

BUSINESS
BRIEF

HYDRO TO APPEAL RULING

VANCOUVER — BC Hydro announced on Monday that it will appeal a recent B.C. Utilities Commission decision rejecting a proposed electricity purchase deal with Alcan. Hydro and Alcan had proposed a new long-term energy purchase agreement that would see the Montreal-based aluminum giant sell Hydro surplus power from its 50-year-old Kitimat hydroelectric facility at the same rates Hydro is paying to new power project developers. In exchange, Alcan was planning a \$2-billion upgrade to its Kitimat smelter, which is the economic mainstay of that coastal B.C. community. BCUC rejected that deal on Dec. 29, saying it was not in the best interest of Hydro's customers. The BCUC has not yet released detailed reasons for its decision — nor did Hydro on Monday state details of its appeal. "Today's filing is to meet statutory timelines so as to preserve BC Hydro's right to appeal the Commission's order to the court," Hydro said in a brief statement announcing the appeal. Hydro said it continues to believe that the agreement with Alcan "represents a sound market-based contract that provides a firm supply of power to help meet the growing demand for electricity in B.C."

PIPELINE PACT REACHED

CALGARY — The Mackenzie Valley natural gas pipeline took a step forward Monday after the major proponents reached an agreement with the Northwest Territories on socio-economic benefits. Imperial Oil Ltd. announced the deal on behalf of the pipeline partners, which include ConocoPhillips, Shell Canada Ltd., Exxon-Mobil Canada and the Aboriginal Pipeline Group. In addition to the resolution of outstanding aboriginal issues, the final price tag for building the 1,200-kilometre link from the Beaufort Sea to the Alberta border has yet to be nailed down. Previously pegged at \$6.5 billion, Imperial is expected to come out with revised estimates before the end of March, which could reach as high as \$10 billion.

LOBLAW TO SLASH JOBS

TORONTO — Grocery store giant Loblaws Co. Ltd. will cut 800 to 1,000 jobs at its head office and regional offices as it works to simplify its businesses and cut costs to maintain its position in an increasingly competitive marketplace. There will be no jobs cut at Loblaws' stores or distribution centres, but merchandising, procurement and regional store support jobs will be the ones affected, Loblaws announced Monday afternoon. The Toronto-based company will take a charge of between \$150 million to \$200 million in the first quarter of 2007 to cover related costs such as severance.

OILWELL DRILLING GUSHES

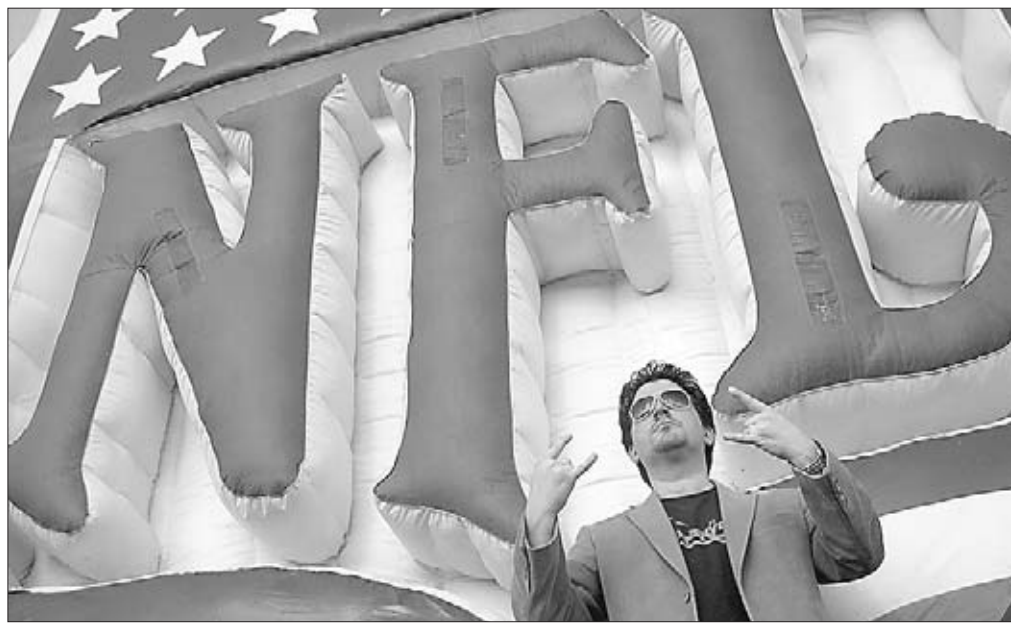
RED DEER, ALTA. — Last year was one for the record books in Alberta's oilpatch. The Canadian Association of Oilwell Drilling Contractors says just over 22,000 wells were punched in 2006. And the association is expecting slightly fewer wells — about 19,000 — to be drilled this year.

CULMONE BOARDS WESTJET

CALGARY — WestJet Airlines has appointed Vito Culmone, formerly with Molson Canada, as executive vice-president for finance and chief financial officer. Culmone, who will join WestJet on March 1, had been VP for commercial finance at Molson. Culmone will take over from acting interim CFOs Janice Paget and Derek Payne, who accepted the role after the retirement of Sandy Campbell in July 2006.

ROGERS PASSES BCE INC.

MONTREAL — Rogers Communications Inc., whose shares have more than tripled in three years, has surpassed rival BCE Inc. in market value for the first time. Rogers, which has lured away BCE customers with its telephone service, ended last week with a value of \$24 billion. BCE, the country's biggest phone company, was worth \$23.8 billion. The change highlights Rogers' success in capitalizing on demand for cell phones, high-speed Internet and video downloads.



Gino Bona of Portsmouth, N.H., won the National Football League's 'Pitch Us Your Idea for the Best NFL Super Bowl Commercial Ever. Seriously Contest.'

Super Bowl ads go American Idol route

Sponsors hold contests welcoming consumers' ideas

BY SETH SUTEL

NEW YORK — With *American Idol* turning everyday singers into pop stars and YouTube bringing acclaim to wannabe filmmakers, it seems only fitting that Super Bowl advertisers would be the latest to embrace the trend of giving amateurs a shot at the big time.

This year a number of advertisers, including Doritos, Chevrolet and even the NFL itself, held contests for creating ads or ideas for ads to run in the biggest showcase for advertising during the whole year.

At a reported average price of \$2.6 million US for a 30-second spot during the game, which airs on Feb. 4 on CBS Corp.'s CBS network, taking a chance on an amateur isn't for the faint of heart.

The NFL and Chevy are taking some of the uncertainty out of the picture by bringing in professional talent to make the ideas generated by contestants into finished ads that will air during the game.

Doritos, however, says it will air an ad from one of its five finalists that was made entirely by the contestants. Ann Mukherjee, vice-president for marketing at PepsiCo Inc.'s Frito-Lay unit, which makes Doritos, says the submitted ads have not been edited "one iota."

"A big gain is going to take a lot of risk, and we went in with our eyes wide open," says Mukherjee. "It was really an effort to give our consumers control over their brand in an age where consumers really want a voice over what they love."

By reaching out to consumers, advertisers are embracing the latest buzz topic in the media and entertainment business: "user-generated content," a phenomenon that has many worried that people will spend more time watching YouTube or hanging out on MySpace than

reading magazines, going to the movies or spending time with other traditional media.

In a reflection of how badly big companies want to be in those places, Internet search leader Google Inc. recently bought YouTube and Rupert Murdoch's media conglomerate News Corp. owns MySpace, the leading social networking site.

Doritos solicited submissions online for its contest and got more than 1,000 entries. Those were narrowed down to five finalists, whose ads were then put online for a popular vote. The winning ad will air during the Super Bowl but won't be revealed until then.

The finalists — and their entourages, for those who have them — are all being flown out to Miami to watch the game from a sports bar facility and see whose spot won. Each finalist also received \$10,000 US.

Joe Herbert, a finalist from Batesville, Ind., says his spot, which features a creative use of duct tape to keep a roommate from stealing the protagonist's Doritos, cost him and his brother Dave "a little bit of money and a lot of sleep."

Herbert, a 31-year-old with two small children, says that with the cast, cinematographer and sound engineer all working on a volunteer basis the cost came out to somewhere between \$3,000 US and \$4,000 US.

They financed it with a second mortgage on his brother's house.

General Motor Corp.'s Chevrolet ran a contest for college students to submit plans and ideas for ads. Five teams were then flown to Chevrolet's professional marketing division for an "advertising boot camp" to make their plans into real commercials, Chevy spokesman Travis Parman said.

The NFL held a series of events last fall where fans would come in and "pitch" an idea for an ad to a panel of experts.

Associated Press

The ads on the Net

Doritos contest:

<http://www.crashtheuperbowl.com>

Chevrolet:

<http://www.chevycollegead.com>

NFL:

<http://www.nfl.com/superaid>

MIT Advertising Lab blog:

<http://adverlab.blogspot.com/>



Josh Anderson sings the lyrics he wrote to win Alka-Seltzer's 'Plop, Plop, Fizz, Fizz Oh What a Competition It Is' contest.

Canadian banks to launch big push into China

INVESTING | Canada's hesitation may have been justified, an economist says

BY SCOTT DEVEAU

TORONTO — Canada's financial institutions are set to make major inroads in China, despite criticism that they haven't invested enough in the booming Asian economy, according to BMO Capital Markets chief economist Sherry Cooper.

"Given the size of the Canadian financial institutions, I do think that a couple of them are hitting above their relative size and they're taking a disproportionately large stake in the financial system," Cooper said.

Still, Canada's fixation on "yesterday's U.S.-centric" economic model threatens the country's long-term financial interests, she added.

Her comments come a day after federal Finance Minister Jim Flaherty, who was on a week-long trade trip to China, passed on criticism from Chinese officials that Canadian banks have been too timid in investing in their country.

While other international institutions, such as HSBC, UBS and Goldman Sachs, have participated more in developing China's booming economy, they have also been able to do so because they have much deeper pockets than their Canadian counterparts, Cooper said Monday, while

releasing a new report on Sino-Canadian relations.

Up until this point, Canadian hesitation may well have been justified, she said. "Just like any business, there should be some trepidation because this is risky business," she said. "There are a lot of companies that have invested a lot of money into China that have yet to see a return on their investments and it's a very slow process as everyone is painfully becoming aware of."

When China joined the World Trade Organization, it agreed to grant foreign banks increased access to its financial services market after its five-year anniversary, which passed in December. Flaherty's trip to Beijing was in part to help open doors for our financial institutions, particularly banks and insurers.

BMO, Scotiabank, and the Royal Bank of Canada are the major Canadian players in the Chinese market, and the recently lifted restrictions could be a major boon. China's middle class accounts for roughly 10 per cent of its population, and the ability to offer individual savings and investment vehicles, personal and commercial loans and credit card services present an enormous opportunity for foreign banks.

CanWest News Service

Buyers line up for Pitt Meadows homes

BY DERRICK PENNER
VANCOUVER SUN

REAL ESTATE | The lineup outside a Pitt Meadows townhouse complex first appeared on Jan. 17, three days before the 17 yet-to-be-built units went on sale.

According to sales manager Andrea Camp, six potential buyers, or representatives of buyers, then spent three long nights waiting.

Their prize? A chance at a new townhouse for \$289,900, in a community where houses listed on the Multiple Listing Service below that price are described as some variation of handyman specials.

Camp cited a long list of marketing superlatives for the complex, called Coho II, being built by Mosaic Homes. It is riverside property in a master-planned community called Osprey, which is being built with its own commercial centre.

Coho II's design — colonial-style, red-brick row houses — is also proving popular, Camp added. So is price.

"We have a bit of a mantra at Mosaic: Real homes for real people," Camp said. "And people can afford these."

"I was out for the opening [on Jan. 20] having a ton of fun talking to brand-new home buyers ecstatic to get this much home at

this price point."

Camp added that it was the first time in her three years with Mosaic that she's seen a lineup form three nights ahead of an opening.

Mosaic sold a first allotment of Coho II's townhouses in November, and Camp said the company opened their sales centre for tours a week before putting the second allotment of 17 units on sale Jan. 20.

Camp added that all 17 were spoken for over the weekend, with four having lined up backup offers as well.

The benchmark price for a typical Pitt Meadows family home averaged \$437,000 over the last three months of 2006, according to the Real Estate Board of Greater Vancouver. For a typical townhouse, that average was \$285,547.

Last week, the research firm Demographia — owned by American public-policy professor Wendell Cox — listed Vancouver as the 13th least-affordable city in the world to buy real estate.

That is based on his calculation that it takes 7.7 times a median family income of \$58,100 to buy a median-priced family home, which he calculated to be \$448,000.

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Closet-sized condo at \$395,700 'a deal' in London

BY RAPHAEL SATTER

REAL ESTATE | Location, location, location.

Almost anywhere else, the tiny dilapidated studio wouldn't attract much more than mice. But this is London and the six-square-metre former storage room — slightly bigger than a prison cell and without electricity — is going for \$395,700 Cdn.

The closet-sized space in the exclusive Knightsbridge neighbourhood may be only "about the size of a ship's galley," said real estate agent Andrew Scott, who's handling the sale. "But it's per-

manently anchored to one of the wealthiest neighbourhoods in the world."

At more than \$5,126 for about a third of a square metre, the mortgage buys a spot within walking distance of tony stores like Harrods and London's iconic Hyde Park. Originally conceived as a maid's room, the apartment at 18 Cadogan Place hasn't been used for years and is littered with trash bags and crumbling paint.

A coffin-sized shower is en suite, and storage is provided by a shallow closet and 25-centimetre-deep shelves cut into the wall. Two hot plates and a small sink

make up the kitchen. Two dirty windows allow light to filter into the basement room, and the fire escape could conceivably double as a shared patio.

With no electricity or heating, Scott said it would cost an additional \$69,700 to make the room habitable.

"It is an investment," he said, as he stretched his arms the width of the room, laying his palms flat on opposite sides of the wall.

The sale of this dark, mildewy room illustrates the astronomical rise in property values across London, which in the past year has seen average residential

property prices increase 22.4 per cent, to about \$830,000, according to figures released Monday by Rightmove, which tracks the British property market.

Prices in London's most desirable neighborhoods have grown even faster, with average house prices in the borough of Kensington and Chelsea — where Cadogan Place is located — rising 61.8 per cent over the past year to a jaw-dropping \$2.6 million.

Ultra high-end property prices in London are the most expensive in the world, with some recent sales hitting \$6,900 for

about a third of a square metre — making the Cadogan Place studio a bargain by comparison, according to research published last year by CB Richard Ellis Group Inc.

Similar properties in New York can go for \$6,200 for about a third of a square metre.

Scott said he already had three offers on the property, which might go to auction. Size, he added, is in the "eye of the beholder."

"If you thought of this as the cabin on a boat, you'd say, 'It's pretty spacious,'" Scott said.

Associated Press



A story of hope.

See how Pia Henriksson's personal tragedy gave her the courage to inspire others.

Global BC NEWS HOUR 6.00
It's our people.

