follow up with your office to book a meeting in the very near future.

Again, thank you for your consideration of this important matter for our Company.

Sincerely,



Brian Bidulka
CFO

cc

DM Michael Horgan, Finance Canada

3 Attachments

APPENDIX C – RIM Canada's FY11 SR&ED Filing

Lalonde, Lucie: ICT-TIC

From: Beaudoin, Alain: SITT-STIT
Sent: Wednesday, May 23, 2012 11:32
To: Fulcher, James: ICT-TIC; Rand, Bob: ICT-TIC (NCR-RCN); Macartney, Nancy: ICT-TIC; de Tonnancour, Sylvain: ICT-TIC; Sheridan-Simzer, Andrea: ICT-TIC
Subject: FW: RIM CEO's letter to Minister Flaherty
Attachments: Letter to Jim Flaherty 05-14-2012.pdf

From: Beaudoin, Alain: SITT-STIT
Sent: Wednesday, May 23, 2012 11:31 AM
To: D'Angelo, Diana: SADM-BSMDP; McDonald, Helen: SITT-STIT; Gillis, Kelly: SITT-STIT; Dunlop, Robert: SIS-SSI; Stewart, Iain: SPS
Cc: Waring, Jeff: IC-DM-IC-SM; D'Angelo, Diana: SADM-BSMDP
Subject: RIM CEO's letter to Minister Flaherty



Letter to Jim
Flaherty 05-14-2..

Please find attached the letter that was sent to Minister Flaherty, requesting a face-to-face meeting. Key messages are consistent with the ones conveyed by their CFO in our meeting with him, notably:

20(1)(c), 21(1)(b)

Finally, please note that the PM, Ministers Paradis and Goodyear were copied.

Alain Beaudoin
Director General/Directeur Général
Information and Communications Technologies Branch/
Direction Générale des technologies de l'information
SITT/STIT
Industry Canada/Industrie Canada

Tel: (613) 954-5598
Fax: (613) 957-4076



The Honourable Jim Flaherty
Minister of Finance
140 O'Connor Street
Ottawa, Ontario K1A 0G5

Dear Minister Flaherty,

Research in Motion (RIM) is proud to be a Canadian technology leader competing on a global scale and I look forward to working with you as we transition through our current period of intense innovation. As you are likely aware, we are preparing to introduce our new BB10 operating system which will be the platform for our next stage of international growth. I would appreciate the opportunity to meet with you to discuss these plans and keep you apprised of our progress. I also wanted to follow up further to the meetings which RIM's CFO Brian Bidulka held recently with your officials following Budget 2012.

In particular, we brought to your official's attention the impacts on RIM that would result from the announced changes to the federal SR&ED program. Throughout the Jenkins Report consultations, and indeed over the past decade, RIM has always underscored that SR&ED has been Canada's most effective policy tool in support of our growth into Canada's largest innovation-driven company. The facts speak for themselves. RIM spent approximately \$1.4 Billion in R&D in 2011 or 6.8% of revenues. 20(1)(b),20(1)(c)

20(1)(b),20(1)(c) 20(1)(b),20(1)(c) Additionally, the impact of our R&D activities extends outside of our company through engagement of a wide range of university and other related partners. RIM has consistently advised against any changes to SR&ED that could negatively affect this important Canadian advantage.

We were surprised by the significant reductions to the SR&ED program announced in Budget 2012 as the changes went well beyond any of the Jenkins Report's recommendations regarding qualifying capital, labour and overhead costs, especially as it appears to target large businesses. Our impact analysis of the SR&ED changes indicates that, at our recent levels of R&D investment and employment, the proposed changes will reduce RIM's SR&ED tax incentives 20(1)(b),20(1)(c)

20(1)(b),20(1)(c) This is a significant, rapid impact to our business with implications for our global competitiveness. We are also concerned that the relatively short phase-in of these changes (fully phased in by January 1, 2014) did not account for the 2-5 year advance business planning cycle required for the purchasing of equipment, buildings, and the deployment and training of appropriate staff levels. We have shared our more detailed impact analysis with your officials and we hope to engage in further discussion as to whether it may be possible to address the effects this policy change will have on RIM. I would ask for your consideration on this matter and hope we might find an opportunity to discuss this in the near future. I greatly value our strong relationship with the Government and appreciate your attention to these concerns. I look forward to building upon our strong ongoing partnership and would appreciate an opportunity to meet with you to discuss these matters further.

Yours sincerely,

Thorsten Heins, CEO
Research In Motion

cc. Prime Minister Harper
Minister Paradis
Minister Goodyear



Industry
Canada

Industrie
Canada

Security classification: Secret
CCM Number: 236515
Contact: Alain Beaudoin, ICT Branch (613) 954-5598
Action Required: For information

JUN 01 2012

ADVICE TO THE MINISTER

Latest News on Research in Motion (RIM)

ISSUE

21(1)(a),21(1)(b)

BACKGROUND

On May 29th, RIM issued a financial warning to say that the company would likely report an operating loss in its first quarter of fiscal 2012-13. RIM had reported an operating loss of US\$142 million in the previous quarter based on revenues of US\$4.2 billion, revenues that were down 25 percent year-over-year. Following the announcement, most financial analysts revised downward their financial forecasts for RIM and lowered their stock price target. The stock price dropped 8% the next day.

21(1)(a),21(1)(b)

21(1)(a),21(1)(b)

21(1)(a),21(1)(b)

21(1)(a),21(1)(b) The company continues to refer to the latter half of 2012 for the launch of the new platform. RIM has also hired J.P. Morgan Securities and RBC Capital Markets to help with a review of ways to improve operating efficiency, streamline the organization and better leverage the BlackBerry platform and other assets. The company is targeting cost reductions of US\$1 billion by the end of its fiscal year (February 2013).

CONSIDERATIONS

21(1)(a),21(1)(b)

- 2 -

21(1)(a),21(1)(b)

21(1)(a),21(1)(b) RIM employs about 11,300 people in Ontario, mainly in Waterloo (8,000) and about 600 in the Atlantic.

21(1)(a),21(1)(b)

RIM is Canada's largest corporate R&D performer; it spent approximately US\$1 billion on R&D in Canada last fiscal year.

21(1)(a),21(1)(b)

21(1)(a),21(1)(b)

The next quarterly results will be released on June 28th. We will keep you apprised of any major developments.



Richard Dicerni
Deputy Minister
c.c. Simon Kennedy

Simon Kennedy
Senior Associate Deputy Minister
c.c. Richard Dicerni

CCM 236515



Industry Canada / Industrie Canada

ROUTING SLIP / FICHE D'ACHEMINEMENT

Security Class - Cote de sécurité: Protected - Protégé

Purpose - But

- For / Of: Signature, Information, Decision/Approval, Minister, Secretary of State, Deputy Minister, Senior Associate Deputy Minister

Sector - Secteurs

Originator(s) - Initiateur(s): Sylvain De Tonnancour; Tel. No. - N° de tél.: 613-954-2971; Signature: [Handwritten]; Date: 2012-05-29

Subject - Objet: 21(1)(b)



PRIORITY - PRIORITÉ: If urgent, state reason / deadline - En cas d'urgence, donner la raison / date limite

Sectors Consulted - Secteurs consultés

Internal - Internes

- ADM, Business Law and Counsel; DG, Human Resources; ADM, Industry; DG, Office of Consumer Affairs; ADM, Science and Innovation; Commissioner of Patents, Registrar of Trade-marks and CEO, CIPO; Executive Director, Corporate Portfolio Office; ADM, Comptrollership and Administration; ADM, Regional Operations; ADM, Small Business and Marketplace Services; ADM, Spectrum, Information Tech. and Telecomm.; ADM, Strategic Policy; Commissioner, Competition Bureau; Other (specify); DG, Audit and Evaluation; DG, Communications

External - Externes

- PCO / BCP, TB / CT, Other (specify) / Autre (précisez)

Approval - Approbation

Director - Directeur: NANCY MACARTNEY; Director General - Directeur général: ALAIN BEAUDOIN/JAMES FULCHER A/DG; ADM, EXD or Equivalent - SMA, DEX ou Équivalent: HELEN MCDONALD /KELLY GILLIS; Senior Associate Deputy Minister - Sous-ministre déléguée principale

Comments - Commentaires

CCM#235615

[Handwritten initials]

Lalonde, Lucie: ICT-TIC

From: Kruszelnicki, Chris: CMB-DGCM
Sent: Friday, June 1, 2012 15:38
To: Macartney, Nancy: ICT-TIC; Louden, David: CMB-DGCM
Cc: Lalonde, Lucie: ICT-TIC; Lascu, Eva: SITT-STIT; Beaudoin, Alain: SITT-STIT; Fulcher, James: ICT-TIC; Moore, Wesley: ICT-TIC; Holloway, James: ICT-TIC (NCR-RCN)
Subject: RE: Updated RIM media lines

Hi, Nancy,

No need to move ahead on a QP card at this time.

I will re-format the media lines to the format of the new Key Messages document (which serves as both QP card and media lines). If we do get a request for QP, for example closer to the June 28 financial results, it will be relatively easy to transform these media lines, and update with any new info.

Chris Kruszelnicki
Senior Communications Advisor | Conseiller principal en communications
Communications and Marketing Branch | Direction générale des communications et du marketing
Industry Canada | Industrie Canada
Chris.Kruszelnicki@ic.gc.ca
Telephone | Téléphone 613-992-3572
Government of Canada | Gouvernement du Canada

From: Macartney, Nancy: ICT-TIC
Sent: Friday, June 1, 2012 3:21 PM
To: Louden, David: CMB-DGCM; Kruszelnicki, Chris: CMB-DGCM
Cc: Lalonde, Lucie: ICT-TIC; Lascu, Eva: SITT-STIT; Beaudoin, Alain: SITT-STIT; Fulcher, James: ICT-TIC; Moore, Wesley: ICT-TIC; Holloway, James: ICT-TIC (NCR-RCN)
Subject: Updated RIM media lines
Importance: High

Hi,

Please see our updated media lines. We have sent these out for translation and will forward them to you when completed.

Based upon this, please advise if you would like us to move forward on a QP card.

<< File: 289061-RIM Media Lines - Layoff Rumours-2-SITT-STIT.DOC >>

Thanks,

Nancy

From: Kruszelnicki, Chris: CMB-DGCM
Sent: Monday, May 28, 2012 4:24 PM
To: Macartney, Nancy: ICT-TIC
Subject: RIM

Hi, Nancy,

In light of reports that RIM is preparing to announce more layoffs later this week, we may want to update these MINO-approved lines from last July. Messages will likely be the same or similar, background may need adjusting. Perhaps there will be a need for a QP/Key Message Card? I've attached both languages for reference.

<< File: ML_FR_RIM MINO.doc >> << File: ML_EN_RIM MINO.doc >>

Chris Kruszelnicki
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Communications and Marketing Branch | Direction générale des communications et du marketing
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Government of Canada | Gouvernement du Canada

MEDIA LINES

Speculation That Significant Layoffs Will Occur at Research in Motion (RIM)

ISSUE

On Tuesday, May 29th, media reported that RIM, a global player in the global wireless market and maker of the Blackberry and Playbook, could be on the verge of announcing significant layoffs at its operations.

KEY MESSAGES

I will not comment on speculation.

RIM has announced a strategic review of their corporation. Ultimately, these will be business decisions.

The Government of Canada recognizes that the information and communications technologies (ICT) sector is very important to the Canadian economy.

We also recognize the important contribution of Research in Motion (RIM) to the ICT industry in Canada.

In Budget 2012, the Government introduced measures that will benefit the ICT sector, strengthen Canada's economy and create more high-paying jobs.

If pressed on whether the Government will consider bailing out RIM if required, as opposed to what it did for Nortel:

I will not speculate on hypothetical questions. RIM is a leading ICT company in Canada and their management team will decide which steps are necessary for future growth and profitability.

If pressed on whether RIM could be acquired by a foreign company and whether the Government would review the transaction under the Investment Canada Act:

I will not speculate on hypothetical questions. RIM views its management and workforce changes as prudent and necessary to position the company for future growth and profitability.

If pressed on RIM's TPC arrangement:

The Government of Canada expects RIM to continue to honour its repayment obligations under its Technology Partnerships Canada program contribution agreement.

MEDIA RELATIONS OFFICE (INDUSTRY CANADA)

613-943-2502

BACKGROUND

On May 29th, RIM issued a financial warning to say that the company would likely report an operating loss in its first quarter of fiscal 2012-13. RIM had reported an operating loss of US\$142 million in the previous quarter based on revenues of US\$4.2 billion, revenues that were down 25 percent year-over-year. The company did not provide any guidance for the revenues but indicated that they expect to further increase their cash position in the first quarter from approximately US\$2.1 billion in the previous quarter. RIM currently employs about 11,300 people in Ontario, mainly in Waterloo (8,000) and about 600 in the Atlantic.

Also on May 29th, RIM confirmed that they had engaged J.P. Morgan Securities and RBC Capital Markets to assist the Board of Directors in reviewing RIM's business and financial performance. The objective of the strategic review is to evaluate the relative merits and feasibility of various financial strategies, including opportunities to leverage the BlackBerry platform through partnerships, licensing opportunities and strategic business model alternatives.

Although the company is facing challenges, RIM's management team remains optimistic about BlackBerry 10 and believes that this platform, coupled with the results of the strategic review, will create long-term value for their stakeholders. RIM has indicated that they will provide a business update with their first quarter results in June.

Government of Canada's contribution:

Since February 1998, Technology Partnerships Canada has invested \$39.6 million in repayable contributions in several RIM projects. The company has not authorized disclosure of its repayment history.

Impact on the Digital Economy Strategy:

Canada has the people and the technology required to be a strong leader in the digital economy. The government will continue to work with provinces and territories and with the private sector to make this a reality.

PREPARATION AND APPROVALS

Key contact: Nancy Macartney, ICTB, 613-941-3508

Approved by: James Fulcher, A/DG, ICTB, 613-941-7847

Date: June 1, 2012

Approuvé par le bureau du ministre
Le 26 juillet 2011

INFOCAPSULES

Mises à pied importantes chez Research in Motion (RIM)

ENJEU

Le lundi 25 juillet 2011, RIM, un chef de file mondial de l'industrie du sans-fil et le fabricant des appareils BlackBerry et Playbook, a annoncé un programme d'optimisation des coûts en vertu duquel l'équipe de direction sera réaménagée et quelque 2 000 employés seront mis à pied à l'échelle mondiale.

MESSAGES CLÉS

Les coupes annoncées par RIM constituent une décision d'affaires.

Nous sommes conscients que la transition sera difficile pour les travailleurs visés et pour leurs familles.

Les questions concernant ce réaménagement de la main-d'œuvre devraient être posées à RIM.

Si l'on insiste pour savoir si le gouvernement serait prêt à accorder un renflouement financier à RIM au besoin, contrairement à ce qu'il a fait dans le dossier de Nortel

RIM estime que les changements apportés à son équipe de direction et à sa main-d'œuvre sont à la fois prudents et nécessaires pour assurer sa croissance et sa rentabilité futures.

Si l'on insiste au sujet de l'acquisition possible de RIM par une entreprise étrangère et sur la tenue possible d'un examen en vertu de la Loi sur Investissement Canada, le cas échéant

Cette question est hypothétique. Je ne ferai pas de spéculation à ce sujet. RIM estime que les changements apportés à son équipe de direction et à sa main-d'œuvre sont à la fois prudents et nécessaires pour assurer sa croissance et sa rentabilité futures.

Si l'on insiste sur les obligations de remboursement de RIM dans le cadre du programme Partenariat technologique Canada :

Le gouvernement du Canada s'attend à ce que RIM soit en mesure de respecter toutes ses obligations de remboursement dans le cadre de son entente de contribution du programme Partenariat technologique Canada.

BUREAU DES RELATIONS AVEC LES MÉDIAS D'INDUSTRIE CANADA

613-943-2502

CONTEXTE

Dans son rapport financier publié le 16 juin 2011, RIM a annoncé une rationalisation de ses activités et une diminution de sa main-d'œuvre au cours du deuxième trimestre de 2011. Ces ajustements s'ajoutent à ceux qui ont été effectués au cours du dernier mois. RIM a donc commencé à indiquer en juin son intention de diminuer son nombre d'employés au deuxième trimestre.

Lors de son annonce du 25 juillet, RIM a indiqué qu'il diminuerait sa main-d'œuvre totale, dans tous les secteurs, de quelque 2 000 personnes dans le monde. RIM adoptera des mesures de réaménagement ultérieures pour ramener sa main-d'œuvre totale à environ 17 000 personnes.

L'entreprise souligne que cette rationalisation fait suite à plusieurs années de forte croissance et d'importants investissements dans la mise au point de nouveaux systèmes d'exploitation et d'autres innovations. RIM s'apprête à lancer plusieurs produits utilisant le nouveau système d'exploitation BlackBerry 7. Le PlayBook, qui fonctionne à l'aide du nouveau système d'exploitation QNX, a récemment été mis en marché dans plusieurs pays. Enfin, le gouvernement des États-Unis a annoncé le vendredi 22 juillet que le PlayBook avait été approuvé pour utilisation par les organismes gouvernementaux américains. Il s'agit du premier appareil de type tablette à obtenir cette approbation.

En Amérique du Nord, RIM détenait 28,9 % du marché des abonnés d'appareils sans fil intelligents en février 2011, comparativement à 33,5 % en novembre 2010. De même, la part du marché mondial de ces appareils que détient RIM est passée de 19,1 % au premier trimestre de 2010 à 13,6 % au premier trimestre de 2011. Apple semble faire une percée dans certains marchés internationaux de RIM, et on a reproché à RIM de développer et mettre en marché trop lentement des appareils mobiles pour faire concurrence au iPhone et au iPad d'Apple, ainsi qu'aux appareils utilisant le logiciel Android de Google.

Les recettes de l'entreprise au cours du dernier trimestre ont diminué de 12,6 % comparativement aux 5,6 milliards de dollars américains du trimestre précédent. Ce ralentissement devrait se poursuivre au cours du prochain trimestre. Depuis le 4 janvier 2011, la valeur de l'action de RIM a chuté de 54 %.

RIM a récemment accepté de revoir sa structure de gestion à la suite d'une proposition présentée par des investisseurs visant à diviser les rôles de président du conseil d'administration et de chef de la direction.

Contribution du gouvernement du Canada

À compter de février 1998, Partenariat technologique Canada a versé des contributions remboursables de 39,6 millions de dollars à RIM afin d'appuyer plusieurs projets de l'entreprise. RIM n'a pas autorisé la divulgation des renseignements concernant ses remboursements.

Conséquences pour la stratégie sur l'économie numérique

Le Canada dispose de la main-d'œuvre et des technologies nécessaires pour se classer parmi les meilleurs pays dans le domaine de l'économie numérique. Le gouvernement continuera à collaborer avec les provinces et les territoires, et avec le secteur privé, pour appuyer l'essor de l'économie numérique.

PRÉPARATION ET APPROBATION

Personne-ressource : Nancy Macartney, ICTB, 613-941-3508

Approuvé par : Alain Beaudoin, DG, ICTB, 613-954-5598

Date : Le 25 juillet 2011

MINO approved
July 26, 2011

MEDIA LINES
Major Layoffs at Research in Motion (RIM)

ISSUE

On Monday, July 25th, RIM, a global player in the global wireless market and maker of the BlackBerry and Playbook, announced changes to its senior management team as well as a worldwide workforce reduction as part of a cost-optimization program. Approximately 2000 positions will be eliminated worldwide.

KEY MESSAGES

RIM's announcement of job cuts is a business decision.

We acknowledge that this will be a difficult time of transition for the affected workers and their families.

Questions concerning this workforce adjustment should be addressed to the company.

If pressed on whether the Government will consider bailing out RIM if required, as opposed to what it did for Nortel:

RIM views its management and workforce changes as prudent and necessary to position the company for future growth and profitability.

If pressed on whether RIM could be acquired by a foreign company and whether the Government would review the transaction under the Investment Canada Act:

I will not speculate on hypothetical questions. RIM views its management and workforce changes as prudent and necessary to position the company for future growth and profitability.

If pressed on RIM's TPC arrangement:

The Government of Canada expects RIM to continue to honour its repayment obligations under its Technology Partnerships Canada program contribution agreement.

MEDIA RELATIONS OFFICE (INDUSTRY CANADA)

613-943-2502

BACKGROUND

RIM announced that it would streamline operations and undertake a second quarter workforce reduction in its June 16, 2011 financial report. These adjustments are in addition to those made since last month. RIM has been publicly signaling its intention to bring down its headcount this quarter since June.

The July 25th announcement noted that RIM would reduce its global workforce across all functions by approximately 2,000 employees. Impacted employees in North America and certain other countries would be notified this week. Other workforce adjustments will follow at a later date to bring its global workforce to about 17,000 employees.

The company notes that this streamlining follows several years of rapid growth and high investments in new operating systems and other innovations. Future plans include the imminent launch of several new products based on its BlackBerry 7 operating system. Its

PlayBook (based on the new QNX operating system) was recently launched and is starting to go on sale in many international markets. And on Friday, July 22, the US Government announced that the PlayBook had received US federal certification for use by government agencies, the first tablet device to have done so.

RIM's share of North American smartphone subscribers has gone from 33.5 percent in November 2010 to 28.9 percent in February 2011. RIM's share of global smartphone shipments has dropped from 19.1 percent in the first quarter of 2010 to 13.6 percent in the first quarter of 2011. Apple appears to be making inroads in some of RIM's international markets; and RIM has been criticized for being slow to develop and bring to market mobile devices to challenge Apple's iPhone and iPad, as well as devices running Google's Android software.

Revenue in the most recent quarter was down 12.6 percent from US\$5.6 billion in the previous one, and this slowdown was expected to continue into the next quarter. Since January 4, the value of its stock has dropped 54 percent.

RIM recently consented to review its management structure, in the face of an investor proposal to split the roles of board chairman and chief executive.

Government of Canada's contribution:

Since February, 1998, Technology Partnerships Canada had invested \$39.6 million in repayable contributions in several RIM projects. The company has not authorized disclosure of its repayment history.

Impact on the Digital Economy Strategy:

Canada has the people and the technology required to be a strong leader in the digital economy. The government will continue to work with provinces and territories and with the private sector to make this a reality.

PREPARATION AND APPROVALS

Key contact: Nancy Macartney, ICTB, 613-041-3508

Approved by: Alain Beaudoin, DG, ICTB, 613-954-5598

Date: July 25, 2011

Lascu, Eva: SITT-STIT

From: Sheridan-Simzer, Andrea: ICT-TIC
Sent: Wednesday, May 30, 2012 10:50
To: Macartney, Nancy: ICT-TIC
Cc: de Tonnancour, Sylvain: ICT-TIC
Subject: RE: Last nights releases by analysts
Attachments: 2012-05-30 RIM=CA (Cormark Secur) Cormark's Research in Motion Ltd. Note (05-30-12).59765204.pdf; 2012-05-30 [redacted] 20(1)(b)
[redacted] 20(1)(b)

More from this morning....

Best,
Andrea

From: Macartney, Nancy: ICT-TIC
Sent: May 30, 2012 10:20 AM
To: Sheridan-Simzer, Andrea: ICT-TIC; de Tonnancour, Sylvain: ICT-TIC
Subject: RE: Last nights releases by analysts

Hi Andrea,

Thanks for these. Please feel free to forward any others as they come along.

N

From: Sheridan-Simzer, Andrea: ICT-TIC
Sent: Wednesday, May 30, 2012 8:49 AM
To: Macartney, Nancy: ICT-TIC; de Tonnancour, Sylvain: ICT-TIC
Subject: Last nights releases by analysts

These are the ones written after RIM announced that Q1 would see an operations loss.

Enjoy!

Andrea Sheridan-Simzer
Senior Economist | Économiste principale

Information and Communications Technologies Branch | Direction générale des technologies de l'information et des communications
Spectrum, Information Technologies and Telecommunications Sector | Secteur du Spectre, des technologies de l'information et des télécommunications
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Government of Canada | Gouvernement du Canada

Lalonde, Lucie: ICT-TIC

From: Morgan Elliott 19(1)
Sent: Wednesday, May 23, 2012 11:12
To: Beaudoin, Alain: SITT-STIT
Subject: RE: Follow-up
Attachments: Letter to Jim Flaherty 05-14-2012.pdf

Hi Alain – here's our CEO's letter. Just waiting for sign off on our analysis from our CFO. Will then send to Finance with copy to you. Morgan

From: Alain.Beaudoin@ic.gc.ca [mailto:Alain.Beaudoin@ic.gc.ca]
Sent: Wednesday, May 23, 2012 11:10 AM
To: Morgan Elliott
Subject: Follow-up

Hey Morgan, hope all is well and that you had a great long week-end.

19(1),20(1)(c)

Cheers.

Alain Beaudoin
Director General/Directeur Général
Information and Communications Technologies Branch/
Direction Générale des technologies de l'information
SITT/STIT
Industry Canada/Industrie Canada

Tel: (613) 954-5598
Fax: (613) 957-4076



The wordmark for Canada, with the letter 'a' in the word "Canada" having a stylized flag design.

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Lalonde, Lucie: ICT-TIC

From: Moore, Wesley: ICT-TIC
Sent: Thursday, June 7, 2012 21:24
To: Macartney, Nancy: ICT-TIC; de Tonnancour, Sylvain: ICT-TIC; Sheridan-Simzer, Andrea: ICT-TIC; Holloway, James: ICT-TIC (NCR-RCN)
Cc: Beaudoin, Alain: SITT-STIT
Subject: RIM: Playbook News

Research In Motion stops production of lower priced 16GB BlackBerry PlayBook

Research In Motion (TSX:RIM) says it is discontinuing the lowest-priced model of its BlackBerry PlayBook tablet. A spokeswoman for the company says the BlackBerry-maker has stopped production on the 16GB Wi-Fi PlayBook. Remaining supplies at retailers and distributors will be the last quantity. RIM said it continues to manufacture both the 32GB and 64GB models of the PlayBook. The company has run into trouble trying to sell the device in a market dominated by Apple's iPad and numerous other tablets. Earlier this year, RIM began selling its PlayBooks at a discount to boost interest.

Lalonde, Lucie: ICT-TIC**From:** Sheridan-Simzer, Andrea: ICT-TIC**Sent:** Thursday, June 7, 2012 9:54**To:** Beaudoin, Alain: SITT-STIT; de Tonnancour, Sylvain: ICT-TIC; Macartney, Nancy: ICT-TIC**Subject:** RE: With Galaxy S III, Samsung Makes the Case That One Size Does Fit All - Ina Fried - Mobile - AllThingsD

For Samsung to have 50% of market (I assume for smartphones, since in mobile phones they have a 23% share) will require amazing growth; they had 29% in Q1 2012 of Smartphones, up from 11% in Q1 2011. Samsung, Apple and "others" are taking share from Nokia, RIM and HTC... Even if those three all go to zero share, for Samsung to hit 50% would require Apple and all others to not pick up any market share (actually loose share in later quarters) which seems very unlikely. Android will account for over 50% for sure...

Top Five Worldwide Smartphone Vendors, Shipments, and Market Share, Q1 2012 (Units in Millions)

Vendor	1Q12 Unit Shipments	1Q12 Market Share	1Q11 Unit Shipments	1Q11 Market Share	Year-over-year Change
Samsung	42.2	29.1%	11.5	11.3%	267.0%
Apple	35.1	24.2%	18.6	18.3%	88.7%
Nokia	11.9	8.2%	24.2	23.8%	-50.8%
Research In Motion	9.7	6.7%	13.8	13.6%	-29.7%
HTC	6.9	4.8%	9.0	8.9%	-23.3%
Others	39.1	27.0%	24.5	24.1%	59.6%
Total	144.9	100.0%	101.7	100.0%	42.5%

Source: IDC Worldwide Mobile Phone Tracker, May 1, 2012

Top Five Worldwide Total Mobile Phone Vendors, Shipments, and Market Share, Q1 2012 (Units in Millions)

Vendor	1Q12 Unit Shipments	1Q12 Market Share	1Q11 Unit Shipments	1Q11 Market Share	Year-over-year Change
Samsung	93.8	23.5%	69.3	17.1%	35.4%
Nokia	82.7	20.8%	108.5	26.8%	-23.8%
Apple	35.1	8.8%	18.6	4.6%	88.4%
ZTE	19.1	4.8%	15.0	3.7%	27.0%
LG Electronics	13.7	3.4%	24.5	6.1%	-44.1%
Others	154	38.7%	168.4	41.7%	-8.6%
Total	398.4	100.0%	404.3	100.0%	-1.5%

-----Original Message-----

From: Beaudoin, Alain: SITT-STIT**Sent:** June 6, 2012 5:10 PM**To:** de Tonnancour, Sylvain: ICT-TIC; Macartney, Nancy: ICT-TIC; Sheridan-Simzer, Andrea: ICT-TIC**Subject:** With Galaxy S III, Samsung Makes the Case That One Size Does Fit All - Ina Fried - Mobile - AllThingsD<http://allthingsd.com/20120606/with-galaxy-s-iii-samsung-makes-the-case-that-one-size-does-fit-all/>

21(1)(a)



Back to BlackBerry-maker RIM ditches 16-gig PlayBook

BlackBerry-maker RIM ditches 16-gig PlayBook

June 07, 2012

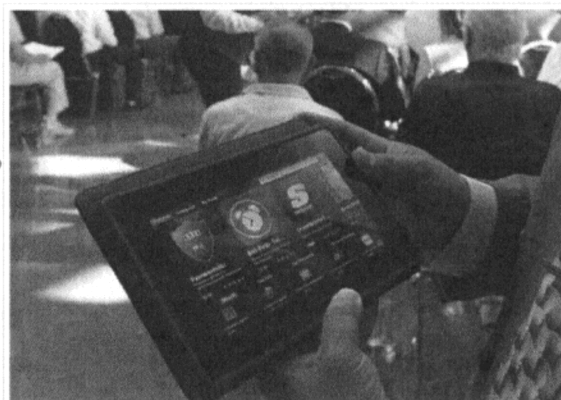
Michael Lewis

Research in Motion Ltd. is abandoning its lowest-priced PlayBook computer but says it remains committed to the "tablet space" and will continue to build the more powerful versions of the 7-inch device.

"There is more value for our customers in the higher capacity models (32 GB, 64 GB), and as such we have decided to focus our efforts here," the Waterloo-based company said in an email.

"The 16 GB PlayBook will continue to be available for distributors and retailers while quantities last. We continue to remain committed to the tablet space and the 32 GB and 64 GB models of the BlackBerry PlayBook continue to be available from our distributors and retailers around the world."

RIM said it will no longer produce the 16 GB version, which retails for \$199, compared to the 32 GB at \$249 and the 64 GB for \$299, and will discontinue the product once inventory at distributors and retailers can be cleared.



BlackBerry-maker RIM is dropping its 16 gig PlayBook.

MIKE CASSESE/REUTERS

RIM in December took a \$360 million (U.S.) after-tax charge on unsold PlayBooks after heavy discounting on the tablet, with analysts saying the company was losing money on the low-end device after the price cuts.

Sales of the PlayBook have been dwarfed by the market leading Apple iPad and a host of other devices including the Amazon Kindle Fire and Android OS models led by the Samsung Galaxy Tab.

The PlayBook was released in April 2011 to mostly positive reviews of its hardware but tough criticism for its lack of basic functions including a calendar and built in email, and the absence of the popular BBM text messaging service.

The email and calendar shortfalls were remedied in February after significant delays when the company released its PlayBook OS 2.0 saying it would add support for BBM in a future software upgrade.

The PlayBook is a Wi-Fi enabled device powered by the QNX software embedded in the operating system running RIM's BB 10 smartphones that are expected to be launched in October or November.

RIM acquired Kanata-based QNX Software Systems from Hartman Inc. for an undisclosed sum about a year before the PlayBook launch.

RIM's practice of buying technologies means the BB10 phones will be a "patchwork" of hardware and software obtained through acquisitions and licensing deals, according to a report in the Wall Street Journal.

The paper says RIM licensed the BB10 phones' camera technology from Scalado of Sweden and its "predicative" touch screen keyboard from the U.K.'s TouchType.

Acquiring smaller companies for their technology and research is not uncommon but the Journal points out that RIM faces a challenge in integrating the technologies as it readies its shift to a new OS and a new family of phones.

Lascu, Eva: SITT-STIT

From: Buffone, John: ICT-TIC
Sent: Tuesday, May 29, 2012 16:43
To: Macartney, Nancy: ICT-TIC; Sheridan-Simzer, Andrea: ICT-TIC; de Tonnancour, Sylvain: ICT-TIC
Cc: Beaudoin, Alain: SITT-STIT; Fulcher, James: ICT-TIC
Subject: RIM warns of operating loss

RIM warns of operating loss
Globe and Mail Update, May. 29, 2012

Research In Motion Ltd. (RIM-T11.480.090.79%) expects to post an operating loss in its first quarter, citing the challenges of lower volumes and a "highly competitive pricing" climate.

The BlackBerry maker also said Tuesday it has hired JPMorgan Chase & Co. and RBC Capital Markets to help the company in its strategic review.

"The ongoing competitive environment is impacting our business in the form of lower volumes and highly competitive pricing dynamics in the marketplace, and we expect our Q1 results to reflect this, and likely result in an operating loss for the quarter," said chief executive officer Thorsten Heins.

"We are continuing to be aggressive as we compete for our customers' business - both enterprise and consumer - around the world, and our teams are working hard to provide cost-competitive, feature-rich solutions to our global customer base."

RIM stock, which had been halted for the announcement, plunged 13 per cent within minutes of resuming trade after hours on the Nasdaq.

de Tonnancour, Sylvain: ICT-TIC

From: Beaudoin, Alain: SITT-STIT
Sent: June 6, 2012 5:10 PM
To: de Tonnancour, Sylvain: ICT-TIC; Macartney, Nancy: ICT-TIC; Sheridan-Simzer, Andrea: ICT-TIC
Subject: With Galaxy S III, Samsung Makes the Case That One Size Does Fit All - Ina Fried - Mobile - AllThingsD

<http://allthingsd.com/20120606/with-galaxy-s-iii-samsung-makes-the-case-that-one-size-does-fit-all/>

21(1)(a)

Lascu, Eva: SITT-STIT

From: Sheridan-Simzer, Andrea: ICT-TIC
Sent: Wednesday, May 30, 2012 8:49
To: Macartney, Nancy: ICT-TIC; de Tonnancour, Sylvain: ICT-TIC
Subject: Last nights releases by analysts
Attachments: 2012-05-30 76097510 (JMP Securitie) No Real Surprises in Business Update; Upgrading to... Valuation.59761247.pdf; 2012-05-30 RIM=CA (GMP Securitie) Research in Motion - warns of loss in Q1; hires bankers.59764703.pdf; 2012-05-30 RIM=CA (National Bank) RIM Blows-up in Q1, Recovery Unlikely; Time to Sharpen....59764016.pdf; 2012-05-30 RIMM=US (RBC Capital M) Research in Motion - And Now a Loss.59761128.pdf

These are the ones written after RIM announced that Q1 would see an operations loss.

Enjoy!

Andrea Sheridan-Simzer

Senior Economist | Économiste principale

Information and Communications Technologies Branch | Direction générale des technologies de l'information et des communications
Spectrum, Information Technologies and Telecommunications Sector | Secteur du Spectre, des technologies de l'information et des télécommunications
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Facsimile | Télécopieur 905-428-8722
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Lascu, Eva: SITT-STIT

From: Sheridan-Simzer, Andrea: ICT-TIC

Sent: Monday, May 28, 2012 14:17

To: de Tonnancour, Sylvain: ICT-TIC

Subject: From RIM Annual Report.

As of March 3, 2012, RIM had approximately 16,500 full-time employees: approximately 6,100 in the product development area; approximately 1,500 in sales and marketing; approximately 1,300 in customer care and technical support; approximately 1,950 in manufacturing and supply chain; and approximately 5,650 in administration and business professional functions, which includes information technology, BlackBerry network operations and service development, finance, legal, facilities and corporate administration.

Andrea

Andrea Sheridan-Simzer

Senior Economist | Économiste principale

Information and Communications Technologies Branch | Direction générale des technologies de l'information et des communications

Spectrum, Information Technologies and Telecommunications Sector | Secteur du Spectre, des technologies de l'information et des télécommunications

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Telephone | Téléphone 905-428-2577

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Government of Canada | Gouvernement du Canada

Lascu, Eva: SITT-STIT

From: Sheridan-Simzer, Andrea: ICT-TIC
Sent: Wednesday, May 30, 2012 11:46
To: Macartney, Nancy: ICT-TIC; de Tonnancour, Sylvain: ICT-TIC
Subject: Post-traumatic life expectancy of phone vendors

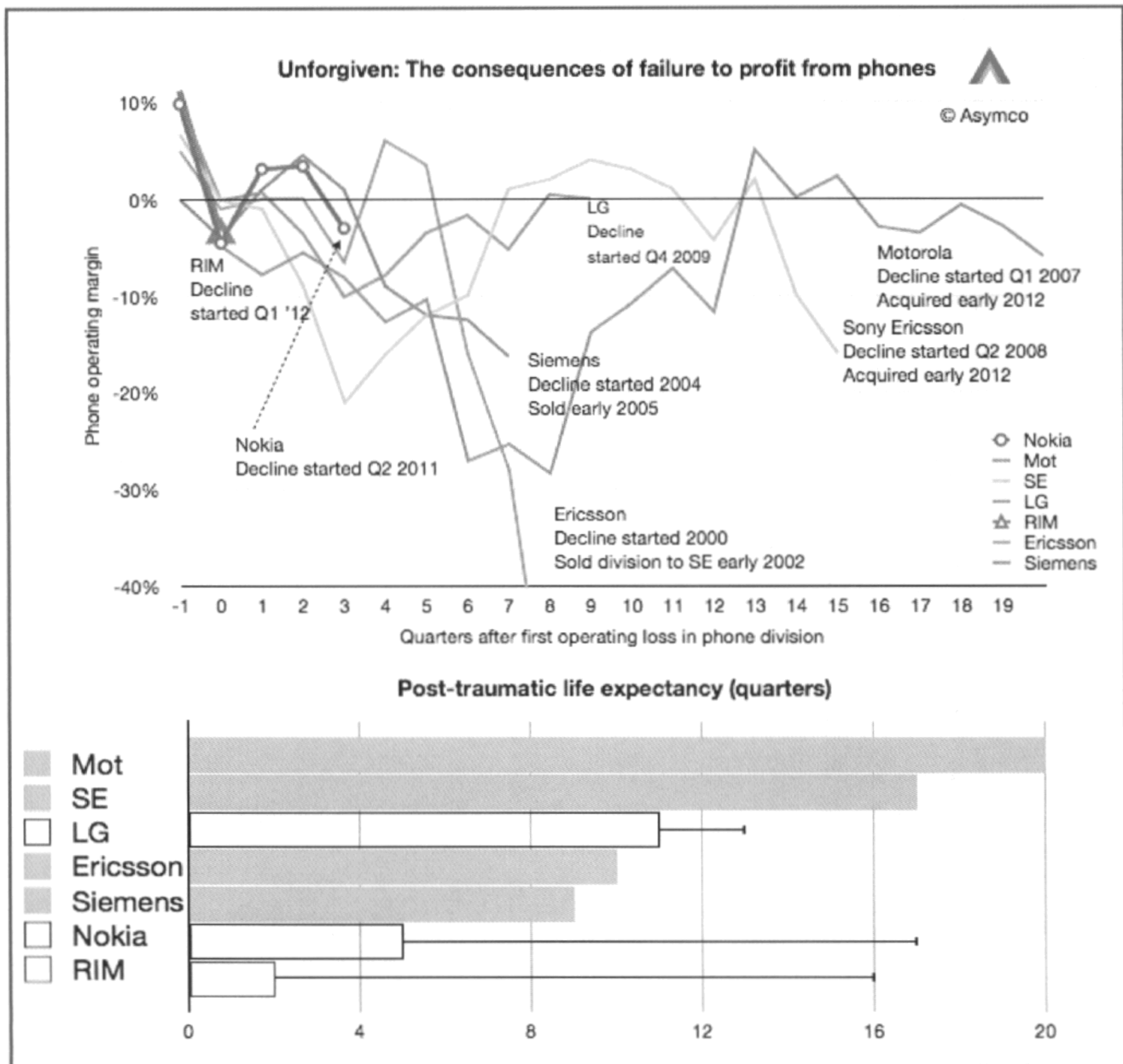
This is a report from yesterday [redacted] 19(1) ... his conclusion is that most likely "...there are at least two more years before Nokia and RIM call it quits" and a long exit means "larger costs of distress" and "more pain for stakeholders".

May 29, '12 12:09 PM
Author [Horace Dediu](#) Categories [Industry](#)

RIM took a \$485 million pretax charge to write down the value of its PlayBook inventory in December, after shipping just 150,000 of the tablet computers in the quarter. Then in March, the company recorded a \$267 million expense for BlackBerry inventory. RIM said at the time that it would stop giving sales and profit guidance because of "ongoing weakness" in the U.S.

via [RIM Writedown Risked With \\$1 Billion Inventory: Corporate Canada – Businessweek](#).

RIM has just entered what I call the Post-traumatic period of a phone maker's life. This period is defined as beginning with a loss-making quarter and ending with the company's exit from the business. These post-traumatic periods were visualized first [here](#) and the pattern was first discussed about a year ago [here](#).



I've updated the chart with the current data and added the bar chart below to illustrate the "post-traumatic life expectancy" for the companies shown. Companies still operating are shown with bars without color while companies that have exited are shown with solid color bars.

The pattern may be that companies either have short post-trauma lives of about two to three years or relatively long post-trauma lives lasting 4 to 5 years. What determines this life expectancy and how long do RIM, Nokia and LG have?

There is precious little data, but perhaps one hypothesis I could offer could be that the bigger the commitment to the industry (in terms of having no fall-back options) the longer the post-traumatic period lasts. In other words, as there is no easy way out, the fight lasts longer.

This can also be interpreted using Porter's "barriers to exit" force analysis where companies which can liquidate a division see it as a low cost of exit whereas companies that need to restructure (usually more than once) and then seek either a buyout or rescue may interpret exit as a very costly endeavor.

Long exits compile larger costs of distress and can cause more pain for stakeholders, especially if the end is inevitable.

Given this hypothesis, as both Nokia and RIM depend largely on mobile phone sales, it's likely that they will not exit quickly. (Ironically perhaps, LG has a better shot at a quick exit given its diversified conglomerate status.) It might imply that there are at least two more years before Nokia and RIM call it quits.

Andrea Sheridan-Simzer

Senior Economist | Économiste principale

Information and Communications Technologies Branch | Direction générale des technologies de l'information et des communications

Spectrum, Information Technologies and Telecommunications Sector | Secteur du Spectre, des technologies de l'information et des télécommunications

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Facsimile | Télécopieur 905-428-8722

Government of Canada | Gouvernement du Canada

RIM's Surging Inventory Raises Prospect of Writedown
[Bloomberg Businessweek \(http://www.businessweek.com/\)](http://www.businessweek.com/)

[News From Bloomberg \(http://www.bloomberg.com\)](http://www.bloomberg.com)

RIM's Surging Inventory Raises Prospect of Writedown

By Hugo Miller on May 29, 2012

Research In Motion Ltd. (RIMM) ([RIMM \(http://investing.businessweek.com/research/stocks/snapshot/snapshot.asp?ticker=RIMM:US\)](http://investing.businessweek.com/research/stocks/snapshot/snapshot.asp?ticker=RIMM:US))'s stockpiles of BlackBerry smartphones and PlayBook tablets have swollen by two-thirds in the past year because of slumping sales, raising the chances of the company's third writedown since December.

The value of RIM's in-house supplies grew 18 percent last quarter alone, a faster rate than at any other company in the industry, according to data compiled by Bloomberg. And that doesn't include the BlackBerrys gathering dust at RIM's carriers and retail partners. Apple Inc. (AAPL) ([AAPL \(http://investing.businessweek.com/research/stocks/snapshot/snapshot.asp?ticker=AAPL:US\)](http://investing.businessweek.com/research/stocks/snapshot/snapshot.asp?ticker=AAPL:US)), meanwhile, saw its inventory decline 11 percent in the period from the previous three months.

RIM faces an exodus of customers switching to Apple's iPhone and devices running Google Inc. (GOOG) ([GOOG \(http://investing.businessweek.com/research/stocks/snapshot/snapshot.asp?ticker=GOOG:US\)](http://investing.businessweek.com/research/stocks/snapshot/snapshot.asp?ticker=GOOG:US))'s Android operating system. While the company is preparing to release a new lineup of phones based on the BlackBerry 10 software, the transition makes its current models even less appealing. That means RIM is more likely to record another quarterly expense next month to account for the inventory's declining value, said Neeraj Monga, an analyst at Veritas Investment Research in Toronto.

"Clearly this stuff isn't selling," said Monga, who maintains a buy recommendation on RIM's stock in anticipation of the company being sold. "Despite all the writedowns they're taking on the inventory, these inventory levels are not dropping."

Rebecca Freiburger, a spokeswoman for Waterloo, Ontario- based RIM, declined to comment.

Previous Writedowns

RIM took a \$485 million pretax charge to write down the value of its PlayBook inventory in December, after shipping just 150,000 of the tablet computers in the quarter. Then in March, the company recorded a \$267 million expense for BlackBerry inventory. RIM said at the time that it would stop giving sales and profit guidance because of "ongoing weakness" in the U.S.

RIM's market share is plummeting. The company's piece of the global smartphone industry fell by more than half to 6.4 percent last quarter, according to research firm IDC. Android's share jumped to 59 percent, and Apple's iOS operating system accounted for 23 percent.

That's taking a toll on RIM's sales. Its revenue is projected to drop 26 percent to \$3.64 billion this quarter, according to analysts' estimates ([RIMM \(http://investing.businessweek.com/research/stocks/snapshot/snapshot.asp?ticker=RIMM:US\)](http://investing.businessweek.com/research/stocks/snapshot/snapshot.asp?ticker=RIMM:US)) compiled by Bloomberg. Net income is seen declining 72 percent to \$197.5 million. RIM is scheduled to report the results on June 28.

and is "reviewing its organizational efficiency" across the company. That may lead to job cuts of 2,000 to 3,000, assuming the company will try to save 30 percent of that operating cost through labor savings, said Sameet Kanade, an analyst at Northern Securities Inc. in Toronto. That would be in addition to the 2,000 positions eliminated last summer.

RIM may cut additional jobs gradually through layoffs and attrition, according to a person familiar with RIM's plans, who spoke on condition they not be named because the cuts haven't been made public.

More Than \$1 Billion

The value of the company's inventory climbed to \$1.03 billion last quarter, up from \$618 million a year earlier. Back in mid-2008, when the BlackBerry was still a hot seller and RIM's stock ([RIMM](http://investing.businessweek.com/research/stocks/snapshot/snapshot.asp?ticker=RIMM:US)) traded at an all-time high of \$147.55, the figure was less than \$500 million.

The inventory tally measures the cost of the phones and tablets stored in RIM warehouses around the world. It doesn't include the additional stock of devices held by retailers and carriers.

"There's their own inventory buildup and then there's the inventory with carriers and retailers," said Kanade, who recommends selling RIM shares. "It's more than likely there will be a writedown."

The stock rose 2.7 percent to \$11 on May 25, the most recent day of U.S. trading. U.S. markets were closed for a holiday yesterday. RIM rose 0.4 percent to C\$11.39 in Toronto yesterday. The shares have tumbled 75 percent over the past year and are down more than 90 percent from their all-time high.

New Operating System

Other mobile-phone makers that have struggled to compete with Apple and Google aren't increasing inventory at RIM's rate. Nokia Oyj (NOK1V)'s stockpiles rose less than 1 percent in value last quarter.

RIM is counting on the BlackBerry 10 lineup to revive sales. The software will improve the device's Web features and allow for new hardware designs -- both touch-screen models and devices with RIM's trademark keyboards.

The company had originally planned to release the BlackBerry 10 phones in the first quarter of 2012. Then it pushed back the introduction to the "latter part" of the year.

In the meantime, BlackBerry customers may hold off on buying older models in anticipation of the new products -- a phenomenon known as the Osborne Effect. The term stems from early personal-computer maker Osborne Computer, which filed for bankruptcy after a premature product announcement cannibalized sales of its existing lineup.

In Limbo

For now, RIM is stuck in limbo, said Colin Gillis, an analyst at BGC Partners LP in New York. There's no new product to upgrade to -- or even a release date -- and it's difficult to get customers excited about the older phones.

"Until you have a new product, there's nothing to transition to," said Gillis, who advises selling RIM's stock. "It's still very much in the early stages."

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Lascu, Eva: SITT-STIT

From: Moore, Wesley: ICT-TIC
Sent: Thursday, May 31, 2012 8:14
To: Macartney, Nancy: ICT-TIC
Cc: de Tonnancour, Sylvain: ICT-TIC; Sheridan-Simzer, Andrea: ICT-TIC
Subject: RIM: Messaging Internal & Gov't

From G&M: RIM executives were not made available for comment on Wednesday, as the company says it is entering its quiet period ahead of its first-quarter earnings announcement on June 28.

From Dow Jones News: Canada's Finance Minister Jim Flaherty said Wednesday that BlackBerry-maker Research in Motion Ltd. (RIMM) is an "important Canadian company" and that he hoped the company succeeds in restructuring.

Flaherty said he has two of the smartphones and carries one in each pocket.

"It's an important Canadian company so I hope they succeed in their restructuring," he said in brief remarks to reporters after the daily question period in the House of Commons.

RIM shares are down sharply Wednesday after the company warned late Tuesday of a likely first-quarter operating loss and said it had hired investment bankers to help it review its strategic options.

Any sale of RIM's assets to foreigners could trigger a Canadian-government review to ensure the transaction is of so-called "net benefit" to the country, as required under the country's laws. A spokeswoman for **Industry Minister Christian Paradis**, who is responsible for foreign-investment rules, said the minister wished RIM "every success" but declined to comment on "speculation" about a sale.

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From: Sheridan-Simzer, Andrea: ICT-TIC
Sent: Thursday, June 7, 2012 9:30
To: Beaudoin, Alain: SITT-STIT
Subject: FW: The phone market in 2012: a tale of two disruptions

This blog post from [asymco](#) covers the profit issue and is likely the source for the one you sent. "Of the vendors tracked (public companies who report mobile phone divisional performance), Apple obtained 73% of operating profits, Samsung 26% and HTC 1%."

From: Sheridan-Simzer, Andrea: ICT-TIC
Sent: May 30, 2012 12:13 PM
To: de Tonnancour, Sylvain: ICT-TIC; Macartney, Nancy: ICT-TIC
Subject: The phone market in 2012: a tale of two disruptions

The phone market in 2012: a tale of two disruptions

May 3, '12 11:31 AM
Author [Horace Dedi](#) Categories [Industry](#)

During the first quarter this year HTC, RIM and Nokia all surprised investors with bad news. The effect is evident in the share price of these companies which, in the case of RIM and Nokia is around book value, and in the case of HTC, neared 12 month lows and a 70% drop from peak.

These "misses" in earnings and expectations are on top of the already woeful news from Sony Ericsson and Motorola, which have not had profits for years and LG, which has been borderline since late 2009.

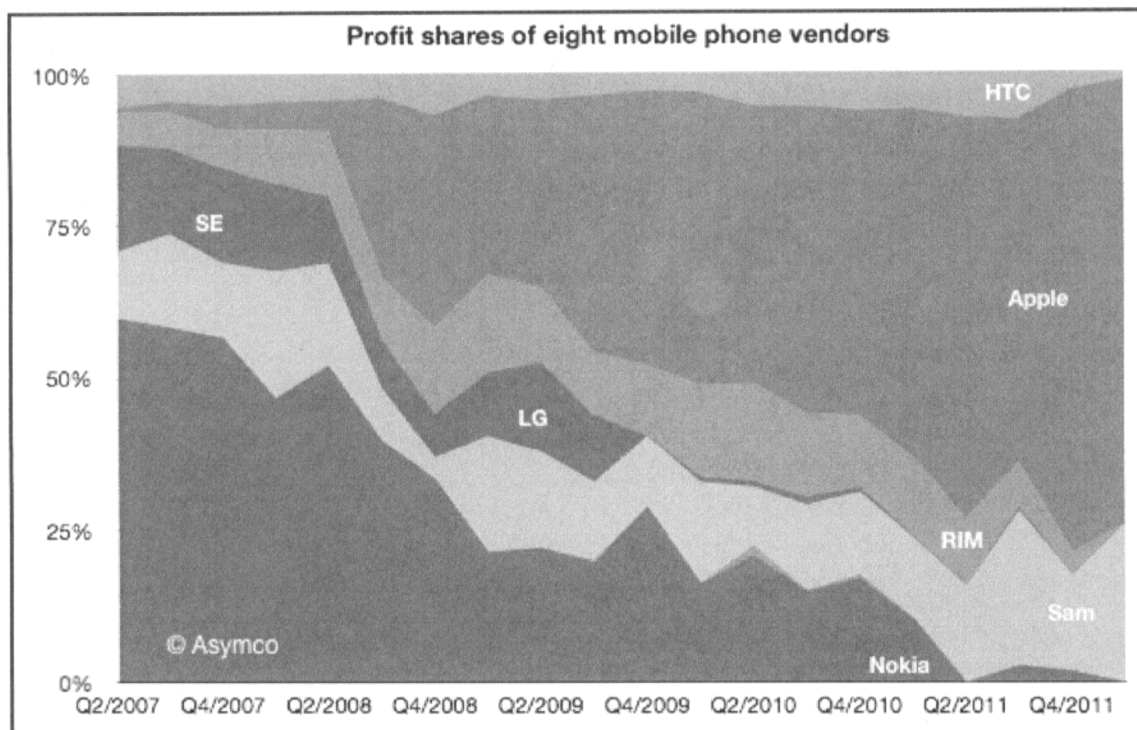
In combination, this seems to imply a dearth of profits in an industry that is, by all measures, booming. Units are up 7% with smartphones up 47%. Revenues are up 20% and overall profits are up 52%. This are exceptionally strong numbers. Few industries can measure growth in double digits.

So if the industry is booming but the majority of participants in the industry are loss making (and surprisingly so) then what is going on? There are two answers: new market disruption and low end disruption.

The new market disruption is the migration of a large number of demanding customers away from phones-as-voice-products to phones-as-computing-products. The low-end disruption is the migration of a large number of less demanding customers from branded phones to unbranded, commodity phones.

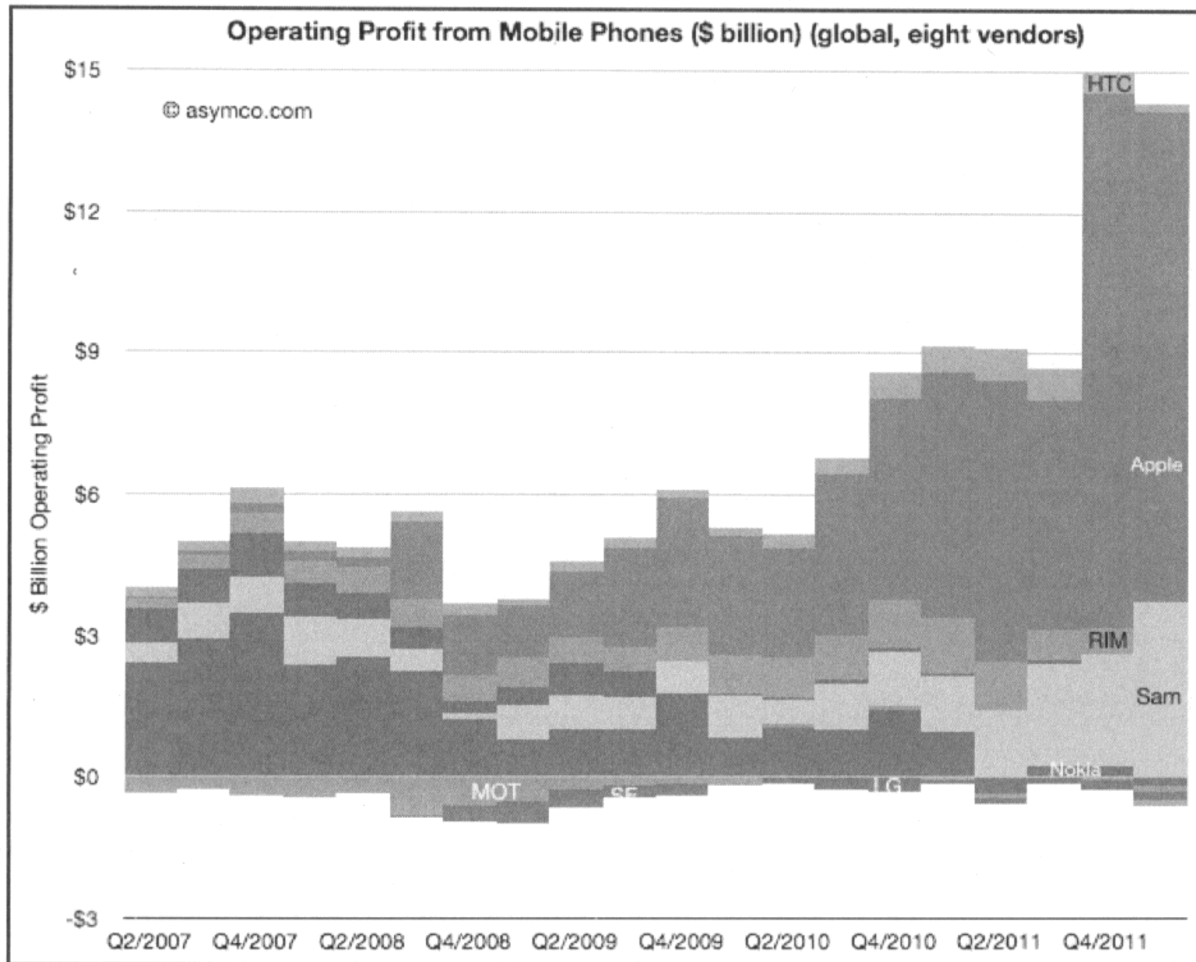
The New Market Disruption

The new market disruption is evidenced by the shift of fortunes to Apple and Samsung and away from every other device maker. Here is the profit picture:



Of the vendors tracked (public companies who report mobile phone divisional performance), Apple obtained 73% of operating profits, Samsung 26% and HTC 1% [1][2].

The "share of profit" picture is potentially misleading because it could imply that the profits available are a constant. They're not. The absolute profits picture below shows how the industry actually expanded available profits by quite a lot. Two years ago the vendors generated profits of \$5.3 billion in the first quarter and last quarter they generated \$14.4 billion.



Seen this way, the story isn't so much that Apple "took the profits from the incumbents". Rather, it's that Apple created a vast new pool of profits. And one need not look far to find out where they came from: operators. These profits were mostly carrier premiums for the iPhone 4S.

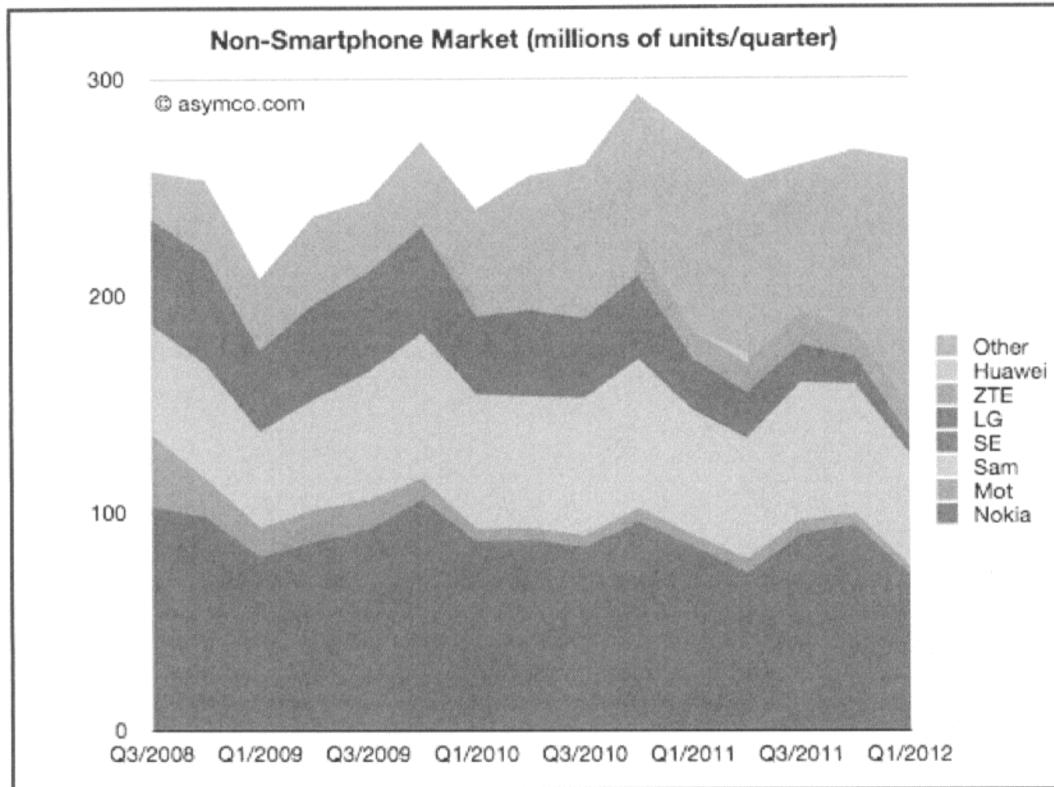
Before shedding tears for operators, consider that although this does amount to a current transfer of profits from carriers, the decision is a popular one. Hundreds of operators have made it. It's unlikely that they all colluded to be robbed. Indeed, they willingly hand over these premiums because the iPhone ensures a competitive advantage or preserves their customer base from churning. The calculations that go into a decision to range the iPhone are compelling enough that 250 operators made the decision (though, crucially, there are still 250 who have not).

Following this value proposition to its logical conclusion would suggest that the industry is rewarding those who can supply computers-as-phones which preserve the cash flows of what is essentially a trillion dollar data services business. Vendors which cannot offer this solution saw their businesses implode. At least on the high end.

The low end disruption

Simultaneous with this shift of the high end to smartphones-as-app-and-service-platforms came an explosion of growth in unbranded phones. As Apple led and most brands followed the new market, the old market of voice-oriented phones was abandoned to new entrants offering cheap "good enough" phones. Nokia tried to preserve its volumes and margins there but it's becoming increasingly difficult.

The following chart shows how the "Other" vendors have come to make up about 44% of the market.



Note that although this "feature phone" segment is not growing, it is still a large market (250 million units a quarter). The entrants in this market are numerous (perhaps in the thousands) and they are offering white label and unlicensed knock-off products. They are also offering unregulated (i.e. without IMEI numbers) products which are technically illegal and sold mainly in underdeveloped countries which have no incentives to enforce regulations.

This is a consequence of feature phones reaching the point of being "good enough". The feature set and quality are adequate for voice, text, games and even media playback and are priced at \$30 or less.

This commoditization of the low end is pressuring what would normally be the fallback cushion under an underperforming smartphone business. The crisis for the incumbents comes from not only being unable to shift to the new market as fast as needed but also from not having cash flows from a low end that was thought to be sustaining.

This combination of two disruptions is why we see an explosively large and growing market failing to reward all but two of the participants.[3]

Notes:

1. You can download, view and interact with a motion chart for the industry data [here](#). All data is sourced from company filings except for some estimates where data is missing.
2. Operating profits are sales minus cost of sales minus operational expenses attributed to the business. When not available, opex is estimated as a percent of total in proportion to sales. Note that operational income excludes taxes, depreciation and other capitalized costs.
3. We cannot say that the thousands of low end entrants are unprofitable. They are probably enough profits to sustain them and even to attract more entrants, but we have to also recognize that there are likely to be very low margins.

Andrea Sheridan-Simzer

Senior Economist | Économiste principale

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From: Remy, Marie-France: RO-OR (ONT)
Sent: Wednesday, May 30, 2012 8:54
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Cc: Gagné, Claude: ICT-TIC; Cuerrier, Annie: RO-OR (ONT); Sheridan-Simzer, Andrea: ICT-TIC; Berezovsky, Felix: ICT-TIC; Norton, David: RO-OR (ONT)
Subject: Ontario ICT Articles

FYI

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- **Siemens, Technicolor, Google, IBM: Intellectual Property**
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BlackBerry-maker RIM stock options a drag on keeping (or hiring) top talent

The Star, Michael Lewis Business Reporter, May 30, 2012

Even as it moves to cut costs, Research In Motion Ltd. remains on the hunt for talent.

But with its stock plunging amid steep market share losses in the U.S., a wide swath of once lucrative RIM stock options has shed much of its value or even become worthless on paper.

In that context, experts say the search for the best and brightest becomes daunting.

“The question is, do you believe in the new chief executive, the new marketing officer. It’s a question of whether you believe the company can turn itself around,” said Queen’s University business professor John Pliniussen.

Observers note that the exodus of executives from Waterloo-based RIM coincides with the share price decline and resulting losses on stock-tied bonuses and options.

The strike prices at which stock options can be sold are below the market value across the board at RIM, a telling deterioration given the importance of options in tech-sector compensation. In the U.S. computer industry, for example, 56 per cent of employees have stock options, according to the National Opinion Research Center’s 2010 General Social Survey.

And as of fiscal 2011, RIM chief executive Thorsten Heins had a total estimated compensation package of \$1.9 million (U.S.), with \$575,000 in salary and the rest made up of restricted stock awards and 50,000 options, some of which he has exercised at a loss this year, according to Bloomberg data.

A former RIM executive said the company has reduced its option awards and insider trading data suggest most executives with options under water are sitting tight for now. With the stock trending down again, some employees could choose to cash in below their vested price in the belief the stock will fall further.

But Pliniusen said the incentive to hold on is greater than the motivation to sell at a loss. He added that RIM needs to offer an otherwise enticing compensation package and a working environment that at least partially offsets the reduced value of its options.

RIM could resort to a multiplier, offering new hires more stock options than in the past to reflect their reduced value.

But with options evolving to become a significant part of many tech sector employees' compensation, and a vital part of their net worth, there's not a lot that can replace their allure. According to a study by Stanford professor David Larcker and Wharton's Richard Lambert, the average value of shares and stock options in the technology industry jumped from 22.7 per cent of annual earnings in 2006 to 47.9 per cent in 2010.

There can also be tough tax implications for holders of stock options that have lost value or become worthless due to declines in the underpinning share price. In the 2000 tech bubble, many tech workers exercised stock options on the way up, incurring a tax liability based on the value of the options when exercised even though they didn't sell.

When the bubble burst, the share value tanked but they still owed the tax on gains they never realized.

In a business update Tuesday, Heins noted RIM needs talent if it has any hope of moving onto the road to recovery.

"While there will be significant spending reductions," he said "we will continue to hire in key areas such as those associated with the launch of BlackBerry 10, and those tied to the growth of our application developer community."

Executives that have left RIM over the past 18 months include marketing chief Keith Parady, chief operating officer Don Morrison, who resigned in July after taking medical leave, a second COO, Jim Rowan, along with chief technology officer David Yach.

On Monday RIM said chief legal officer Karima Bawa is leaving RIM after 12 years with the company, a departure that comes days after global sales chief Patrick Spence stepped down.

For RIM, a brutal day takes shape

Globe and Mail Update

Published Wednesday, May. 30, 2012

RIM sinks deeper

Shares of Research In Motion Ltd. ([RIM-T](#) 11.480.090.79%) plunged in pre-market trading this morning, setting the stage for a brutal day for the suffering BlackBerry maker.

Today's rout follows the announcement late yesterday that RIM expects an operating loss when it releases first-quarter results in late June, followed by several more quarters of sub-par performance.

As Rita Trichur writes in today's Report on Business, the company also hired JPMorgan Chase & Co. and RBC Dominion Securities to help with its strategic review.

It took no time for analysts to begin marking down their target price RIM shares, which are now dangerously close to slipping below \$10.

Raymond James analyst Steven Li, for example, slashed his target to \$12 this morning, from \$15.

What's worse, Mr. Li believes markets are still underestimating the extent to which sales and margins have declined, which poses further risk when RIM reports June 28. He also says there's a risk of another inventory writedown.

"Yesterday morning, we lowered our forecasts for RIM given our concerns on the quarter and how fundamentals were deteriorating," Mr. Li said. "We did not cut enough."

Some observers, of course, are holding out hope that RIM will be acquired, but analysts warn of the uncertainty there.

RIM warned of intense pressure in its announcement late yesterday.

"The ongoing competitive environment is impacting our business in the form of lower volumes and highly competitive pricing dynamics in the marketplace, and we expect our Q1 results to reflect this, and likely result in an operating loss for the quarter," said chief executive officer Thorsten Heins.

"We are continuing to be aggressive as we compete for our customers' business - both enterprise and consumer - around the world, and our teams are working hard to provide cost-competitive, feature-rich solutions to our global customer base."

Mr. Heins went further, warning that "our financial performance will continue to be challenging for the next few quarters."

He did, however, project that RIM's cash position would grow further from the more than \$2-billion at the end of its last fiscal year.

And he added the company's global subscriber base has climbed to about 78 million, largely on offshore markets, though he cited the "high churn" in the United States.

RIM's market share in the United States has been eroding amid the popularity of other devices, notably the iPhone from Apple Inc.

National Bank Financial analyst Kris Thompson was particularly dire in a report titled "RIM blows up in Q1, recovery unlikely; time to sharpen pencils on takeover valuation."

His target is \$8 (U.S.), and he projects earnings per share in the current fiscal year of 32 cents, down from \$1.

"Buying this stock is like going to the casino," Mr. Thompson said.

He pegged the value of its cash at more than \$4 a share, and its intellectual property at somewhere between about \$6 to \$10 a share.

"If you're feeling lucky, this stock might be worth a dice roll under \$10 a share," he said. "We'd still avoid on fundamentals."

For analyst Mark Sue at RBC Dominion Securities, the situation is becoming "increasingly critical." And the coming launch of its BlackBerry 10 offering faces a bigger threat.

"The challenge of attracting (and retaining) customers, enterprises, developers and carriers is intensifying," Mr. Sue said.

"We see RIM losing its most lucrative users (those in the U.S.), which may be difficult to regain even with BlackBerry 10. New international subscribers are price sensitive and may be difficult to retain over time. We believe RIM also needs stabilization in its legacy business as a source of funds to support the changeover to BlackBerry 10"

RIM shares down 7% in pre-open trade

The Gazette, CANADIAN PRESS May 30, 2012 8:02 AM

TORONTO — Research In Motion shares appear headed for another rough day when markets open Wednesday, after the company's announcement that it expects significant layoffs and an operating loss due to weak BlackBerry sales.

The shares were down more than seven per cent in pre-open trading.

RIM's shares ended official trading Tuesday at \$11.48 in Toronto and \$11.23 on Nasdaq. Since then, they've dropped 83 cents in unofficial trading.

The Waterloo, Ont.-based company says it has hired two outside firms to advise on its troubled business and financial performance.

RIM chief executive Thorsten Heins said Tuesday there will be an unspecified number of jobs cut as the company aims to slash \$1 billion in costs.

Reports have suggested RIM will wipe out at least 2,000 jobs, or about 12 per cent of its global workforce. Some reports suggest the number may be closer to 5,000.

Siemens, Technicolor, Google, IBM: Intellectual Property

Bloomberg, By Victoria Slind-Flor - May 30, 2012 7:01 AM ET

The U.S. Supreme Court let stand a jury verdict that will cost Cie. de Saint-Gobain SA's ceramics and plastics business more than \$44 million in a patent fight with a Siemens AG (SIE) unit.

Rejecting a Saint-Gobain appeal in a dispute over a crystal used in medical-imaging devices, the justices yesterday refused to question a federal appeals court ruling that upheld the verdict. The appeals court also told a trial judge to consider increasing the \$44.9 million award to account for additional products that infringed Siemens's patent 4,958,080.

The Supreme Court rebuff came at the urging of the Obama administration, which told the justices that the appeals court reached the right conclusion.

The dispute was over the composition of crystals that convert gamma rays into light to produce a three-dimensional image of the body to test for diseases. Siemens, based in Munich, makes crystals for its positron emission tomography, or PET, tests. Saint-Gobain, based in Courbevoie, France, produces the crystals for products made by Royal Philips Electronics NV. (PHG)

Siemens Medical Solutions USA was awarded \$44.9 million after it sued in 2007 over the sale of crystals for 61 scanners made by Philips Medical Systems. The U.S. Court of Appeals for the Federal Circuit in Washington

said the trial court should have included a royalty award on 18 additional scanners. Philips wasn't named in the lawsuit.

Saint-Gobain is Europe's biggest supplier of building materials and Siemens is Europe's largest engineering company.

The case is Saint-Gobain Ceramics & Plastics v. Siemens Medical Solutions USA, 11-301.

Technicolor Dissects iPhones in Hunt for Patent Payoff

When Apple Inc. (AAPL)'s next iPhone hits store shelves, Technicolor SA (TCH)'s engineers will rush to get the handset -- not to make calls or play games, but to rip it apart.

Technicolor, an unprofitable French company that invented the process for color movies used in "The Wizard of Oz" and countless other classics, plans to cash in on its 40,000 video, audio and optics patents to turn its fortunes around. The company has a team of 220 people dissecting every new smartphone and tablet from industry goliaths such as Apple, Samsung Electronics Co. (005930) and HTC Corp. (2498) for patent infringements.

Google Inc., creator of the market-leading Android mobile-phone technology, this month completed the \$12.5 billion takeover of Motorola Mobility Holdings Inc.'s mobile-phone business and its 17,000 patents. Equipment vendor Ericsson AB expects to increase revenue from its 27,000 patents, while rival Alcatel-Lucent SA (ALU) says it plans to generate several hundred million euros this year alone from its 29,000 rights.

Prompted by surging demand for patents that regulate functions such as sliding gestures on touchscreens or the rendering of graphics for games and applications, lawsuits over smartphone and tablet technology have been filed worldwide.

Patent licensing is Technicolor's most profitable business. The licensing division had a 76 percent operating profit margin last year, helped by 1,200 contracts with television, computer and handset makers

Third Point LLC and Apollo Management Holdings, which together own 13.4 percent of Technicolor according to data compiled by Bloomberg, have been pushing for a sale of the company's patent portfolio, Le Figaro newspaper reported April 19. Third Point and Apollo representatives declined to comment.

While the patent licensing business is lucrative, it often takes time before a company can cash in. Patent negotiations often last between one and four years, de Russe said.

The company is currently fighting in U.S. courts with Taiwanese manufacturers over patents used in LCD computer monitors, after it filed a complaint with the International Trade Commission. The process was started after several years of failed discussions.

"We've got a reputation for charging reasonable licensing fees and preferring friendly negotiations," Beatrix de Russe said. She is a lawyer and the executive vice president of intellectual property at Technicolor. "That doesn't mean we don't drag people to court from time to time," she said.

For more patent news, [click here](#).

Copyright

Google's YouTube Wins French Case Over Copyrighted TV Clips

Google Inc. (GOOG)'s YouTube video-sharing website won a French copyright lawsuit filed by broadcaster TF1, which had sought more than 140 million euros (\$175 million).

YouTube can't be held responsible for videos posted by users because it merely hosts the content, the Paris Tribunal de Grande Instance said in a ruling yesterday. The court dismissed TF1's claims and ordered it to pay YouTube 80,000 euros in costs.

TF1 sued Google in 2008, seeking damages for broadcasts illegally uploaded by users, including the Oscar-winning film "La Vie En Rose" and "Grey's Anatomy," a U.S. medical drama for which it holds the French broadcast rights. The case is similar to a U.S. lawsuit by Viacom Inc. (VIAB) that seeks \$1 billion in compensation for illegal uploads of its programs.

Christophe Muller, Google's head of YouTube partnerships for southern Europe, said the decision meant Google could host content posted by users "without fearing a giant liability."

"The end result will be more videos posted on the net, more revenue generated for creative artists, and more exposure to a global audience for these artists," Muller said in a blog post.

Juliette Dumas, a spokeswoman for TF1 in Paris, didn't immediately respond to an e-mail seeking comment on the ruling. The decision can be appealed to a higher court.

IBM Sets Guidelines to Prevent Data Loss on Employees' Devices

International Business Machines Corp. (IBM)'s "bring your own device" policy has some downsides, Jeanette Horan, the company's chief information officer, said in an interview published in the Massachusetts Institute of Technology's Technology Review magazine.

She said many employees, who are using their own smartphones and tablets, were "blissfully unaware" of potential security risks some popular apps could pose, according to Technology Review.

IBM, based in Armonk, New York, has set up guidelines for apps that should be avoided, including public file-transfer services Horan said could potentially let confidential company information out for public viewing, Technology Review reported.

All employee-owned devices used to access IBM networks must be configured by the company's information-technology department so the memory can be purged remotely if the device is stolen, Horan told Technology Review.

Celestica dips 0.4% on weak volume

Military and Aerospace Electronics, May 30th, 2012

Celestica Inc. (CLS.T), Canada's largest electronics company by market capitalisation, dipped 3.0c (or 0.4%) to close at CAD7.95, ending a three-day streak of rises. Compared with the S&P/TSX Equity 60 index, which rose 3.3 points (or 0.5%) on the day, this was a relative price change of -0.9%. The aggregate volume was 0.8 times average trading of 1,580,016 shares.

AMD's Trinity Removes Historical Battery Life Objections

Forbes, 5/29/2012 @ 3:58PM

AMD has been long perceived as providing less notebook PC battery life than its primary competitor, Intel.

While AMD did score well in specific usage models, Intel performed a better, particularly in modes where the system was idle or in sleep mode. Most of the de-facto battery life benchmarks heavily weighted idle times when the system wasn't doing anything, so Intel typically came out on top with the benchmarks. With Trinity, AMD has finally remove this objection by significantly improving battery life in most usage models. By removing this objection, AMD is in a much better position to drive significantly more business than its predecessor, Llano.

Battery life for notebooks has always rated as a key purchase criteria for notebooks, right up there with screen size, price, weight and brand. It is more important for business users than consumers, which makes perfect sense given how much time is spent away from a power socket. Consumers are valuing increased battery life more and more as they are taking their laptops to different rooms in the house. Intel helped initiate and drive the technologies for low power notebooks with its Centrino-branded processors years back and has recently put the accelerator down with their Ultrabook initiative and Ivy/Sandy Bridge processors. Battery life isn't just a spec for geeks. It is merchandised now more than ever by OEMs, ODMs, and retailers at the point of review, influence and most importantly, point of sale.

Significantly improved battery life isn't just an AMD marketing talking point; it's a reality and is proven out by multiple product reviewers over the last few weeks. AnandTech summarized it succinctly when he wrote, *"It's worth pointing out that the concerns about AMD's battery life from a few years ago are now clearly put to rest. At least at the TDPs we've tested, AMD is easily competitive with Intel on battery life."* The other product reviewers are echoing the same sentiment with different tests which gives me confidence that it's reality, not hype.

One of the more interesting things about the AMD Trinity review units is that they were configured with the highest end, quad core, 35 watt processor. 17 watt Trinity parts are on the way and you should expect to see systems on retail shelf in June. PC OEMs are seeing the battery life improvements and are merchandising it, too. HP recently launched their HP ENVY Sleekbook line and they merchandised AMD and Intel notebooks at the same "up to 9 hours" battery life specification. This is the first time in a long time I have seen this and is an indicator that OEMs experienced the same battery life characteristics as the reviewers.

As interesting is that AMD accomplished this with the same 32nm SOI process technology as Llano at Globalfoundries. This is a clear indicator that the design is a significant improvement versus a process or node change. AMD has executed finer grain power management, meaning they have targeted more areas to throttle back power without sacrificing performance.

Trinity's battery life improvements is nothing but goodness for AMD as they have historically limited their level of business and profitability by not scoring as well on battery life benchmarks. Good benchmark scores doesn't guarantee business but are a good start and AMD has the design wins to deliver significant business over Llano. Design wins also don't guarantee business as many designs either don't make it to market or are limited geographically. AMD and their ecosystem will need to successfully execute on getting this message out and having it stick in the minds of the influencer and consumer. This won't be an easy task given AMD's OPEX reductions and Intel's \$300M investment in Ultrabooks that includes a significant marketing investment. The good news for AMD is just how much battery life figures are merchandised in the ecosystem today.

With Trinity, AMD has removed the battery life objection from ODMs, OEMs, and the channel, a huge forward step to increase their notebook business in 2012.

Marie-France Remy, MBA

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Teletypewriter | Téléimprimeur 1-866-694-8389
Government of Canada | Gouvernement du Canada

Lascu, Eva: SITT-STIT

From: Moore, Wesley: ICT-TIC
Sent: Thursday, May 31, 2012 12:09
To: Macartney, Nancy: ICT-TIC
Cc: de Tonnancour, Sylvain: ICT-TIC; Sheridan-Simzer, Andrea: ICT-TIC; Beaudoin, Alain: SITT-STIT; Fulcher, James: ICT-TIC
Subject: MEDIA: Flaherty on RIM

The G&M is quoting Minister Flaherty saying "[reorganization] is something we expect leaders in the company to do on their own."

Ottawa won't help RIM

The Canadian government rushed to the aid of the auto industry at the height of the crisis, but it's ruling out helping Research In Motion Ltd. That's not to suggest that RIM is going to need Ottawa's help amid its mounting troubles - and it doesn't appear to have asked for any - only that Finance Minister Jim Flaherty is already saying no, when asked.

"It has been a leading company for Canada in terms of research development and innovation, but it does need to reorganize itself, and that's something that we expect the leaders in the company to do on their own," Mr. Flaherty told reporters today, according to Bloomberg News.

Mr. Flaherty's comments come as RIM's fortunes decline. Earlier this week, the BlackBerry maker warned it expects to post an operating loss in its first quarter, and that there will be troubles for several more quarters after that. Big layoffs are also expected.

It does have more than \$2-billion in cash, and expects to have more.

RIM also hired JPMorgan Chase & Co. and RBC Dominion Securities to help plot the way forward.

Wesley Moore
Senior Advisor | Conseiller principal
Information, Communications and Technologies Branch | Direction générale des technologies de l'information et des communications
Spectrum, Information Technologies and Telecommunications Sector | Secteur du Spectre, des technologies de l'information et des télécommunications
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Government of Canada | Gouvernement du Canada

Lascu, Eva: SITT-STIT

From: Moore, Wesley: ICT-TIC
Sent: Wednesday, May 30, 2012 7:59
To: Macartney, Nancy: ICT-TIC; de Tonnancour, Sylvain: ICT-TIC; Sheridan-Simzer, Andrea: ICT-TIC
Subject: For RIM, a brutal day takes shape - The Globe and Mail

From The Globe and Mail:

For RIM, a brutal day takes shape

<http://www.theglobeandmail.com/report-on-business/top-business-stories/for-rim-a-brutal-day-takes-shape/article2446862/>

Via The Globe and Mail news app for BlackBerry

Lascu, Eva: SITT-STIT

From: Beaudoin, Alain: SITT-STIT
Sent: Thursday, May 31, 2012 13:00
To: de Tonnancour, Sylvain: ICT-TIC; Macartney, Nancy: ICT-TIC; Sheridan-Simzer, Andrea: ICT-TIC
Subject: Fw: Finance Minister confirms RIM will not receive a Canadian bailout

From: CMB Media Monitoring / Surveillance médiatique DGCM

Sent: Thursday, May 31, 2012 12:41 PM

To: Bincoletto, Susan: CAS-SCA; Bradley, Carol: SITT-STIT; Brule, Kathy: SPS; CMB-ASG-SITT(D. Louden); Douab, Ouafaa: HRB-DGRH; Duguay, Daniel: CRC; Gilbert, Monica: OCA-BC; Gilfillan, Fiona: DGSO-DGOGS; Gillis, Kelly: SITT-STIT; Grywacheski, Mervin: SPS; Hastings, George: DGSO-DGOGS; Hill, Peter: DGSO-DGOGS; Johnstone, Christopher: SPS; Jubinville, Colette: CRC; MacGillivray, Allan: SPS; McDonald, Helen: SITT-STIT; Morgan, Marta: IS-SI; Mulcaster, Karey: CRC; Saunders, Mark: DGSO-DGOGS; SITT Communications; Todoran, Andreea: SPS; Waters Kushnir, Daniel: SITT-STIT; Baird, Louise: CMB-DGCM; Beaudoin, Alain: SITT-STIT; Bett, Jason: CMB-DGCM; Campeau, Tess: CMB-DGCM; Cimpaye, Michel: CMB-DGCM; Crawford, Lisa: CMB-DGCM; D'Angelo, Diana: SADMO-BSMDP; Dupuy, Helene: CMB-DGCM; Fecteau Labbé, Simon <simon.fecteaualabbe@pmo-cpm.gc.ca>; Freamo, Janice: CMB-DGCM; Gauvin, Annie: CMB-DGCM; Guenette, Corinne: CMB-DGCM; Hebert, Lauren: CMB-DGCM; Kennedy, Sarah: CMB-DGCM; Légaré, Marie-Hélène: SIS-SSI; LeGresley, Gemma: CMB-DGCM; Li, Yanqiong Jen: IC; Maia, Ana: CPO-BSGP; Matthews, Gilles: CMB-DGCM; Mellon, Derek: CMB-DGCM; Menard, Linda: FedNor; Paquette, Michele-Jamali: MOSST-MEST; Power, Stefanie: CMB-DGCM; Rancourt, Marie-Elise: PCO-BCP; Salisbury, Brian: CMB-DGCM; Spurling, Brian: CMB-DGCM; Thomas, Stephanie: MOSST-MEST; Tuck, Simon: CMB-DGCM; Albert, Jayme Kristopher: OCA-BC; Asselin, Geneviève: OCA-BC; Barnes, Michael: OCA-BC; Cayouette, Carmen: OCA-BC (QUE); Clarke, David: OCA-BC; Classen, Anna: PCO; CMB-ASG-Strategic Policy (M. McGrath); Dignard, Dan: OCA-BC; Downie, Colette: ATIB-DGIAT; Jenkin, Michael: OCA-BC; Murphy, Maryanne: OCA-BC; Murphy, Peter: OCA-BC; Pappone, Jeff: OCA-BC; Perrone, Jonathan: SPS; Racine, Diane: OCA-BC; Savard, Monique: OCA-BC (NCR-RCN); Whetton, Gregg: OCA-BC; Williamson, Steve: SPS; Andrews, Jillian: IC; Arruda, Anna-Paula: IC-MIN; Bailey, Philip: IC-MIN; Bowie, Joshua: MOSST-MEST; Fortier, Alexandra: IC; French, Scott: MOSSBT-MEPET; Keeley, Lindsay: MOSST-MEST; Mailhot, Philippe: IC-MIN (NCR-RCN); McFarlane, Gregory: IC; McIntyre, Patrick: MOSST-MEST; O'Leary, Sean: IC-MIN; Plouffe, Marc-Andre: IC; Robert, Mélanie: IC-MIN; Stastny, Margaux: IC-MIN; Vallieres, Marc: IC; van Hemmen, David: IC-MIN; Waring, Jeff: IC-DM-IC-SM; Winchester, Bruce: IC

Subject: Finance Minister confirms RIM will not receive a Canadian bailout

Finance Minister confirms RIM will not receive a Canadian bailout

[Andrew Moran, digitaljournal.](#)

May 31, 2012 - 11 mins ago

Fredericton - Research in Motion, the struggling Canadian-owned BlackBerry-maker, will not receive a bailout from the federal government, confirmed Conservative Finance Minister Jim Flaherty Thursday in New Brunswick.

For months now, there has been speculation that the Canadian federal government would issue a bailout to Research in Motion Ltd., the struggling Waterloo-based BlackBerry-maker. At a media event late last year, Prime Minister Stephen Harper refused to comment about RIM and

just noted the company faced both opportunities and challenges.

At an event in New Brunswick Thursday, Finance Minister Jim Flaherty confirmed RIM will not receive any aid from the federal government and stated it should undergo a complete restructuring without any assistance from the taxpayer.

“It has been a leading company for Canada in terms of research, development and innovation, but it does need to reorganize itself, and that’s something that we expect the leaders in the company to do on their own,” said Flaherty, reports *Bloomberg News*.

Flaherty refused to speculate on a possible foreign acquisition of RIM and said he wasn’t aware of any review of a deal as per the nation’s foreign-takeover legislation.

Many have been expecting for quite some time the government would step in since it bailed out the automotive industry.

RIM woes

RIM officials said Tuesday it will most likely face an operating loss in its first quarter, but explained that it has hired top investment bankers from J.P. Morgan and RBC Capital Markets to help them with a strategic review. RIM is looking at partnering with other companies and licensing software.

It also warned of massive layoffs this year. For the next couple of weeks, RIM will eliminate approximately 2,000 positions and could lay off as many as 6,000 employees in its marketing, sales, operations, human resources and legal departments before the year is finished.

BlackBerry is working on the launch of a new software operating system.

Read more: <http://www.digitaljournal.com/article/325808#ixzz1wSxqQuID>

Finance Minister confirms RIM won't receive Canadian bailout

Posted May 31, 2012 by [Andrew Moran](#)

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BlackBerry is working on the launch of a new software operating system.



[Andrew Moran](#)

Canadian Finance Minister Jim Flaherty

Lascu, Eva: SITT-STIT

From: Moore, Wesley: ICT-TIC
Sent: Monday, May 28, 2012 8:42
To: Macartney, Nancy: ICT-TIC; de Tonnancour, Sylvain: ICT-TIC; Sheridan-Simzer, Andrea: ICT-TIC; Holloway, James: ICT-TIC (NCR-RCN); Baillie, Aaron: ICT-TIC
Cc: Beaudoin, Alain: SITT-STIT; Fulcher, James: ICT-TIC
Subject: FW: HOT ISSUES - 6,000 job cuts - Major layoffs expected at RIM
Importance: High
FYI

From: Mellon, Derek: CMB-DGCM
Sent: Monday, May 28, 2012 6:43 AM
To: CMB-Hot Issues
Subject: HOT ISSUES - 6,000 job cuts - Major layoffs expected at RIM

Published | Publi : 2012-05-27
Received | Re u: 2012-05-27 4:25 AM TORONTO STAR (ONT)
NEWS, Page: A3
394 words | mots

Major layoffs expected at RIM

Reports suggest as many as 6,000 job cuts

Josh Rubin Toronto Star

With fewer and fewer people buying BlackBerry smart phones, Waterloo-based **Research In Motion** has apparently decided it needs fewer employees to make, design and sell them.

For the second time in a year, the company is expected to announce it's laying off a major chunk of its workforce, perhaps as early as this week. A RIM spokesperson wouldn't comment on published reports suggesting the cuts could range from 2,000 to 6,000.

But after RIM's most recent quarterly earnings, where it announced a loss of \$125 million, CEO Thorsten Heins suggested that RIM needed a shift. "It is now very clear to me that substantial change is what RIM needs," said Heins, who also spoke of improving efficiency in the production process and supply chain, in particular, in an effort to save \$1 billion by the end of 2013.

With some estimates suggesting RIM's share of the worldwide smartphone market could drop below 5 per cent this year, axing well over 10 per cent of the company's global workforce of 16,500 is crucial, say analysts and investors.

"I think they need to come down to 12,000," said activist investor Vic Alboini, president and CEO of Jaguar Financial, who agitated for the removal of former co-chairs and co-CEOs Jim Balsillie and Mike Lazaridis.

One source close to the company told Reuters the impending layoffs could hit as many as 6,000 people and affect RIM's legal, marketing, sales, operations, and human resources divisions. "The

strategic question is: are you accelerating into a better future or shrinking to a niche operation," said the source, who declined to be identified due to the sensitive nature of the job cuts.

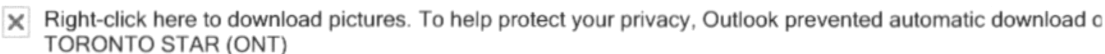
RIM needs to buy itself some breathing room before the launch of phones running its long-awaited BB10 operating system, expected to be released in the fall, says analyst Kevin Dede of Auriga USA. "It makes absolute and perfect sense to make cuts. There are going to be a few quarters until BB10 is launched, then it's going to be a few quarters to roll out BB10 to all the regions where it will matter," said Dede.

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Lascu, Eva: SITT-STIT

From: Moore, Wesley: ICT-TIC
Sent: Thursday, June 7, 2012 7:22
To: Macartney, Nancy: ICT-TIC; de Tonnancour, Sylvain: ICT-TIC; Sheridan-Simzer, Andrea: ICT-TIC; Baillie, Aaron: ICT-TIC
Cc: Beaudoin, Alain: SITT-STIT
Subject: Fw: HOT ISSUES - A foreign-owned RIM (and other struggling firms) could be the best option for Canada, experts say
Attachments: 25.png

From: Mellon, Derek: CMB-DGCM
Sent: Thursday, June 07, 2012 06:34 AM
To: CMB-Hot Issues
Subject: HOT ISSUES - A foreign-owned RIM (and other struggling firms) could be the best option for Canada, experts say

Published  Right-click here to download pictures. To help protect your privacy, Outlook prevented automatic download of this picture.
 | Publi : TORONTO STAR (ONT)

2012-06-07

Received

| Re u:

2012-06-

07 4:21

AM

An outside chance**A foreign-owned RIM (and other struggling firms) could be the best option for Canada, experts say**

Madhavi Acharya-Tom Yew Toronto Star

Research In Motion has slid from a technology juggernaut that pioneered mobile email and became a symbol of Canadian innovation, ingenuity, and pride to a threatened firm facing operating losses, a plummeting market share and stock price. Now the Waterloo-based BlackBerry maker is likely up for sale either as a whole or in parts, a once forbidden question is being asked: is a foreign-owned RIM better for Canada?

Yes, according to Laura Dawson, an international policy analyst and senior fellow at the Macdonald-Laurier Institute.

The common assumption is a foreign buyer wants to make off with domestic assets, while a Canadian owner would always have the country's best interests at heart, Dawson said.

But there is no evidence that foreign direct investment leads to hollowing out, moving jobs or capacity offshore, or that domestic investors are more inclined to promote national welfare, Dawson writes in a report, published Wednesday, called "Potash and BlackBerries: Should Canada Treat All Foreign Direct

Investment the Same?"

"It's a more much nuanced issue. Investment will go where it can get the best returns and Canada can often offer very good returns for foreign investors," Dawson said.

"Why is that asset having trouble in Canada now? Chances are it needs a new infusion of ideas or access to new markets. Working with foreign investors could give access to international markets and new ways of doing things. It's the infusion of new blood, new ideas, new money, new markets, that a Canadian asset often needs to go to the next level."

During the breakup of another high-tech giant, Nortel, RIM's former co-chief executive officer Jim Balsillie argued Nortel ought to remain in Canadian hands.

"Maybe he was saying that out of a nationalist stance, or maybe he really wanted to get a lower price in the bidding for the assets," Dawson said.

"Not every Canadian asset is a national treasure that must be guarded from foreign hands. Sometimes we must take the best deal available."

RIM later acquired Nortel assets by joining a consortium that included non-Canadian firms Apple and Microsoft.

For most foreign acquisitions, the federal government considers the net benefits offered by the acquisition, including the impact on the economy, culture and competition.

BHP Billiton's offer for PotashCorp was shut down by the government even though the company offered numerous concessions because the purchase would have lead to the demise of Canpotex, Canada's potash-export marketing agency, and cost Saskatchewan as much as \$6 billion in tax revenue.

But the takeover of Algoma Steel by India-based Essar Group in 2007 is an example of a struggling Canadian business that was revived by foreign ownership, Dawson said.

"That steel company was going down for the count. (Essar has) made that company successful. It is viable and making money and Sault Ste. Marie is booming compared to what it was a few years ago."

Dawson argues that cases such as Caterpillar, the U.S. industrial giant that acquired a plant in London, Ont., in 2010, demanded huge wage concessions, and then shut it down last February, is actually a rare occurrence.

Ottawa would closely scrutinize any potential purchase of RIM for national security implications, particularly with so many Canadian and U.S. government departments using the BlackBerry, the report noted.

"I haven't seen any economic evidence that says we should stop foreign direct investment," said David Detomasi, international business professor at Queen's School of Business at Queen's University in Kingston, Ont.

Detomasi said the evidence about net benefit to Canada from foreign direct investment is "overwhelming."

"I'd be more worried if nobody was trying to buy any Canadian stuff, than trying to prevent people who are. If nobody was making a bid for our assets, it means they're not really desired, and that means we're not really competitive," he said.

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de Tonnancour, Sylvain: ICT-TIC

From: Macartney, Nancy: ICT-TIC
Sent: June 1, 2012 11:16 AM
To: Moore, Wesley: ICT-TIC
Cc: Holloway, James: ICT-TIC (NCR-RCN); de Tonnancour, Sylvain: ICT-TIC
Subject: FW: RIM

FYI

From: Kruszelnicki, Chris: CMB-DGCM
Sent: Friday, June 1, 2012 11:15 AM
To: Macartney, Nancy: ICT-TIC
Cc: Louden, David: CMB-DGCM
Subject: RE: RIM

Thanks, Nancy.

21(1)(a).21(1)(b)

Chris Kruszelnicki
Senior Communications Advisor | Conseiller principal en communications
Communications and Marketing Branch | Direction générale des communications et du marketing
Industry Canada | Industrie Canada
Chris.Kruszelnicki@ic.gc.ca
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Government of Canada | Gouvernement du Canada

From: Macartney, Nancy: ICT-TIC
Sent: Friday, June 1, 2012 10:45 AM
To: Louden, David: CMB-DGCM; Kruszelnicki, Chris: CMB-DGCM
Subject: RE: RIM

Here is the ADMO approved BN

<< File: RIM BN to the Min ADMO approved May 31.pdf >>
What is your deadline for the Media lines?

From: Louden, David: CMB-DGCM
Sent: Friday, June 1, 2012 8:59 AM
To: Macartney, Nancy: ICT-TIC
Subject: RE: RIM

Can you send us final as well once Helen approves? Thanks

From: Macartney, Nancy: ICT-TIC
Sent: Thursday, May 31, 2012 12:01 PM
To: Louden, David: CMB-DGCM; Kruszelnicki, Chris: CMB-DGCM
Cc: Fulcher, James: ICT-TIC
Subject: RE: RIM
Importance: High

Hi,

This draft is with Helen for review.

<< File: 288703-BN on RIM - Layoff Rumours-8-SITT-STIT.DOC >>

We are working on revised media lines for you.

Nancy

From: Fulcher, James: ICT-TIC
Sent: Thursday, May 31, 2012 11:58 AM
To: Macartney, Nancy: ICT-TIC
Cc: Louden, David: CMB-DGCM
Subject: FW: RIM

Nancy, can you pls send David the latest version of the RIM BN...thks.

From: Louden, David: CMB-DGCM
Sent: Thursday, May 31, 2012 11:24 AM
To: Fulcher, James: ICT-TIC
Subject: RE: RIM

Thanks!

From: Fulcher, James: ICT-TIC
Sent: Thursday, May 31, 2012 11:21 AM
To: Louden, David: CMB-DGCM
Cc: Kruszelnicki, Chris: CMB-DGCM
Subject: RE: RIM

Yes, it came back from ADMs and we are making their changes...

From: Louden, David: CMB-DGCM
Sent: Thursday, May 31, 2012 11:16 AM
To: Fulcher, James: ICT-TIC
Cc: Kruszelnicki, Chris: CMB-DGCM
Subject: RIM

Hi James,

Can you share the latest briefing note with Chris and I please.

Thanks,

Dave

Lalonde, Lucie: ICT-TIC

From: Macartney, Nancy: ICT-TIC
Sent: Tuesday, May 29, 2012 16:59
To: Beaudoin, Alain: SITT-STIT
Cc: Fulcher, James: ICT-TIC; Sheridan-Simzer, Andrea: ICT-TIC; de Tonnancour, Sylvain: ICT-TIC
Subject: RE: RIM warns of operating loss

21(1)(b)

From: Beaudoin, Alain: SITT-STIT
Sent: Tuesday, May 29, 2012 4:54 PM
To: Buffone, John: ICT-TIC; Macartney, Nancy: ICT-TIC; Sheridan-Simzer, Andrea: ICT-TIC; de Tonnancour, Sylvain: ICT-TIC
Cc: Fulcher, James: ICT-TIC
Subject: Re: RIM warns of operating loss

Thanks. Means note needs to be amended.

From: Buffone, John: ICT-TIC
Sent: Tuesday, May 29, 2012 04:42 PM
To: Macartney, Nancy: ICT-TIC; Sheridan-Simzer, Andrea: ICT-TIC; de Tonnancour, Sylvain: ICT-TIC
Cc: Beaudoin, Alain: SITT-STIT; Fulcher, James: ICT-TIC
Subject: RIM warns of operating loss

RIM warns of operating loss
Globe and Mail Update, May. 29, 2012

Research In Motion Ltd. (RIM-T11.480.090.79%) expects to post an operating loss in its first quarter, citing the challenges of lower volumes and a "highly competitive pricing" climate.

The BlackBerry maker also said Tuesday it has hired JPMorgan Chase & Co. and RBC Capital Markets to help the company in its strategic review.

"The ongoing competitive environment is impacting our business in the form of lower volumes and highly competitive pricing dynamics in the marketplace, and we expect our Q1 results to reflect this, and likely result in an operating loss for the quarter," said chief executive officer Thorsten Heins.

"We are continuing to be aggressive as we compete for our customers' business - both enterprise and consumer - around the world, and our teams are working hard to provide cost-competitive, feature-rich solutions to our global customer base."

RIM stock, which had been halted for the announcement, plunged 13 per cent within minutes of resuming trade after hours on the Nasdaq.

Lalonde, Lucie: ICT-TIC

From: Mellon, Derek: CMB-DGCM
Sent: Thursday, June 7, 2012 8:19
To: Mellon, Derek: CMB-DGCM; CMB-Summaries / Sommaires-DGCM
Subject: IC Media-A.M. / IC Médias-Matin - 2012-06-07

Media Relations Unit / Unité des relations avec les médias (CMB)

IC Media-A.M. / IC Médias-Matin

2012-06-07

DIGITAL ECONOMY / L'ÉCONOMIE NUMÉRIQUE

Don't wait for Ottawa on digital strategy: Jenkins

The private sector should show leadership and create initiatives, then invite government to partner says the head of OpenText. After two years of studying and consulting, the federal government still says its promised digital economy strategy will be delivered by the end of the year. But the head of a federal study on innovation says the business sector shouldn't wait for Ottawa or provinces to lead on the issue. We need to turn our psychology around, Tom Jenkins, executive chairman of Waterloo Ont-based OpenText Corp, told the Canadian Telecom Summit in Toronto on Wednesday. We need to take the lead and invite government (to join us), as opposed to going to Industry Canada and arguing for spectrum and whatever. Which are good arguments to have, but those are point issues. If we want to really deal with a digital Canada, which we all know is about convergence, we have to take the lead.

IT World Canada

SCIENCE, R&D / SCIENCES, RECHERCHE ET DÉVELOPPEMENT

Academia frets science could flop due to federal cuts

Scientific projects such as the development of disease-resistant salmon in New Brunswick and an examination of how climate change is affecting Ontario lakes could die on the vine because of cuts to the federal Fisheries Department, university researchers say. The department is bracing for a \$79.3-million decrease in funding over the next three years as part of Ottawa's cost-cutting measures. Officials have said research will still be done, though it will be refocused on what it says are areas that directly support conservation and fisheries management. Federal scientists losing their positions say they aren't permitted to publicly discuss the cuts, but their colleagues in academia say valuable knowledge could be lost, posing threats to the country's environment and its competitiveness.

CP

SMALL BUSINESS AND TOURISM / PETITES ENTREPRISES ET TOURISME

L'Association des hôteliers du Québec lance un appel pour préserver l'image du Québec comme destination touristique

Alors que le Grand Prix de Montréal débute et que les hôteliers, principalement à Montréal remarquent une baisse de revenus importante en raison des répercussions du conflit étudiant, l'Association des hôteliers du Québec (AHQ) lance un appel pour préserver l'image du Québec comme destination touristique et hôtelière. « La réputation du Québec comme destination touristique, c'est l'affaire de tous, pas seulement des hôteliers et des commerçants. Des emplois sont touchés, des embauches n'ont pas lieu, explique Danielle Chayer, vice-présidente et directrice générale de l'AHQ. Nous souhaitons que le Québec fasse parler de lui pour les bonnes raisons et les qualités d'accueil qui ont contribué à bâtir sa réputation. »

CNW

Tourism industry won't be slowed by federal cuts: minister

Parks Canada, which was among many federal agencies targeted by cost-cutting measures recently, got a bit of a morale boost by being honoured by the province's tourism industry in Corner Brook Wednesday. As it comes to terms with \$29 million in staffing and operational cuts nationwide, Parks Canada was named this year's recipient of the Ambassador of Hospitality Award, given annually by Hospitality Newfoundland and Labrador to a person or group in recognition of their dedication to the promotion and development of the province's tourism sector. In referencing the cuts to Parks Canada and other measures taken by the federal government that will affect the industry, such as eliminating funding for regional economic development boards and changes to the employment insurance program, Tourism, Culture and Recreation

Minister Derek Dalley encouraged the industry to find ways to maintain the growth it has generated in recent years. He acknowledged the declining federal support is discouraging and the province cannot "shoulder the responsibilities of the federal government," but said the province will continue to support tourism and those who are willing to work to make it successful. "I know the strength of the people that are out there driving this industry and I am sure we will overcome these issues as well," said Dalley.

Western Star

AUTOMOTIVE / AUTOMOBILE

Unclog border, auto exec urges

A third border crossing, competitive labour costs and a lower loonie are key to ensuring that Canada's automotive sector grows, Don Walker, CEO of auto parts giant Magna International, said Wednesday. "I hope we don't lose assembly jobs here," said Walker, a keynote speaker at the two-day Automotive Parts Manufacturers Association Conference at Caesars Windsor. "We need to be competitive in all aspects. Unclogging the border is good for both the U.S. and Canada. "There's a lot of will on both sides to fix it." "It's an unnecessary cost because if somebody is waiting to get across, you're sitting on money and time. For the health of Windsor and Detroit it has to get fixed." The global auto industry is on an upswing, but a strong loonie could leave Canada out in the cold when it comes to attracting investment, he warned.

Windsor Star

Auto makers tell union wage hikes won't happen

The Detroit Three auto makers have fired an early salvo at their unionized Canadian work force, warning that they are determined to hold the line on wages and other fixed costs in contract negotiations that begin next month. Each of the companies sent a letter to the Canadian Auto Workers asking the union to forego a small wage increase, known as cost of living adjustment (COLA), that went into effect this month. The auto makers want the workers to agree instead to lump-sum payments, and are warning that such automatic wage increases would further damage the competitive positions of their Canadian plants.

G&M

INDUSTRY / INDUSTRIE

4000 emplois promis

Le groupe d'hommes d'affaires québécois qui veut acheter et relancer le chantier maritime Davie voit grand. Ils parlent de créer jusqu'à 4000 emplois pour faire tourner les installations sept jours sur sept à Lévis. "Notre modèle d'affaires est basé sur une production de sept à neuf navires par année. Nous pourrions alors avoir besoin jusqu'à 4000 travailleurs dont les quarts de travail seraient répartis sur 24 heures, sept jours sur sept", a indiqué hier le porte-parole Michel Juneau-Katsuya en entrevue au Soleil. L'embauche de 4000 travailleurs au chantier maritime Davie serait exceptionnelle. L'ancien propriétaire du chantier, la société norvégienne Teco Management, avait promis la création de 2000 emplois alors que seulement 1000 postes ont été créés sous leur règne entre 2006 et 2010.

Le Soleil

Un agent très spécial à la Davie

Un ancien agent du Service canadien du renseignement de sécurité (SCRS), Michel Juneau-Katsuya, dirige un groupe de gens d'affaires du Québec qui souhaite acquérir le chantier maritime Davie à la suite du retrait de SNC-Lavalin et du chantier ontarien Upper Lakes. Michel Juneau-Katsuya, souvent vu à la télévision pour commenter les questions liées au terrorisme ou à la sécurité collective, avoue en entrevue avec le journal Le Soleil qu'il ne connaît pas la construction navale mais ajoute qu'il possède des contacts avec des clients et des bailleurs de fonds pour relancer le chantier de Lévis.

PC

Le Soleil

NDP demands Canadian steel be used for new bridge

Federal MP Brian Masse, the NDP Canada-US Border Critic, called on federal Transportation Minister Denis Lebel to stop the Harper Governments use of Made-in-China products here in Canada. A Detroit News article recently alleged that the Canadian Government's choice to use Chinese steel could be blamed for the delay in proceeding with the new bridge from Detroit to Windsor; The U.S. federal government has a specific policy that requires only domestically-produced materials, when available, be used in federal construction projects.

Ourwindsor.ca

ECONOMY / ÉCONOMIE

Canadian firms' worries over Europe saps confidence, survey finds

Canada's small and medium-sized firms are feeling more pessimistic about unfolding economic conditions, a new survey suggests. The Canadian Federation of Independent Business survey for May dropped a further 1.6 points on top of a setback in April. At 64.8, the index is now at its the lowest level since November. CFIB economist Ted Mallett says despite relatively strong fundamentals, optimism in Canada is being kept in check by financial market jitters emanating from Europe.

CP

TELECOMMUNICATIONS / TÉLÉCOMMUNICATIONS

An outside chance; a foreign-owned RIM (and other struggling firms) could be the best option for Canada, experts say

Research In Motion has slid from a technology juggernaut that pioneered mobile email and became a symbol of Canadian innovation, ingenuity, and pride to a threatened firm facing operating losses, a plummeting market share and stock price. Now the Waterloo-based BlackBerry maker is likely up for sale either as a whole or in parts, a once forbidden question is being asked: is a foreign-owned RIM better for Canada? Yes, according to Laura Dawson, an international policy analyst and senior fellow at the Macdonald-Laurier Institute. The common assumption is a foreign buyer wants to make off with domestic assets, while a Canadian owner would always have the country's best interests at heart, Dawson said. But there is no evidence that foreign direct investment leads to hollowing out, moving jobs or capacity offshore, or that domestic investors are more inclined to promote national welfare, Dawson writes in a report, published Wednesday, called "Potash and BlackBerries: Should Canada Treat All Foreign Direct Investment the Same?" "It's a more nuanced issue. Investment will go where it can get the best returns and Canada can often offer very good returns for foreign investors," Dawson said.

Toronto Star

Mason seeks to sell Telus stake, says Globe & Mail

Telus Corp.'s biggest shareholder, Mason Capital Management LLC, is looking for a buyer for its 19-per-cent stake in the Canadian telecommunications provider, according to a report in the Globe and Mail newspaper Wednesday. The U.S.-based hedge fund has hired Blackstone Group LP to sell its \$2-billion stake, the paper said, citing "a person familiar with the situation." A spokesman for Mason declined to comment on the report.

Reuters

CWTA to meet with communities about tower siting

The Canadian Wireless and Telecommunications Association (CWTA) said it will host a series of regional meetings to discuss the wireless antenna siting process with communities. The regional sessions are a continuation of initiatives that the association has been working on "to ensure a strong dialogue between communities and the wireless industry in Canada," Ashlee Smith, a spokeswoman with the CWTA, wrote in an emailed statement to The Wire Report Monday. She said the CWTA will work with the Federation of Canadian Municipalities (FCM) to create a wireless antenna siting protocol template to "aid in the siting process."

Wire Report

Invasion of the cellular towers

Bell Mobility is proposing a 25-metre (82-foot), freestanding cellular tower in the middle of downtown Brighton. The proposed location, at 20 Meade Street, is owned by Bell Canada. The tower is described as an antenna support tower with 12 antennas and two future microwave dishes installed on the structure. "Staff is of the opinion that it is reasonable for the municipality to be concerned regarding the possible construction of a ... tower in the downtown core," said municipal planning director Ken Hurford in his report to council on Monday night. "What are your concerns?" asked Councillor John Martinello. "I think what I'm concerned about is the appropriateness of something that tall in an area that is immediately adjacent to a residential area," said Hurford.

Quinte EMC

School board opposes cell phone tower placement

Canadian Rockies Public Schools does not like the idea of a permanent cellphone tower emitting radio frequency radiation a mere half block from Lawrence Grassi Middle School. At its last board meeting, outgoing superintendent Brian Callaghan brought the issue to the board's notice. Telus located a temporary installation on Seventh Street, about 156 meters away from the school in fall, noted Callaghan, without notifying the school. The company is now seeking to make it a permanent location. "We will register our opposition to a place that close to the school," he said. "I think this has been done in a roundabout way."

Banff Rocky Mountain Outlook

Telus Announces Investment Plans in Ontario

Says will create 900 jobs advancing the phone network technology in Ontario over the next three years, creating 900 jobs

in the process. The company is extending its 4G Long Term Evolution (LTE) service to Barrie, Ontario, Windsor, Muskoka, the Niagara area, and Kingston this year, and hopes to secure more wireless spectrum through Industry Canada's upcoming spectrum auctions to cover 95 percent of the Ontario population.

[Epoch Times](#)

OTHER / DIVERS

Des organismes fédéraux refusent toujours de collaborer

Le directeur parlementaire du budget a dévoilé la liste des organismes fédéraux qui n'ont toujours pas dévoilé les détails sur les rajustements apportés dans le dernier budget supplémentaire des dépenses 2012-2013, de même que les noms d'une douzaine de retardataires qui ont finalement accepté de divulguer ces informations après la date limite. Dans un ajout à son rapport sur le dernier budget supplémentaire des dépenses, le directeur parlementaire du budget Kevin Page indique que presque toutes les organisations récalcitrantes qui avaient dépassé la date limite de 5 jours ouvrables dans le dépôt de documents que le gouvernement avait adoptée, ont finalement accepté de les remettre. Lundi dernier, seules trois organisations ne l'avaient pas encore fait: le Conseil canadien des normes, le Centre d'analyse des opérations et des déclarations financières du Canada, de même que l'Agence fédérale de développement économique pour le Sud de l'Ontario. Douze ministères et organismes ont fourni les documents demandés après la date limite. Il s'agit du Conseil des arts du Canada, Environnement Canada, l'Agence canadienne d'évaluation environnementale, Patrimoine canadien, l'Institut de recherche en santé du Canada, l'Agence spatiale canadienne, le Directeur général des élections, le Conseil de recherches en sciences naturelles et en génie, le Bureau de la coordonnatrice de la Condition féminine, Parcs Canada, Travaux publics et services gouvernementaux, le Conseil de recherches en sciences humaines et la Gendarmerie royale du Canada.

[Le Droit](#)

Atlantic premiers shake hands on workforce partnership

A new workforce partnership struck Wednesday by the four Atlantic provinces hopes to measure labour shortages in the region in order to focus training and education initiatives to meet current gaps. The region's four premiers shook hands on the new Atlantic Workforce Partnership during their meeting in P.E.I. Wednesday. They promoted the idea as a way to maximize the potential of major projects like the \$25-billion Halifax shipbuilding contract which will need thousands of workers, but workers with specialized skills. "What we see in Atlantic Canada is some 354 projects that are in various stages of development that will total some \$71 billion," said Nova Scotia Premier Darrell Dexter.

[The Guardian](#)

Canada can't afford to coast with what we have

This piece is excerpted from remarks made by Brian Mulroney Wednesday night to The Canadian Association of Research-Based Pharmaceutical Companies to mark the 25th anniversary of the Pharmaceutical Patents Act

It is clear that Canada is blessed with many attributes - abundant natural resources, a highly skilled workforce, a stable fiscal and political environment, and a quality of life that is widely recognized as being second to none. Our biggest challenge is complacency, resting on our laurels with a false sense of certainty about future prosperity. As Marcel Côté and Roger Miller stated in a recent study, the biggest drag on innovation in Canada is not really the lack of research funding but a "culture of comfort" that under-mines our ability to compete. In their view, the real problem with productivity in Canada is the reluctance of Canadian businesses to make innovation - developing or adopting superior solutions - a strategic part of their corporate culture.

[Ottawa Citizen](#)

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An outside chance**A foreign-owned RIM (and other struggling firms) could be the best option for Canada, experts say**

Madhavi Acharya-Tom Yew Toronto Star

Research In Motion has slid from a technology juggernaut that pioneered mobile email and became a symbol of Canadian innovation, ingenuity, and pride to a threatened firm facing operating losses, a plummeting market share and stock price. Now the Waterloo-based BlackBerry maker is likely up for sale either as a whole or in parts, a once forbidden question is being asked: is a foreign-owned RIM better for Canada?

Yes, according to Laura Dawson, an international policy analyst and senior fellow at the Macdonald-Laurier Institute.

The common assumption is a foreign buyer wants to make off with domestic assets, while a Canadian owner would always have the country's best interests at heart, Dawson said.

But there is no evidence that foreign direct investment leads to **hollowing out**, moving jobs or capacity offshore, or that domestic investors are more inclined to promote national welfare, Dawson writes in a report, published Wednesday, called "Potash and BlackBerries: Should Canada Treat All Foreign Direct Investment the Same?"

"It's a more much nuanced issue. Investment will go where it can get the best returns and Canada can often offer very good returns for foreign investors," Dawson said.

"Why is that asset having trouble in Canada now? Chances are it needs a new infusion of ideas or

access to new markets. Working with **foreign investors** could give access to international markets and new ways of doing things. It's the infusion of new blood, new ideas, new money, new markets, that a **Canadian** asset often needs to go to the next level."

During the breakup of another high-tech giant, Nortel, RIM's former co-chief executive officer Jim Balsillie argued Nortel ought to remain in **Canadian** hands.

"Maybe he was saying that out of a nationalist stance, or maybe he really wanted to get a lower price in the bidding for the assets," Dawson said.

"Not every **Canadian** asset is a national treasure that must be guarded from foreign hands. Sometimes we must take the best deal available."

RIM later acquired Nortel assets by joining a consortium that included non-**Canadian** firms Apple and Microsoft.

For most **foreign acquisitions**, the federal government considers the net benefits offered by the acquisition, including the impact on the economy, culture and competition.

BHP Billiton's offer for PotashCorp was shut down by the government even though the company offered numerous concessions because the purchase would have led to the demise of Canpotex, **Canada's** potash-export marketing agency, and cost Saskatchewan as much as \$6 billion in tax revenue.

But the takeover of Algoma Steel by India-based Essar Group in 2007 is an example of a struggling **Canadian** business that was revived by **foreign ownership**, Dawson said.

"That steel company was going down for the count. (Essar has) made that company successful. It is viable and making money and Sault Ste. Marie is booming compared to what it was a few years ago."

Dawson argues that cases such as Caterpillar, the U.S. industrial giant that acquired a plant in London, Ont., in 2010, demanded huge wage concessions, and then shut it down last February, is actually a rare occurrence.

Ottawa would closely scrutinize any potential purchase of RIM for national security implications, particularly with so many **Canadian** and U.S. government departments using the BlackBerry, the report noted.

"I haven't seen any economic evidence that says we should stop foreign direct investment," said David Detomasi, international business professor at Queen's School of Business at Queen's University in Kingston, Ont.

Detomasi said the evidence about **net benefit to Canada** from foreign direct investment is "overwhelming."

"I'd be more worried if nobody was trying to buy any **Canadian** stuff, than trying to prevent people who are. If nobody was making a bid for our assets, it means they're not really desired, and that means we're not really competitive," he said.

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TORONTO STAR

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Today's full text articles and archived articles can be accessed, as of 11:00 am, by visiting SITTzone at
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SPECTRUM - TELECOM / SPECTRE – TÉLÉCOMMUNICATIONS

Telus to spend \$840-million on Quebec infrastructure

Canada's second-largest telecom company, Telus Corp., says it will invest \$840-million in Quebec over the next three years as part of its 2012 capital spending program. Part of the money will be used to expand the reach of its most advanced wireless network in the Montreal and Quebec City areas.
<http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/nau201264052989762.htm>

Removing Telco Foreign Ownership Restrictions | Michael Geist

The Senate Committee on Transport and Communications is conducting a pre-study on the changes to the Telecommunications Act contained in Bill C-38, the omnibus budget implementation bill. Last week, the committee heard from Industry Minister Christian Paradis and from the CRTC. This morning, I'll appear before the committee to speak in support of removing the telecom foreign ownership restrictions.
<http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/nau20126264565565.htm>

ICTS - TECHNOLOGY / LES TIC - TECHNOLOGIE

What's RIM worth?

The BlackBerry maker's stock is worth \$5.3 billion. But that may not reflect its true value. With BlackBerry maker Research In Motion Ltd. potentially up for sale, it's worthwhile asking just what the struggling firm is worth. By market capitalization, it's worth \$5.26 billion, meaning it's no longer the most valuable technology company in Canada. It was leapfrogged this month by IT firm CGI Group Inc., which has a market cap of \$5.99 billion.
http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic201261323774208_25.htm

Push for national wireless standards

National standards for cellphone contracts would need to set out rules for early cancellation fees, often a source of frustration for consumers, says the head of a wireless industry group. Different rules for 13 provinces and territories would be confusing and push up consumer costs, Bernard Lord, president of the Canadian Wireless Telecommunications Association, said Monday.
http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic20126123060470_7.htm

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Mosaid named in antitrust complaint

Microsoft, Nokia accused in Google wireless claim

Peter Henderson, Ottawa Citizen With Files From Citizen News Services

Ottawa-based Mosaid Technologies Inc. is named as part of a major anti-trust complaint from Google that accuses Microsoft and Nokia of using patents to thwart competition.

The patent company is a co-defendant with Microsoft and Nokia in an antitrust case brought by Google before the European Commission.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic201262831165452_9.htm



SITT-STIT June
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SITT Daily News Articles, June 5, 2012
Articles quotidiens du STIT, le 5 juin 2012

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Removing Telco Foreign Ownership Restrictions: Michael Geist

[My Appearance Before Senate Ctte on Transport & Comm PDF

Tuesday June 05, 2012

The Senate Committee on Transport and Communications is conducting a pre-study on the changes to the Telecommunications Act contained in Bill C-38, the omnibus budget implementation bill. Last week, the committee heard from Industry Minister Christian Paradis and from the CRTC. This morning, I'll appear before the committee to speak in support of removing the telecom foreign ownership restrictions. My planned opening remarks:

Appearance before the Senate Committee on Transport and Communications

June 5, 2012

Good morning. My name is Michael Geist. I am a law professor at the University of Ottawa, where I hold the Canada Research Chair in Internet and E-commerce Law. I am also a syndicated weekly columnist on law and technology issues for the Toronto Star and the Ottawa Citizen. I appear before this committee today in a personal capacity representing only my own views.

Bill C-38 addresses a wide range of issues. I will speak exclusively on the foreign ownership changes to the Telecommunications Act, which implement a February 2012 announcement on the issue. The current foreign investment restrictions will be lifted for any carrier with less than ten per cent market share, which is effectively anyone other than the so-called big three

Bell, Rogers, and Telus. Restrictions remain in place for broadcasters and broadcast distribution companies. There are additional changes to the financing of the do-not-call list that I can address during the discussion.

I am supportive of the changes in Bill C-38, though I think these kinds of legislative changes belong in their own bill, not within omnibus legislation. In fact, I would support an even bolder vision. The government could have shaken up the Canadian market by removing telecom foreign ownership restrictions altogether and considered dropping foreign ownership limits on broadcasters as well.

I base my support for relaxing foreign ownership restrictions on four key factors that I will discuss with these remarks:

1. The Canadian telecom market is uncompetitive relative to other countries resulting in higher costs, less innovation, and limited choice.
2. Canadian rules on telecom foreign ownership are the most restrictive in the developed economy world.
3. There is broad support for change following years of study.
4. Concerns about negative effects are greatly overstated for both telecom and broadcast

The Lack of Competition

Canadian telecommunications networks were once the envy of the world. No longer. While there is some debate on the methodology and validity of the many studies that have compared wireless and broadband networks worldwide, there is no disputing that none rank Canada as a leader in either area. Indeed, while Canadian broadband networks were once viewed as a global leader - Canada ranked as high as second only a decade ago on some metrics - today it is at best a middle of the pack player with mounting frustration among both consumers and businesses reliant on a world-class digital infrastructure.

For example, last year's OECD broadband rankings confirmed that Canadians pay more for broadband services than consumers in most other developed countries. The results were unmistakable - Canada remains a laggard when it comes to broadband services with a middling ranking in overall broadband subscriptions and one of the poorest rankings based on price at all the most common speeds. The OECD data covers Canada's largest ISPs including Bell, Rogers, and Shaw, meaning it accounts for a sizable chunk of the overall subscriber market.

Similarly, last year the ITU released its Measuring the Information Society 2011 report and also found Canada lagging behind. Canada ranked outside the top ten

in every indicator and an incredible 111th on mobile subscriptions and 57th on mobile broadband.

Yet another OECD study in 2011 found that Canadians face the highest data roaming costs among all OECD countries, a direct reflection of the lack of competition in the market.

The new entrants into the Canadian marketplace have had a positive impact, but it is only a start and more is needed to bring Canada up to world standards for competitiveness, choice, and costs.

Canada is the Most Restrictive Developed Country in the World for Telecom

I think it is important to place the restrictive Canadian telecom market into perspective. Earlier this year, the OECD released a major study on foreign direct investment, surveying policies in 55 leading economies around the world, including all developed countries and dozens of emerging and developing countries.

The results should be a wake-up call for Canadians. Canada was ranked as the second most restrictive market for both communications and mobile telecom in the survey with only China ranking as more restrictive. Viewed in that light, Canada is completely out-of-step with the rest of world, placing us at a significant disadvantage relative to other countries. In a capital-intensive sector that requires major upfront investments, Canadian rules have led to a substantially less competitive marketplace than most other developed countries. The impact is felt across the economy as less choice and higher costs for communications services hit consumers in the pocketbook and hamstringing business reliant on communications technologies and services.

The changes found in Bill C-38 help address this issue, but still do not fully open the market, as is the case in many other developed economies.

Canadians Strongly Support Opening the Telecom Market

As you are likely aware, this issue has been the subject of multiple studies. The 2006 Telecom Policy Review Panel and the 2008 Competition Policy Review Panel recommended changes to the current restrictive regime. Moreover, Industry Canada has consulted the public on the issue of relaxing foreign investment restrictions on in the telecom market. The results of that consultation demonstrated strong support for relaxing the restrictions. The majority of Canadian telecom companies - including Telus, Rogers, MTS Allstream, and SaskTel along with new entrants such as Globalive, Mobilicity, and Public Mobile - all supported changes to the current rules. Moreover, leading foreign telecom companies, including AT&T and Verizon, supported changes, suggesting that there may be foreign interest in the Canadian market. Supportive businesses

pointed to the benefits from increased access to capital, greater investment and innovation in the Canadian market, and the potential for greater competition. It should be noted that consumer groups such as the Public Interest Advocacy Centre have also expressed support for changes to the current rules.

Concerns Are Overstated, Part One - Telecom

Those expressing opposition to relaxing the rules fall into two groups. The first group is largely a group of one - Bell. Bell argued that opening the market was a "solution in search of problem", an unsurprising position for a company that has consistently taken issue with the steady stream of studies that find Canada a laggard on telecom competitiveness.

I would argue that concerns regarding security risks or employment impact due to foreign investment changes are overstated. The days of retaining Canadian control over physical telecommunications infrastructure connected to millions of homes are over. Wireless networks involve significant investments in cellphone towers, but not direct connectedness into individual homes. Further, the notion that Canadian control guarantees Canadian jobs is also part of a by-gone era. Canadian carriers regularly outsource some of their customer service jobs out of the country. Meanwhile, other parts of the organization - retail and business sales as well as network building - involve jobs that will remain in Canada regardless of a company's country-of-origin. While some head office jobs may be at risk, new companies operating in Canada could potentially create more jobs, not fewer.

Concerns Are Overstated, Part Two - Broadcast

The second group of opponents consisted primarily of cultural groups such as ACTRA, SOCAN, and the Canadian Conference for the Arts. These groups argued that telecom and broadcast were too closely connected and that foreign investment in telecom would raise broadcast concerns. While the link between broadcasting and Canadian culture is obvious, the connection between Canadian broadcasting ownership and Canadian culture is tenuous at best.

Canadian law currently features both foreign ownership restrictions and content requirements. The foreign ownership rules generally limit licensees to 20 percent foreign ownership (up to 33 percent for a holding company). This covers all types of broadcasters including television, radio, and broadcast distributors. The Canadian content requirements apply to television, radio, and specialty television stations.

The CRTC's active involvement in setting Canadian content requirements is a direct result of Canadian-owned broadcasters regularly seeking to limit the amount of Canadian content they are required to broadcast. Producing original Canadian content is simply more expensive than licensing foreign (largely U.S.)

content. These fiscal realities - and the regulations that have arisen as a response - remain true regardless of the nationality of the broadcaster.

Foreign owned businesses face Canadian-specific regulations all the time - provincial regulations, tax laws, environmental rules, or financial reporting - and there is little evidence that Canadian businesses are more likely to comply with the law than foreign operators. Cultural businesses may raise particular sensitivities, but broadcasters that are dependent upon licensing from a national regulator can ill-afford to put that licence at risk by violating its terms or national law.

In fact, a review of other developed countries reveals that many have eliminated foreign ownership restrictions in their broadcasting sector but retain local content requirements. Although few are calling for Canadian broadcasting to be opened to foreign ownership, the reality is that the cultural concerns associated with greater foreign ownership are vastly overblown.

Conclusion

In summary, while I am uncomfortable with the manner in which these changes are being enacted, I think relaxing foreign ownership restrictions in the telecom market is a change that is long overdue. In fact, I think the government could - and likely should - have been even more aggressive in trying to increase the competitiveness of the

Canadian communications sector.

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Telus to spend \$840-million on Quebec infrastructure

The Canadian Press

MONTREAL

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Last updated Monday, Jun. 04 2012, 8:07 AM EDT

Canada's second-largest telecom company, Telus Corp., says it will invest \$840-million in Quebec over the next three years as part of its 2012 capital spending program.

Part of the money will be used to expand the reach of its most advanced wireless network in the Montreal and Quebec City areas.

This year, Telus will further extend our 4G LTE the fastest wireless technology in the world to the Montreal metropolitan region and the Quebec City area, while bringing new wireless and broadband services to even more rural communities, said Francois Cote, president of Telus Quebec.

The company said its ability to extend the fourth-generation technology into rural areas will depend on the outcome of the next federal auction of spectrum, which give carriers rights to the radio frequencies that carry digital signals to devices.

The \$840-million plan will also be used by Telus to enhance its other infrastructure in the province, including expansion of the Optik TV and Internet services to several communities including Quebec City and construction of an Internet data centre in Rimouski, at a cost of \$65-million.

Vancouver-based Telus announced Friday that it would spend \$650-million on advanced technology in Ontario over three years to support its wireless growth, resulting in 900 new jobs.

The spending plans are part of a \$1.85-billion capital spending plan for 2012 that was announced in December.

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What's RIM worth?

The BlackBerry maker's stock is worth \$5.3 billion. But that may not reflect its true value

Josh Rubin Toronto Star

With BlackBerry maker Research In Motion Ltd. potentially up for sale, it's worthwhile asking just what the struggling firm is worth.

By market capitalization, it's worth \$5.26 billion, meaning it's no longer the most valuable technology company in Canada. It was leapfrogged this month by IT firm CGI Group Inc., which has a market cap of \$5.99 billion.

But there's more to valuing a company than just looking at its market cap. For that matter, the entire company might not get sold in one fell swoop. Investment bankers at JPMorgan and Royal Bank of Canada could well end up suggesting a sale of various RIM divisions or assets, or even a licensing agreement. In an announcement last week, RIM CEO Thorsten Heins said the two banks had been hired to explore strategic options for the company.

Here's a look at what RIM's various parts could be worth in a sale:

Manufacturing

Nada. Zilch. Zip. A big fat goose-egg. That's how much value there is in RIM's manufacturing arm, which makes BlackBerry smartphones and PlayBook tablet computers. With pressure on prices from lower-cost smartphones running Google's Android operating system and a backlog of unsold phones and tablets that may have to be written down, the manufacturing arm doesn't make a dime, and in fact is likely losing money.

Patents

Almost every day comes news of a new patent infringement lawsuit in the technology industry. With all those suits, patents must be worth a pretty penny, right? And RIM has lots of patents - heck, they're practically swimming in the things. Yippee!

Er, not so fast. While there's still plenty of value in RIM's patent portfolio, it's unclear just how much. That's because many of them are co-owned by other firms, after RIM was part of a consortium which bought the patents held by defunct telecom equipment maker Nortel Networks Corp.

"Why would you buy that if you were Apple or Microsoft?" said Peter Misek, a technology analyst at Jefferies and Co. Misek believes if RIM held all its patents on its own, they'd be worth between \$3 billion and \$5 billion. In their current state, he pegs their value at \$1 billion to \$3 billion.

Michael Walkley of Canaccord Genuity believes RIM's intellectual property portfolio is worth \$2.5 billion, and says it would be worth another \$778 million if some of the patents weren't co-owned.

Services

RIM's services division includes the company's own networks and servers through which every single bit of BlackBerry traffic in the world runs. Much of RIM's profit in the services division comes from a monthly fee paid by telecommunications carriers to access the network. That fee is paid per subscriber (RIM says it has 78 million). Telecommunications companies have been pushing back for a while on how much they pay. It used to be a given that it was \$5 per subscriber, but Misek believes that's now down to \$4. Walkley, on the other hand, suggests that it's only the key corporate customers who would hold any value for a potential buyer. He estimates there are roughly 20 million of them, which bring in roughly \$6.50 a month each. That base would be worth a total of \$2.75 billion to a buyer, Walkley believes.

Misek's range for the worth of the services division is even wider, ranging from \$1 billion to \$5 billion. That's because of uncertainty about how much money per customer they'll be able to bring in, and the potential for their subscriber base to shrink.

The pile of cash

Surely money's worth something, right? Yes, as long as it's still around.

RIM has roughly \$2.1 billion in cash (and investments which can easily be converted into cash).

While Heins has suggested RIM's cash pile will grow slightly when quarterly results are announced June 28, that may well be the last boost for a while.

Given the company already has an operating loss, it's likely starting to burn through the cash. Tack on the costs of restructuring the company, including

paying severance packages to employees being shown the door, and the money won't last long, analysts agree.

"I don't include the cash in my valuation for RIM, because it's not going to be there," said Misek.

"We assign zero value to RIM's cash in our sum-of-parts analysis because 1) RIM's core business is running at an operating loss and will likely start burning cash and 2) we believe future severance payments needed to downsize the business following an acquisition could use the majority of RIM's cash," wrote Walkley. ILLUS: BlackBerry-maker RIM could be sold off in whole or in parts. Richard Drew/The Associated Press

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(FINAL)
BUSINESS, Page: C8

Push for national wireless standards

Luann Lasalle, Canadian Press

National standards for cellphone contracts would need to set out rules for early cancellation fees, often a source of frustration for consumers, says the head of a wireless industry group.

Different rules for 13 provinces and territories would be confusing and push up consumer costs, Bernard Lord, president of the Canadian Wireless Telecommunications Association, said Monday.

"The hot button issue seems to be the early termination fees," Lord said in a phone interview.

"Let's have one set of consumer standards across the country. If we have rules that are different, it just complicates everything for everyone."

Canada's major telecom companies - Rogers (TSX: RCI. B), Bell (TSX: BCE) and Telus (TSX: T) - and consumer advocacy groups all support the idea of national standards that would apply to wireless devices, however they don't all agree on how those rules would work.

Lord said national standards would state obligations to both customers and carriers, adding it needs to be a two-way street.

National standards would have to take into account the different ways that consumers buy mobile phones including three-year contracts that subsidize the cost of expensive smartphones and prepaid services.

"We don't want any legislation or regulations or national standards to limit the choice of consumers," Lord said after a speech to the Canadian Telecom Summit in Toronto.

Lord noted that provincial legislators have proposed that consumers pay a \$50 cancellation fee, but often neglect that the amount owing on subsidized smartphone has to be paid off by consumers, too.

"It could be several hundred dollars. It's a misunderstanding with some consumers."

The Canadian Radio-television and Telecommunications Commission has asked for feedback on whether it needs to create a national wireless code to ensure that wireless customers are protected.

Some provinces such as Quebec have put in legislation that limits cancellation fees and stops companies from automatically renewing cellphone contracts.

Rob Bruce, president of Rogers Wireless, said the company has given the CRTC an example of what it thinks a national code should look like, including contract language.

"We think a code really gives customers comfort," Bruce said from Toronto.

"It just doesn't seem right that depending on your geography as a Canadian that somehow you're treated differently."

Lord said almost half of all mobile users in Canada now own smartphones, with that number jumping to almost 70 per cent in the 18to34 year-old category. Tablet owners are also on the rise, he said.

Also on Monday, the Canadian Wireless Telecommunications Association said a new study found that the country's wireless industry supports more than a quarter of a million jobs and billions of dollars in direct and spinoff economic activity.

Based on 2010 data, the study said the wireless industry supported more than 260,000 jobs with an average salary of more than \$64,000, compared to the Canadian average salary of just over \$44,000.

The study estimates the industry generated \$43 billion in economic activity, including direct and indirect employment as well as spinoff benefits to wireless customers. The association says more than 26 million Canadians have a mobile phone or wireless device. ILLUS: Handout / Bernard Lord is president of the Canadian Wireless Telecommunications Association;

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BUSINESS & TECHNOLOGY, Page: D1 / FRONT

Mosaid named in antitrust complaint

Microsoft, Nokia accused in Google wireless claim
Peter Henderson, Ottawa Citizen With Files From Citizen News Services

Ottawa-based Mosaid Technologies Inc. is named as part of a major anti-trust complaint from Google that accuses Microsoft and Nokia of using patents to thwart competition.

The patent company is a co-defendant with Microsoft and Nokia in an antitrust case brought by Google before the European Commission.

The search giant charges its rivals with off-loading patents to Mo-said and letting the Canadian company act as a "patent troll," aggressively pursuing intellectual property litigation to frustrate Google's ambitions in the mobile marketplace.

In 2011, Google claims, Microsoft and Nokia transferred about 2,000 patents to Mosaid with the expectation that the patent licensing and intellectual property firm would use the documents to file lawsuits against Google and other competitors.

Most of the patents relate to industry standards for wireless technology. Microsoft has pledged it wouldn't use such patents to block competitors. But off-loading the patents to a third party provides an easy way for Micro-soft to avoid the litigation, but still reap the benefits, Google claims.

"Nokia and Microsoft are colluding to raise the costs of mobile de-VICES for consumers, creating patent trolls that sidestep promises both companies have made," Mountain View, California-based Google said in an emailed statement.

These "patent trolls" use exclusive rights to a product idea to demand royalties rather than to make products.

Even though the practice of patent litigation is perfectly legal, the sheer number of patents in the technology industry concerning software and proprietary designs has made an effective legal department the corner-stone of any major digital company.

Companies have been suing one another over everything from the way users interact with cellular phones through to camera technology and even the wireless technologies that allow most modern devices to work.

Collecting a trove of patents is seen as the best defence against litigation, as it allows companies to negotiate to share technology and avoid ending up in court.

According to Google, the deal with Mosaid gives Microsoft and Nokia a share of any proceeds the Canadian company gets from licensing the patents.

Mosaid hasn't seen Google's complaint and so couldn't comment, said Michael Salter, a Mosaid spokesman. The company was taken private in December in a transaction led by Chicago-based Sterling Partners.

Mosaid's Core Wireless unit, which holds the patents obtained from Microsoft and Nokia, filed a patent suit in February against Apple.

Mosaid sold five patent families for \$11 million in September. Google was later identified as the buyer.

When the deal was announced in September of last year, Mosaid shares rose to their highest level in more than a year.

That helped to prevent a takeover bid from rival Ottawa patent and licensing firm Wi-LAN Inc., which does similar litigation.

The complex deal involved a Luxembourg holding company that controlled many of Nokia's patents regarding cellular technology.

The deal came after the announcement of a major partnership between Microsoft and Nokia to distribute cellphones based on the rebooted Windows Phone operating system. The Nokia Lumia 900, the result of this agreement, went on sale in Canada in April. Google's antitrust complaint is the latest in a long-running patent war between big tech firms. It may prompt an investigation by the same European Union antitrust authority that is probing Google's Motorola Mobility over its use of patents in litigation against Microsoft and Apple Inc.

Antoine Colombani, a spokesman for the European Commission in Brussels, confirmed that regulators had received the filing and said they would examine it.

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Lalonde, Lucie: ICT-TIC

From: Leblanc, Emily: GPP
Sent: Monday, June 4, 2012 8:35
To: SITT GPP - Media Distribution; McDonald, Helen: SITT-STIT; 'michael.binder@cnsccsn.gc.ca'; 'Sue.Gelinas@cnsccsn.gc.ca'
Subject: SITT Daily News Articles, June 2-3-4, 2012 | Articles quotidiens du STIT, le 2-3-4 juin 2012
Attachments: IC Media-A.M. / IC Médias-Matin - 2012-06-04; SITT-STIT June 2-3-4 2012.doc

Today's full text articles and archived articles can be accessed, as of 11:00 am, by visiting SITTzone at
<http://sittzonestit.ic.gc.ca/dailynewsarticles>

Les textes intégraux et des articles archivés peuvent aussi être lus, à partir de 11h00, en visitant la Zone STIT au lien suivant : <http://sittzonestit.ic.gc.ca/articles>

Saturday, June 2, 2012 | Le samedi, 2 juin 2012

SPECTRUM - TELECOM / SPECTRE - TÉLÉCOMMUNICATIONS

Providers support first-come first-serve satellite licensing

Industry Canada should implement a first-come first-served process to award fixed-satellite service and broadcasting-satellite service spectrum licences, Xplornet Communications Inc., Telesat Canada and Shaw Communications Inc. said in documents filed with the department this week. Xplornet believes that this is the simplest and most administratively efficient means of assigning licences and it responds best to industry demand, the company said in response to the department's March call for comments on a proposed licensing framework for satellite spectrum.

<http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/nau20126536305909.htm>

Cities interfering in telecom matters a dangerous precedent: Wind

The CRTC will establish a dangerous precedent if it denies Wind Mobile's request to gain access to Vancouver's Canada Line transit system, Wind argued in documents filed with the commission Thursday. In April, Wind asked the CRTC to force the City of Vancouver and line operator InTransit BC to negotiate Wind's access to the Canada Line in order to install wireless infrastructure in a series of subway stations and underground tunnels.

<http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/nau20126343320209.htm>

Canada urged to follow Australia's lead, eliminate broadcast licences

Canada should follow Australia's lead and consider getting rid of anachronistic broadcasting licences, Malcolm Long, a member of the Australian Convergence Review Committee, told The Wire Report in an email interview. I think it is definitely worth considering, Long, also a principal consultant with Australian firm Malcolm Long Associates Pty Ltd., said in an emailed statement to The Wire Report this week.

<http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/nau2012617975570.htm>

Telus to hire 900 in Ontario for network rollout

Telus Corp. will hire 900 people across Ontario in 2012 as it rolls out its next-generation wireless network to more communities in Canada's most populous province. The Vancouver-based telecom giant made the announcement in Ottawa on Friday, noting those new positions as part of the company's broader plan to hire more than 3,000 people across the country this year.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic20126317134892_68.htm

India's telecom revolution hits a snag

Over the past decade, the number of cellphones in India shot up from 6.5 million to 900 million, a prime example of how an industry could exploit the vast consumer market here to achieve breathtaking rates of growth and, in the process, help transform the country. But that success story is starting to turn sour as a combination of greed, corruption and incompetence threatens to arrest that growth. Instead of being an advertisement for India's economic potential, the

telecom story has become an example for foreign investors of the perils of doing business here.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/ic20126251127534_459.htm

SaskTel launches high throughput satellite service

SaskTel has announced the launch of high throughput satellite (HTS) Internet service, which will offer residential and business customers three download speed options: 1.5 megabits per second (Mbps), three Mbps or five Mbps. "The launch of HTS demonstrates SaskTel's commitment to improving rural broadband," said Stacey Sandison, SaskTel chief marketing officer, in a news release Friday.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic201261423464752_7.htm

ICTS - TECHNOLOGY / LES TIC - TECHNOLOGIE

BCE group poised to buy Q9 Networks

A consortium of buyers led by telecom giant BCE Inc. is on the verge of buying Internet company Q9 Networks Inc., a transaction worth at least \$1-billion, The Globe and Mail has learned. BCE is partnering with the Ontario Teachers' Pension Plan and two U.S. private equity firms, Madison Dearborn Partners LLC and Providence Equity Partners LLC, on the purchase.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic20126320149528_68.htm

RIM faces new patent infringement case

Texas firm calling for injunction, damages related to five patents

Research In Motion Ltd. faces a new patent infringement lawsuit filed by Mobile Telecommunications Technologies, which says certain BlackBerry software infringes on its portfolio of patents. The suit claims that the BlackBerry-maker's email software and equipment infringes on five of Mobile Telecommunication's patents.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic201264314228741_28.htm

CGI occupe le premier rang au pays

L'offre d'achat que CGI (TSX: GIB.A) a présentée jeudi pour acquérir la firme britannique Logica a propulsé l'entreprise montréalaise au premier rang des sociétés technologiques canadiennes, devant Research In Motion (TSX: RIM). Après l'annonce de la transaction proposée, l'action de CGI a gagné 14 pour cent jeudi pour clôturer à 23,95\$ à la Bourse de Toronto, ce qui a conféré une valeur de 6,2 milliards\$ à l'entreprise. Hier matin, le titre reculait de deux pour cent, mais la capitalisation boursière de CGI demeurait au-dessus des 6 milliards\$.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic20126731106590_24.htm

TECHNOLOGY; RIM's woes raise questions about fate of BlackBerry; Users worry about what will happen to the devices if the firm is sold or shut down.

The darkening prospects for Research in Motion Ltd. are conjuring a nightmare scenario for its nearly 80 million users: What if they woke up one morning to find their BlackBerry phones had become paperweights? Though it may not quite come to that, life as a BlackBerry fan is likely to grow increasingly tough as the device's maker struggles to recover from a financial free fall.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/ic20126307480954_454.htm

IT recruiters on the lookout for top talent

Competition for candidates in tech sector only continues to grow in Canada

As the information technology field continues to grow, competition for candidates to fill key IT positions is heating up, says Julia MacKenzie, an IT recruiter with Goldbeck Recruiting in Vancouver. MacKenzie initially worked in advertising in Toronto, then spent five years working in the United Kingdom for GDS International, a company specializing in staging business-to-business events.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic201262352720220_3.htm

REVIEW --- Bionic Brains and Beyond

[High-tech implants will soon be commonplace enhancements under our skin and inside our skulls, making us stronger and smarter. Daniel H. Wilson on our 'superabled' future.]

http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/ic20126251792197_456.htm

INTERNET / INTERNET

Google Tips Off Users In China

Google Inc. has begun warning users in China of certain search words that may trigger the country's Internet censors, in its boldest challenge in two years to Beijing's efforts to restrict online content. The Internet company unveiled on its Hong

Kong-based search site this week a new mechanism that identifies political and other sensitive terms that may cause service interruptions by Chinese authorities.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/ic20126254277900_456.htm

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Paying the piper, twice

Composers, labels unable to agree on copyright levy

Canada's massively complex market for music licences just got even more muddled. A tariff approved by the Copy-right Board of Canada on Thurs-day allows a new copyright collective called Re: Sound to begin selling licences to businesses or anyone planning to host an event where music will be played.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic20126125415151_9.htm

PRIVACY PROTECTION - SECURITY / PROTECTION DE LA VIE PRIVÉE - SÉCURITÉ

Toews: Internet snooping bill would be helpful in case

Public Safety Minister Vic Toews says his so-called Internet snooping bill would help police investigate the shocking murder and dismemberment of a man in Montreal. "Certainly, that's what the police have told me -- that the powers in Bill C-30 are very relevant to this type of investigation in terms of either determining who the individual is, or determining the whereabouts of an individual," said Toews on Friday in Winnipeg.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/ic201264057182682_638.htm

Cyberattack on Iran came from U.S., Israel

Militaries created worm virus to cripple centrifuges at nuclear plant, book says

Stuxnet, the virulent computer worm that crippled centrifuges at an Iranian nuclear plant, was the product of a joint American-Israeli cyberwarfare project, the U.S. has confirmed in the fullest account to date of Washington's covert efforts to halt the Islamic Republic's march towards a nuclear bomb.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic20126121031794_9.htm

Sunday, June 3, 2012 | Le dimanche, 3 juin 2012

ICTS - TECHNOLOGY / LES TIC - TECHNOLOGIE

Wi-Fi and Amtrak: Missed Connections

IT was a Thursday morning, and Robert Treat, the chief technology officer for an Internet company, was looking forward to some uninterrupted time to get work done on the train from Baltimore to New York. Leaning back, hot cocoa at the ready, he logged on, scrolled through a few e-mails and then ... no more Internet. He logged on again, managed to connect for a few minutes, and soon enough: nothing.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/ic20126157667664_425.htm

SOCIAL MEDIA / MÉDIAS SOCIAUX

Strong laws needed to curb Facebook

The House of Commons Committee on Ethics, Accountability and Privacy recently launched a major new study into the privacy concerns raised by popular social media sites. The study promises to canvass a wide range of perspectives as elected officials grapple with emerging privacy issues and consider whether the current legal framework provides sufficient protection.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic20126133615116_25.htm

SPAM / POLLURIELS

Anti-Spam Update - Proposed New Exemptions On The Way

Today the Canadian Bar Association held an update session for members on Canada's Anti-Spam Legislation ("CASL"). An oral presentation was provided by Andy Kaplan-Myrth, a Policy Advisor in the Digital Policy Branch at Industry Canada and a member of the team that developed and is implementing CASL. Here's what we heard from the discussion. [Please note that information and comments provided by Mr. Kaplan-Myrth and other participants are intermingled with my own below. The following is not intended as a verbatim report on the presentation.]

<http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/nau2012658826354.htm>

CYBER CRIME / CRIMES CYBERNÉTIQUES

Holes in the system - The vastness of cyberspace Hacker life Cracking the iPhone The hunt for flaws Getting closer

Charlie Miller prepared his cyberattack in a bedroom office at his Midwestern suburban home. Brilliant and boyish-looking, Miller has a PhD in math from the University of Notre Dame and spent five years at the National Security Agency, where

he secretly hacked into foreign computer systems for the U.S. government. Now, he was turning his attention to the Apple iPhone.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/ic201262054386447_459.htm

ADDITIONAL ARTICLES FYI / ARTICLES SUPPLÉMENTAIRES À TITRE D'INFO

Mutually Assured Cyberdestruction?

IT took years after the United States dropped the atomic bomb on Hiroshima for the nation to develop a common national understanding of when and how to use a weapon of such magnitude. Not until after the Cuban Missile Crisis, 50 years ago this October, did a consensus emerge that the weapon was too terrible ever to employ again, save as a deterrent and a weapon of last resort. Over the past decade, on a far smaller scale, the country's military and intelligence leadership have gone through a parallel debate about how to use the Predator drone. Because it is precisely targeted, often on an individual, it is used almost every week.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/ic201262017167300_425.htm

A Lawsuit Shakes Foundation of a Man's World of Tech

MEN invented the Internet. And not just any men. Men with pocket protectors. Men who idolized Mr. Spock and cried when Steve Jobs died. Nerds. Geeks. Give them their due. Without men, we would never know what our friends were doing five minutes ago. But are these men trapped in the past even as they create the future? That's the debate that has sprung up here since Ellen Pao, a junior partner in her early 40s at the distinguished venture capital firm of Kleiner Perkins Caufield & Byers, filed a sexual discrimination lawsuit against the company and her colleagues there.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/ic201262023495208_425.htm

Monday, June 4, 2012 | Le lundi, 4 juin 2012

CAP / PAC

Library will still provide 'vital' free internet service

Sault Ste. Marie Public Library will cover a cut in federal funding used to offer free Internet access to city residents. The Conservative government chopped the Community Access Program in April. The library offers 20 CAP designated work stations at its three branches. The federal program contributed about \$9,800 annually through CAP. That cash covered about 20% of each machine's costs.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/ic201263735115621_638.htm

SPECTRUM - TELECOM / SPECTRE - TÉLÉCOMMUNICATIONS

Urban Compass Calgary

Citizens powerless on cellphone towers

It refused to pay rent, held a meeting on a long weekend, and called it a consultation. Done deal. That was Cambrian Heights' experience with a teleco and its community consultation for a new cellphone tower. "As a citizen, you feel powerless," says Caroline Bartel, then the president of the community association.

<http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/nau201263348746504.htm>

Reduce roaming charges

Whether it's for business or pleasure, most BlackBerry users travel with their smartphone - so they can stay connected, productive and entertained while outside Canada. If you'd like to limit your voice or data usage while away, here are a few tips: Contact your carrier before you leave the country to see if they offer a roaming add-on plan that can save you money. Canada's leading carriers offer discounted data and voice packages for U.S. and international travel. Check out their websites.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic20126131877467_27.htm

On Sharing The Spectrum

Martin Cooper, the former vice president of Motorola who helped create the first working cellphone, has been saying for some time that technology is the solution to dealing with the ever-rising demand for wireless data capacity. Now a presidential advisory committee agrees with him, urging President Obama to adopt technologies that would use radio spectrum more efficiently. Wireless carriers argue that they need more spectrum, not just better-managed spectrum.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/ic20126152277416_425.htm

ICTS - TECHNOLOGY / LES TIC - TECHNOLOGIE

RIM suffered identity crisis while at peak of success, adviser says

A brand strategy adviser hired by Research In Motion Ltd. at the peak of the company's success says the BlackBerry maker was locked in an identity crisis that left it struggling to map out its future. Matthew Kelly, managing director at

Toronto-based firm Level5, said in a recent interview that RIM was preparing to wage a battle against Apple's iPhone device, an effort that seemed to be distracting the company from other market challenges.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic20126177220851_68.htm

Why Ottawa can't save RIM

Finance Minister Jim Flaherty is right - Research In Motion is not too big to fail. Many people in this part of Ontario have hoped the federal government would be ready to rush in with financial support to keep the Waterloo-based flagship of Canada's high-tech community afloat, no matter how badly it foundered on the unforgiving shoals of the global economy.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic20126910243181_14.htm

Entrepreneur sells his 2-year-old start-up KikScore to Google

Until earlier this year, Rajeev Malik was a part-time entrepreneur. He worked as a general manager at Herndon-based Network Solutions, then spent nights and weekends building his start-up KikScore. Today, Malik is between jobs. That's because KikScore's technology and products were bought by Google for an undisclosed sum last week in the kind of deal many entrepreneurs can only pine for. He left Network Solutions just months earlier to focus on the venture full time.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/ic20126252730264_459.htm

Information Age: Keeping the Spirit of Steve Jobs Alive

Rancho Palos Verdes, Calif. -- It takes a lot for Silicon Valley to see the glass half empty. Not even the sharp drop in Facebook's share price or the passing of Apple visionary Steve Jobs suppresses the optimism of technology entrepreneurs. Yet Washington is making it harder even for growth industries to see the glass half full.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/ic20126205323578_456.htm

DIGITAL ECONOMY / ÉCONOMIE NUMÉRIQUE

A world premiere - A global discussion on the future of the digital society!

As a lead-up to WCIT 2012, being held in Montreal in October 2012, organizers are presenting tomorrow, June 5th, starting at 8 AM E.T. a World Tech Jam in collaboration with IBM. This online activity is offered at no cost to participants and will take place June 5, 6 and 7. Moderators from all over the world will invite participants to discuss issues related to the digital society.

<http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/nau201261141682170.htm>

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All Things Digital (A Special Report) --- The Problem With Copyrights: Google's Susan Wojcicki and Sundar Pichai on why fighting piracy isn't as easy as some think

Google Inc. for years has dominated Internet search and advertising, and in recent years it has rapidly diversified with two operating systems, a browser and manifold apps. But concerns about copyright violations and invasions of privacy are frequently raised in discussions about the Internet giant. The Wall Street Journal's Walt Mossberg had a chat with two high-ranking Google executives: Susan Wojcicki, senior vice president, advertising, and Sundar Pichai, senior vice president for Chrome and Google apps. Edited excerpts of their conversation follow.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/ic20126157183694_456.htm

Copyright deal crucial for students

Carleton, U of O must decide on controversial contract

University administrators are days away from deciding whether or not to sign a controversial new copy-right agreement that critics say would mark a huge step backwards at precisely the time when such institutions should be embracing the future. Carleton University and the University of Ottawa are both mulling a deal modelled on one struck this spring between the Association of Universities and Colleges of Canada (AUCC) and non-profit licensor Access Copyright.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic201264315259261_9.htm

PRIVACY PROTECTION - SECURITY / PROTECTION DE LA VIE PRIVÉE - SÉCURITÉ

It's easy to miss identity theft warning signs

Two teenagers face almost 140 fraud charges

No letters, no e-mails, no phone calls. No warning signs. When Victor Frolov learned his identity was stolen as part of an alleged credit card skimming operation, he said he had no idea that someone was pretending to be him. Unknown to the former University of Calgary student, who now lives in Los Angeles, a two-person team was allegedly making credit cards with Frolov's name and going shopping.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic201262714553138_16.htm

ADDITIONAL ARTICLES FYI / ARTICLES SUPPLÉMENTAIRES À TITRE D'INFO

All Things Digital (A Special Report) --- From Zuckerberg to Jobs: Aaron Sorkin on creating drama in the digital age

Aaron Sorkin, creator of "The West Wing," does not shy away from controversy. In 2011, the playwright and screenwriter won an Oscar for his dramatization of events surrounding the creation of Facebook in "The Social Network." He sat down with The Wall Street Journal's Walt Mossberg to talk about the challenges of engaging audiences in the digital age, and about his newest project, which also promises to stir the pot: a screenplay adaptation of Walter Isaacson's biography of Steve Jobs.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/ic20126154136864_456.htm

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IC Media-A.M. / SITT-STIT June

IC Médias-Mati...2-3-4 2012.doc ..

Lalonde, Lucie: ICT-TIC

From: Leblanc, Emily: GPP
Sent: Friday, June 1, 2012 8:36
To: SITT GPP - Media Distribution; McDonald, Helen: SITT-STIT; 'michael.binder@cnsccsn.gc.ca'; 'Sue.Gelinas@cnsccsn.gc.ca'
Subject: SITT Daily News Articles, June 1, 2012 | Articles quotidiens du STIT, le 1er juin 2012
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ICTS - TECHNOLOGY / LES TIC - TECHNOLOGIE

Ottawa n'aidera pas RIM

Le ministre des Finances, Jim Flaherty, a affirmé hier que Research In Motion était une entreprise importante pour le Canada, mais il a laissé entendre qu'elle n'obtiendrait pas d'aide financière de la part du gouvernement fédéral. Les actions de RIM ont lourdement chuté cette semaine, après que la société de Waterloo, en Ontario, eut annoncé mardi qu'elle avait retenu les services de J.P. Morgan Securities et de RBC Marchés des capitaux pour la conseiller sur ses activités et sa performance financière. La compagnie a également prévu une perte d'exploitation pour le trimestre en cours et prévenu qu'elle procéderait à des mises à pied tout au long de l'année.

PC

In Vancouver, Globalive takes its wireless fight underground

A major transit line in Greater Vancouver has become a new front in Canada's wireless war. Globalive Wireless Management Corp. wants the Canadian Radio-television and Telecommunications Commission to intercede in its fight with the City of Vancouver and Telus Corp. to gain access to the underground tunnels and stations of the rapid transit Canada Line.

<http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/nau2012652414788.htm>

ECOM / COMMERCE ÉLECTRONIQUE

Google ends free shopping searches

Google Inc. unveiled major changes to its shopping business Thursday that will probably prove controversial in the e-commerce world. Starting in the fall, product search results for users in the U.S. will be influenced by how much retailers and advertisers pay, a company executive said. In the past, product search results were based mainly on relevance and the program was free. Google, the world's most popular Internet search engine, will rename its service Google Shopping from the current Google Product Search.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic20126115368956_16.htm

INTERNET / INTERNET

World Internet traffic to quadruple by 2016: Cisco

Global Internet traffic will grow by nearly fourfold to 1.3 zettabytes in 2016, Cisco Systems Inc. said in its annual Visual Networking Index Forecast released Wednesday. In the report, Cisco said global traffic will increase from 360 exabytes transmitted in 2011 thanks to an increasing number of connected devices and Internet users, faster broadband speeds, more online video consumption, and an increasing use of WiFi networks. The projected increase of global IP traffic between 2015 and 2016 alone is more than 330 exabytes, which is almost equal to the total amount of global IP traffic generated in 2011, Cisco said in a release.

Wire Report

Web veteran wants to introduce dot-sucks domain

A man who helped secure the dot-ca domain name for Canada now wants to bring dot-sucks to the world. Rob Hall, chief

executive of Ottawa's Momentus Corp. and a founder of the Canadian Internet Registration Authority (CIRA), has applied to begin selling website names that end in .design, .style, .rip and .sucks. On June 13, he will learn whether those names will be among suffixes approved by the Internet Corp. for Assigned Names and Numbers (ICANN) from some 1,900 requests.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic20126123087784_6.htm

Google applies for several new domains

Google Inc. has applied for its own top-level domains including .google and .youtube under a program to expand the number of web suffixes beyond the commonly used .com and .org. Google, owner of the world's largest search engine, also applied for other suffixes such as .docs and .lol under the program run by the Internet Corporation for Assigned Names and Numbers, the non-profit organization that manages the Internet's address system.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic201261056509269_16.htm

UN control of Internet would damage free speech - U.S

Bringing the Internet under UN control would hurt free expression and damage commerce, U.S. officials and lawmakers warned Thursday. At a congressional hearing, the groups came out strongly in their opposition to proposals to place the Internet under the jurisdiction of the International Telecommunications Union (ITU), a United Nations agency that governs telecom systems. "There's a strong, bipartisan consensus within the [U.S.] administration and Congress that we must resist efforts from some countries to impose a top-down governance of the Internet," Representative Henry Waxman told the hearing.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic201263218816683_1.htm

MEDIA - BROADCASTING / MÉDIAS - DIFFUSION

Bell, independent distributors head to final offer arbitration June 29

The CRTC will hold a final offer arbitration hearing on June 29 to resolve a carriage dispute between Bell Media and independent broadcast distributors, the commission said in a letter released Thursday. In documents filed with the commission in May, Bell Media, a division of BCE Inc., and the Canadian Independent Distributors Group (CIDG), said they remain at odds in a dispute over the distributors' right to carry 29 Bell specialty channels. They asked the commission to initiate a final offer arbitration process to help settle the dispute.

<http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/nau20126514873257.htm>

Ideas for CBC grow at digital town hall

Licence renewal hearings will spell out the future

Several thousand online and hundreds in person took part in the launch of "CBC We Want," a virtual town hall and panel discussion about the future of the institution at Knox Presbyterian Church on Thursday. Hosted by former prima ballerina and director Veronica Tennant, the discussion took on a grave tone in light of this year's budget cuts at the public broadcaster. Tennant said that a part of the tour's goal was to "ensure that the cuts don't cause a slow death."

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/06/ic201264752275824_28.htm

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Droits d'auteur; des règles plus strictes

L'argent ne peut acheter l'amour, mais si vous voulez entendre vos chansons préférées à vos noces, vous devrez maintenant payer. La Commission du droit d'auteur du Canada a adopté de nouveaux tarifs qui s'appliquent à la musique enregistrée utilisée lors d'événements publics comme des congrès, des bars karaoké, des spectacles sur glace, des fêtes foraines et des mariages. Les redevances seront recueillies par un organisme sans but lucratif qui s'appelle, Ré: Sonne.

[PC](#)

University of Ottawa Professors' Union Urges Rejection of Access Copyright Model Licence

Michael Geist's Blog. The Association of Professors of the University of Ottawa is urging the University of Ottawa to reject the Access Copyright model licence.

<http://www.infomedia.gc.ca/ic/articles/restricted/2012/05/nau2012513501278.htm>

PRIVACY PROTECTION - SECURITY / PROTECTION DE LA VIE PRIVÉE - SÉCURITÉ

Virus is considered a huge leap in cyber espionage; 'Flame' becomes malware hot topic

A sophisticated computer virus that crippled Iran's oil industry could raise the bar for cyber espionage, says a Queen's University computer expert. The Flame virus has been found in at least seven countries in the Middle East and North Africa, with Iran being the hardest hit. The virus is considered a huge leap in cyber espionage because of the broad range of information it can gather. The virus is designed to gather information from infected computers, including using the

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machine's built-in microphones and video camera to capture audio and video files. Now that it has been discovered, the computer software will likely be copied and put into use for industrial espionage and other criminal activities, said Queen's computer security expert David Skillicorn.

Kingston Whig Standard

Obama Order Sped Up Wave Of Cyberattacks Against Iran

From his first months in office, President Obama secretly ordered increasingly sophisticated attacks on the computer systems that run Iran's main nuclear enrichment facilities, significantly expanding America's first sustained use of cyberweapons, according to participants in the program. Mr. Obama decided to accelerate the attacks -- begun in the Bush administration and code-named Olympic Games -- even after an element of the program accidentally became public in the summer of 2010 because of a programming error that allowed it to escape Iran's Natanz plant and sent it around the world on the Internet. Computer security experts who began studying the worm, which had been developed by the United States and Israel, gave it a name: Stuxnet.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/06/ic201261523417571_425.htm

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IC Media-A.M. / SITT-STIT June

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Holloway, James: ICT-TIC (NCR-RCN)

From: Mellon, Derek: CMB-DGCM
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Media Relations Unit / Unité des relations avec les médias (CMB)

IC Media-A.M. / IC Médias-Matin
2012-06-01

AUTOMOTIVE / AUTOMOBILE

GM expected to confirm 2,000 job losses in Oshawa; Friday deadline if plant is to close in May 2013

GM Canada is expected to confirm Friday the timing of 2,000 job losses at its car plant in Oshawa, the union representing the workers says. It's the last day the car maker could give notice if it intends to go ahead with previously announced plans to close the "consolidated" plant in Oshawa next May, the Canadian Auto Workers said. Under its contract with the union, GM must give the workers at least 12 months' notice before closing a line, CAW local president Chris Buckley explained. "GM hasn't made it official but I fully expect in the next 24 hours they will," he said Thursday.

Toronto Star

2,000 jobs to be axed at GM plant; latest cuts 'devastating' for Oshawa's struggling auto industry

General Motors is set to close one of its plants in Oshawa, throwing 2,000 people out of work, says local reports. According to DurhamRegion.com, GM is planning to close its consolidated line that currently builds the Chevrolet Impala sedan and Equinox compact utility vehicle, though no notification has yet been given to CAW Local 222, the Canadian Auto Workers Union chapter that represents the workers at the plant. In the article, CAW 222 president Chris Buckley is quoted as saying he is expecting official notification May 31 or June 1, 2012. The company is required in the current contract to give the union 12 months' notice of closing a line. That contract is due to expire this summer, so if it goes ahead, the move will probably be effective in summer 2013.

QMI

Cami eagerly eyes GM moves

General Motors is set to close one of its plants in Oshawa, throwing 2,000 people out of work, local reports say. According to DurhamRegion.com, GM plans to close its consolidated line, which builds the Chevrolet Impala sedan and Equinox compact utility vehicle. The Equinox is also produced at the Cami plant in Ingersoll. Employees at the Oshawa plant were told it would close some time in the second quarter of 2013, though an official announcement hasn't been made, said Mike Van Boekel, chair of CAW Local 88, which represents Cami workers.

QMI

FOREIGN INVESTMENT / INVESTISSEMENT ÉTRANGER

Uninspired foreign investment record; Ottawa changing rules on foreign investment, May 26

Will these neocons ever learn that the foreign investment review process is vital to protecting Canadian jobs? Not only are jobs at stake but so are intellectual property, research and development, management and planning, expansion and growth in new technology, and even our place in the world economy as a go-to nation for labour skills, efficiency and innovation.

Toronto Star

Canada must clarify investment rules

Although the federal government blocked BHP Billiton's hostile takeover bid for PotashCorp in 2010, it isn't standing in the way of Swiss mining giant Glencore's purchase of Viterro. The deals are quite different, but given these two wildly different outcomes, it is clear that the rules under the Investment Canada Act related to foreign takeovers can be highly subjective and irregular. While some new guidelines are being implemented to address the unpredictable nature of these rules, the government is signalling that it's comfortable with keeping some level of ambiguity on foreign direct investments.

Sylvain Charlebois is associate dean of the University of Guelph's college of management and economics.

StarPhoenix

Court approves Viterra takeover

Viterra says the \$6.1-billion takeover of the Canadian agribusiness by European commodities giant Glencore PLC has been approved by the Ontario Superior Court of Justice. Viterra shareholders voted overwhelmingly in favour of the deal earlier this week and the federal Competition Bureau has already indicated it doesn't plan to intervene. The Calgary based company said 99.8 per cent of votes cast by Viterra shareholders were in favour of accepting the offer of \$16.25 per share in cash from the Swiss commodities giant. The Ontario Superior Court of Justice handed down its ruling following a hearing Thursday.

CP

INDUSTRY / INDUSTRIE

Le chantier Davie largué

La firme d'ingénierie SNC-Lavalin abandonne sa participation dans le chantier maritime Davie à Lévis, jugeant le risque trop élevé pour poursuivre son implication dans une possible relance. "SNC-Lavalin a pris la décision difficile de mettre fin à sa participation au sein de la coentreprise Davie. À la suite d'une analyse approfondie, nous avons conclu que cette initiative ne répondait pas aux critères d'évaluation des risques financiers et d'affaires requis pour aller de l'avant", a simplement écrit la porte-parole Mme Leslie Quinton. Selon les informations du Journal de Québec, la firme détenait 70 % dans l'entreprise avec l'Ontarienne Upper Lakes, qui se retrouve le seul propriétaire du chantier maritime. SNC-Lavalin a consacré plusieurs dizaines de millions dans l'aventure de Davie depuis juillet dernier.

Journal de Montreal

National Post

NewPage gets two months' grace; protection buys time for mill to work out sale

NewPage has another two months to work out the proposed sale of its idled Point Tupper paper mill. Justice John Murphy agreed to extend the mill's creditor protection during a hearing Thursday in Nova Scotia Supreme Court. NewPage's protection under the Companies' Creditors Arrangement Act was due to expire Thursday. The judge extended it until Aug. 2 but expressed concern about possible delays getting a deal done by the end of September.

Chronicle Herald

TELECOMMUNICATIONS / TÉLÉCOMMUNICATIONS

Ottawa n'aidera pas RIM

Le ministre des Finances, Jim Flaherty, a affirmé hier que Research In Motion était une entreprise importante pour le Canada, mais il a laissé entendre qu'elle n'obtiendrait pas d'aide financière de la part du gouvernement fédéral. Les actions de RIM ont lourdement chuté cette semaine, après que la société de Waterloo, en Ontario, eut annoncé mardi qu'elle avait retenu les services de J.P. Morgan Securities et de RBC Marchés des capitaux pour la conseiller sur ses activités et sa performance financière. La compagnie a également prévu une perte d'exploitation pour le trimestre en cours et prévenu qu'elle procéderait à des mises à pied tout au long de l'année.

PC

ECONOMY / ÉCONOMIE

Canada Growth Probably Stalled, Allowing Carney to Pause

Canadian growth probably stagnated at the start of the year as consumers restrained their spending, giving Bank of Canada Governor Mark Carney more reason to further delay raising interest rates. Statistics Canada will report the economy grew at a 1.9 percent annual pace in the January-March period, little changed from 1.8 percent in the prior quarter and less than Carney's forecast of 2.5 percent growth, according to the median forecast in a Bloomberg News survey of 25 economists. Domestic demand probably increased at a 1.2 percent rate, the slowest since the recession that ended in 2009, according to Bank of Montreal.

Bloomberg

SCIENCE, R&D / SCIENCES, RECHERCHE ET DÉVELOPPEMENT

Donation to launch research chair

Dalhousie Medicine New Brunswick is launching Canada's first endowed research chair in occupational medicine, thanks to a \$500,000 donation from Great-West Life, London Life and Canada Life. Lynn Irving, chairwoman of the school's

medical research campaign, made the announcement on Thursday morning at the Dalhousie Medicine New Brunswick building on the University of New Brunswick campus in Saint John.

Telegraph Journal

SMALL BUSINESS AND TOURISM / PETITES ENTREPRISES ET TOURISME

Canada quits UN body over Mugabe's alleged posting as ambassador

Canada is withdrawing from the United Nations World Tourism Office, a move it said was formalized this week over the agency's recognition of Zimbabwean leader Robert Mugabe. Foreign Affairs Minister John Baird told the Commons Thursday the appointment of Mr. Mugabe as an international tourism ambassador was what led to the withdrawal. The UN body is dismissing Canada's reasoning pointing out that it doesn't actually have an ambassadorial program. The UNWTO said it gave an Open Letter on Travel and Tourism to the presidents of Zimbabwe and Zambia on May 29, in recognition of a tripartite agreement with both countries on the hosting of the 20th Session of the UN General Assembly in Victoria Falls. The mere recognition of Mugabe at a UN event was enough for Mr. Baird, who called it the "last straw."

CP

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Droits d'auteur; des règles plus strictes

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PC

F-35

Tories stick to F-35s against all logic

At long last, to hear Public Works Minister Rona Ambrose tell it, the federal Conservatives have got that old-time religion: no more sole-sourced, multi-billion-dollar contracts to global defence giants. Such deals, beloved of the military brass, cause big owies for everyone else, no one more so than the hapless politicians blamed in the ensuing mess...And there were other signals this week the federal Conservative attitude really has changed, on this score. The long-delayed \$3.8-billion project to find new aircraft for Royal Canadian Air Force (RCAF) search-and-rescue missions is moving ahead, with a draft request-for-proposal (RFP) expected in September. Italian aircraft maker Alenia, whose earlier efforts to secure this contract stalled in 2005 because it was deemed by industry to have an inside track with the Defence Department, now appears to be competing on a level playing field. Alenia this week unveiled partnerships with Ottawabased General Dynamics Canada and St. John's, N.L.-based Provincial Aerospace. A day later, LockheedMartin and B.C.-based Cascade Aerospace announced they're teaming up to mount a bid of their own. Each group will now vie with the other to show who can offer the RCAF the most suitable platform for search and rescue, with the greatest industrial benefits for Canadians. Airbus Military, maker of the C-295 air ambulance, is also expected to come to the table with a package.

Ottawa Citizen

MAPLE / TMX

Maple group extends TMX bid to July 31

The Maple Acquisition Group has again extended its almost \$4-billion bid for the TMX Group Inc., operator of Canada's major stock markets, this time until the end of July. The acquisition group, made up of many of the country's major pension funds, banks and insurance companies, said Thursday that its \$50 per share bid is now good until 5 p.m. ET on July 31 unless further extended or withdrawn. Maple seeks to acquire a minimum of 70% and a maximum of 80% of the shares of TMX Group as part of an integrated transaction valued at about \$3.8-billion. Under the deal, Maple investors would end up holding 60% of the TMX Group's stock and current TMX shareholders 40%. Securities regulators across the country are currently reviewing the proposed takeover and its merger with the alternative Alpha trading platform and CDS clearing house.

CP

OTHER / DIVERS

Hong Kong assumes top spot over U.S. in world competitiveness ranking

Hong Kong, the United States and Switzerland have the most competitive economies in the world, according to a ranking compiled by the Swiss-based business school IMD. The United States, which was tied with Hong Kong, right, in last year's World Competitiveness Yearbook, slipped to second place while Switzerland moved up to third from fifth. "Despite all its setbacks, the U.S. re-mains at the centre of world competitiveness because of its unique economic power, the dynamism of its enterprises and its capacity for innovation," said IMD. The report found emerging economies are not yet immune to turmoil elsewhere, with China (23), India (35) and Brazil (46) all slipping in the rankings, while Russia (48) climbed only one place. Canada was sixth while all Asian economies declined apart from Hong Kong.

AFP

Retail Council of Canada and border community Chambers of Commerce call on government to start leveling the retail playing field

Retail Council of Canada (RCC) together with four border community Chambers of Commerce are asking for the federal government to level the playing field for Canadian retailers, starting with the elimination of import tariffs (taxes) on finished goods. "Start with what can be changed immediately and eliminate import tariffs," is the message to Federal Finance Minister Jim Flaherty from RCC and the Chambers of Commerce of Surrey (BC), Winnipeg (MB), Altona (MB), Niagara Falls (ON), and Fredericton (NB). CNW

Virus is considered a huge leap in cyber espionage; 'Flame' becomes malware hot topic

A sophisticated computer virus that crippled Iran's oil industry could raise the bar for cyber espionage, says a Queen's University computer expert. The Flame virus has been found in at least seven countries in the Middle East and North Africa, with Iran being the hardest hit. The virus is considered a huge leap in cyber espionage because of the broad range of information it can gather. The virus is designed to gather information from infected computers, including using the machine's built-in microphones and video camera to capture audio and video files. Now that it has been discovered, the computer software will likely be copied and put into use for industrial espionage and other criminal activities, said Queen's computer security expert David Skillicorn.

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Wire Report

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NEWS, Page: 1

ONLINE SECURITY: Virus is considered a huge leap in cyber espionage

'Flame' becomes malware hot topic

ELLIOT FERGUSON, THE WHIG-STANDARD

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Now that it has been discovered, the computer software will likely be copied and put into use for industrial espionage and other criminal activities, said Queen's computer security expert David Skillicorn.

"I can see a situation where you don't dare have a business meeting in a room with a computer in it," Skillicorn said.

"Unfortunately, every room now has a computer in it."

Skillicorn said the federal government is not prepared because it has not been determined which ministry or agency is responsible for defending the country's computer net-works.

The origins of the Flame virus are unknown, but Skillicorn said its main target so far -- Iran -- suggests it is from the U.S. or Israel.

Skillicorn said the virus's capabilities were theoretically possible, but until now, nobody had put them into practice in one piece of malicious software, or malware.

Skillicorn said once the initial Flame software arrives on a computer, it sends a signal back to the sender telling them where they are and what other computers are in the area.

"It's been designed to gather intelligence," said Skillicorn, who described the Flame as a "Swiss Army Knife" of malware.

The sender can select from about 20 different pieces of software to add to the initial virus to gather specific forms of information.

Software can be added to allow the virus to allow it to capture screen images, take video and still images with the computer's camera, record audio files with built-in microphones, and link to other nearby computers and mobile phones.

Now that such a program has been designed and used, Skillicorn said it is only a matter of time before similar malware is used for criminal or business espionage purposes.

Skillicorn said cyber attacks have cost the Canadian economy in the past.

Skillicorn said the bankruptcy of Nortel Networks in 2009 was in part because of alleged cyber attacks by Chinese hackers.

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In Vancouver, Globalive takes its wireless fight underground

Rita Trichur, Globe and Mail

[Published Thursday, May. 31, 2012 7:44PM EDT

Last updated Thursday, May. 31, 2012 7:48PM EDT

A major transit line in Greater Vancouver has become a new front in Canada's wireless war.

Globalive Wireless Management Corp. wants the Canadian Radio-television and Telecommunications Commission to intercede in its fight with the City of Vancouver and Telus Corp. to gain access to the underground tunnels and stations of the rapid transit Canada Line.

At issue for new entrants such as Globalive, which operates under the Wind Mobile brand, is the ability to compete in the key B.C. market by providing seamless coverage to consumers who want uninterrupted service even while using public transit. At least one other wireless newcomer, Mobilicity, is waiting to see how the dispute shakes out before stepping into the fray.

In its application to the CRTC, Globalive accuses the City of Vancouver and InTransit BC, which operates the Canada Line, of giving Telus a local monopoly along the key transit artery by making it a gatekeeper for other carriers to access the line's in-tunnel wireless network. Globalive says commercial talks collapsed in April because Telus was requesting exorbitant fees for access to the system.

Telus signed an agreement in 2008 to design the system for the Canada Line and spent more than \$2-million on the infrastructure for what is one of the first continuous stretches of underground wireless coverage in Canada.

Under the deal, Telus is legally bound to provide access to at least three other wireless carriers, through negotiated rates that would allow it to recover its capital costs and fees to upgrade the system.

Telus already has agreements with Rogers Communications Inc. and BCE Inc., and says it is willing to restart talks with Globalive.

Globalive argues the dispute demonstrates why more regulatory intervention is required to support Ottawa's goal of promoting wireless competition. Its complaint comes as

Industry Canada is holding a broader consultation on its so-called tower sharing policy, which is partly designed to assist new entrants in rolling out their networks.

This is simply an example of an institutional issue that we have across this country, which is that the incumbents have had a 30-year head start on new entrants, said Simon Lockie, Globalive's chief regulatory officer. It is just in their best commercial interests to do everything they can to avoid competition, real competition, from new entrants like Wind. And unless they are forced by government action to give access to infrastructure, then they simply won't do it.

Although the CRTC has the authority under the federal Telecommunications Act to force access to public places, the City of Vancouver, InTransit BC and Telus all want Globalive's application dismissed.

The application is unnecessary and premature, the city has told the CRTC, adding that there is nothing stopping carriers such as Wind from negotiating reasonable commercial access.

Telus denies that it is controlling access to the in-tunnel system.

[Globalive's] claims, while colourful and hyperbolic, are somewhat outrageous because we are not a monopolist of this. We merely manage it on behalf of the City of Vancouver and InTransit, said Ted Woodhead, Telus's vice-president of telecom policy and regulatory affairs. We've offered them fair and reasonable access to it.

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ÉCONOMIE, Page: 18

Ottawa n'aidera pas RIM

La Presse Canadienne

Le ministre des Finances, Jim Flaherty, a affirmé hier que Research In Motion était une entreprise importante pour le Canada, mais il a laissé entendre qu'elle n'obtiendrait pas d'aide financière de la part du gouvernement fédéral. Les actions de RIM ont lourdement chuté cette semaine, après que la société de Waterloo, en Ontario, eut annoncé mardi qu'elle avait retenu les services de J.P. Morgan Securities et de RBC Marchés des capitaux pour la conseiller sur ses activités et sa performance financière.

La compagnie a également prévu une perte d'exploitation pour le trimestre en cours et prévenu qu'elle procéderait à des mises à pied tout au long de l'année.

Alors que l'avenir de RIM fait l'objet de diverses spéculations, M. Flaherty, de passage hier à St. Martins, au Nouveau-Brunswick, s'est vu demander si Ottawa viendrait en aide au fabricant des téléphones intelligents BlackBerry.

M. Flaherty a reconnu que RIM occupait un rôle de premier plan en ce qui a trait à la recherche, au développement et à l'innovation au Canada, mais il a insisté sur le fait que l'entreprise devrait procéder à une réorganisation.

Le ministre a également indiqué que le gouvernement s'attendait à ce que les dirigeants de RIM agissent seuls.

Questionné quant à savoir s'il était disposé à voir l'entreprise passer entre les mains d'investisseurs étrangers, M. Flaherty a affirmé ne pas vouloir se livrer au jeu des spéculations et indiqué que le gouvernement ne s'était pas fait "demander d'examiner une proposition relative à RIM en vertu de la Loi sur Investissement Canada".

Mercredi, les actions de RIM ont chuté de sept pour cent à la Bourse de Toronto. Elles ont cependant terminé la séance de jeudi à 10,70 \$, en hausse de quatre cents, soit moins d'un pour cent, par rapport à leur cours de clôture de la veille.

Le président et chef de la direction de RIM, Thorsten Heins, a indiqué que la société procéderait à un nombre non précisé de mises à pied, cette année, alors qu'elle cherche à réduire ses coûts de 1 milliard \$ d'ici à la fin de 2013.

La société compte actuellement environ 16 500 employés.

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Bell, independent distributors head to final offer arbitration June 29

The Wire Report

May 31, 2012 - 4:06pm

The CRTC will hold a final offer arbitration hearing on June 29 to resolve a carriage dispute between Bell Media and independent broadcast distributors, the commission said in a letter released Thursday.

In documents filed with the commission in May, Bell Media, a division of BCE Inc., and the Canadian Independent Distributors Group (CIDG), said they remain at odds in a dispute over the distributors' right to carry 29 Bell specialty channels.

They asked the commission to initiate a final offer arbitration process to help settle the dispute.

In a letter dated May 9, Bell said five issues continue to prevent the two sides from reaching an agreement, including the price of fixed rates; the "appropriate pricing and packaging principles" associated with an alternative penetration-based rate system Bell has proposed; the length of the agreement; and the application of retroactive carriage fees.

The two sides are also divided on whether the independent distributors should be permitted to benefit from "pricing incentives" Bell offered to other distributors that have renewed carriage agreements with the company, Bell said.

"While we had hoped to resolve these issues commercially and not have to rely on this process (and did so on several issues), we have exhausted all other alternatives to resolve the remaining issues summarized above," Bell wrote.

In a responding letter dated May 14, the CIDG representing Bragg Communications Inc., the more than 100 members of the Canadian Cable Systems Alliance (CCSA), Cogeco Cable Inc. and Telus Corp. listed four other issues on which the two sides remain divided.

Those include the distributors' right to offer "overlay" television services such as social media applications on top of television programming; what type of set-top boxes the distributors' customers could use to receive the Bell specialty channels; "the appropriate negotiation process required to change pricing model for taverns during the term of the

contract;" and minimum penetration requirements for Bell's sports specialty channels, which include TSN and RDS.

The CIDG said negotiations stalled due to "Bell's continued insistence on terms and conditions which severely hamper consumer choice."

It said Bell's offers, following a public CRTC hearing on the matter in March, were "significantly less favourable to CIDG than the terms which were on the table" before the hearing.

"Bell's revised offer includes significant penalties, well beyond any pricing incentive, and very little movement on many issues which led to the requirement for dispute resolution in the first place," the CIDG wrote.

Bell said the CIDG members continued "to expect the same pricing incentives" as those offered to distributors "who signed renewal agreements without delay, many months ago."

The carriage dispute became public this year after the distributors filed an application with the CRTC in January asking for mediation to help resolve it.

Bell proposed an expedited hearing timetable in which commission would resolve the dispute and establish the terms of carriage no later than June 20.

"[I]t is critical that the issues surrounding the renewal of the affiliation agreements be resolved as quickly as possible," Bell wrote. "It is wholly inappropriate for CIDG's members to remain out of contract and continue to have the privilege and commercial advantage of carrying the Bell Media Services."

The CRTC said in its letter to Bell and the CIDG, dated May 24, that it will consider Bell's dispute with Telus separately from the other distributors.

The CIDG, in its May 14 letter, had asked the CRTC to deal with Telus separately from the rest of the group because Telus "faces immediate disruption from Bell's demands for an unreasonably high penetration requirement for TSN, unlike other CIDG members."

The commission ordered Bell, the CIDG and Telus to file joint "draft affiliation agreement[s]," outlining terms the sides have previously agreed to, by June 8.

"The parties are further directed to file with the Commission, by 8 June 2012, a comprehensive affiliation agreement in which all the sections left blank in the jointly-filed draft affiliation agreement have been completed," the CRTC letter said, adding that each party must submit a 10-page explanation of its positions on each contested point.

"The Commission will then review both agreements and choose one in its entirety. The Commission will not select provisions from both agreements and create a third agreement," the letter said.

In a notice posted on the commission's website Wednesday, the CRTC said it will hold a "public hearing" to review the matter at the commission's Gatineau, Que. headquarters on June 29.

In its letter to the parties, the commission said the hearing will be held in camera.

"The only purpose of this oral component will be for parties to respond to questions and requests for clarification from Commission Panel members," the letter said, adding that the parties cannot change any aspects of their positions at this time.

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World Internet traffic to quadruple by 2016: Cisco

The Wire Report

May 31, 2012 - 5:59pm

Global Internet traffic will grow by nearly fourfold to 1.3 zettabytes in 2016, Cisco Systems Inc. said in its annual Visual Networking Index Forecast released Wednesday.

In the report, Cisco said global traffic will increase from 360 exabytes transmitted in 2011 thanks to an increasing number of connected devices and Internet users, faster broadband speeds, more online video consumption, and an increasing use of WiFi networks.

The projected increase of global IP traffic between 2015 and 2016 alone is more than 330 exabytes, which is almost equal to the total amount of global IP traffic generated in 2011, Cisco said in a release.

It said North American traffic will total 27.5 exabytes per month by then, including 22 exabytes in the United States.

Cisco said the number of connected devices will increase from 10.3 billion in 2011 to 18.9 billion in 2016, primarily due to [t]he proliferation of tablets, mobile phones, and other smart devices as well as machine-to-machine connections.

In 2011, PCs generated 94 percent of consumer Internet traffic, the release said. This contribution is expected to fall to 81 percent by 2016.

Cisco said connected TVs will account for 6 per cent of global Internet traffic and 18 per cent of Internet video traffic by 2016, up from 4 per cent and 7 per cent, respectively, in 2011.

It said there will be 3.4 billion Internet users by 2016 who will collectively watch 1.2 million minutes of online video every second.

Average fixed broadband speeds will also increase fourfold over the next four years, reaching average speeds of 34 Mbps by 2016, up from 9 Mbps in 2011, Cisco said.

It added that over half of the global Internet traffic will come from WiFi connections in 2016, and said global mobile Internet traffic will increase by a factor of 18 to 10.8 exabytes per month.

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Received | Re u: 2012-06-01 5:15 AM EDMONTON JOURNAL (FINAL)
BUSINESS, Page: E3

Web veteran wants to introduce dot-sucks domain

Vito Pilioci, Postmedia News; Ottawa Citizen

A man who helped secure the dot-ca domain name for Canada now wants to bring dot-sucks to the world.

Rob Hall, chief executive of Ottawa's Momentus Corp. and a founder of the Canadian Internet Registration Authority (CIRA), has applied to begin selling website names that end in .design, .style, .rip and .sucks.

On June 13, he will learn whether those names will be among suffixes approved by the Internet Corp. for Assigned Names and Numbers (ICANN) from some 1,900 requests.

"ICANN has said, 'Look, anyone can apply for anything they want,'" Hall said in an interview Thursday. "These are the four we've applied for. We think they will be hugely popular."

An early Internet entrepreneur, Hall helped form CIRA in 1998 to take over administration of the .ca suffix from the volunteer group at the University of British Columbia that had managed it since 1987. From watching the web unfold, he knows that names that end in .sucks would be of particular interest to consumers.

"When we consider product reviews, online dialogue rarely satisfies the consumer who wants to be heard," he said. "The mission of .sucks is to create a new space on the web that will give a voice to consumers and create the opportunity for closer contact between companies and their customers."

The new generic top-level domains, as they are called in the industry, would supplement well-known suffixes such as .com, .net and .org, which are quickly running out.

ICANN regulates the business of the Internet, including keeping records on who owns what website and what domain names are acceptable for public use. To offer more accessible web addresses and add the ability for addresses to be registered in foreign alphabetical characters, ICANN has decided to rethink the way it approves such suffixes.

While ICANN has allowed new suffixes in the past, including .org for business and .xxx for adult-themed content, this is the first time it has openly allowed corporations to pitch names that they want to administer online.

ICANN began accepting applications for the new web addresses in January. The submission period closed on Wednesday. Names such as .google, .gay, .bank and .home are expected to be among those approved. Names that received duplicate applications will be auctioned.

To register, corporations had to pay \$185,000, agree to pay a \$25,000 annual fee and show that they have the technical competency to administer a new domain name.

To date, ICANN has taken in more than \$352 million in application fees, according to outgoing ICANN president Rod Beckstrom, who has championed the change as a "new domain name system revolution."

The changes are needed to help deal with the huge expansion of the Internet, which now has two billion users around the world, half of them in Asia. The changes will allow those users to access websites using local alphabetical characters, instead of simply relying on the phonetic alphabet.

Pricing for the new names will be up to the individual registrars. Ottawa's Hall cautioned that just because a .com name sells for around \$9 annually, that doesn't mean the new names will have similar pricing. He said a premium, upscale and secure domain name such as .bank could demand \$5,000 annually, while something like .toy may sell for far less.

To administer the new domain names, Hall said Momentus has created four subsidiaries: the Design Trend Registry for the proposed .design domain, the Evolving Style Registry for .style, Nevaeh Ventures for .rip and Vox Populi for .sucks.

If Momentus is allowed to have the new domain names, Hall said it could likely begin selling them within the first three months of 2013.

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Received | Re u: 2012-06-01 5:13 AM CALGARY HERALD (FINAL)

CALGARY BUSINESS, Page: D1 / FRONT

Google applies for several new domains

From Herald News Services

INTERNET . Google Inc. has applied for its own top-level domains including .google and .youtube under a program to expand the number of web suffixes beyond the commonly used .com and .org.

Google, owner of the world's largest search engine, also applied for other suffixes such as .docs and .lol under the program run by the Internet Corporation for Assigned Names and Numbers, the non-profit organization that manages the Internet's address system.

The company is applying for domains that will improve user experience, Vint Cerf, Google's chief Internet evangelist, said in a post on the company's blog.

"We're just beginning to explore this potential source of innovation on the Web," Cerf said.

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CALGARY BUSINESS, Page: D5

Google ends free shopping searches

Alistair Barr, Reuters

Google Inc. unveiled major changes to its shopping business Thursday that will probably prove controversial in the e-commerce world.

Starting in the fall, product search results for users in the U.S. will be influenced by how much retailers and advertisers pay, a company executive said. In the past, product search results were based mainly on relevance and the program was free.

Google, the world's most popular Internet search engine, will rename its service Google Shopping from the current Google Product Search.

"We are starting to transition Google Product Search in the U.S. to a purely commercial model," said Sameer Samat, vice-president of product management at Google Shopping.

"This will give merchants greater control over where their products appear on Google Shopping."

Google has been in the product listing and search business for about a decade.

During that time, it has provided merchants with free access to shoppers. The company made money by running paid product search ads along with the organic, or unpaid, product listings, according to Eric Best, CEO of Mercent, which helps retailers sell through Google and other e-commerce websites.

"Today, that model goes away," Best said. "It's a very big deal."

The changes may ultimately help Google extract more revenue and profit margin from its retail advertisers, which account for up to 40 per cent of Google's advertising base, Best said.

For retailers, there are upsides and downsides, he added.

"The downside is that retailers are going to have to pay for performance when it comes to e-commerce traffic and revenue driven by or through Google," Best said. "The free traffic is disappearing."

The changes may be controversial in the Internet community because Google's search results have traditionally not been influenced by money, Best said.

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Received | Re u: 2012-06-01 4:49 AM WATERLOO REGION RECORD (FIRST)
ARTS, Page: C1

Ideas for CBC grow at digital town hall

Licence renewal hearings will spell out the future
Chris Herhalt, Record staff

Several thousand online and hundreds in person took part in the launch of "CBC We Want," a virtual town hall and panel discussion about the future of the institution at Knox Presbyterian Church on Thursday.

Hosted by former prima ballerina and director Veronica Tennant, the discussion took on a grave tone in light of this year's budget cuts at the public broadcaster. Tennant said that a part of the tour's goal was to "ensure that the cuts don't cause a slow death."

She said she hopes the "national conversation" would help "move things forward" for the broadcaster in a changing political, technological and economic landscape.

The event was hosted by Friends of Public Broadcasting, an independent watchdog group focused on Canadian content, broadcast licensing and regulation.

Friends of Public Broadcasting spokesperson Ian Morrison said the decision to host the event in Waterloo Region came after organizers heard the Congress2012 social sciences conference was heading here also.

"We felt like Canada was coming to Waterloo."

Morrison said that the fact that the region does not yet have a CBC affiliate also influenced them to host the event here.

"It's the same number of Canadians as live in New Brunswick or on Vancouver Island. And it has diddly squat," Morrison said. "They're not getting what other Canadians get."

While the room at Knox Presbyterian was packed, people all across Canada were able to live stream the event and have their tweets on the subject read aloud if they used the hash tag "cbcwewant."

"The big audience today isn't from Waterloo Region, it's from the rest of the country," Morrison said.

The panel included actor R.H. Thompson, Stratford radio host Ethan Rabidoux, former CBC Radio-Canada and Al Jazeera English editor Catherine Cano and several others, each with troves of insight into the CBC's failures, successes, next steps.

The panellists, audience and those watching online proposed a myriad of options for the CBC, from developing more dramas and long lasting programming that could be exported to other countries, to further usage of the broadcaster as a history and civics tool.

The passion for the CBC among those in attendance was palpable.

"I have a niece that doesn't even know what the CBC is because she's so mesmerized by American garbage," attendee Ron Ward told the panel.

"How is the CBC going to compete with Snooki and the Situation? By not being like them," Rabidoux replied.

The CBC faces licence renewal hearings at the CRTC beginning on Nov. 19, 2012.

The changes made to the institution's mandate and service requirements during those hearings will greatly shape how the broadcaster will behave in the future.

cherhalt@therecord.com ILLUS: Veronica Tennant addresses a group of panellists discussing the future of the CBC in Waterloo at Knox Presbyterian Church. David Bebee, Record staff

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Published | Publi : 2012-06-01

Received | Re u: 2012-06-01 4:41 AM New York Times (Late Edition - Final)

Foreign Desk; SECTA, Page: 1

Obama Order Sped Up Wave Of Cyberattacks Against Iran

DAVID E. SANGER

WASHINGTON -- From his first months in office, President Obama secretly ordered increasingly sophisticated attacks on the computer systems that run Iran's main nuclear enrichment facilities, significantly expanding America's first sustained use of cyberweapons, according to participants in the program.

Mr. Obama decided to accelerate the attacks -- begun in the Bush administration and code-named Olympic Games -- even after an element of the program accidentally became public in the summer of 2010 because of a programming error that allowed it to escape Iran's Natanz plant and sent it around the world on the Internet. Computer security experts who began studying the worm, which had been developed by the United States and Israel, gave it a name: Stuxnet.

At a tense meeting in the White House Situation Room within days of the worm's "escape," Mr. Obama, Vice President Joseph R. Biden Jr. and the director of the Central Intelligence Agency at the time, Leon E. Panetta, considered whether America's most ambitious attempt to slow the progress of Iran's nuclear efforts had been fatally compromised.

"Should we shut this thing down?" Mr. Obama asked, according to members of the president's national security team who were in the room.

Told it was unclear how much the Iranians knew about the code, and offered evidence that it was still causing havoc, Mr. Obama decided that the cyberattacks should proceed. In the following weeks, the Natanz plant was hit by a newer version of the computer worm, and then another after that. The last of that series of attacks, a few weeks after Stuxnet was detected around the world, temporarily took out nearly 1,000 of the 5,000 centrifuges Iran had spinning at the time to purify uranium.

This account of the American and Israeli effort to undermine the Iranian nuclear program is based on interviews over the past 18 months with current and former American, European and Israeli officials involved in the program, as well as a range of outside experts. None would allow their names to be used because the effort remains highly classified, and parts of it continue to this day.

These officials gave differing assessments of how successful the sabotage program was in slowing Iran's progress toward developing the ability to build nuclear weapons. Internal Obama administration estimates say the effort was set back by 18 months to two years, but some experts inside and outside the government are more skeptical, noting that Iran's enrichment levels have steadily recovered, giving the country enough fuel today for five or more weapons, with additional enrichment.

Whether Iran is still trying to design and build a weapon is in dispute. The most recent United States intelligence estimate concludes that Iran suspended major parts of its weaponization effort after 2003, though there is evidence that some remnants of it continue.

Iran initially denied that its enrichment facilities had been hit by Stuxnet, then said it had found the worm and contained it. Last year, the nation announced that it had begun its own military cyberunit, and Brig. Gen. Gholamreza Jalali, the head of Iran's Passive Defense Organization, said that the Iranian military was prepared "to fight our enemies" in "cyberspace and Internet warfare." But there has been scant evidence that it has begun to strike back.

The United States government only recently acknowledged developing cyberweapons, and it has never admitted using them. There have been reports of one-time attacks against personal computers used by members of Al Qaeda, and of contemplated attacks against the computers that run air defense systems, including during the NATO-led air attack on Libya last year. But Olympic Games was of an entirely different type and sophistication.

It appears to be the first time the United States has repeatedly used cyberweapons to cripple another country's infrastructure, achieving, with computer code, what until then could be accomplished only by bombing a country or sending in agents to plant explosives. The code itself is 50 times as big as the typical computer worm, Carey Nachenberg, a vice president of Symantec, one of the many groups that have dissected the code, said at a symposium at Stanford University in April. Those forensic investigations into the inner workings of the code, while picking apart how it worked, came to no conclusions about who was responsible.

A similar process is now under way to figure out the origins of another cyberweapon called Flame that was recently discovered to have attacked the computers of Iranian officials, sweeping up information from those machines. But the computer code appears to be at least five years old, and American officials say that it was not part of Olympic Games. They have declined to say whether the United States was responsible for the Flame attack.

Mr. Obama, according to participants in the many Situation Room meetings on Olympic Games, was acutely aware that with every attack he was pushing the United States into new territory, much as his predecessors had with the first use of atomic weapons in the 1940s, of intercontinental missiles in the 1950s and of drones in the past decade. He repeatedly expressed concerns that any American acknowledgment that it was

using cyberweapons -- even under the most careful and limited circumstances -- could enable other countries, terrorists or hackers to justify their own attacks.

"We discussed the irony, more than once," one of his aides said. Another said that the administration was resistant to developing a "grand theory for a weapon whose possibilities they were still discovering." Yet Mr. Obama concluded that when it came to stopping Iran, the United States had no other choice.

If Olympic Games failed, he told aides, there would be no time for sanctions and diplomacy with Iran to work. Israel could carry out a conventional military attack, prompting a conflict that could spread throughout the region.

A Bush Initiative

The impetus for Olympic Games dates from 2006, when President George W. Bush saw few good options in dealing with Iran. At the time, America's European allies were divided about the cost that imposing sanctions on Iran would have on their own economies. Having falsely accused Saddam Hussein of reconstituting his nuclear program in Iraq, Mr. Bush had little credibility in publicly discussing another nation's nuclear ambitions. The Iranians seemed to sense his vulnerability, and, frustrated by negotiations, they resumed enriching uranium at an underground site at Natanz, one whose existence had been exposed just three years before.

Iran's president, Mahmoud Ahmadinejad, took reporters on a tour of the plant and described grand ambitions to install upward of 50,000 centrifuges. For a country with only one nuclear power reactor -- whose fuel comes from Russia -- to say that it needed fuel for its civilian nuclear program seemed dubious to Bush administration officials. They feared that the fuel could be used in another way besides providing power: to create a stockpile that could later be enriched to bomb-grade material if the Iranians made a political decision to do so.

Hawks in the Bush administration like Vice President Dick Cheney urged Mr. Bush to consider a military strike against the Iranian nuclear facilities before they could produce fuel suitable for a weapon. Several times, the administration reviewed military options and concluded that they would only further inflame a region already at war, and would have uncertain results.

For years the C.I.A. had introduced faulty parts and designs into Iran's systems -- even tinkering with imported power supplies so that they would blow up -- but the sabotage had had relatively little effect. General James E. Cartwright, who had established a small cyberoperation inside the United States Strategic Command, which is responsible for many of America's nuclear forces, joined intelligence officials in presenting a radical new idea to Mr. Bush and his national security team. It involved a far more sophisticated cyberweapon than the United States had designed before.

The goal was to gain access to the Natanz plant's industrial computer controls. That required leaping the electronic moat that cut the Natanz plant off from the Internet -- called the air gap, because it physically separates the facility from the outside world. The computer code would invade the specialized computers that command the centrifuges.

The first stage in the effort was to develop a bit of computer code called a beacon that could be inserted into the computers, which were made by the German company Siemens and an Iranian manufacturer, to map their operations. The idea was to draw the equivalent of an electrical blueprint of the Natanz plant, to understand how the computers control the giant silvery centrifuges that spin at tremendous speeds. The connections were complex, and unless every circuit was understood, efforts to seize control of the centrifuges could fail.

Eventually the beacon would have to "phone home" -- literally send a message back to the headquarters of the National Security Agency that would describe the structure and daily rhythms of the enrichment plant. Expectations for the plan were low; one participant said the goal was simply to "throw a little sand in the gears" and buy some time. Mr. Bush was skeptical, but lacking other options, he authorized the effort.

Breakthrough, Aided by Israel

It took months for the beacons to do their work and report home, complete with maps of the electronic directories of the controllers and what amounted to blueprints of how they were connected to the centrifuges deep underground.

Then the N.S.A. and a secret Israeli unit respected by American intelligence officials for its cyberskills set to work developing the enormously complex computer worm that would become the attacker from within.

The unusually tight collaboration with Israel was driven by two imperatives. Israel's Unit 8200, a part of its military, had technical expertise that rivaled the N.S.A.'s, and the Israelis had deep intelligence about operations at Natanz that would be vital to making the cyberattack a success. But American officials had another interest, to dissuade the Israelis from carrying out their own pre-emptive strike against the Iranian nuclear facilities. To do that, the Israelis would have to be convinced that the new line of attack was working. The only way to convince them, several officials said in interviews, was to have them deeply involved in every aspect of the program.

Soon the two countries had developed a complex worm that the Americans called "the bug." But the bug needed to be tested. So, under enormous secrecy, the United States began building replicas of Iran's P-1 centrifuges, an aging, unreliable design that Iran purchased from Abdul Qadeer Khan, the Pakistani nuclear chief who had begun selling fuel-making technology on the black market. Fortunately for the United States, it already owned some P-1s, thanks to the Libyan dictator, Col. Muammar el-Qaddafi.

When Colonel Qaddafi gave up his nuclear weapons program in 2003, he turned over the centrifuges he had bought from the Pakistani nuclear ring, and they were placed in storage at a weapons laboratory in Tennessee. The military and intelligence officials overseeing Olympic Games borrowed some for what they termed "destructive testing," essentially building a virtual replica of Natanz, but spreading the test over several of the Energy Department's national laboratories to keep even the most trusted nuclear workers from figuring out what was afoot.

Those first small-scale tests were surprisingly successful: the bug invaded the computers, lurking for days or weeks, before sending instructions to speed them up or slow them down so suddenly that their delicate parts, spinning at supersonic speeds, self-destructed. After several false starts, it worked. One day, toward the end of Mr. Bush's term, the rubble of a centrifuge was spread out on the conference table in the Situation Room, proof of the potential power of a cyberweapon. The worm was declared ready to test against the real target: Iran's underground enrichment plant.

"Previous cyberattacks had effects limited to other computers," Michael V. Hayden, the former chief of the C.I.A., said, declining to describe what he knew of these attacks when he was in office. "This is the first attack of a major nature in which a cyberattack was used to effect physical destruction," rather than just slow another computer, or hack into it to steal data.

"Somebody crossed the Rubicon," he said.

Getting the worm into Natanz, however, was no easy trick. The United States and Israel would have to rely on engineers, maintenance workers and others -- both spies and unwitting accomplices -- with physical access to the plant. "That was our holy grail," one of the architects of the plan said. "It turns out there is always an idiot around who doesn't think much about the thumb drive in their hand."

In fact, thumb drives turned out to be critical in spreading the first variants of the computer worm; later, more sophisticated methods were developed to deliver the malicious code.

The first attacks were small, and when the centrifuges began spinning out of control in 2008, the Iranians were mystified about the cause, according to intercepts that the United States later picked up. "The thinking was that the Iranians would blame bad parts, or bad engineering, or just incompetence," one of the architects of the early attack said.

The Iranians were confused partly because no two attacks were exactly alike. Moreover, the code would lurk inside the plant for weeks, recording normal operations; when it attacked, it sent signals to the Natanz control room indicating that everything downstairs was operating normally. "This may have been the most brilliant part of the code," one American official said.

Later, word circulated through the International Atomic Energy Agency, the Vienna-based nuclear watchdog, that the Iranians had grown so distrustful of their own instruments that they had assigned people to sit in the plant and radio back what they saw.

"The intent was that the failures should make them feel they were stupid, which is what happened," the participant in the attacks said. When a few centrifuges failed, the Iranians would close down whole "stands" that linked 164 machines, looking for signs of sabotage in all of them. "They overreacted," one official said. "We soon discovered they fired people."

Imagery recovered by nuclear inspectors from cameras at Natanz -- which the nuclear agency uses to keep track of what happens between visits -- showed the results. There was some evidence of wreckage, but it was clear that the Iranians had also carted away centrifuges that had previously appeared to be working well.

But by the time Mr. Bush left office, no wholesale destruction had been accomplished. Meeting with Mr. Obama in the White House days before his inauguration, Mr. Bush urged him to preserve two classified programs, Olympic Games and the drone program in Pakistan. Mr. Obama took Mr. Bush's advice.

The Stuxnet Surprise

Mr. Obama came to office with an interest in cyberissues, but he had discussed them during the campaign mostly in terms of threats to personal privacy and the risks to infrastructure like the electrical grid and the air traffic control system. He commissioned a major study on how to improve America's defenses and announced it with great fanfare in the East Room.

What he did not say then was that he was also learning the arts of cyberwar. The architects of Olympic Games would meet him in the Situation Room, often with what they called the "horse blanket," a giant foldout schematic diagram of Iran's nuclear production facilities. Mr. Obama authorized the attacks to continue, and every few weeks -- certainly after a major attack -- he would get updates and authorize the next step. Sometimes it was a strike riskier and bolder than what had been tried previously.

"From his first days in office, he was deep into every step in slowing the Iranian program -- the diplomacy, the sanctions, every major decision," a senior administration official said. "And it's safe to say that whatever other activity might have been under way was no exception to that rule."

But the good luck did not last. In the summer of 2010, shortly after a new variant of the worm had been sent into Natanz, it became clear that the worm, which was never supposed to leave the Natanz machines, had broken free, like a zoo animal that found the keys to the cage. It fell to Mr. Panetta and two other crucial players in Olympic Games --

General Cartwright, the vice chairman of the Joint Chiefs of Staff, and Michael J. Morell, the deputy director of the C.I.A. -- to break the news to Mr. Obama and Mr. Biden.

An error in the code, they said, had led it to spread to an engineer's computer when it was hooked up to the centrifuges. When the engineer left Natanz and connected the computer to the Internet, the American- and Israeli-made bug failed to recognize that its environment had changed. It began replicating itself all around the world. Suddenly, the code was exposed, though its intent would not be clear, at least to ordinary computer users.

"We think there was a modification done by the Israelis," one of the briefers told the president, "and we don't know if we were part of that activity."

Mr. Obama, according to officials in the room, asked a series of questions, fearful that the code could do damage outside the plant. The answers came back in hedged terms. Mr. Biden fumed. "It's got to be the Israelis," he said. "They went too far."

In fact, both the Israelis and the Americans had been aiming for a particular part of the centrifuge plant, a critical area whose loss, they had concluded, would set the Iranians back considerably. It is unclear who introduced the programming error.

The question facing Mr. Obama was whether the rest of Olympic Games was in jeopardy, now that a variant of the bug was replicating itself "in the wild," where computer security experts can dissect it and figure out its purpose.

"I don't think we have enough information," Mr. Obama told the group that day, according to the officials. But in the meantime, he ordered that the cyberattacks continue. They were his best hope of disrupting the Iranian nuclear program unless economic sanctions began to bite harder and reduced Iran's oil revenues.

Within a week, another version of the bug brought down just under 1,000 centrifuges. Olympic Games was still on.

A Weapon's Uncertain Future

American cyberattacks are not limited to Iran, but the focus of attention, as one administration official put it, "has been overwhelmingly on one country." There is no reason to believe that will remain the case for long. Some officials question why the same techniques have not been used more aggressively against North Korea. Others see chances to disrupt Chinese military plans, forces in Syria on the way to suppress the uprising there, and Qaeda operations around the world. "We've considered a lot more attacks than we have gone ahead with," one former intelligence official said.

Mr. Obama has repeatedly told his aides that there are risks to using -- and particularly to overusing -- the weapon. In fact, no country's infrastructure is more dependent on computer systems, and thus more vulnerable to attack, than that of the United States. It is

only a matter of time, most experts believe, before it becomes the target of the same kind of weapon that the Americans have used, secretly, against Iran.

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NEWS, Page: A1 / FRONT

UN control of Internet would damage free speech

U.S

Rob Lever, Agence France-Presse

WASHINGTON . Bringing the Internet under UN control would hurt free expression and damage commerce, U.S. officials and lawmakers warned Thursday.

At a congressional hearing, the groups came out strongly in their opposition to proposals to place the Internet under the jurisdiction of the International Telecommunications Union (ITU), a United Nations agency that governs telecom systems.

"There's a strong, bipartisan consensus within the [U.S.] administration and Congress that we must resist efforts from some countries to impose a top-down governance of the Internet," Representative Henry Waxman told the hearing.

"Any international authority over the Internet is troublesome, particularly if that effort is being led by countries where censorship is the norm," added Representative Doris Matsui.

A top U.S. State Department official reaffirmed the opposition of the Obama administration to UN governance of the Internet. "In all bilateral encounters and multilateral meetings, the United States consistently opposes the extension of intergovernmental controls over the Internet," said Philip Verveer, deputy assistant secretary of state and co-ordinator for IT policy. This would lead to "very bad outcomes - It inevitably would diminish the dynamism of the Internet," he said.

Mr. Verveer told lawmakers UN control would possibly "aid in censorship and repression" in some countries.

The comments come before a meeting in December of the ITU at which some nations will be pressing for the agency to formally govern the Internet.

Russia and China are among those who say the Internet is controlled by the United States and a UN effort would give a greater voice to the developing world.

But many others fear a UNgoverned Internet would give authoritarian nations the power to throttle free speech, and allow others to impose tariff or other restrictions.

The Internet is currently a loosely governed network, with an address system managed by a nonprofit association that was recently opened to include nongovernment groups and other organizations around the world.

Robert McDowell, the U.S. federal communications commissioner, said the proposals represent threats to the Internet.

"For many years now, scores of countries led by China, Russia, Iran, Saudi Arabia and many others have pushed for, as then-Russian prime minister Vladimir Putin said almost a year ago, 'international control of the Internet' through the ITU," he told the panel.

"Such a scenario would be devastating to global economic activity, but it would hurt the developing world the most."

Vint Cerf, a computer scientist often called the "father of the Internet," now Google's "chief Internet evangelist," also expressed concern.

"The Internet's success has generated a worrying desire by some countries' governments to create new international rules that would jeopardize the network's innovative evolution and its multi-faceted success," he said.

A move to UN control "holds profound - and I believe potentially hazardous - implications for the future of the Internet and all of its users. If all of us do not pay attention to what is going on, users worldwide will be at risk of losing the open and free Internet that has brought so much to so many."

Sally Shipman Wentworth of the Internet Society, an advisory panel, said the current system works well, and UN governance "could lead to a more fragmented, less interoperable global network." ILLUS: Postmedia News Files / It has been proposed the Internet be placed under the jurisdiction of the International Telecommunications Union, a UN agency that governs telecom systems.;

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Received | Reçu: 2012-06-01 5:30 AM LA VOIX DE L'EST
ACTUALITÉ, Page: 11

Droits d'auteur - des règles plus strictes

La Presse Canadienne

L'argent ne peut acheter l'amour, mais si vous voulez entendre vos chansons préférées à vos noces, vous devrez maintenant payer.

La Commission du droit d'auteur du Canada a adopté de nouveaux tarifs qui s'appliquent à la musique enregistrée utilisée lors d'événements publics comme des congrès, des bars karaoké, des spectacles sur glace, des fêtes foraines et des mariages. Les redevances seront recueillies par un organisme sans but lucratif qui s'appelle, Ré: Sonne.

Alors que la Société canadienne des auteurs, compositeurs et éditeurs de musique (Socan) récolte déjà les droits pour plusieurs de ces événements au nom des auteurs, Ré: Sonne représentera les maisons de disques et les interprètes qui ont contribué à la musique.

Le principe de déclaration des droits d'auteur est basé sur l'honneur. Les entreprises doivent donc déclarer à Ré: Sonne la musique qu'elles ont utilisée. Les frais dépendent de l'importance de la foule et du type d'événement. A titre d'exemple, pour les mariages, réceptions et défilés de mode, ceux-ci se chiffrent à 9,25\$ par jour si moins de 100 personnes sont présentes.

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University of Ottawa Professors' Union Urges Rejection of Access Copyright Model Licence

Michael Geist's Blog

Thursday May 31, 2012

The Association of Professors of the University of Ottawa is urging the University of Ottawa to reject the Access Copyright model licence. The APUO states:

APUO urges the University of Ottawa not to take the easier, but more costly step of paying an unaccountable and non-transparent licensing agency. In the spirit of a school that is poised to lead other Canadian universities by having become internationally recognized as a top research institution, it behoves us to listen to students and researchers who have voiced strong statements against accepting the model licence. APUO stands in solidarity with scholars and intellectuals who have recognized that this is a key opportunity to play a leadership role by rejecting the model licence and working toward better-managed solutions that are fair to our students and faculty, at the same time recognizing our obligations to rewarding the rights holders.

Add Comment (0)

Tags:access copyright, apuoShare: Slashdot, Digg, Del.icio.us, Newsfeeder, Reddit, StumbleUpon, TwitterTagsShare

Thursday May 31, 2012

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Lalonde, Lucie: ICT-TIC

From: Leblanc, Emily: GPP
Sent: Thursday, May 31, 2012 8:30
To: SITT GPP - Media Distribution; McDonald, Helen: SITT-STIT; 'michael.binder@cnsccsn.gc.ca'; 'Sue.Gelinas@cnsccsn.gc.ca'
Subject: SITT Daily News Articles, May 31, 2012 | Articles quotidiens du STIT, le 31 mai 2012
Attachments: IC Media-A.M. / IC Médias-Matin - 2012-05-31; SITT-STIT May 31 2012.doc

Today's full text articles and archived articles can be accessed, as of 11:00 am, by visiting SITTzone at <http://sittzonestit.ic.gc.ca/dailynewsarticles>

Les textes intégraux et des articles archivés peuvent aussi être lus, à partir de 11h00, en visitant la Zone STIT au lien suivant : <http://sittzonestit.ic.gc.ca/articles>

MINISTER OF INDUSTRY / MINISTRE DE L'INDUSTRIE

Paradis defends 700 MHz buildout requirements as pretty aggressive'

Licence conditions requiring wireless carriers to build out some of the spectrum they acquire in next year's 700 MHz auction are "pretty aggressive" and companies that don't meet the conditions will "just lose it," Industry Minister Christian Paradis said at a Senate committee meeting Tuesday. "There are requirements, after 10 years, in general, depending on where you are in the country, [so that] from 20 up to 50 per cent of the network has to be deployed," Paradis told the Senate Standing Committee on Transport and Communications. "If you don't meet this criteria, you just lose it."
<http://www.infomedia.gc.ca/ic/articles/restricted/2012/05/nau201255931702493.htm>

CAP / PAC

Gov't cuts cost libraries

The federal government has eliminated a computer equipment grant for local libraries. On March 31, Industry Canada stopped funding the Community Access Program (CAP), which aimed to make computers and Internet access publicly available at libraries and other locations across Canada. The Parkland Regional Library (PRL) and its members received an estimated \$83,000 per year from the program, according to Ron Sheppard, the library's director. He said Alberta libraries received between \$450,000 to \$475,000 per year.
<http://www.infomedia.gc.ca/ic/articles/restricted/2012/05/nau201255645201647.htm>

Copyright, Library Book Rate and Community Access Program among Top Priorities for National Library Association

The Canadian Library Association (CLA) is proud to be hosting its 67th National Conference and Trade Show in Ottawa this year at the brand new Convention Centre. The conference will provide a host of activities and special events for members of the library community. These include professional development sessions, networking opportunities, social media engagement, and delegate receptions, among others.
<http://www.infomedia.gc.ca/ic/articles/restricted/2012/05/nau201254227203530.htm>

OP/ED: MP slams Tory cuts to Community Access Program funding

Southern Interior MP Alex Atamanenko added his voice today to the growing calls from his constituents demanding that the Conservative government reverse the cuts to the Community Access Program (CAP) hidden in the federal omnibus Budget Bill C-38 that will affect rural and low-income Canadians.
<http://www.infomedia.gc.ca/ic/articles/restricted/2012/05/nau201253451904145.htm>

SPECTRUM - TELECOM / SPECTRE - TÉLÉCOMMUNICATIONS

Rural broadband and the 700 MHz auction

At a briefing on the upcoming spectrum auction, a question about whether the process will actually bring wireless broadband to rural areas was raised. It took about five hours on Wednesday for Industry Canada officials to explain the complicated bidding format next year's highly-anticipated 700 MHz auction. But the session -- Webcast from Ottawa -- ended with a question that had almost nothing to do with the way participants will bid and everything to do with the

federal government's hopes the auction will ultimately help spread high speed broadband to rural communities. Unidentified on the Webcast, the questioner complained the presentation showed how regional wireless bidders would get squeezed out of the final round of bidding for licences. How did that square with the government's public policy of encouraging rural broadband, he asked, which will depend on regional carriers doing the work?
[IT World Canada](#)

Northwestel prepares for Iristel launch and a more competitive North

BCE Inc. subsidiary Northwestel Inc. will focus on improving its customer appeal in the face of increased northern competition and the loss of its decades-long Northern Canada monopoly, Northwestel CEO Paul Flaherty said in an interview. Five months after the CRTC pledged to open the northern wireline market to competition last December, Toronto-based telecom provider Iristel Inc. said Monday it will offer voice-over-IP services in some northern Canadian markets as early as this summer.
<http://www.infomedia.gc.ca/ic/articles/restricted/2012/05/nau20125394867935.htm>

Tories reject Liberals' Phone Contracts Act

Bill aimed to protect consumers from price jumps, contract amendments
Opposition leaders are angry after the provincial Conservatives rejected their proposed Phone Contracts Act. The bill, introduced by Moncton East MLA Chris Collins, was aimed at providing "transparency in billing practices" and protection from price jumps and contract amendments for consumers. Collins says governments have a few options when it comes to legislations and bills.
http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic20125124810671_38.htm

Shaw bulks up line up, to add 2 networks Sticks to knitting

In just two years from now, certain television executives foresee their networks transformed into "branded video destinations" that provide programming online and through wireless devices as readily as traditional TV is consumed now. For many, at least in Canada, it seems there's more value in pumping further investment into the established business model.
http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic201251431759909_1.htm

ICTS - TECHNOLOGY / LES TIC - TECHNOLOGIE

Canada Fin Min: RIM Is An "Important Canadian Company"

Canada's Finance Minister Jim Flaherty said Wednesday that BlackBerry-maker Research in Motion Ltd. (RIMM) is an "important Canadian company" and that he hoped the company succeeds in restructuring. Flaherty said he has two of the smartphones and carries one in each pocket. "It's an important Canadian company so I hope they succeed in their restructuring," he said in brief remarks to reporters after the daily question period in the House of Commons. RIM shares are down sharply Wednesday after the company warned late Tuesday of a likely first-quarter operating loss and said it had hired investment bankers to help it review its strategic options. Any sale of RIM's assets to foreigners could trigger a Canadian-government review to ensure the transaction is of so-called "net benefit" to the country, as required under the country's laws. A spokeswoman for Industry Minister Christian Paradis, who is responsible for foreign-investment rules, said the minister wished RIM "every success" but declined to comment on "speculation" about a sale.

[Dow Jones](#)
[G&M](#)

Hewlett-Packard cuts? We've been there before

Stop me if you've heard this story. Hewlett-Packard plans to cut 27,000 jobs over the next two years as new chief executive Meg Whitman tries to change the fate of another technology giant with its best years behind it. The job cuts will take the form of early-retirement incentives in the U.S. and layoffs across the global operations - about eight per cent of the workforce.
http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic201251344946137_9.htm

Could Facebook have designs on RIM?

For months, social media giant Facebook has been rumoured to be a potential buyer for struggling BlackBerry maker Research In Motion. Now, with Facebook's own share price tanking, you might think that less likely. But you'd be wrong, suggests analyst Brian Wieser of Pivotal Research. "They've got cash, they've got lines of credit ... They're not looking at their share price for something like this," said Wieser in an interview.
http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic20125436618315_28.htm

How to Speak Smartphone

BUYING a smartphone, whether for yourself or as a gift, is a harrowing process made all the more mystifying by the language the marketers use. Every year they add new lingo and ever trickier claims -- all networks can't be the fastest, can they? Here is a glossary to help decipher what the ads and sales representatives are talking about. Some of the terms are very familiar, others arcane.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/05/ic20125151714230_425.htm

INTERNET / INTERNET

Online video to be next big Internet leap, study predicts

Increase will be tied to home, mobile use

The future looks bright in Canada for Netflix and other Internet video providers, according to a study released Wednesday by network gear supplier Cisco Systems Inc. The annual Cisco Visual Networking Index, which analyses the way people use the Internet and forecasts how web habits will change in the years ahead, predicts a huge increase in the number of Canadians turning to online sources to watch movies and TV shows in the next four years.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic201251344790116_9.htm

Tech giants warn of threats to free and profitable Internet

U.S. officials and high-tech business giants have launched an assault against what they view as a massive threat to the Internet and to Silicon Valley's bottom lines: foreign governments. In a congressional hearing Thursday, they will warn lawmakers of a growing movement led by China, Russia and some Arab states to hand more control of the Web to the United Nations and place rules on the Internet that the U.S. companies say would empower governments to clamp down on civil rights and free speech.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/05/ic201252515448407_459.htm

COPYRIGHT / DROITS D'AUTEUR

Time for MUN to put up or shut up on copyright

The debate over copyright is tied to a generation that does not respect copyright much. This statement should not shock and awe, as we are the generation to whom music is free, the news is free, and to the slightly more tech-savvy, film and television are even free. Did I mention most books can also be free?

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic2012550620638_67.htm

PRIVACY PROTECTION - SECURITY / PROTECTION DE LA VIE PRIVÉE - SÉCURITÉ

Iranians confirm Flame virus attack

Technicians had to cut Oil Ministry computers off from Internet access

Computer technicians battling to contain a complex virus last month resorted to the ultimate firewall measures - cutting off Internet links to Iran's Oil Ministry, rigs and the hub for nearly all the country's crude exports. At the time, Iranian officials described it as a data-siphoning blitz on key oil networks.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic20125439290369_42.htm

TECHNOLOGY; Cyber scams add personal touches; Facebook users tend to let their guards down, and thieves are taking advantage.

Old high school classmates aren't the only ones making connections on Facebook. The crooks are too. There's the Osama bin Laden death video that downloads a virus into your computer. In a sting known as the grandparent scam, fraud artists plead desperately for money, pretending to be young relatives. Last week a new one surfaced that steals your personal information by advertising a 20% cash rebate for users who link debit cards to their Facebook account.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/05/ic201252517573430_454.htm

ADDITIONAL ARTICLES FYI / ARTICLES SUPPLÉMENTAIRES À TITRE D'INFO

Google's 'toll booth'

Benjamin Edelman claims advertisers must pay to protect their trademarks

With its search engine market share of more than 90% in Canada, consumers and advertisers alike should be aware of how Google Inc. is presenting its results, says Harvard business professor and consultant Benjamin Edelman. Google's ad placement is deceptive to searchers looking for specific brands and forces advertisers to buy back their own trademarks, said Mr. Edelman, who lists Google competitor Microsoft Corp. as one of his clients.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic201251428837383_1.htm

U.S. News --- CAPITAL: Software Raises Bar for Hiring

In an essay in this newspaper last fall, Peter Cappelli, a professor of management and human resources at the University

of Pennsylvania's Wharton School, challenged the oft-heard complaint from employers that they can't find good workers with the right skills. "The real culprits are the employers themselves," he asserted. "It is part of a long-term trend," he adds in an interview, "and the recession caused employers to be able to be pickier, to get even more specific in the skills they think they can find outside the company and to cut back on training." Not surprisingly, his essay drew a lot of response. What did surprise Mr. Cappelli -- as he describes in a book, "Why Good People Can't Get Jobs," to be published in June -- was the frequency of complaints about the hiring process itself, particularly the now-ubiquitous use of software to screen applicants.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/05/ic201251517542914_456.htm

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Lalonde, Lucie: ICT-TIC

From: Mellon, Derek: CMB-DGCM
Sent: Thursday, May 31, 2012 8:07
To: Mellon, Derek: CMB-DGCM; CMB-Summaries / Sommaires-DGCM
Cc: CMB Media Monitoring / Surveillance médiatique DGCM
Subject: IC Media-A.M. / IC Médias-Matin - 2012-05-31

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IC Media-A.M. / IC Médias-Matin

2012-05-31

FOREIGN INVESTMENT / INVESTISSEMENT ÉTRANGER

Government goes soft on foreign buyouts

The Harper government is going soft, or should I say softer, on foreign takeovers of Canadian companies. In its latest reforms to the Investment Canada Act, the government will give up powers to safeguard the Canadian economy when foreign firms buy their Canadian competitors. After the damage done by takeovers by Caterpillar, U.S. Steel, Vale, AbitibiBowater, and other foreign companies, one might think the government would strengthen our investment laws. Instead, it is diluting them by raising the threshold for federal reviews of foreign takeovers from \$330 million to \$1 billion. Thus, if a foreign company buys a Canadian competitor worth less than \$1 billion, the government will relinquish its role in reviewing the deal. Worse, the change will be difficult to reverse because of restrictive rules in NAFTA and other trade agreements.

Red Deer Advocate

TELECOMMUNICATIONS / TÉLÉCOMMUNICATIONS

Canada Fin Min: RIM Is An "Important Canadian Company"

Canada's Finance Minister Jim Flaherty said Wednesday that BlackBerry-maker Research in Motion Ltd. (RIMM) is an "important Canadian company" and that he hoped the company succeeds in restructuring. Flaherty said he has two of the smartphones and carries one in each pocket. "It's an important Canadian company so I hope they succeed in their restructuring," he said in brief remarks to reporters after the daily question period in the House of Commons. RIM shares are down sharply Wednesday after the company warned late Tuesday of a likely first-quarter operating loss and said it had hired investment bankers to help it review its strategic options. Any sale of RIM's assets to foreigners could trigger a Canadian-government review to ensure the transaction is of so-called "net benefit" to the country, as required under the country's laws. A spokeswoman for Industry Minister Christian Paradis, who is responsible for foreign-investment rules, said the minister wished RIM "every success" but declined to comment on "speculation" about a sale.

Dow Jones

G&M

AEROSPACE / AÉROSPATIALE

Bombardier à New York?

L'idée de voir Bombardier s'inscrire à la cote d'une Bourse américaine est bien reçue dans les milieux financiers qui espèrent toute initiative qui aurait pour effet de sortir le titre des bas-fonds. "Cela améliorerait grandement leur visibilité. J'espère qu'ils vont aller de l'avant", a commenté pour La Presse l'analyste Alex Hamilton, de la firme de courtage new-yorkaise EarlyBirdCapital. "Nous croyons fermement que l'inscription aux États-Unis augmenterait la visibilité de Bombardier et serait un facteur positif pour le prix de l'action. Mais l'effet serait renforcé avec une croissance des affaires et des bénéfiques. La clé sera le rendement de la C Series ainsi que d'autres projets en développement", commente pour sa part Walter Spracklin, de RBC Marchés des capitaux, qui ne s'attend cependant pas à voir Bombardier sur le NYSE de si tôt.

La Presse

SCIENCE, R&D / SCIENCES, RECHERCHE ET DÉVELOPPEMENT

Dal lands \$25-million marine research fund; national network will include scientists from across country

Dalhousie University has landed a big funding catch as the headquarters for a new national marine research network. The university will receive \$25 million from the federal government over the next five years to support the Marine Environmental Observation, Prediction and Response Network.

Chronicle Herald

N.B. researchers receive funds; funding boosts research on innovative projects at N.B. universities

Researchers at the University of New Brunswick, l'Université de Moncton and Mount Allison University will continue working on new products and solutions to problems in packing, recycling and fuel development thanks to \$530,000 in funding from the New Brunswick Innovation Foundation. The NBIF this week announced the funding recipients for its 2012 Research Technician Initiative. Under the program researchers will receive between \$55,000 and \$77,000 per project, which covers the salary and benefits of eight new research technicians over three years. The funding is equally matched by each institution for a total commitment of over \$1 million.

Times and Transcript

AUTOMOTIVE / AUTOMOBILE

Keep third shift, Chrysler urged; uncertainty raises stress levels at plant

CAW president Ken Lewenza is seeking assurances from Chrysler Group that plans to kill the Chrysler Town and Country minivan won't jeopardize the three-shift operation at the Windsor Assembly Plant. "I called Auburn Hills in the last couple of days saying 'We have to sit down and respond to questions from our members about their job security,'" Lewenza said Wednesday. "They confirmed that the question of having a single brand has now been finalized," he said. "But the news that I need is what is the expected volume of that brand. What if that volume doesn't meet a three-shift operation and what are the other vehicles that will be built off the same platform?" So far, executives, including Scott Garberding, senior vice-president of manufacturing, haven't been able to answer those questions, Lewenza said. The uncertainty is causing anxiety among the 4,500 hourly workers, who assemble 1,475 minivans per day, he added.

Windsor Star

SMALL BUSINESS AND TOURISM / PETITES ENTREPRISES ET TOURISME

Travel deficit down in Q1 as Canadians spend less abroad

Statistics Canada says the country's international travel deficit with the world declined by \$85 million to \$4 billion during the first quarter. The agency attributes the drop to lower spending by Canadian travellers to the United States and higher spending by overseas residents visiting Canada. Canadian travellers spent \$8.3 billion outside the country during the first quarter, down 0.2 per cent from the fourth quarter of 2011. Receipts from all foreign travellers in Canada increased 1.6 per cent to \$4.3 billion during the first quarter, the highest level since the fourth quarter of 2004. The travel deficit with the United States fell by \$91.7 million to \$3.2 billion in the first quarter, mostly because of lower spending by Canadian travellers in the United States and slightly higher spending by visiting Americans. The deficit with overseas countries rose by \$6.9 million to \$782 million

CP

SPECTRUM / SPECTRE

Rural broadband and the 700 MHz auction

At a briefing on the upcoming spectrum auction, a question about whether the process will actually bring wireless broadband to rural areas was raised. It took about five hours on Wednesday for Industry Canada officials to explain the complicated bidding format next year's highly-anticipated 700 MHz auction. But the session -- Webcast from Ottawa -- ended with a question that had almost nothing to do with the way participants will bid and everything to do with the federal government's hopes the auction will ultimately help spread high speed broadband to rural communities. Unidentified on the Webcast, the questioner complained the presentation showed how regional wireless bidders would get squeezed out of the final round of bidding for licences. How did that square with the government's public policy of encouraging rural broadband, he asked, which will depend on regional carriers doing the work?

IT World Canada

MAPLE / TMX

No need for additional oversight of TMX, Maple says

The lead spokesperson for Maple is not keen on adding an ombudsman to the TMX Group's structure once the consortium of financial institutions completes its acquisition. Luc Bertrand told reporters Wednesday that the existing regulatory system is sufficient to deal with complaints against the practices of the TMX, which operates stock exchanges in Toronto and Montreal. "My view of things is that the securities commissions are de facto a form of an ombudsman process," he said after speaking to the Quebec MBA Association. "If this means another layer of regulatory oversight, I don't know how that dove-tails with the existing structure, which is already very thorough."

CP

OTHER / DIVERS

'Things have to change'; public works minister says she is tired of problems plaguing Canada's military procurement projects

The minister responsible for overseeing billions of dollars in federal government purchases says she is "tired" of the problems that have plagued an increasing number of military procurement projects. Public Works Minister Rona Ambrose went on to say she was aware of "internal obstacles to change," but warned the Conservative government is planning to move ahead with plans to reform the system. "Things have to change," Ambrose said during a keynote speech at a major arms show held about 20 kilometres south of Parliament Hill on Wednesday. "They must continue to change. Because the status quo is not an option."

Postmedia

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Lalonde, Lucie: ICT-TIC

From: Leblanc, Emily: GPP
Sent: Wednesday, May 30, 2012 8:36
To: SITT GPP - Media Distribution; McDonald, Helen: SITT-STIT; 'michael.binder@cnsccsn.gc.ca'; 'Sue.Gelinas@cnsccsn.gc.ca'
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Today's full text articles and archived articles can be accessed, as of 11:00 am, by visiting SITTzone at <http://sittzonestit.ic.gc.ca/dailynewsarticles>

Les textes intégraux et des articles archivés peuvent aussi être lus, à partir de 11h00, en visitant la Zone STIT au lien suivant : <http://sittzonestit.ic.gc.ca/articles>

SPAM / POLLURIELS

Leave us alone

Almost 11 million telephone and fax numbers from across Canada are registered with a national program that blocks unwanted telemarketing calls and faxes. The Canadian Radio-television and Telecommunications Commission said Tuesday that total registrations for the national Do Not Call List topped 10.8 million as of May 20, up from 9.5 million a year ago. The commission has received 542,873 complaints about telemarketers since October, 2008. It has received 50,176 so far this year. The Do Not Call List, launched in 2008, allows consumers to register residential, wireless, fax or VoIP (voice over Internet protocol) telephone numbers to reduce the number of nuisance sales calls and faxes they receive.

G&M

CAP / PAC

MacKay defends C@P funding cut

A provincial group representing Community Access Programs (C@P) is asking government MPs from Nova Scotia for help. The Nova Scotia Community Access Program Association (NSC@PA) sent letters to four Conservative MPs asking for help in starting a dialogue with the federal government. "The federal government has taken a narrow view of what the C@P network is and what it can do," stated Eric Stackhouse, NSC@PA chair. "We asked government officials over and over to talk to us so we can work with them on government priorities such as employability, youth skills, and technology training for small business but they refused."

<http://www.infomedia.gc.ca/ic/articles/restricted/2012/05/nau20125734442829.htm>

SPECTRUM - TELECOM / SPECTRE - TÉLÉCOMMUNICATIONS

Competitor enters telecom market

Ice Wireless partnership with Toronto-based carrier to provide 867 phone numbers

A new telecommunications partnership has emerged to end NorthwTel Inc.'s monopoly of the Northern telephone market. Ice Wireless announced Monday that the Inuvik-headquartered telephone and Internet company has teamed up with southern carrier and major shareholder Iristel Inc., to expand as a competitive local exchange carrier in NorthwTel's territory. The partnership has applied for 867 phone numbers and is going through the interconnection process now, Samer Bishay, president of both Iristel and Ice Wireless, told Yellowknifer.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic20125622157287_20.htm

Town says hands are tied

Town councillors say their hands are tied when it comes to the construction of new cell tower within town limits. During a special council meeting this week, council said it only found out recently that construction has begun on a 14.9 metre EastLink cell tower without any input from town council or the public. "The public needs to know that the town's hands are tied," said Pictou Mayor Joe Hawes. "If the tower was 15 metres or higher, it would have to go through a process of public consultation, but it's 14.9 metres and that isn't necessary. We want to alert the public that this is happening."

<http://www.infomedia.gc.ca/ic/articles/restricted/2012/05/nau201253657300452.htm>

Rogers to relocate Dorval tower

Fate of Kirkland tower still being discussed

Facing backlash from nearby residents, Rogers Communications has opted to relocate a cell tower in Dorval, while negotiations regarding another installation in a Kirkland backyard are ongoing. Some Dorval homeowners living near a Rogers tower erected on Morris Ave. near Claude Ave. asked the city to intervene last month, demanding the antenna be relocated farther away from their homes.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic201252840134209_13.htm

Networks Built on Milliseconds

A cellphone tower here, standing next to an abandoned bus that still says it's bound for Richmond, has become one of the hottest properties in global finance. Trading firms, angling for even a split-second advantage over rivals, are rushing to build chains of microwave dishes to provide higher-speed links between financial markets in Chicago and New York. Much of the new, ultrafast telecom traffic will have to pass through this industrial area just outside New York, home to oil-storage facilities, scrap yards and the warehouse of computer servers running the Nasdaq OMX stock market.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/05/ic20125301527130_456.htm

ICTS - TECHNOLOGY / LES TIC - TECHNOLOGIE

At RIM, new signs of trouble

Company warns it will post an operating loss and says it has hired strategic advisers

Research In Motion Ltd. is under intense pressure to speed up the launch of its new BlackBerry device as a rapidly sinking market share is set to leave the company with an operating loss in its latest quarter. As consumers and businesses continue to flock to Apple Inc.'s iPhone and devices running on Google's Android operating system, the BlackBerry maker said it expects more challenging quarters ahead and is taking steps to transform the company as quickly as possible.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic20125139149730_68.htm

Huawei: There are no illegal state subsidies

Denial comes after report that the European Commission is preparing to launch a major trade investigation into Huawei and ZTE.

Chinese networking company Huawei Technologies Co. has denied accusations that it benefits from illegal state subsidies, and said it objects to the investigation that the European Commission is reportedly launching on the basis of these claims. In a statement emailed to Techworld, Huawei said that it has not received any communication from the European Commission regarding an investigation, but is aware of media reports on the matter - most of which stem from the Financial Times.

<http://www.infomedia.gc.ca/ic/articles/restricted/2012/05/nau201255716256237.htm>

Kobo e-reader pushes Indigo into the black

Indigo Books & Music Inc. says its fourth-quarter results swung to a profit due to the sale of its Kobo e-reader business, even as revenue slid amid a continued decline in book sales. Canada's largest book, gift and specialty toy retailer reported Tuesday that net earnings attributable to shareholders in its fourth quarter amounted to \$131.5 million, or \$5.16 per diluted share, rebounding from a loss of \$19.4 million or 78 cents per share in the year-earlier.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic201254217272267_4.htm

High-tech thermostat for sale in Canada

Are Canadian homeowners ready to spring for a high-tech, premium-priced thermostat, just as they've embraced Apple's slick but pricey smartphones and tablets? Nest Learning Thermostat co-founder Tony Fadell - the lead designer of the iconic iPods and iPhones before leaving Apple in 2005 - thinks so. On Tuesday, Nest announced it has started accepting orders for its US\$249 thermostat in Canada. This country is the first country outside the U.S. to get access to the buzzed-about product.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic20125457118543_67.htm

'A whole new lens on the web'

Search engine omits popular sites, leading to more random results

About a month ago, Sanjay Arora challenged himself to see if he could start developing a new search engine on Sunday night and present it to his colleagues at the six-person startup Exponential Labs by Monday morning. So the 36-year-old Toronto resident put his kids to bed, and after watching Mad Men with his wife, grabbed a drink, sat down at his computer and started coding. Furiously.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic201251336728308_25.htm

Smartphones ready to dial up banks

Digital age continues to reshape finance industry

Many people hate going to the bank. Banks are often not open during convenient hours, it's a slow process and it's hard to find the time to make appointments. Well, one day there may be no need to ever go into a bank, as technology is poised to replace many of the actions that now can only be done in a bank.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic201252117809_3.htm

'Perfect timing' for launch of Samsung Galaxy S3

New model of top-selling smartphone unveiled across 28 countries

Samsung Electronics launched its top-of-the-range Galaxy S3 smartphone in Europe on Tuesday, aiming to outsell its previous model that helped the South Korean company topple Apple as the world's largest smartphone maker. The Galaxy S3, which tracks the user's eye movements to keep the screen from dimming or turning off while in use, hits stores in 28 European and Middle East countries, including Germany, as Samsung aims to increase its lead over Apple months ahead of its new iPhone, expected in the third quarter.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic201251733253792_9.htm

'All it takes is one smash hit'

Ottawa well-positioned as demand for mobile gaming grows, expert says

Ottawa may be better positioned than Montreal to take advantage of the rapidly expanding demand for video games, according to industry expert Jason Della Rocca. Speaking at the first Ottawa Game Conference in downtown Ottawa Tuesday, Della Rocca told the sold out crowd that the future of big-ticket blockbuster games is in jeopardy as console game sales decline. However, he said with more people playing games on their smart phone than ever before, the market for mobile and casual games is taking off.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic201251733112131_9.htm

DIGITAL ECONOMY / ÉCONOMIE NUMÉRIQUE

Wasting Time Is New Divide In Digital Era

In the 1990s, the term "digital divide" emerged to describe technology's haves and have-nots. It inspired many efforts to get the latest computing tools into the hands of all Americans, particularly low-income families. Those efforts have indeed shrunk the divide. But they have created an unintended side effect, one that is surprising and troubling to researchers and policy makers and that the government now wants to fix.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/05/ic201251520183756_425.htm

SOCIAL MEDIA / MÉDIAS SOCIAUX

Facebook shares plumb new depths

Units down 10 per cent to \$29 as valuation questioned

Facebook Inc. shares slid below \$29 to a new low Tuesday as nervous investors fled the company's shares, concerned about the social network's long-term business prospects and an initial offering price that proved too rich. Shares of the No. 1 social network fell 10 per cent to an all-time low of \$28.65, before recovering slightly to \$29.01. Since its market debut on May 18, the eight-year-old company has shed about \$25 billion in value - roughly equivalent to the market capitalization of Morgan Stanley, the lead underwriter of Facebook's IPO.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic201254423509452_6.htm

PRIVACY PROTECTION - SECURITY / PROTECTION DE LA VIE PRIVÉE - SÉCURITÉ

Privacy watchdog pushes penalties for non-compliant social media sites

Canada's privacy commissioner says social media companies should be forced to pay up if they fail to comply with privacy laws. Privacy Commissioner Jennifer Stoddart told a Commons committee Tuesday that social media firms routinely collect, use and share data and users are often unaware of what happens to their personal information. She says the companies should explain terms of use in plain language to inform users.

Daily Press

CYBER CRIME / CRIMES CYBERNÉTIQUES

Flame - une cyber-arme pour la guerre sur Internet

Le spécialiste russe de la lutte antivirus Kaspersky Lab a identifié une cyber-arme utilisée contre des pays tels que l'Iran, probablement au profit de l'Occident et d'Israël, un virus d'une sophistication telle qu'elle suppose le concours d'un État. Le logiciel malveillant, connu sous le nom de Flame, "est actuellement utilisé comme une cyber-arme contre une série de pays" et à des fins de "cyber-espionnage", a indiqué la société russe, l'un des premiers fabricants mondiaux d'anti-virus,

dans un communiqué disponible hier sur son site.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic2012551016788_31.htm

ADDITIONAL ARTICLES FYI / ARTICLES SUPPLÉMENTAIRES À TITRE D'INFO

Pedtextrians beware

Walking is more dangerous than it used to be

Heads up, people. I'm embarrassed to admit that I've had my share of near collisions with people, parking meters and even hydro poles. I can chew gum and walk with no problem; texting and walking is another story. And I'm hardly the only one.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic20125251414926_26.htm

Emily LeBlanc

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IC Media-A.M. / SITT-STIT May
IC Médias-Mati...0 2012.doc (205.

Palonde, Lucie: ICT-TIC

From: Beaudoin, Alain: SITT-STIT
Sent: Tuesday, May 29, 2012 18:03
To: Louden, David: CMB-DGCM; Fulcher, James: ICT-TIC; Macartney, Nancy: ICT-TIC
Subject: Re: Research In Motion CEO Provides Business Update

Thanks. Seen it.

----- Original Message -----

From: Louden, David: CMB-DGCM
Sent: Tuesday, May 29, 2012 05:59 PM
To: Fulcher, James: ICT-TIC; Macartney, Nancy: ICT-TIC
Cc: Beaudoin, Alain: SITT-STIT
Subject: Fw: Research In Motion CEO Provides Business Update

----- Original Message -----

From: Guenette, Corinne: CMB-DGCM
Sent: Tuesday, May 29, 2012 05:29 PM
To: CMB-ASG-SITT(D. Louden)
Cc: Baird, Louise: CMB-DGCM
Subject: FW: Research In Motion CEO Provides Business Update

-----Original Message-----

From: Command News [mailto:fp.NEWS.GUENETTE@commandnews.com]
Sent: Tuesday, May 29, 2012 4:16 PM
To: Guenette, Corinne: CMB-DGCM
Subject: Research In Motion CEO Provides Business Update

Profile: GUENETTE / My Drawer / Telecom - Clip 216 (limit 500)
May 29 2012 16:15:19 - Source: MW [Marketwire]

Research In Motion CEO Provides Business Update
FOR: RESEARCH IN MOTION
NASDAQ SYMBOL: RIMM
TSX SYMBOL: RIM

Date issue: May 29, 2012
Time in: 4:15 PM e

Attention:

WATERLOO, ONTARIO--(Marketwire - May 29, 2012) - Research In Motion Limited (RIM) (NASDAQ:RIMM) (TSX:RIM), a world leader in the mobile communications market, today provided a business update from Thorsten Heins, the Company's President and CEO.

"During the Q4 2012 and fiscal year-end financial results conference call on March 29, I said that I would provide our shareholders with candid and timely updates when possible on the progress and challenges RIM is experiencing. While we are no longer giving quantitative financial guidance, I wanted to provide a brief business update at this time, and will provide more details when our Q1 financial results for the quarter ended June 2, 2012 are released on June 28.

In terms of challenges, as I mentioned on the March financial results conference call, RIM is going through a significant transformation as we move towards the BlackBerry 10 launch, and our financial performance will continue to be challenging for the next few quarters. The on-going competitive

environment is impacting our business in the form of lower volumes and highly competitive pricing dynamics in the marketplace, and we expect our Q1 results to reflect this, and likely result in an operating loss for the quarter. We are continuing to be aggressive as we compete for our customers' business - both enterprise and consumer - around the world, and our teams are working hard to provide cost-competitive, feature-rich solutions to our global customer base. On the positive side, we expect to further increase our cash position in Q1 from the approximately \$2.1 billion we had at the end of fiscal 2012.

Despite the current challenges, we have made significant progress on a number of fronts in the past few months:

/T/

- Our annual BlackBerry World conference and BlackBerry 10 Jam took place earlier this month and both were tremendously successful. More than 5,000 developers, partners, carriers and enterprise customers from 115 different countries saw the first glimpses of our next-generation BlackBerry 10 platform and their response was encouraging.
- Our developer partners have been enthusiastic with the BlackBerry 10 Dev Alpha prototype unit we distributed at BlackBerry World and many are well underway in developing applications to be ready for the launch of BlackBerry 10 in the latter part of calendar 2012.
- The support and enthusiasm from our developer community is also reflected in our app growth, where we now feature more than 80,000 apps, which represents a 220% increase from one year ago, and more than 15,000 apps for PlayBook compared to less than 2,000 last year. We believe this bodes well for our ecosystem as we get set to launch BlackBerry 10.
- We are making steady progress with the innovation of our next-generation BlackBerry 10 mobile computing platform, which is still on track to launch in the latter part of calendar 2012.
- Our global subscriber base continued to grow this quarter to approximately 78 million, driven primarily by growth in international markets, which is partially offset by high churn in the United States, and our BBM user base has grown to approximately 59 million users globally.
- Our strong brand internationally was recently enhanced with the successful launch of two new BlackBerry 7 phones in India and Latin America.

/T/

We continue to make strategic changes to RIM's senior management team with the hiring of two key new members to RIM's executive leadership team. Kristian Tear, our Chief Operating Officer, whose background also includes extensive experience in international sales in Europe, Asia and Latin America, and Frank Boulben, our Chief Marketing Officer, who will provide our team with deep experience in the mobile computing and communications industry. Both will assist me and the existing executive team as we continue to make the organizational changes necessary to position RIM for the future and prepare for the launch of our new BlackBerry 10 platform.

The CORE (cost optimization and resource efficiency) program we told you about previously is focused on delivering key operational savings through various initiatives. The financial objectives for the CORE program are targeted to drive \$1 billion in savings by the end of fiscal 2013, based on our Q4 run rate. We are targeting better efficiency and use of resources in our sales and marketing initiatives to effectively leverage marketing windows and evaluate our country portfolio to determine where it makes sense for us to prioritize our efforts. We will also continue to review RIM's organizational structure and clearly define accountabilities for all key businesses and business processes with a goal of eliminating fragmentation, duplication and inefficiencies. While there will be significant spending reductions and headcount reductions in some areas throughout the remainder of the fiscal year, we will continue to spend and hire in key areas such as those associated with the launch of BlackBerry 10, and those tied to the growth of our application developer community. We

will share more details regarding our progress throughout the year as programs are implemented or changes are completed.

To further enhance our commitment to successfully completing our transformation, after the release of our year-end financial results, we engaged J.P. Morgan Securities LLC and RBC Capital Markets to assist the Company and our Board of Directors in reviewing RIM's business and financial performance. These advisors have been tasked to help us with the strategic review we referenced on our year-end financial results conference call and to evaluate the relative merits and feasibility of various financial strategies, including opportunities to leverage the BlackBerry platform through partnerships, licensing opportunities and strategic business model alternatives.

Although we are facing challenges, we remain excited about BlackBerry 10 and believe that this platform coupled with the results of the strategic review will create long-term value for our stakeholders. We will provide another more detailed business update when we report our first quarter results in June."

Q1 Results Conference Call Details

RIM will be reporting results for the first quarter of fiscal 2013 on June 28, 2012 after the close of the market. The Company will discuss today's announcement and first quarter fiscal 2013 results on a conference call and live webcast beginning at 5 pm ET, June 28, 2012. The call can be accessed by dialing 1-800-814-4859 or at www.rim.com/investors/events/index.shtml. A replay of the conference call will also be available at approximately 7 pm by dialing 1-416-640-1917 and entering passcode 4501363#. A replay of the webcast will be available clicking the link above. The replay will be available until midnight ET July 12, 2012. The conference call will also appear on the RIM website live at 5 pm ET and will be archived at <http://www.rim.com/investors/events/index.shtml>.

About Research In Motion

Research In Motion (RIM), a global leader in wireless innovation, revolutionized the mobile industry with the introduction of the BlackBerry(R) solution in 1999. Today, BlackBerry products and services are used by millions of customers around the world to stay connected to the people and content that matter most throughout their day. Founded in 1984 and based in Waterloo, Ontario, RIM operates offices in North America, Europe, Asia Pacific and Latin America. RIM is listed on the NASDAQ Stock Market (NASDAQ:RIMM) and the Toronto Stock Exchange (TSX:RIM). For more information, visit www.rim.com or www.blackberry.com.

This news release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Canadian securities laws, including statements regarding: RIM's intention to provide shareholders with updates, when possible, relating to RIM's progress and challenges; RIM's transformation as it moves towards the BlackBerry 10 launch; RIM's expectation that the business will continue to be challenging for the next few quarters; the effects of the intense competition in the wireless communications industry, and RIM's plans and strategies to address competition; RIM's current expectations regarding its financial performance in Q1 of fiscal 2013, and its anticipated cash position at the end of the quarter; RIM's expectations and beliefs relating to the support of its developer partners and the development of its ecosystem in advance of the launch of BlackBerry 10; the anticipated timing of the launch of RIM's BlackBerry 10 platform; the anticipated benefits of recent strategic changes to RIM's senior management team and the hiring of outside advisors; RIM's plans and expectations relating to the CORE program; and RIM's expectation that it will be able to create long-term value for its stakeholders. The terms and phrases "would", "will", "transformation", "move towards", "continue", "ongoing", "expect", "likely", "well underway", "to be ready", "believe", "progress", "still on track", "position RIM for the future", "prepare for the launch", "targeted", "goal", "accelerating", and similar terms and phrases are intended to identify these forward-looking statements. Forward-looking statements are based on estimates and assumptions made by RIM

in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that RIM believes are appropriate in the circumstances, including but not limited to general economic conditions, product pricing levels and competitive intensity, supply constraints, the timing and success of new product introductions, RIM's expectations regarding its business, strategy, opportunities and prospects, and RIM's confidence in the cash flow generation of its business.

Many factors could cause RIM's actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements, including, without limitation: RIM's ability to enhance current products and develop new products and services in a timely manner or at competitive prices, including risks related to further delays in new product introductions, such as the Company's BlackBerry 10 smartphones; risks related to intense competition, including RIM's ability to compete in the tablet market, strategic alliances or transactions within the wireless communications industry, and risks relating to RIM's ability to maintain or grow its services revenues; RIM's reliance on carrier partners and distributors; risks relating to network disruptions and other business interruptions, including costs, potential liabilities, lost revenue and reputational damage associated with service interruptions; RIM's ability to manage inventory and asset risk; RIM's ability to implement and realize the anticipated benefits of its Cost Optimization Program and CORE program; RIM's ability to maintain or increase its cash balance; security risks and risks related to the collection, storage, transmission, use and disclosure of confidential and personal information; RIM's ability to attract and retain key personnel; RIM's ability to adapt to recent management changes and fill vacant key management positions; RIM's reliance on suppliers of functional components for its products and risks relating to its supply chain; RIM's ability to maintain and enhance the BlackBerry brand; risks related to RIM's international operations; risks related to government regulations, including regulations relating to encryption technology; RIM's reliance on third-party network infrastructure developers, software platform vendors and service platform vendors; RIM's ability to expand and manage its BlackBerry App World applications catalogue; RIM's reliance on third-party manufacturers; potential defects and vulnerabilities in RIM's products; risks relating to litigation, including litigation claims arising from the Company's past practice of providing forward-looking guidance; RIM's ability to manage its past growth and its ongoing development of service and support operations; potential additional charges relating to the impairment of goodwill or other intangible assets recorded on RIM's balance sheet; disruptions to RIM's business as a result of shareholder activism; risks related to intellectual property; and difficulties in forecasting RIM's financial results given the rapid technological changes, evolving industry standards, intense competition and short product life cycles that characterize the wireless communications industry.

These risk factors and others relating to RIM are discussed in greater detail in the "Risk Factors" section of RIM's Annual Information Form, which is included in its Annual Report on Form 40-F and the "Cautionary Note Regarding Forward-Looking Statements" section of RIM's MD&A (copies of which filings may be obtained at www.sedar.com or www.sec.gov). These factors should be considered carefully, and readers should not place undue reliance on RIM's forward-looking statements. RIM has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

- END RELEASE - 29/05/2012

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COMPANY:
FOR: RESEARCH IN MOTION
NASDAQ SYMBOL: RIMM
TSX SYMBOL: RIM

INDUSTRY: **>Telecom<** - Networking, **>Telecom<** - Telecommunication
Equipment, **>Telecom<** - Wireless/Mobile
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Lalonde, Lucie: ICT-TIC

From: Macartney, Nancy: ICT-TIC
Sent: Tuesday, May 29, 2012 16:22
To: Beaudoin, Alain: SITT-STIT; Fulcher, James: ICT-TIC
Cc: de Tonnancour, Sylvain: ICT-TIC; D'Amour, Pauline: ICT-TIC; Lascu, Eva: SITT-STIT
Subject: RE: FOR REVIEW - RIM BN - due ADMO tonight

Importance: High

21(1)(b)

Research In Motion CEO Provides Business Update<RIM.TO>Market Wire4:15 PM May 29, 2012

WATERLOO, ONTARIO, May 29 (MARKET WIRE) --
Research In Motion Limited (RIM) (NASDAQ:RIMM) (TSX:RIM), a world leader in the mobile communications market, today provided a business update from Thorsten Heins, the Company's President and CEO.

"During the Q4 2012 and fiscal year-end financial results conference call on March 29, I said that I would provide our shareholders with candid and timely updates when possible on the progress and challenges RIM is experiencing. While we are no longer giving quantitative financial guidance, I wanted to provide a brief business update at this time, and will provide more details when our Q1 financial results for the quarter ended June 2, 2012 are released on June 28.

In terms of challenges, as I mentioned on the March financial results conference call, RIM is going through a significant transformation as we move towards the BlackBerry 10 launch, and our financial performance will continue to be challenging for the next few quarters. The on-going competitive environment is impacting our business in the form of lower volumes and highly competitive pricing dynamics in the marketplace, and we expect our Q1 results to reflect this, and likely result in an operating loss for the quarter. We are continuing to be aggressive as we compete for our customers' business - both enterprise and consumer - around the world, and our teams are working hard to provide cost-competitive, feature-rich solutions to our global customer base. On the positive side, we expect to further increase our cash position in Q1 from the approximately \$2.1 billion we had at the end of fiscal 2012.

Despite the current challenges, we have made significant progress on a number of fronts in the past few months:

- Our annual BlackBerry World conference and BlackBerry 10 Jam took place earlier this month and both were tremendously successful. More than 5,000 developers, partners, carriers and enterprise customers from 115 different countries saw the first glimpses of our next-generation BlackBerry 10 platform and their response was encouraging.
- Our developer partners have been enthusiastic with the BlackBerry 10 Dev Alpha prototype unit we distributed at BlackBerry World and many are well underway in developing applications to be ready for the launch of BlackBerry 10 in the latter part of calendar 2012.
- The support and enthusiasm from our developer community is also reflected in our app growth, where we now feature more than 80,000 apps, which represents a 220% increase from one year ago, and more than 15,000 apps for PlayBook compared to less than 2,000 last year. We believe this bodes well for our ecosystem as we get set to launch BlackBerry 10.
- We are making steady progress with the innovation of our next-generation BlackBerry 10 mobile computing platform, which is still on track to launch in the latter part of calendar 2012.
- Our global subscriber base continued to grow this quarter to

approximately 78 million, driven primarily by growth in international markets, which is partially offset by high churn in the United States, and our BBM user base has grown to approximately 59 million users globally.

- Our strong brand internationally was recently enhanced with the successful launch of two new BlackBerry 7 phones in India and Latin America.

We continue to make strategic changes to RIM's senior management team with the hiring of two key new members to RIM's executive leadership team. Kristian Tear, our Chief Operating Officer, whose background also includes extensive experience in international sales in Europe, Asia and Latin America, and Frank Boulben, our Chief Marketing Officer, who will provide our team with deep experience in the mobile computing and communications industry. Both will assist me and the existing executive team as we continue to make the organizational changes necessary to position RIM for the future and prepare for the launch of our new BlackBerry 10 platform.

The CORE (cost optimization and resource efficiency) program we told you about previously is focused on delivering key operational savings through various initiatives. The financial objectives for the CORE program are targeted to drive \$1 billion in savings by the end of fiscal 2013, based on our Q4 run rate. We are targeting better efficiency and use of resources in our sales and marketing initiatives to effectively leverage marketing windows and evaluate our country portfolio to determine where it makes sense for us to prioritize our efforts. We will also continue to review RIM's organizational structure and clearly define accountabilities for all key businesses and business processes with a goal of eliminating fragmentation, duplication and inefficiencies. While there will be significant spending reductions and headcount reductions in some areas throughout the remainder of the fiscal year, we will continue to spend and hire in key areas such as those associated with the launch of BlackBerry 10, and those tied to the growth of our application developer community. We will share more details regarding our progress throughout the year as programs are implemented or changes are completed.

To further enhance our commitment to successfully completing our transformation, after the release of our year-end financial results, we engaged J.P. Morgan Securities LLC and RBC Capital Markets to assist the Company and our Board of Directors in reviewing RIM's business and financial performance. These advisors have been tasked to help us with the strategic review we referenced on our year-end financial results conference call and to evaluate the relative merits and feasibility of various financial strategies, including opportunities to leverage the BlackBerry platform through partnerships, licensing opportunities and strategic business model alternatives.

Although we are facing challenges, we remain excited about BlackBerry 10 and believe that this platform coupled with the results of the strategic review will create long-term value for our stakeholders. We will provide another more detailed business update when we report our first quarter results in June."

Q1 Results Conference Call Details

RIM will be reporting results for the first quarter of fiscal 2013 on June 28, 2012 after the close of the market. The Company will discuss today's announcement and first quarter fiscal 2013 results on a conference call and live webcast beginning at 5 pm ET, June 28, 2012. The call can be accessed by dialing 1-800-814-4859 or at www.rim.com/investors/events/index.shtml. A replay of the conference call will also be available at approximately 7 pm by dialing 1-416-640-1917 and entering passcode 4501363#. A replay of the webcast will be available clicking the link above. The replay will be available until midnight ET

July 12, 2012. The conference call will also appear on the RIM website live at 5 pm ET and will be archived at <http://www.rim.com/investors/events/index.shtml>.

From: Macartney, Nancy: ICT-TIC
Sent: Tuesday, May 29, 2012 3:52 PM
To: Beaudoin, Alain: SITT-STIT; Fulcher, James: ICT-TIC
Cc: de Tonnancour, Sylvain: ICT-TIC; D'Amour, Pauline: ICT-TIC; Lascu, Eva: SITT-STIT
Subject: RE: FOR REVIEW - RIM BN - due ADMO tonight

Files included:

- BN
- RIM profile
- Letter from RIM re SR&ED (from late yesterday) - **Do you want this included as an Annex?**

Let us know if you need anything else.

From: Macartney, Nancy: ICT-TIC
Sent: Tuesday, May 29, 2012 3:49 PM
To: Beaudoin, Alain: SITT-STIT; Fulcher, James: ICT-TIC
Cc: de Tonnancour, Sylvain: ICT-TIC; D'Amour, Pauline: ICT-TIC; Lascu, Eva: SITT-STIT
Subject: FOR REVIEW - RIM BN - due ADMO tonight
Importance: High

<< File: 288858-SRED-Analysis-NancyHorsman-05-28-12a-1-SITT-STIT.PDF >> << File: 288703-BN on RIM - Layoff Rumours-4-SITT-STIT.DOC >> << File: 280431-RIM (very short profile)-6-SITT-STIT.DOC >>

Lalonde, Lucie: ICT-TIC

From: Leblanc, Emily: GPP
Sent: Tuesday, May 29, 2012 8:34
To: SITT GPP - Media Distribution; McDonald, Helen: SITT-STIT; 'michael.binder@cnsccsn.gc.ca'; 'Sue.Gelinas@cnsccsn.gc.ca'
Subject: SITT Daily News Articles, May 29, 2012 | Articles quotidiens du STIT, le 29 mai 2012
Attachments: IC Media-A.M. / IC Médias-Matin - 2012-05-29; SITT-STIT May 29 2012.doc

Today's full text articles and archived articles can be accessed, as of 11:00 am, by visiting SITTzone at
<http://sittzonestit.ic.gc.ca/dailynewsarticles>

Les textes intégraux et des articles archivés peuvent aussi être lus, à partir de 11h00, en visitant la Zone STIT au lien suivant : <http://sittzonestit.ic.gc.ca/articles>

SPECTRUM - TELECOM / SPECTRE - TÉLÉCOMMUNICATIONS

CBC's transmitters are a lifeline for rural communities

In response to federal budget cuts, the CBC and Radio-Canada plan to switch off more than 600 analog transmitters countrywide on July 31. Canadians outside major cities such as Montreal (where analog transmitters were upgraded to digital last summer) will lose free access to the CBC and Radio-Canada over the air using bunny ears or rooftop antennas. Affected communities need to act if they want to stop this change. Reaching all Canadians in communities of at least 500 people was a goal of the national broadcaster in the 1970s to link the country coast to coast. It was a massive infrastructure project similar to the building of the Canadian Pacific Railway. All that is about to change. Rural Canadians (and even Canadians in such cities as London, Saskatoon, Quebec City and Sherbrooke) will be forced into subscription TV services to see programming that their taxes have already subsidized. It seems a double blow for rural Canadians, who already pay more for high-speed Internet and cellular phone service (if such services are even available to them). What happened to "bridging the digital divide?"

[Montreal Gazette](#)

Stepping up northern exposure

Consumers in the Far North will be getting more choices for cell, home phone and internet service

Northern consumers will have more choice for their internet, residential and cellphone services with two private telecom companies joining forces to expand their footprint in the Northwest Territories, Yukon and Nunavut. Ice Wireless and Iristel said Monday they will bring competition to NorthwTel, a subsidiary of BCE Inc.'s Bell Canada that serves the North.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic20125586243896_28.htm

ICTS - TECHNOLOGY / LES TIC - TECHNOLOGIE

B.C. group wants to ban new Wi-Fi installations in schools

Parents' council wants ban, but new Industry Canada study shows average Wi-Fi device operates well within safety standards for potential radiation exposure. The B.C. Confederation of Parent Advisory Councils (BCCPAC) voted this past weekend to demand a ban on new Wi-Fi installations in British Columbia schools. The group, made up of parents elected to keep an eye on schools in every district of the province, also wants the B.C. government to designate or create one school in the province as a Wi-Fi free school.

<http://www.infomedia.gc.ca/ic/articles/restricted/2012/05/nau201254445173571.htm>

RIM to cut another 2,000 jobs - report

Research In Motion is preparing another round of restructuring, which will see the BlackBerry maker cut around 2,000 jobs worldwide, the Globe and Mail reports. One person familiar with the company's plans said the layoffs may cut even deeper than that. RIM has about 16,500 employees worldwide, down already from a peak a few years ago of 20,000.

<http://www.infomedia.gc.ca/ic/articles/restricted/2012/05/nau201255740343567.htm>

RIM's top lawyer joins exodus

Resignation comes ahead of expected massive layoffs

The top lawyer at Research In Motion Ltd has resigned and will soon leave the struggling BlackBerry maker, RIM said on Monday, joining a parade of longtime company executives to depart since Thorsten Heins took over as CEO earlier this year. The loss of chief legal officer Karima Bawa, who litigated numerous patent disputes and helped write many of RIM's commercial deals, follows the resignation of RIM's head of global sales, Patrick Spence, last week.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic201255245800981_9.htm

Facebook likes idea of having own phone

Can a software company build its own smartphone? We may well find out soon. This past week, Google completed its acquisition of the hardware maker Motorola Mobility for \$12.5 billion, which could lead to the search giant's making its own smartphone. But another software titan might be getting into the hardware game as well: Facebook.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic20125586509339_28.htm

SOCIAL MEDIA / MÉDIAS SOCIAUX

Welcome to the Undernet

SOCIAL MEDIA: The new pirates are all about building a safer Internet

The Internet will always evolve faster than government laws to control it. But that's not stopping governments all over the world from trying. Meanwhile, a sub-group of well-meaning technology experts is building a new Internet, immune from government hands. The pirates are winning. Earlier this year, the U.S. government attempted to pass legislation that would "ban" websites that host illegal content like copyrighted videos and songs. While that bill failed to pass, technology experts like New York University's Clay Shirky believe others like it are not far away.

http://www.infomedia.gc.ca/ic/articles/restricted/2012/05/ic20125386665591_638.htm

COPYRIGHT / DROITS D'AUTEUR

Questions linger in copyright debate; for many, Bill C-11 falls short of being something to celebrate

The decade-long Canadian copyright reform debate is nearing a conclusion as the government is slated to hold the third and final reading for Bill C-11 this week. With a majority in the House of Commons and the Senate, the Conservatives are likely to pass the bill before Parliament takes a break for the summer. The imminent passage of the bill is already being heralded as a win for creators, consumers and businesses. There is certainly much to like - expanded fair dealing, new consumer exceptions, caps on liability to prevent multimillion-dollar lawsuits against consumers, and a balanced approach to liability for Internet providers among them. Moreover, the rejection of draconian provisions demanded by some lobby groups such as website blocking or penalizing Internet users with threats of lost access is a positive development. Yet for many copyright watchers, the bill falls just short, providing a classic example of what could have been

[Ottawa Citizen](#)

Digital Locks: a Controversial Change to Canada's Copyright Law

Canada's Copyright Act is 27 years old. In that time, there has been a technological revolution: the Internet, MP3 players, file sharing, smart phones and broadcasting websites like YouTube have arrived on the scene. This new digital landscape is creating challenges for copyright rules. To modernize these rules, the federal government is proposing a new law the Copyright Modernization Act. The changes are being hotly debated. But they will probably become law by June 2012, when the current session of Parliament ends. This article discusses one of the main features of the proposed law: digital locks.

<http://www.infomedia.gc.ca/ic/articles/restricted/2012/05/nau201254238299780.htm>

PRIVACY PROTECTION - SECURITY / PROTECTION DE LA VIE PRIVÉE - SÉCURITÉ

Spy virus targets Mideast: experts

Cyber-warfare seen

The world's most complex computer virus, possessing a range of espionage capabilities, including the ability to secretly record conversations, has been exposed. Middle Eastern states were targets and Iran ordered an emergency review of official computer installations after the discovery of the new virus, known as Flame. Experts said the malicious software was 20 times more powerful than other known cyber-warfare programs, including the Stuxnet virus, and could only have been created by a state. It is the third cyber-attack aimed at systems in the Middle East to be exposed in recent years.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic2012542980491_1.htm

ADDITIONAL ARTICLES FYI / ARTICLES SUPPLÉMENTAIRES À TITRE D'INFO

Mobile advertising's hard sell

It isn't just Facebook - social media and smartphones have yet to come close to living up to their marketing

promise

There's no doubt advertising on mobile devices is a potential gold mine for smartphone makers, social networks, online content providers and digital ad agencies. But as social marketing pioneer Facebook Inc. acknowledged in the lead up to its initial stock offering, realizing the dream is proving tougher than expected. The promise raised by the global consumer's love affair with smartphones and tablets had made marketers take notice to say the least, but there is a key roadblock, said Deloitte Canada technology and media research director Duncan Stewart.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic20125175935704_25.htm

Innovative products widen connectivity possibilities

DELORME INREACH - Works with Apple items, \$250. I was sailing in the Strait of Georgia recently when my iPhone suddenly lost its wire-less connection. It's not like I was in the middle of nowhere but living on British Columbia's coast, you don't have to go far to find yourself out-side conventional wireless range. It's not that I had a pressing need to post a Face-book update or send a tweet. But now thanks to DeLorme's announcement of a new iOS version of its Earthmate app, the inReach satellite communicator will work with iPhones, plus other iOS devices. So next time I'm climbing Kilimanjaro and feel inclined to update Facebook or Twitter - no problem.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic20125373015819_3.htm

New approach to recycling energy

With Canada's per-capita energy consumption off the charts and energy costs at historically high levels, the nation needs a way to optimize energy use. Innovative companies are finding ways to turn waste into energy and to get twice as much use out of the energy they produce. The eco-friendly exhortation to "reduce, reuse and recycle" consumables is a generation old. From household recycling to public waste boxes with separate chutes for different types of garbage, there are opportunities everywhere to divert all sorts of materials from the local landfill, and four in five Canadians recycle regularly.

http://www.infomedia.gc.ca/ic/articles/unrestricted/2012/05/ic201255929855422_1.htm

Emily LeBlanc

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IC Media-A.M. / SITT-STIT May

IC Médias-Mati...9 2012.doc (143.

Lalonde, Lucie: ICT-TIC

From: Moore, Wesley: ICT-TIC
Sent: Monday, May 28, 2012 8:42
To: Macartney, Nancy: ICT-TIC; de Tonnancour, Sylvain: ICT-TIC; Sheridan-Simzer, Andrea: ICT-TIC; Holloway, James: ICT-TIC (NCR-RCN); Baillie, Aaron: ICT-TIC
Cc: Beaudoin, Alain: SITT-STIT; Fulcher, James: ICT-TIC
Subject: FW: HOT ISSUES - 6,000 job cuts - Major layoffs expected at RIM
Importance: High
FYI

From: Mellon, Derek: CMB-DGCM
Sent: Monday, May 28, 2012 6:43 AM
To: CMB-Hot Issues
Subject: HOT ISSUES - 6,000 job cuts - Major layoffs expected at RIM

Published | Publi : 2012-05-27

Received | Re u: 2012-05-27 4:25 AM TORONTO STAR (ONT)

NEWS, Page: A3

394 words | mots

Major layoffs expected at RIM**Reports suggest as many as 6,000 job cuts**

Josh Rubin Toronto Star

With fewer and fewer people buying BlackBerry smart phones, Waterloo-based **Research In Motion** has apparently decided it needs fewer employees to make, design and sell them.

For the second time in a year, the company is expected to announce it's laying off a major chunk of its workforce, perhaps as early as this week. A RIM spokesperson wouldn't comment on published reports suggesting the cuts could range from 2,000 to 6,000.

But after RIM's most recent quarterly earnings, where it announced a loss of \$125 million, CEO Thorsten Heins suggested that RIM needed a shift. "It is now very clear to me that substantial change is what RIM needs," said Heins, who also spoke of improving efficiency in the production process and supply chain, in particular, in an effort to save \$1 billion by the end of 2013.

With some estimates suggesting RIM's share of the worldwide smartphone market could drop below 5 per cent this year, axing well over 10 per cent of the company's global workforce of 16,500 is crucial, say analysts and investors.

"I think they need to come down to 12,000," said activist investor Vic Alboini, president and CEO of Jaguar Financial, who agitated for the removal of former co-chairs and co-CEOs Jim Balsillie and Mike Lazaridis.

One source close to the company told Reuters the impending layoffs could hit as many as 6,000 people and affect RIM's legal, marketing, sales, operations, and human resources divisions. "The

strategic question is: are you accelerating into a better future or shrinking to a niche operation," said the source, who declined to be identified due to the sensitive nature of the job cuts.

RIM needs to buy itself some breathing room before the launch of phones running its long-awaited BB10 operating system, expected to be released in the fall, says analyst Kevin Dede of Auriga USA. "It makes absolute and perfect sense to make cuts. There are going to be a few quarters until BB10 is launched, then it's going to be a few quarters to roll out BB10 to all the regions where it will matter," said Dede.

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Lalonde, Lucie: ICT-TIC

From: Mellon, Derek: CMB-DGCM
Sent: Monday, May 28, 2012 7:54
To: Mellon, Derek: CMB-DGCM; CMB-Summaries / Sommaires-DGCM
Cc: CMB Media Monitoring / Surveillance médiatique DGCM
Subject: IC Media-A.M. / IC Médias-Matin - 2012-05-28

Media Relations Unit / Unité des relations avec les médias (CMB)

IC Media-A.M. / IC Médias-Matin
2012-05-28

FOREIGN INVESTMENT / INVESTISSEMENT ÉTRANGER

Canada lifts threshold for foreign takeover reviews

Canada will boost the threshold at which it will review proposed foreign takeovers of Canadian companies, the industry minister said on Friday, but he stopped short of fulfilling a government pledge to clarify the criteria for approving them. Sharpening its focus on the biggest deals, the government will gradually raise the threshold for mandatory reviews to proposed acquisitions with at least C\$1-billion in enterprise value. The current threshold is C\$330-million (\$320-million) in asset value. "I think C\$1-billion is a reasonable number," said Thomas Caldwell, an outspoken investor who is chairperson of Caldwell Financial. "We want to have some kind of number that doesn't create an administrative nightmare." Industry Minister Christian Paradis said enterprise value - the price offered for the equity adjusted for the assumption of liabilities and cash assets - is a better measure of a deal's worth than the book value alone.

[Reuters](#)
[CBC](#)
[CP](#)
[Toronto Star](#)
[G&M](#)

Glencore's Viterra deal all but sealed

The last vestiges of Canada's iconic farm co-operatives will likely head toward extinction Tuesday when shareholders of Viterra Inc. vote on a takeover bid from Swiss-based Glencore International Inc. Viterra's roots go back nearly 100 years to the days when farmers across the prairies banded together to sell their grain. That led to the creation of the Saskatchewan Wheat Pool, which, after some acquisitions, became Viterra in 2007. Today, Viterra is Canada's largest grain handling company with operations in Australia and the United States. It also runs a chain of 258 retail stores across Western Canada selling farm supplies.

[G&M](#)

F-35

Tories set to shut Commons inquiry into F-35s

The government is set to shut down a Commons inquiry into Auditor General Michael Ferguson's scathing report on hidden costs and broken procurement rules in the \$25-billion F-35 stealth fighter jet project after Mr. Ferguson denied Department of National Defence allegations his April report contained incorrect information. The Conservative move came just prior to last week's House recess, when Conservative MP Andrew Saxton (Vancouver North, B.C) moved a motion during a closed-door House Public Accounts Committee meeting to end its inquiry after only seven hours of evidence and testimony from witness hearings and before opposition MPs had a chance to cross-examine the National Defence officials after they criticized Mr. Ferguson.

[Hill Times](#)

TELECOMMUNICATIONS / TÉLÉCOMMUNICATIONS

RIM expected to lay off 2,000 to 6,000 workers

Research In Motion employees may be bracing for pink slips for the second time in a year as the company is reportedly about to announce another round of significant layoffs. With fewer and fewer people buying BlackBerry smartphones, the Waterloo-based firm has apparently decided it needs fewer employees to make, design and sell them. The announcement that the company is laying off a major chunk of its workforce - reports estimate that the job cuts could range from 2,000 to 6,000 employees - could come as early as this week. "RIM's standard policy is to decline comment on rumours and speculation," company spokesperson Tenille Kennedy said in an email. But she did refer back to comments made by company executives following the release of its most recent quarterly earnings, where the company announced a loss of \$125 million.

The Record

SMALL BUSINESS AND TOURISM / PETITES ENTREPRISES ET TOURISME

L'industrie touristique demande un règlement rapide

Des restaurateurs ont perdu 40 % de leur chiffre d'affaires. Des hôteliers connaissent une baisse de 25 % dans leurs réservations. Les ventes de billets de certains festivals ont chuté de 50 %. Une vingtaine de représentants de l'industrie touristique ont brossé hier un sombre portrait du conflit étudiant au ministre des Finances, Raymond Bachand, afin d'exhorter le gouvernement à négocier rapidement une sortie de crise.

"Nous avons signalé au ministre qu'on espérait que ces négociations durent le temps qu'elles auraient à durer, de garder la porte de sortie ouverte", a indiqué Michel Leblanc, président de la Chambre de commerce du Montréal métropolitain, instigateur de la rencontre.

La Presse

SCIENCE, R&D / SCIENCES, RECHERCHE ET DÉVELOPPEMENT

RIM co-founder praises 'pure research'

The co-founder of BlackBerry maker Research In Motion says Canadian governments must not abandon funding for "pure research" in the current era of cutbacks. "Yes we need research and development, but we also need the type of blue sky research that will lead to developments we can't even imagine," said RIM co-founder and vice-chairman Michael Lazaridis on Friday. Lazaridis, whose company has fallen significantly in both value and prestige in recent years, made his comments at the 4Front Atlantic Conference in Halifax. The gathering of more than 200 delegates included some of the Atlantic region's most prominent business figures.

Telegraph Journal

Published by the Media Relations Unit (CMB). Comments or questions may be directed to CMB-Media Relations. Contact CMB-Media Relations for changes to the distribution list.

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Lalonde, Lucie: ICT-TIC

From: Beaudoin, Alain: SITT-STIT
Sent: Thursday, May 24, 2012 16:17
To: Waters Kushnir, Daniel: SITT-STIT
Cc: Lalonde, Lucie: ICT-TIC; Macartney, Nancy: ICT-TIC
Subject: RE: CCM 0236426 - Request for Senate Delayed Answer - February 7

Yes. Nancy, for action please. We can discuss tomorrow as I will be out next week and not reachable.

From: Waters Kushnir, Daniel: SITT-STIT
Sent: Thursday, May 24, 2012 3:08 PM
To: Beaudoin, Alain: SITT-STIT
Cc: Lalonde, Lucie: ICT-TIC; Macartney, Nancy: ICT-TIC; SITT ADM Office - Bureau SMA STIT
Subject: FW: CCM 0236426 - Request for Senate Delayed Answer - February 7
Importance: High

Alain - would this be you or SPS?

L'honorable Céline Hervieux-Payette : J'ai une autre question à poser. Elle concerne la situation économique de nos entreprises. Comme le leader le sait, Research in Motion est un atout stratégique pour le Canada dans le domaine des télécommunications. Actuellement, cette entreprise traverse une période difficile, et la valeur de ses actions a fortement diminué au cours de la dernière année, ce qui la rend vulnérable à une prise de contrôle non sollicitée. En pareil cas, le Canada risque de perdre des milliers d'emplois bien payés et des millions de dollars de propriété intellectuelle, comme cela s'est produit chez Nortel. Les contribuables canadiens ont dépensé beaucoup d'argent pour aider Nortel et d'autres entreprises à innover, mais ils n'en ont rien retiré.

Quelles mesures concrètes le gouvernement prendra-t-il pour prévenir la perte et la destruction d'un atout stratégique pour le Canada aux mains d'acquéreurs étrangers?

From: CPO Requests - Requêtes, Parliamentary Affairs
Sent: Thursday, May 24, 2012 3:05 PM
To: SITT ADM Office - Bureau SMA STIT
Cc: Morrissette, Stacey: CPO-BSGP
Subject: FW: CCM 0236426 - Request for Senate Delayed Answer - February 7

Good afternoon,

Could SITT prepare a response to the question asked in the Senate on foreign acquisitions (see bellow)?

<< File: Feb 7 - Hervieux-Payette - Foreign Acquisitions.doc >>

You can send your answer in an email to CPO Requests - Requêtes, Parliamentary Affairs and copy me please.

Due date: Monday, June 4, 2012, by COB or before. (Please get your ADMO's approval.)

CCM: 0236426

Please follow the example below;

<< File: Response - Day - Mar 1.doc >>

Thank you,

Stacey Morrissette

A/Parliamentary Affairs Advisor | Conseillère en affaires parlementaires int

Parliamentary Affairs | Relations Parlementaires

Corporate and Portfolio Office | Bureau du secrétaire général et du Portefeuille

Industry Canada | Industrie Canada

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Government of Canada | Gouvernement du Canada

Débats du Sénat (hansard)

**1^{re} Session, 41^e Législature,
Volume 148, Numéro 48**

Le mardi 7 février 2012

PÉRIODE DES QUESTIONS

L'industrie

L'aide aux entreprises canadiennes

[Traduction]

L'honorable Céline Hervieux-Payette : J'ai une autre question à poser. Elle concerne la situation économique de nos entreprises. Comme le leader le sait, Research in Motion est un atout stratégique pour le Canada dans le domaine des télécommunications. Actuellement, cette entreprise traverse une période difficile, et la valeur de ses actions a fortement diminué au cours de la dernière année, ce qui la rend vulnérable à une prise de contrôle non sollicitée. En pareil cas, le Canada risque de perdre des milliers d'emplois bien payés et des millions de dollars de propriété intellectuelle, comme cela s'est produit chez Nortel. Les contribuables canadiens ont dépensé beaucoup d'argent pour aider Nortel et d'autres entreprises à innover, mais ils n'en ont rien retiré.

Quelles mesures concrètes le gouvernement prendra-t-il pour prévenir la perte et la destruction d'un atout stratégique pour le Canada aux mains d'acquéreurs étrangers?

L'honorable Marjory LeBreton (leader du gouvernement) : Honorables sénateurs, si madame le sénateur avait bien suivi l'actualité, elle saurait que le premier ministre a parlé de Research in Motion au cours des derniers jours dans le cadre des efforts constants du gouvernement. Je prends note de la question.

Debates of the Senate (Hansard)

**1st Session, 41st Parliament,
Volume 148, Issue 48**

Tuesday, February 7, 2012

QUESTION PERIOD

Industry

Support for Canadian Companies

Hon. Céline Hervieux-Payette: I have another question that relates to the economic situation of our companies. As the leader knows, Research In Motion is a strategic asset for Canada in the field of telecommunications. Currently, the company is going through a rough time and its stock value has dramatically decreased in the past year. This situation has put the company at risk for a hostile takeover, with the potential consequence of losing thousands of high-paying jobs and millions worth of intellectual property, which happened in the case of Nortel. If we remember how much money Canadians spent on innovation with Nortel and other companies, nothing came back to the Canadian taxpayer.

What concrete measures will the government take to prevent the loss and destruction of a strategic Canadian asset by foreign acquisition?

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, if the honourable senator had been paying attention, she would know that the Prime Minister actually made reference to RIM in the last few days with regard to ongoing efforts of the government. I will take the question as notice.

Lalonde, Lucie: ICT-TIC

From: Mellon, Derek: CMB-DGCM
Sent: Thursday, May 24, 2012 8:06
To: Mellon, Derek: CMB-DGCM; CMB-Summaries / Sommaires-DGCM
Cc: CMB Media Monitoring / Surveillance médiatique DGCM
Subject: IC Media-A.M. / IC Médias-Matin - 2012-05-24

Media Relations Unit / Unité des relations avec les médias (CMB)

IC Media-A.M. / IC Médias-Matin

2012-05-24

STATISTICS CANADA / STATISTIQUE CANADA

Tories cut off EI stats; data held up in advance of changes to program

The Conservative government has cut off the flow of some key employment data to the public just as it is about to present new, stricter rules on employment insurance. Human Resources Minister Diane Finley is set to announce details this morning that will alter the landscape for those collecting EI, with particular emphasis on repeat claimants...At the same time, Finley's department has stopped sending Statistics Canada key and current information about how much federal money is flowing to each of the provinces for EI claimants, The Canadian Press has learned. Three tables normally produced with Statistics Canada's monthly EI summary are now "frozen," according to the agency website.

[Chronicle Herald](#)

SMALL BUSINESS AND TOURISM / PETITES ENTREPRISES ET TOURISME

Protests taking toll on hotels; reservations down by 10 per cent

Montreal's 100-plus days of protests are beginning to take a toll on the city's hotels, the Hotel Association of Greater Montreal says. Indications are that reservations are down from last year by as much as 10 per cent while a "few cancellations" have been directly linked to the protests, William Brown, the association's executive vice-president, said Wednesday. And, perhaps more troubling, is that "without a solution in sight," coupled with increasing international media attention, a black shadow is being cast on the prospect of a successful tour-ism season.

[Montreal Gazette](#)

INDUSTRY / INDUSTRIE

Advanced Manufacturing at the Forefront of Canadian Economy

There is no question that advanced manufacturing plays an important role in Canada's economy. Canadian manufacturers build everything from computer parts to cars, buses, and jets. The country has been working hard to sustain and grow those key industries. Automotive and aerospace are two clear leaders in Canada's advanced manufacturing sector. The country also is working to support healthy growth in its plastics and electronics industries. Combined, these clusters are home to hundreds of companies that produce billions of dollars in products for use both domestically and for export to the United States, as well as to countries around the globe.

[Area Development Online](#)

TELECOMMUNICATIONS / TÉLÉCOMMUNICATIONS

Roaming rule changes may lead to fewer network investments, say wireless incumbents (except Rogers)

Lower wireless infrastructure investments could be the result of Industry Canada's proposals to adopt indefinite roaming and eliminating the difference between in-territory and out-of-territory roaming, warn some mobile carriers. The cautionary notes come from Bell Canada, SaskTel and Telus Corp. in comments to the department's consultation on changes to mandated roaming and tower site sharing. They urge Industry Canada to think hard before making these changes because they could have the unintended consequence of decreasing overall wireless network investment in both urban

and rural areas across the country. SaskTel is particularly concerned that if the mandated roaming rules are adopted as proposed, the company could find itself having to provide roaming to carriers (with revenues upwards of 10 times larger) that were previously uninterested in investing in Saskatchewan. The company adds the big push from the federal government to ensure that residents and businesses in rural Canada enjoy the same level of wireless service as those in urban Canada could also be in jeopardy.

Cartt.ca

RIM's head of global sales leaves BlackBerry maker

The head of global sales at Research In Motion Ltd has left the company to take on a leadership role in another industry, the BlackBerry maker said on Wednesday. Patrick Spence was a 14 year company veteran widely considered a rising star for RIM. He was promoted to the global sales role in July last year after serving as managing director for Europe, the Middle East and Africa.

[Reuters News](#)

WiFi emissions not harmful: Industry Canada

Radiation emitted by WiFi technologies is "well below" federal limits imposed by Health Canada, a newly released study by Industry Canada says. In a report released Friday called Case Study: Measurements of Radio Frequency Exposure from Wi-Fi Devices, Industry Canada said it measured the radio frequency emissions of 24 WiFi-enabled laptops and found that the devices did not emit a harmful amount of radiation.

"The goal of this study was to obtain measurements of the levels aggregated RF [radio frequency] exposure from multiple Wi-Fi access points and Wi-Fi enabled devices in an indoor environment," Industry Canada's case study said. Industry Canada said its study found that the radio frequency radiated by the a pair of WiFi access points and 24 laptops amounted to 0.19 per cent of Health Canada's limit.

[Wire Report](#)

ECONOMY / ÉCONOMIE

BMO paints bleak economic picture

Two reports released today project a fairly bleak economic picture for New Brunswick and Atlantic Canada in the coming months. Both BMO Economics and the Atlantic Provinces Economic Council (APEC) predict the Atlantic region will face economic growth below the Canadian average. Real GDP in the Atlantic provinces will grow by barely two per cent annually through the end of 2013, while the Canadian economy will grow at a rate of 2.3 per cent, BMO expects. This is a departure from the trend over the past decade, when economic growth in Atlantic Canada stayed slightly above the national average.

[Telegraph Journal](#)

PORTFOLIO PARTNERS / PARTENAIRES DU PORTEFEUILLE

Research station is awarded bridge funding

The Kluane Lake Research Station is back in business for this year, the station manager says. Sian Williams said in an interview today Environment Canada has offered the southwest Yukon research station approximately 70 per cent of what it received under the Major Resources Support Program through the Natural Sciences and Engineering Research Council (NSERC) of Canada. Previously, the station received \$100,000 through the NSERC program for station operations. As a result of federal budget cuts, NSERC has placed a moratorium on the Major Resources Support Program. The program's website says current funding commitments will be honoured, but no new applications will be accepted at this time.

[Whitehorse Daily Star](#)

AEROSPACE / AÉROSPATIALE

CAE trims 300 jobs as profits rise; 90 in Montreal

CAE Inc. is making the largest cut to its workforce in nearly three years by trimming 300 jobs as the flight simulator and training company adjusts to the impact of military budget cuts in Europe. The Montreal-based company announced Wednesday that it is trimming about four per cent of its global work-force of 8,000 despite growing revenues and profits. Most of the job cuts are in Germany, but 90 employees in Montreal were notified as of Wednesday they would no longer be needed. No engineering positions are affected. Most are general, administrative and support jobs.

[CP](#)

BROADBAND / LARGE BANDE

Ontario region looks to boost rural broadband

Around the world communities are racing to bring broadband to business and homes in the belief that faster speeds on the information highway is the path to prosperity. That's why representatives of York Region, a sprawling district north-west of Toronto with 1.1 million residents that includes offices of some of the biggest names in IT, is holding a two-day meeting here to find out how it can keep up with if not beat other communities across the country and around the world in broadband. Leading-edge countries are planning speeds of at least 100 Mbps, the conference was told, while Canada waits for the federal government to announce its digital economy strategy.

Network World Canada

Published by the Media Relations Unit (CMB). Comments or questions may be directed to CMB-Media Relations. Contact CMB-Media Relations for changes to the distribution list.

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Lalonde, Lucie: ICT-TIC

From: Mellon, Derek: CMB-DGCM
Sent: Wednesday, May 23, 2012 8:12
To: Mellon, Derek: CMB-DGCM; CMB-Summaries / Sommaires-DGCM
Cc: CMB Media Monitoring / Surveillance médiatique DGCM
Subject: IC Media-A.M. / IC Médias-Matin - 2012-05-23

Media Relations Unit / Unité des relations avec les médias (CMB)

IC Media-A.M. / IC Médias-Matin
2012-05-23

STATISTICS CANADA / STATISTIQUE CANADA

Budget cuts threaten privacy

Government budget cuts could threaten the privacy of personal and business information as Canada's statistics agency abandons its stand-alone computer system and finds cheaper ways to obtain its data. Canada's privacy watchdog, which famously challenged policies at Facebook and Google, and chief statistician Wayne Smith both see risks in Statistics Canada's cost-cutting measures, part of a broad effort to eliminate the Canadian federal budget deficit by 2016. As well as cutting staff and eliminating some of its surveys, Stats-Can must merge email and data systems with those used by 42 other government departments and agencies and likely rely more heavily on outside sources of data. "We have underlined the fact that consolidating the email functions of so many federal organizations into one service could result in greater vulnerability for personal information," said Scott Hutchinson, a spokesman for the Office of the Privacy Commissioner of Canada. StatsCan, which must cut spending by \$33.9 million by 2015, has traditionally kept its computer systems separate to ensure confidentiality of sensitive information.

Reuters

SMALL BUSINESS AND TOURISM / PETITES ENTREPRISES ET TOURISME

Canada is missing the boat on tourism, Victoria firm says; funding needed to avoid losing market share, consultant warns

The Canadian Tourism Commission requires more funding to reverse a sinking budget and avoid losing potential visitors to other countries with more aggressive marketing campaigns, says a Victoria consulting company. Global tourism is growing, but Canada is losing its market share of international tourists, said Frank Bourree, a partner at Chemistry Consulting, on Tuesday. The CTC and the private Tourism Industry of Canada are looking at ways to raise money, but no plans have been finalized, he said. "It's sort of in turmoil at the moment." In 2010, Canada's share of international tourist arrivals stood at 1.7 per cent of global arrivals, down from 2.9 per cent in 2002, says a new Chemistry Consulting report by senior manager Dinah White. "Canada stands to lose even more international market share if national tourism marketing initiatives are reduced," White said. "Remember the truism 'out of sight, out of mind.' "

Times Colonist

INDUSTRY / INDUSTRIE

A mild case of 'Dutch disease'

As the war of words over the regional economic effects of Alberta's oilsands that has pit West against East, a careful look at the evidence shows that the impact of the energy sector and the strong dollar on manufacturing is far less widespread and much more nuanced than conventional wisdom would suggest. Natural resource wealth can be a double-edged sword. On the one hand, it contributes to strong economic growth and higher standards of living, relatively low unemployment and (until the recession) healthy public finances. These benefits are especially evident in the energy-rich provinces, but are in fact felt across the country. On the other hand, a booming resource sector can in some instances lead to unbalanced growth against other sectors of the economy.

Vancouver Sun

TELECOMMUNICATIONS / TÉLÉCOMMUNICATIONS

Google achète Motorola et ses 17 000 brevets pour 12,5 G\$

Le groupe Internet Google a annoncé hier qu'il avait finalisé l'acquisition du fabricant de téléphones portables Motorola Mobility, une opération annoncée il y a plus de neuf mois et qui marque l'entrée du géant des logiciels en ligne dans le domaine des matériels. Pour Google, c'est la plus grosse acquisition jamais réalisée, chiffrée à 12,5 milliards \$. Elle lui permet non seulement de contrôler la fabrication d'appareils utilisant son système d'exploitation pour appareils portables Android, mais aussi de mettre la main sur quelque 17 000 brevets.

[Le Soleil](#)

Many Canadians still using dial-up modems to get on the Internet

According to a few different estimates, there are hundreds of thousands of Canadians still travelling the information superhighway in the slow lane, who get online only after waiting for a series of bleeps, piercing shrieks and blurts of static to be belted out by their dial-up modem. The CRTC estimated that in 2010, there were about 366,000 dial-up customers across the country. The Convergence Consulting Group says residential dial-up subscriptions went from well over a million in 2007 to about 250,000 at the end of 2011. And surveys by the Media Technology Monitor suggested about 3% of the population was using dial-up Internet in 2011. For some in rural communities, dialup is still the only way they can get online.

[CP](#)

Telecoms consulted on lawful access laws

A "close cooperation" between the Conservative government and Canadian telecommunications service providers has created a "two-tier approach" to Internet surveillance policy, Michael Geist, the Canada research chair in Internet and e-commerce law at the University of Ottawa, says. In a blog post Tuesday, Geist said documents obtained under the Access to Information Act show that Canadian telecom companies joined with government officials in a "secret working group" to "identify key issues" for the industry before the government tabled lawful access legislation in February. Bill C-30, the lawful access bill formally entitled the Protecting Children from Internet Predators Act, was tabled in the House on Feb. 14. According to the documents, the "Industry - Government Collaborative Forum on Lawful Access" included members from major Canadian telecom and cable companies, including BCE Inc., Cogeco Cable Inc., Research In Motion Ltd. (RIM), Telus Corp., and Rogers Communications Inc., as well organizations such as the Canadian Wireless Telecommunications Association (CWTA) and the Canadian Network Operators Consortium (CNOC).

[Wire Report](#)

SCIENCE, R&D / SCIENCES, RECHERCHE ET DÉVELOPPEMENT

UNB awarded innovation funding

Seven New Brunswick research and development projects have received a combined \$15 million in funding from the Atlantic Innovation Fund. Computer simulation technology potentially aimed at training the Armed Forces and digital camera software offering a new level of colour sensitivity were among the innovative ideas from New Brunswick to receive funding. Minister of State for the Atlantic Canada Opportunities Agency Bernard Valcourt made the announcement in Fredericton on Tuesday.

[Daily Gleaner](#)

FOREIGN INVESTMENT / INVESTISSEMENT ÉTRANGER

Foreign ownership win-win

According to a recent report by the environmentalist group ForestEthics Advocacy, 71% of oilsands production is owned by non-Canadian shareholders, with foreign-headquartered companies controlling 24% of the sector's production. The group concludes that Canadians benefit very little from the industry's production on account of this high degree of foreign ownership. How can people still be making these kinds of protectionist arguments in this day and age? Now in the 21st century, we should know better. The fact is that foreign direct investment (FDI) is a positive sum game in which both sides benefit.

[Daily Press](#)

Why did Harper change the resource review regime?

Five years ago, a senior executive with a Chinese oil company voiced his frustration with Canada's regulatory system, saying it took too long for projects like pipelines to get up and running. "Here you need a very long time," Yiwu Song, vice president of CNPC International Limited, a subsidiary of the state-owned China National Petroleum Corporation, was reported as saying in an Oilweek article at the time. "It takes three years just to start up a pipeline. The situation keeps changing. We're fed up already," he continued. Five years later, there is a flurry of activity in Canada with the federal

government actively promoting a new plan for resource development one that is at the centre of an erupting debate over the future of the country's approach to the environment.

Embassy

OTHER / DIVERS

OSC alleges fraud at Sino-Forest

Sino-Forest Corp. and its top executives orchestrated one of the largest frauds in Canadian stock market history through a broad-ranging scheme to falsely inflate the company's assets and revenue, Ontario's securities regulator said in a sweeping set of allegations Tuesday. The Ontario Securities Commission alleges that Sino-Forest, which traded on the Toronto Stock Exchange and was once valued at more than \$6-billion, violated provincial securities laws by overstating its financial performance. The regulator said Sino-Forest moved money in a "circular" manner between various corporate entities in a series of complex related-party transactions. It also said the company falsified evidence of ownership for the vast majority of its timber holdings. The alleged fraud, which includes the unjust enrichment of the company's co-founder, former chairman and CEO Allen Chan through Sino-Forest's purchase of a company he had an undisclosed interest in, marks the biggest black eye for the Canadian capital markets since the Bre-X scandal in the 1990s.

G&M

Brampton man charged with fraud relating to the bankruptcy process

The Royal Canadian Mounted Police (RCMP) - Greater Toronto Area (GTA) Commercial Crime Section in collaboration with the Ontario Region Special Investigation Unit of the Office of the Superintendent of Bankruptcy (OSB), charged the following individual with offences under the Criminal Code (CC) and the Bankruptcy and Insolvency Act (BIA). The charges relate to an alleged fraud and the abuse of the bankruptcy process.

CNW

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Lalonde, Lucie: ICT-TIC

From: Beaudoin, Alain: SITT-STIT
Sent: Thursday, June 7, 2012 7:35
To: Moore, Wesley: ICT-TIC; Macartney, Nancy: ICT-TIC; de Tonnancour, Sylvain: ICT-TIC; Sheridan-Simzer, Andrea: ICT-TIC; Baillie, Aaron: ICT-TIC
Subject: RE: HOT ISSUES - A foreign-owned RIM (and other struggling firms) could be the best option for Canada, experts say

Thanks, can we get study?

From: Moore, Wesley: ICT-TIC
Sent: Thursday, June 7, 2012 7:22 AM
To: Macartney, Nancy: ICT-TIC; de Tonnancour, Sylvain: ICT-TIC; Sheridan-Simzer, Andrea: ICT-TIC; Baillie, Aaron: ICT-TIC
Cc: Beaudoin, Alain: SITT-STIT
Subject: Fw: HOT ISSUES - A foreign-owned RIM (and other struggling firms) could be the best option for Canada, experts say

From: Mellon, Derek: CMB-DGCM
Sent: Thursday, June 07, 2012 06:34 AM
To: CMB-Hot Issues
Subject: HOT ISSUES - A foreign-owned RIM (and other struggling firms) could be the best option for Canada, experts say

Published | Publi : 2012-06-07
Received | Re u: 2012-06-07 4:21 AM



TORONTO STAR (ONT)
BUSINESS, Page: B1
728 words | mots

An outside chance

A foreign-owned RIM (and other struggling firms) could be the best option for Canada, experts say

Madhavi Acharya-Tom Yew Toronto Star

Research In Motion has slid from a technology juggernaut that pioneered mobile email and became a symbol of **Canadian** innovation, ingenuity, and pride to a threatened firm facing operating losses, a plummeting market share and stock price. Now the Waterloo-based BlackBerry maker is likely up for sale either as a whole or in parts, a once forbidden question is being asked: is a foreign-owned RIM better for Canada?

Yes, according to Laura Dawson, an international policy analyst and senior fellow at the Macdonald-Laurier Institute.

The common assumption is a foreign buyer wants to make off with domestic assets, while a **Canadian** owner would always have the country's best interests at heart, Dawson said.

But there is no evidence that foreign direct investment leads to **hollowing out**, moving jobs or capacity offshore, or that domestic investors are more inclined to promote national welfare, Dawson writes in a report, published Wednesday, called "Potash and BlackBerries: Should **Canada** Treat All Foreign Direct Investment the Same?"

"It's a more much nuanced issue. Investment will go where it can get the best returns and **Canada** can often offer very good returns for **foreign investors**," Dawson said.

"Why is that asset having trouble in **Canada** now? Chances are it needs a new infusion of ideas or access to new markets. Working with **foreign investors** could give access to international markets and new ways of doing things. It's the infusion of new blood, new ideas, new money, new markets, that a **Canadian** asset often needs to go to the next level."

During the breakup of another high-tech giant, Nortel, RIM's former co-chief executive officer Jim Balsillie argued **Nortel** ought to remain in **Canadian** hands.

"Maybe he was saying that out of a nationalist stance, or maybe he really wanted to get a lower price in the bidding for the assets," Dawson said.

"Not every **Canadian** asset is a national treasure that must be guarded from foreign hands. Sometimes we must take the best deal available."

RIM later acquired **Nortel** assets by joining a consortium that included non-**Canadian** firms Apple and Microsoft.

For most **foreign acquisitions**, the federal government considers the net benefits offered by the acquisition, including the impact on the economy, culture and competition.

BHP Billiton's offer for **PotashCorp** was shut down by the government even though the company offered numerous concessions because the purchase would have lead to the demise of Canpotex, **Canada's** potash-export marketing agency, and cost Saskatchewan as much as \$6 billion in tax revenue.

But the **takeover** of **Algoma Steel** by India-based Essar Group in 2007 is an example of a struggling **Canadian** business that was revived by **foreign ownership**, Dawson said.

"That steel company was going down for the count. (Essar has) made that company successful. It is viable and making money and Sault Ste. Marie is booming compared to what it was a few years ago."

Dawson argues that cases such as Caterpillar, the U.S. industrial giant that acquired a plant in London, Ont., in 2010, demanded huge wage concessions, and then shut it down last February, is actually a rare occurrence.

Ottawa would closely scrutinize any potential purchase of RIM for national security implications, particularly with so many **Canadian** and U.S. government departments using the BlackBerry, the report noted.

"I haven't seen any economic evidence that says we should stop foreign direct investment," said David Detomasi, international business professor at Queen's School of Business at Queen's University in Kingston, Ont.

Detomasi said the evidence about **net benefit to Canada** from foreign direct investment is "overwhelming."

"I'd be more worried if nobody was trying to buy any **Canadian** stuff, than trying to prevent people who are. If nobody was making a bid for our assets, it means they're not really desired, and that means we're not really competitive," he said.

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Lalonde, Lucie: ICT-TIC

From: Beaudoin, Alain: SITT-STIT
Sent: Monday, May 28, 2012 17:36
To: de Tonnancour, Sylvain: ICT-TIC; Macartney, Nancy: ICT-TIC; McDonald, Helen: SITT-STIT; Gillis, Kelly: SITT-STIT
Subject: Research In Motion Seeks New Legal Officer

May 28 (Bloomberg) -- Research In Motion Ltd., the maker of the BlackBerry smartphone, is seeking a new chief legal officer to replace Karima Bawa, the latest senior executive to announce their departure in under a week.

Bawa, who has been at RIM for 12 years, has been in talks with the company about her retirement "for some time," the Waterloo, Ontario-based company said today in an e-mailed statement. She plans to stay on to support the hiring and transition once a replacement has been named.

Bawa is the second recent high-profile departure from the company as it struggles to reverse tumbling sales as consumers increasingly opt for devices like Apple Inc.'s iPhone or handsets built on Google Inc.'s Android platform. Patrick Spence, RIM's head of sales and one of the original staff to promote and market the device to banks on Wall Street, left the company last week after 14 years.

RIM's share of the global smartphone industry fell by more than half to 6.4 percent last quarter, according to research firm IDC. Android's share jumped to 59 percent, and Apple's iOS operating system accounted for 23 percent.

RIM rose 0.4 percent to close at C\$11.39 in Toronto. The stock has lost 74 percent of its value in the past year.

To contact the reporter on this story: Doug Alexander in Toronto at dalexander3@bloomberg.net

To contact the editor responsible for this story: David Scanlan at dscanlan@bloomberg.net

===

Sent from Bloomberg for Blackberry. Download it from the Blackberry App World!

Lalonde, Lucie: ICT-TIC

From: Beaudoin, Alain: SITT-STIT
Sent: Thursday, June 7, 2012 15:24
To: McDonald, Helen: SITT-STIT; Gillis, Kelly: SITT-STIT; Macartney, Nancy: ICT-TIC; de Tonnancour, Sylvain: ICT-TIC; Sheridan-Simzer, Andrea: ICT-TIC
Subject: BlackBerry-maker RIM ditches 16-gig PlayBook - thestar.com

<http://www.thestar.com/business/article/1207516--blackberry-maker-rim-ditches-16-gig-playbook>

Lalonde, Lucie: ICT-TIC

From: Beaudoin, Alain: SITT-STIT
Sent: Thursday, June 7, 2012 12:49
To: 'Jonathan.DeWolfe@fin.gc.ca'; MacGillivray, Allan: SPS
Subject: Re: RIM

Jonathan, I'm out of the office but will be back around 4pm. Will give you a call by then.

From: Jonathan.DeWolfe@fin.gc.ca [mailto:Jonathan.DeWolfe@fin.gc.ca]
Sent: Thursday, June 07, 2012 12:30 PM
To: MacGillivray, Allan: SPS
Cc: Beaudoin, Alain: SITT-STIT
Subject: RE: RIM

Thanks!

Jonathan DeWolfe
Chief | Chef
Microeconomic Policy Analysis | Analyse des politiques microéconomiques
Economic Development and Corporate Finance | Développement économique et finances intégrées
Finance Canada | Finances Canada
Ottawa, Canada K1A 0G5
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Department of Finance
Canada

Ministère des Finances
Canada

Canada

From: Allan.MacGillivray@ic.gc.ca [mailto:Allan.MacGillivray@ic.gc.ca]
Sent: June 7, 2012 12:28 PM
To: DeWolfe, Jonathan
Cc: Alain.Beaudoin@ic.gc.ca
Subject: RE: RIM

Jonathan - RIM is not our beat, but my colleague, Alain Beaudoin may be in a position to assist you.

Regards

Allan

From: Jonathan.DeWolfe@fin.gc.ca [mailto:Jonathan.DeWolfe@fin.gc.ca]
Sent: Thursday, June 7, 2012 12:19 PM
To: MacGillivray, Allan: SPS
Subject: RIM

Hi Allan,

21(1)(a).21(1)(b)

Thanks
Jonathan

Jonathan DeWolfe

Chief | Chef

Microeconomic Policy Analysis | Analyse des politiques microéconomiques

Economic Development and Corporate Finance | Développement économique et finances intégrées

Finance Canada | Finances Canada

Ottawa, Canada K1A 0G5

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Department of Finance
Canada

Ministère des Finances
Canada

Canada

Lalonde, Lucie: ICT-TIC

From: Beaudoin, Alain: SITT-STIT
Sent: Wednesday, May 30, 2012 17:39
To: Macartney, Nancy: ICT-TIC; de Tonnancour, Sylvain: ICT-TIC
Subject: Fw: Interesting tweet from Paul Viera

From: Louden, David: CMB-DGCM
Sent: Wednesday, May 30, 2012 05:08 PM
To: Fulcher, James: ICT-TIC; Beaudoin, Alain: SITT-STIT
Subject: FW: Interesting tweet from Paul Viera

FYI

From: Cimpaye, Michel: CMB-DGCM
Sent: Wednesday, May 30, 2012 4:56 PM
To: Baird, Louise: CMB-DGCM; Guenette, Corinne: CMB-DGCM; Spurling, Brian: CMB-DGCM
Cc: CMB-Media Relations; MR Approvals - DGO; Louden, David: CMB-DGCM; Bercier, Tania: CMB-DGCM; Corrigan, Camilla: CMB-DGCM
Subject: Interesting tweet from Paul Viera

[Paul Vieira @paulvieira](#)

Spokeswoman for [#Canada](#) Industry Min Paradis: Wishes [#RIM](#) success, but won't comment on speculation

4:47 PM - 30 May 12 via [TweetDeck](#) · [Details](#)

Lalonde, Lucie: ICT-TIC

From: Beaudoin, Alain: SITT-STIT
Sent: Wednesday, May 30, 2012 12:15
To: Fulcher, James: ICT-TIC; Macartney, Nancy: ICT-TIC
Subject: Re: Media Request - Reuters

We don't have lead in any of these questions.

----- Original Message -----
From: Fulcher, James: ICT-TIC
Sent: Wednesday, May 30, 2012 12:09 PM
To: Macartney, Nancy: ICT-TIC
Cc: Beaudoin, Alain: SITT-STIT
Subject: FW: Media Request - Reuters

Nancy, pls see request below. CMB is asking us to identify which questions we can answer, that will have to be in turned approved by the ADM...

-----Original Message-----
From: Loudon, David: CMB-DGCM
Sent: Wednesday, May 30, 2012 12:02 PM
To: Fulcher, James: ICT-TIC
Subject: FW: Media Request - Reuters

-----Original Message-----
From: Stastny, Margaux: IC-MIN
Sent: Wednesday, May 30, 2012 11:48 AM
To: CMB-Media Relations
Subject: Media Request - Reuters

Afternoon -

Can we please prepare a response to the request below from 19(1) at Reuters. He would like to file today. Thanks.

As you know, RIM is predicting a loss, and hired RBC and JP Morgan to advise it on what its next steps should be.

Can you say whether the minister (or the government) is talking to the United States about whether to allow a foreign takeover of RIM?

Are there security concerns about a foreign takeover of RIM?

What would the security concerns be with respect to China?

The Pentagon uses at least a quarter of a million BlackBerries, and there is heavy usage in other departments; does the U.S. have the ability to block a foreign takeover of RIM somehow?

Lalonde, Lucie: ICT-TIC

From: Beaudoin, Alain: SITT-STIT
Sent: Monday, May 28, 2012 8:53
To: Macartney, Nancy: ICT-TIC; de Tonnancour, Sylvain: ICT-TIC; Lalonde, Lucie: ICT-TIC
Subject: Will call in at 10:15 to discuss RIM.

Lalonde, Lucie: ICT-TIC

From: Montpellier, Kim: SITT-STIT
Sent: Monday, May 28, 2012 10:21
To: Beaudoin, Alain: SITT-STIT
Cc: Lalonde, Lucie: ICT-TIC; SITT ADM Office - Bureau SMA STIT
Subject: FW: SADM-MIN: Update on RIM (CCM 235615)

Importance: High

Please provide the BN by COB Tuesday, May 29th.

Thanks,
Kim

From: DMO/MINO Requests - Requêtes
Sent: Monday, May 28, 2012 9:55 AM
To: SITT ADM Office - Bureau SMA STIT
Subject: SADM-MIN: Update on RIM (CCM 235615)
Importance: High

Please prepare the following note and send it directly to DMO-MINO Requests. /
Veuillez S.V.P. préparer la note suivante et l'envoyer directement à DMO-MINO Requêtes :

Lead is / Sous la direction de : SITT

With input from / Avec consultation de :

CCM # : 235615

Subject / Sujet : RIM

Key points to raise / Points clés à soulever : Further to Alain Beaudoin's message to DMs, please prepare a note on the latest news on RIM.

Documents to provide / Documents à fournir : BN addressed to Minister Paradis

BF / Date de rappel : May 30 by COB

Note :

Thank you! / Merci!

Lalonde, Lucie: ICT-TIC

From: Sheridan-Simzer, Andrea: ICT-TIC
Sent: Thursday, June 7, 2012 9:22
To: Beaudoin, Alain: SITT-STIT; de Tonnancour, Sylvain: ICT-TIC; Macartney, Nancy: ICT-TIC
Subject: RE: With Galaxy S III, Samsung Makes the Case That One Size Does Fit All - Ina Fried - Mobile - AllThingsD

21(1)(a)

Andrea

-----Original Message-----

From: Beaudoin, Alain: SITT-STIT
Sent: June 6, 2012 5:10 PM
To: de Tonnancour, Sylvain: ICT-TIC; Macartney, Nancy: ICT-TIC; Sheridan-Simzer, Andrea: ICT-TIC
Subject: With Galaxy S III, Samsung Makes the Case That One Size Does Fit All - Ina Fried - Mobile - AllThingsD

<http://allthingsd.com/20120606/with-galaxy-s-iii-samsung-makes-the-case-that-one-size-does-fit-all/>

21(1)(a)

D | All Things Digital.

Mobile

With Galaxy S III, Samsung Makes the Case That One Size Does Fit All

Published on June 6, 2012
by Ina Fried

The tug of war between handset makers and carriers is one of the oldest games in the mobile phone business.

For most of that history, at least here in the U.S., the carriers have had the largest pull. As the ones that buy the devices and are responsible for selling them to customers, carriers have traditionally been able to make sure their brand is the biggest, if not the only one, and that the phones themselves look and feel a certain way.



The iPhone has been the major exception, shipping in an Apple box, with no carrier branding and in exactly the same form no matter which operator is selling it. But other device makers are also taking note.

With the first Galaxy S phones, Samsung managed to make sure each device was tagged as "a Galaxy S smartphone," even though each of the U.S. carriers had their own moniker, such as Fascinate, Vibrant and Captivate. With the Galaxy S II, there were still variations in design and screen size, though the Galaxy S II name was universally adopted. (Sprint did insist on appending the Epic 4G Touch to the name, giving its Galaxy S II a long name and a split personality.)

This time around, Samsung is changing all that. Each U.S. carrier is selling essentially the same Galaxy S III device. It looks the same and packs nearly identical features, with the cellphone radio being the only key variable. (The phone supports LTE networks on Sprint, Verizon and AT&T, while using HSPA+ on T-Mobile.)

Indeed, in a demo, Samsung VP Nick DiCarlo had to turn the phone over to double check which model he was holding (it was T-Mobile's).

The carriers are able to do a little bit of customization when it comes to software, preloading their own apps. In T-Mobile's case, for example, the Galaxy S III comes loaded with apps for the carrier's TV service and hotspot-connection software.

There's a variety of reasons why Samsung wants to do this — and why the carriers are willing to go along. Unifying its flagship phone allows Samsung to get more bang for its advertising buck. It also creates the kind of device that carriers hope customers will ask for by name, the way they do with the iPhone.

For Android, the move offers a chance to have a single hit phone to compete with the iPhone, something that Google, the carriers and Samsung clearly all want.

It's a mixed bag for the carriers, though, who tend to like to have their own brands. Sprint, for example, likes to use the Evo brand for its HTC devices, and has, until the Galaxy S III, gone with the Epic brand for its high-end Samsung phones.

"We think in franchises," Sprint's David Owens said in an interview on Tuesday. That said, Sprint has managed to build a very powerful brand in its own right. Importantly, Samsung is backing up the launch with a big marketing campaign of its own.

"The benefit of a global platform comes if the manufacturer is really willing to get behind it with their own investment," Owens said.

As a result, Owens said, the carrier is happy to sell the phone as is, and to go head to head with rival carriers, based on price. As it does with the iPhone, Sprint plans to market heavily around the fact that it will be the only major carrier offering unlimited data plans with the device.

Sprint, like the other carriers, is also preloading various pieces of software and services.

T-Mobile, whose Galaxy S III will be the only model not running on an LTE network, said it is confident that it can stand out, even against rivals with the combination of its rate plans, network and services.

"We're not really worried," says T-Mobile's Randy Meyerson, director of product management.

DiCarlo said that its effort to offer only a single flavor of the Galaxy S III in the U.S. involved some negotiation.

"Everything in the phone business is a discussion, for sure," DiCarlo said.

Many of these branding issues are particular to the U.S. market, where most cellphones are bought by carriers and then sold to customers. As a result, carriers are powerful links in the chain, often capable of dictating how a phone will be designed, named, packaged and priced.

In many other countries, phones are sold directly to customers, either with or without an operator subsidy. In those places, the device maker's brand has long ruled the day when it comes to high-end devices, though carriers like Orange have increasingly been targeting the mid-tier and low end with phones built for it and carrying its name alongside, or instead of, that of the hardware maker.

Several carriers have said their preference is to have several strong players in the market, hitting a variety of price points.

These days, the smartphone market is largely a two-stable race between Android and the iPhone. But where Apple's strength is consolidated with the iPhone, Google's power has been spread among dozens of different models from a wide range of big-name and lesser-known phone makers.

Samsung is clearly the largest player in the Android camp, though it also makes devices running Windows Phone and its homegrown Bada software. Combined, Apple and Samsung account for 99 percent of the industry's profits, and a growing share of the sales figures, as well.

Canaccord Genuity technology analyst Michael Walkley predicted this week that Samsung and Apple will account for roughly half of smartphone unit sales this year and next.

Expectations for the Galaxy S III are high. Best Buy started taking orders for the phone on Tuesday, and said it has seen a strong initial response.

"The Samsung Galaxy S III is going to be one of the biggest phone launches of the year and we have already seen excitement from our customers," Best Buy merchandising VP Scott Anderson said in an email.

Return to: With Galaxy S III, Samsung Makes the Case That One Size Does Fit All

URL: <http://allthingsd.com/20120606/with-galaxy-s-iii-samsung-makes-the-case-that-one-size-does-fit-all/>

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Lalonde, Lucie: ICT-TIC

From: Holloway, James: ICT-TIC (NCR-RCN)
Sent: Monday, June 4, 2012 16:15
To: Beaudoin, Alain: SITT-STIT; Abid, Zahid: ICT-TIC; Baillie, Aaron: ICT-TIC; Berezovsky, Felix: ICT-TIC; Brocca, Josie: DPB-DGPN; Buffone, John: ICT-TIC; Chan, Emily: ICT-TIC; de Tonnancour, Sylvain: ICT-TIC; Fulcher, James: ICT-TIC; Gagné, Claude: ICT-TIC; Garland, Brian: ICT-TIC; Hendi, Kim: ICT-TIC; Macartney, Nancy: ICT-TIC; Monzer, Ilham: ICT-TIC; Moore, Wesley: ICT-TIC; Mota-Lee, Marie: ICT-TIC; Rand, Bob: ICT-TIC (NCR-RCN); Robert, Mélanie: IC-MIN; Sheridan-Simzer, Andrea: ICT-TIC; Wudwud, Tom: ICT-TIC
Subject: FW: Vanishing act: Where did Canada's mid-sized companies go?

fyi

From: Eusebio, Paulo: RO-OR (PAC)
Sent: Monday, June 4, 2012 3:29 PM
To: PAC: POLICY, ANALYSIS AND INTELLIGENCE
Cc: 'Rizwan Kheraj'; Michael Lee; Short, Kraig: WD; Holloway, James: ICT-TIC (NCR-RCN); Roy, Jean-Pierre: RO-OR
Subject: Vanishing act: Where did Canada's mid-sized companies go?

Following our brief discussion this morning, regarding SR&ED, you may find this Globe and Mail article of interest - I have highlighted a few points that stand out for me.

21(1)(b)

21(1)(b)

Paulo

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Vanishing act: Where did Canada's mid-sized companies go?

TAVIA GRANT, RICHARD BLACKWELL, BARRIE McKENNA

TORONTO, OTTAWA — The Globe and Mail

Published Friday, Jun. 01 2012

Canada is in the midst of a chilling mid-sized business mystery.

In just a few short years, hundreds of companies that employ between 100 and 499 people vanished — and no one knows exactly why.

This phenomenon is alarming because mid-sized firms are more productive, hire more Canadians and have more clout on a global scale. Against a backdrop of warring governments, massive sovereign debt loads and a shifting trade picture, their importance to the country's economy has never been higher, their rapid disappearance never more in need of an explanation.

Global competition is fierce not only from Asia and other emerging markets, but increasingly from next door, as the United States lures manufacturers back home. Demographic factors of an aging population, meanwhile, are already set to curb Canada's economic growth in the years ahead, putting pressure on public finances and the country's tax base, making the vibrancy of its private sector all the more essential.

All told, 527 mid-sized companies vanished between 2007 and 2010 — representing a drop of 3.6 per cent compared with a rise of 2.6 per cent of businesses in general, according to numbers compiled by the Business Development Bank of Canada (BDC) and released exclusively to The Globe and Mail. This shrinking pace is all the more worrisome given the outsized importance of mid-sized businesses, which represent 12 per cent of Canada's gross domestic product and 16 per cent of the jobs.

The country now has just over 14,000 firms of that size, compared with almost a million small businesses and nearly 3,000 large ones, leaving Canada overwhelmingly comprised of businesses too small to generate job growth, too small to drive an economic recovery, and ultimately too small to ensure the country can compete for trade with the new global superpowers in this post-crisis world.

The mystery of Canada's disappearing mid-sized firms has even some of Canada's top economic thinkers puzzled — and racing against time to turn clues into a cure.

“Where did they go? Did they become smaller, because of the state of the economy, did they merge with others, get bought up by other [foreign or Canadian] companies? Why is the number decreasing?” asks Pierre Cl  roux, BDC's vice-president of economic analysis. “We're trying to understand it better so we can propose a solution.”

THE SCENE OF THE CRIME

For Canadian Hydro Developers Inc., a rare mid-sized company in the renewable energy business, the end of life started with a hostile takeover bid from giant TransAlta Corp. in July, 2009.

“It was a massive disappointment” when the offer was made, because the company was in a growth trajectory that was heading it toward big-company status down the road, said former Canadian Hydro chief executive officer Kent Brown. “The hardest thing in my life was the day before we publicly announced [the offer] sitting down with staff and telling them. It was horrible. ... We were just hitting our stride.”

Calgary-based Canadian Hydro, founded by brothers John and Ross Keating in the late 1980s, built a diverse portfolio of almost two dozen wind, hydro and biomass plants in four provinces. By the time of the TransAlta takeover, it had annual revenue of more than \$80-million and 150 employees.

The company fought the bid, but eventually TransAlta won out with a sweetened offer. Mr. Brown now runs BluEarth Renewables Inc., a tiny green energy startup.

Canadian Hydro’s disappearance from the diminishing galaxy of medium-sized companies resulted from a number of specific circumstances. It was widely held and did not have a single strong shareholder to block the offer, and its share price had sunk because of the recession, making it more vulnerable.

But it also reflected broader pressures that make it hard for mid-sized firms to thrive. Part of the problem is that many investors want liquidity and dividends, and that tends to steer equity into large companies instead of mid-sized ones that need capital to fund growth, Mr. Brown said. It also means many mid-sized companies are pressured to prematurely pay dividends, limiting their options and weakening their balance sheets.

Another reason for the current dearth of mid-sized firms in Canada, he said, is that after the recession of 2008-09, investors became leery of investing in companies that have the potential to grow but don’t have a wide portfolio of concrete projects on the go. “Nobody is willing to be patient and give you the benefit of the doubt any more, and believe in your story.”

The dwindling number of mid-size companies is a problem for the country as a whole, he said, because those firms tend to be more nimble, fast-moving and aggressive than big companies. “You need both, or else you don’t have a healthy, working economy.”

Mid-sized companies are most exposed to the full force of global competition and the high dollar, and those that don’t work hard to develop new products and invest in equipment are at high risk of failure, said Deloitte vice-chairman Bill Currie.

“There’s no question there’s a cohort [of companies] that we’ve lost over the past three or four years, and we’ve lost them because they weren’t competitive,” he said. “There’s competition, not from Asia, but from Indiana at \$15 an hour. You can either be massively productive or have low wage rates. If you lose on either one of those metrics, you can no longer compete for those jobs.”

Against that backdrop, size matters more than ever. Bigger companies with more employees have more resources to help them export, try out new ideas and study new markets.

And their absence may explain why Canada’s export performance has been relatively weak. Exports were still 8 per cent below their pre-recession peak at the end of last year, Bank of Canada Governor Mark Carney said in a recent speech. In fact, Canada’s share of world exports has been the second worst in the G20 in the past decade.

THE CHASE

Authorities have a few theories about what’s happening, and several possible suspects: Canada’s industry base is too concentrated on natural resources, and losing focus on technology. Canadians are reluctant to think

outside their borders, or take on risk. Government incentives and economic conditions are hampering growth.

While companies less than three years old tend to grow very rapidly, older ones stagnate and grow very little. And that could be attributed to the Canadian tax system that rewards small, and indirectly dissuades growth. Governments – federal and provincial – love showering preferential tax rates and other benefits on businesses that happen to be small.

“These small-business incentives are a disincentive for businesses trying to make the leap out of the small category,” says Andrew Dunn, head of Deloitte Canada’s tax practice. “I am not saying that the lack of mid-sized businesses is driven by tax factors, but tax factors provide a current against which these businesses need to swim as they grow.”

Staying small to get the lower tax rate makes no sense, but companies seem to do it anyway, said Don Drummond, former banker and top federal finance official.

“It seems to be counter to the corporation’s interests, and it’s definitely counter to the national economic interest,” Mr. Drummond said, pointing out that larger companies are more productive, pay higher wages, are more likely to export and to do research and development.

Deloitte Canada, which is running its own investigation into Canadian companies’ growth and its link to poor productivity compared to the United States and other major competitors, has another startling discovery to add to the mix: Six out of 10 Canadian small-business owners are “lifestyle entrepreneurs” who have no interest in growing at all.

Business owner Melissa Orozco, for example, deliberately wants to stay small. The owner of Vancouver-based Yulu Communications, who previously worked for a mid-sized firm in New York, prefers a smaller size that allows for flexibility, and attention on customers.

She acknowledges that it’s tougher as a little firm to attract big clients. “We would love to work with some great companies like Lululemon or something like that, but larger corporate clients are going to go to the larger agencies.”

The tradeoff, she says, is that she can keep doing what she loves – if she expands to other cities, she will keep the boutique approach. “The bigger the company grows, you have to remove yourself from the work that made you passionate enough to start the business in the first place.”

CRACKING THE CASE

If there is a solution to this mystery, officials might consider looking to business owners such as Alexander Fernandes, who knows a thing or two about growing companies. The Vancouver serial entrepreneur has done it four times, most recently as CEO and founder of Avigilon Corp., which makes high-definition surveillance systems used in the Vancouver Olympics, British ports and Saudi airports.

The company officially graduated from small to medium (in number of employees) in 2010 and is one of the fastest-growing in the country. It now has 200 workers, and is hiring several people a week to help it expand in places like Dubai, Mexico and Finland.

The key to growth was thinking globally from the very beginning, says Mr. Fernandes, who began in the Canadian, U.S. and U.K. markets from year one.

“It’s always been a global plan,” he says. “I could not justify spending \$20-million on R&D to develop a product that’s just going to be marketed in Canada. It’s just not big enough.”

Mr. Fernandes, who founded or worked at three prior companies that crossed size thresholds, has several

theories for why other firms don't graduate.

First, they don't think globally. Second is risk aversion. "People are probably too complacent and too scared ... or maybe they're just happy to make a nice living with their cottage industry," he says.

In the meantime, one easy fix is to better track trends in company size. The Conference Board of Canada has pointed to a need for more nuanced data. Most research tends to lump small and medium-sized enterprises into one category, as SME, making it difficult to discern, for example, exactly how much medium-sized firms contribute to gross domestic product – and how much support they might require.

For its part, Montreal-based BDC (which crunched the numbers using data from Statistics Canada's business register) is studying why there are fewer mid-size firms by examining the trajectory of medium businesses over a 10-year period to understand their evolution. They plan to publish their findings this summer.

Canada has done a good job of encouraging startups, but it must act swiftly to help them grow, said Mr. Cl  roux, the business development agency's vice-president.

"The next step is to understand how we're going to support them or encourage them to get to the next level. The competition is so much greater now than before, so it's more important than ever for our companies to be more solid and be able to export."

<http://tinyurl.com/7nwgobt>

Paulo Eusebio

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