



How BCE Can Beat Rogers Communications at its Own Game

Description

I spent this past Friday night and Saturday afternoon glued to my TV watching one of the greatest spring training contests I've ever witnessed. The pre-season matchup between my beloved Blue Jays and the New York Mets didn't feel like the final tune-up before the regular season. Instead, the games hosted by Montreal felt like a World Series match-up.

Recapturing the memories

There have been just a few times in my life where the electric atmosphere of the game felt tangible through my TV. I personally can't forget when my heart felt like it skipped a beat as I watched Joe Carter "touch 'em all" on TV. That one moment is why I've forever loved the game of baseball.

I'm lucky enough to have fond memories of taking in a few games in Montreal as a kid. While Joe Carter sealed my love of the Jays, I never had a problem rooting for the Expos since the team was in the other league.

Rising up from the ashes

Of course we all know what has happened in the decade that followed the heyday of baseball in Canada. The 1994 strike alienated a lot of baseball fans and weak ownership groups in both cities hurt baseball's standing in Canada. Those poor ownership groups are blamed for putting the Blue Jays on a path to mediocrity the past 20 years, while underinvesting in the Expos so that the team eventually had no choice but to relocate.

Lately baseball is seeing a revival in Canada due in large part to **Rogers Communications** (TSX: RCI) ([NYSE: RCI](#)), which purchased the Blue Jays in 2000 for \$160 million. Rogers followed that up four years later with the purchase of the team's home stadium for \$25 million, which it has renamed the Rogers Centre.

Fast forward a few years and Rogers now owns the Jays, the team's stadium, and controls the TV rights to broadcast games throughout Canada. So, the company in essence controls baseball in Canada as it controls the content on the field as well as the fan experience at the ballpark and through all of its media outlets. That leaves **BCE** ([TSX: BCE](#)) ([NYSE: BCE](#)) basically out of the baseball

experience in Canada.

On top of that, Rogers also recently took the NHL away from BCE as it signed a massive 12-year TV broadcast deal with the NHL. Rogers is now the exclusive national broadcaster for the NHL in Canada. The deal also made Bell's TSN the big loser again as Rogers now controls the NHL and MLB in Canada.

However, with the city of Montreal showing impressive support for baseball over the weekend, BCE could potentially have a chance for payback. If BCE chooses to work to bring a baseball team back to the Montreal, which drew nearly 100,000 fans for two pre-season games, it could upset Rogers' quest to be the sport's king in Canada.

BCE could partner to acquire an underperforming team or push for the league to be expanded to fill a clear void in the city. Further, it can work with the city of Montreal to put up some of the private capital needed to build a new stadium downtown. Oh, and once it brings a team in, it will also have the national TV rights to what would be Canada's newest team with what appears to be a ravenous fan base.

Foolish bottom line

While it's a long-shot bet that would cost more than a billion dollars to pull off, it might be BCE's only shot at upsetting Rogers' goal of controlling all of the best sporting content in Canada. Further, BCE would become a national hero of sorts as it would be credited with bringing baseball back to Montreal and righting past wrongs. The only question is if it would be too risky of a bet for BCE's investors as it's not like the Jays have paid off for Rogers, despite its big bet on the team.

CATEGORY

1. Investing

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1. NYSE:BCE (BCE Inc.)
2. NYSE:RCI (Rogers Communications Inc.)
3. TSX:BCE (BCE Inc.)
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Author

mdilallo

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