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Ottawa lets Nortel slip from our grasp

Federal Industry Minister Tony Clement and National Hockey League Commissioner Gary Bettman have never met, but the two seem to have a similar objective: fending off Canada's BlackBerry billionaire, Jim Balsillie.

The NHL, of course, has been trying desperately all summer to prevent Balsillie from buying the bankrupt Phoenix Coyotes and moving them to Hamilton.

And this week Clement announced that the government will not heed the appeal of Balsillie's company (Research in Motion, or RIM) to intervene in the sale of the wireless unit of bankrupt Nortel Networks to foreign investors.

Just as Bettman has used every legal manoeuvre at his disposal to block Balsillie, Clement fell upon a technicality to avoid getting involved in the sale of Nortel's assets, which RIM had coveted.

In a bankruptcy auction, Ericsson, a Swedish firm, paid \$1.13 billion (U.S.) for Nortel's wireless unit, with its cutting-edge technology. That is well over the threshold of \$312 million (Canadian) that would normally trigger a governmental review of the transaction under the Investment Canada Act. But Clement said he had been advised that the "book value" of the assets was just \$182.5 million (Canadian) — well below the threshold.

Even so, Clement could have blocked the sale of the wireless unit to a foreign company if it were deemed "injurious to national security," as RIM had argued. But Clement found "no grounds" for this claim.

Finally, Clement dismissed concerns that RIM had been effectively blocked from bidding in the bankruptcy auction.

Thus have Clement and the federal government washed their hands of the sale to foreign interests of a key piece of Nortel, the one-time gem of Canada's high-tech sector. While not surprising — the government is simply following the wishes of its friends in the right-wing media — it is nonetheless regrettable.

Some have argued that this is an "Avro Arrow" moment — a reference to the decision of a previous Conservative government, under John Diefenbaker, to scrap a Canadian-designed jet fighter. But that was a cost-driven decision, as the government was financing the project.

In the case of Nortel, it would not have cost the government a penny to intervene in order to keep its wireless unit in Canadian hands. In deciding not to do so, Liberal Leader Michael Ignatieff declared yesterday, the Conservatives are "wilfully turning their backs on the future of Canada's technology sector."

Defend this region

Re: **Conservatives do back high-tech sector – Sept. 11**

Kitchener-Waterloo MP Peter Braid's letter missed the main point of Liberal Leader Michael Ignatieff's visit to Waterloo, which was to support Research In Motion's call for a review of the sale of priceless Nortel intellectual property to Ericsson.

Nortel's assets are heading offshore and will be costly to RIM, a Canadian champion in the wireless industry, the world's fastest growing company, and our largest regional employer.

Ironically, PetroChina's \$1.9 billion bid for a stake in Alberta's tarsands will undergo a review. The Harper Conservatives will review the shuffling of dirt in Alberta but not review the loss of heavily taxpayer-subsidized Canadian intellectual property in Ontario. This is worse than the Avro Arrow. When will the Harper Conservatives realize that Canada's new frontier is the protection of Canadian intellectual property? This is about Canadian jobs.

Most shocking and appalling is that the five local Conservative MPs who represent the 8,000 Waterloo RIM workers have been silent on this issue, an issue that is of critical importance to the local and Canadian economy. We deserve MPs who are not afraid to stand up for their communities and Canada.

Andrew Telegdi

Waterloo



Kitchener MPs silent on Nortel

September 22, 2009

Re:Ottawa lets Nortel slip

from our grasp, Editorial Sept. 18

Your editorial is dead on. Nortel's priceless assets are heading offshore, no doubt to compete with Canadian champion and world's fastest growing company – Research in Motion.

It is ironic that PetroChina's \$1.9 billion bid for a stake in Alberta's tar sands will undergo a review. The Harper Conservatives will review the shuffling of dirt in Alberta but not review the loss of heavily taxpayer subsidized Canadian intellectual property in Ontario.

Most shocking and appalling is that the five Conservative MPs who represent the 8,000 Waterloo RIM workers have been silent on this issue – an issue that is of critical importance to the economy of their communities.

Andrew Telegdi, former Liberal MP for Kitchener Waterloo