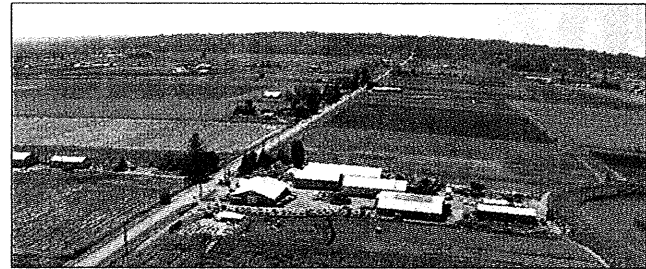


# MONEY



## Fields of dreams

Farmers would invest more, pay down debt or increase employee wages if faced with fewer regulations, a CFIB report says.

PAGE A33

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## Fast fade-out for Telus offer

TELECOMMUNICATIONS: 'Inadequate' bidding process forced departure

BY CARRIE TAIT  
CANWEST NEWS SERVICE

TORONTO — Telecom heavyweight Telus Corp., one of the potential bidders for Bell Canada Inc., said yesterday that it will no longer pursue a takeover of its larger rival.

"The inadequacies of BCE's bid process did not make it possible for Telus to submit an offer," Telus said in a statement yesterday morning.

Telus first announced its plans to make a cash-and-stock bid for its Eastern Canadian counterpart last week, and was still pitching the idea to the media Monday afternoon.

If the Burnaby-based company had made a bid, it would have run up against tough competition concerns from Canadian regulators, who were expected to take several months to approve the bid.

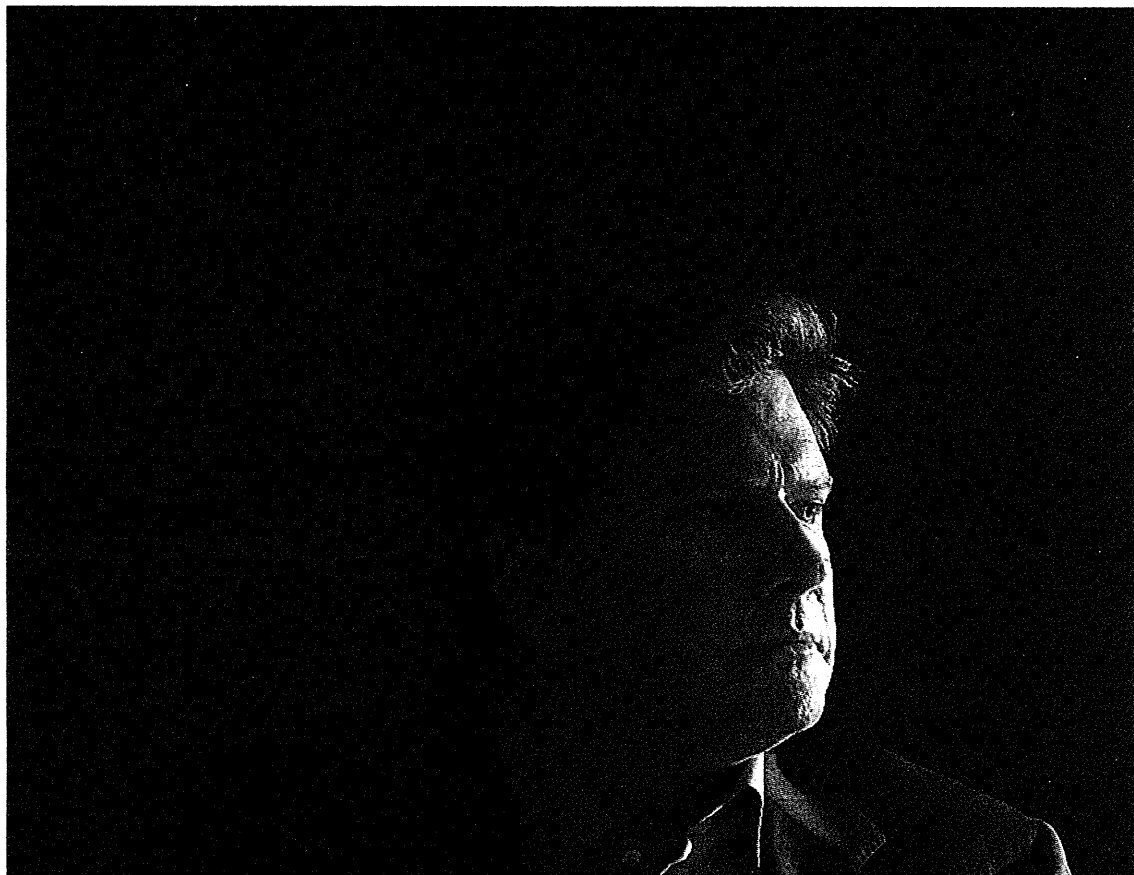
Telus was pushing the government to ensure that regulatory decisions concerning its potential takeover were delivered at the same time as decisions regarding other potential bidders.

Telus coveted Bell's wireless business — a growth hotspot in the telecom world. Observers and consumer advocates, however, questioned whether the government would allow the No. 2 and No. 3 players to merge. (Rogers Communications Inc. has the most wireless customers across Canada.)

Three private-equity bidding groups were also mulling a bid for Montreal-based Bell, and bids were due yesterday morning. Monday night, however, the bidding group led by the Canada Pension Plan Investment Board suffered a blow when two of its Canadian partners — the Caisse de depot et placement du Quebec and Onex Corp. — jumped out of the consortium.

This is significant because federal law says Canadians must own 53 per cent of Bell. New York buyout shop Kohlberg Kravis & Roberts Co. is CPP's other partner.

Ontario Teachers Pension Plan, which owns about six per cent of Telus, on Monday confirmed it will put a bid on the table. It has teamed



Darren Entwistle's Telus Corp. will not pursue its cash-and-stock bid for rival BCE. — CANWEST NEWS SERVICE

up with a U.S. private-equity shop, Providence Equity Partners Inc.

A third private equity consortium led by New York's Cerberus Capital Management LP is also in the running.

It is joined by Hospitals of Ontario Pension Plan, and also may have signed up Manulife Financial Corp., Hong Kong-Canadian billionaire

Richard Li and CanWest Communications Inc.

Bell's stock dropped \$1.23, or three per cent, to \$39.49 on the Toronto Stock Exchange in morning trading. Telus gained 19 cents, or 0.3 per cent, to \$62.19.

Because of the foreign ownership restrictions, the bidding process for Bell is unusual. In order to ensure

an auction process, Bell forced potential Canadian bidders to form separate camps.

It did this by not allowing bidding groups into its data room unless it approved of its partners. Bell was trying to spread around the Canadian cash to create competition, but critics charge it left bidding groups stretched for cash.

## Skills shortage creating 'perfect storm' for B.C. small business

REPORTS: Backbone of provincial economy faces serious threat

BY ASHLEY FORD  
BUSINESS REPORTER

Thousands of small and medium businesses in B.C. are facing a "perfect storm" finding skilled workers.

The Coalition of B.C. Businesses yesterday released a strongly-worded report saying that labour and skill

shortages are hammering small businesses and communities, the backbone of the provincial economy.

"The perfect storm of an aging workforce, a declining pool of younger workers, stiff international competition for talent and strong economic growth has increased skills gaps in B.C.," said coalition chairman John Winter.

"Without pre-emptive action, the negative impact of the skills and labour shortage on individual small

businesses will continue to take its toll on B.C.'s economy and communities," he warned.

The report says current provincial policies and programs designed to support labour strategies are not working sufficiently well.

He said the coalition, which represents more than 50,000 businesses, has fingered skill shortages as its leading economic issue.

Key recommendations include expanding immigration to help fill the shortfall, better utilization of

existing and emerging labour-force groups, and spreading the training-tax credit to non-apprenticeship occupations.

On immigration, the report calls for opening up of immigration to lower skill levels and for the federal government to streamline the Temporary Foreign Workers program.

The report also urges greater collaboration and support for partnerships with native groups.

Increased support should also be offered to women's and small-

business groups in the areas of entrepreneurship, occupational training and employment, particularly for single mothers, older women and those re-entering the labour market.

The coalition also supports the creation of a planning committee with members of the small business community and senior provincial government officials to co-ordinate workforce planning, education and training strategies.

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