

## **Quebec City: Déjà vu of a Blasé Adieu**

### **THE FISCHLER REPORT**

*After months of hush-hush hubbub surrounding the possibility of an NHL expansion, the league's trying deadline for bids came by stronghand and got dealt a bad hand.*

*A \$500-million dollar (USD) expansion fee with a \$2-million dollar nonrefundable security deposit is the monetary equivalent of the league invoking the tried-and-true method of Darwinism.*

*As intended, the league's demands were enough to weed out the non-contenders from the big dogs, and only two stand as the dust settles: Las Vegas and Quebec City.*

*But is Quebec's bite as big as it's bark or will the league just wake up with proverbial fleas? TFR's Rini Krishnan provides an aide-memoire to put things into perspective:*

Hockey is to Canadians as air is to living beings. And Quebec City is the *cliche* hockey town in the heart of French-Canada, prematurely reveling in the brand-new \$400-million dollar Videotron Centre facility--built explicitly in the hopes of attracting another NHL franchise.

But for a city so quick to boast its proud history, it seems a reminder of its not-so-glorious past is due.

Interestingly enough, the circumstances surrounding the possible awarding of a franchise to Quebec City is a startling *deja vu* of the circumstances surrounding the initial decline of the city's original franchise.

In the Spring of 1995, the Quebec Nordiques officially announced that the franchise would relocate to Colorado following the denial of a proposed bailout by Quebec's provincial government.

Without the bailout, the city and its long line of supporters were left with no hands left to play. The Canadian economy was struggling with a recession and the loonie (Canadian dollar) was steadily depreciating.

By 1996, the exchange rate on the Canadian dollar reached \$1.40--meaning a loonie was worth about \$0.72 USD--and was on a steady decline.

In the wake of a failing Canadian economy, it is of course the small market teams that suffered the most. The two smallest at the time, being the Winnipeg Jets and of course the Quebec Nordiques, crumbled under the economic pressure and had few other options than relocation.

Quebec being the smallest was the first to go.

Ironically adding insult to injury, the league undergoing the expansion led to a rampant free agency with limited restrictions. This allowed the players a devastating bargaining chip to demand payment in U.S. dollars for the first time--which today, is mandated by the CBA.

Canadian teams, being forced to pay salaries in U.S. dollars while still collecting revenue in Canadian currency, struggled to find a balance between profit and expense.

No need for an Economics degree to understand that when you spend more than you're making, you're in what we in the biz call: the "no-no zone."

Without substantial revenue sharing established at the time, small-market Canadian teams like Quebec City became the weakest link.

Flash forward to 2015, the Canadian dollar is back on rocky footing cringing at a value of \$0.77 USD with no signs of a reversal of the decline.

Despite Gary Bettman's insistence that this precipitous decline of the loonie is non-problematic, the Commissioner's stance is arguably necessitated and perhaps forced.

Supporters of Quebec expansion underscore the validity of Bettman's claim with the unilateral conjecture that revenue sharing, finally introduced in the 2013 CBA, will be enough to sustain eight Canadian teams without issue.

Although revenue sharing does ease the burden on small-market teams, should the introduction of a new NHL franchise come with necessitated financial aid?

The responsible economic decision at this juncture is to protect the existing league of teams that are unequally struggling, despite achieving unprecedented financial success as a group. Rather than offering a welfare-state to a city with a risky off-set, the league needs to remember that all is not clear on the sunny side of the land.

A bird in the hand is worth two in the bush. With the struggles in Atlanta--and the franchise's subsequent relocation-- and now the more recent trouble in Arizona fresh in minds, the issue therein becomes: what of the already-struggling warm-weather franchise locations? Might Quebec City be better suited-- as was Winnipeg-- as a safe-house for a team forced into relocation?

The fact of the matter is: the Quebec province is not quite ready for another team. Big-market Montreal can't be too eager to share its dollars--however small of a share-- because as we learned in elementary school: there's only one pie and when you start slicing, it quickly disappears.

However, Canadiens owner Geoff Molson, thus far silent, now finds himself between a rock and a hard place-- the bad press that will surely follow a public discord with the Quebec expansion will be crucifying, and in Montreal's own market.

But this isn't simply Montreal's problem. Because of revenue sharing-- the very thing idealists hold as the end-all solution-- Montreal's problem becomes everyone's problem.

Montreal is among the top-three highest grossing teams in the league. And under the new CBA terms, as much as 50% of the revenue that will be redistributed to struggling markets will come from the top-ten profiting teams.

So in essence, what a small-market Quebec City franchise would be doing is absorbing welfare funds, and in doing so, biting the hand *everybody* feeds from.

Suppose the idealists win out: the loonie is back in full-force, Montreal manages to hold its own and every other struggling team pulls it together. There is still the issue that plagued the proud French-Canadian city then, and still haunts the city now: marketability.

Geographically and socially speaking, Quebec City is in a metaphoric isolation of their own creation.

Most notably, the controversial NHL figure that left the city in shambles, Eric Lindros, drew the ire of Quebec followers in his infamous decision to refuse signing with the team that chose him.

Quebec chose the highly-coveted Lindros first-overall in the 1991 NHL Entry Draft. However, this did not bode well with Lindros who had already made it abundantly clear that he was not interested in suiting up for Quebec City, and released a public statement prior to the Draft to that effect.

He claimed Quebec City would not offer him the marketability that a player of his caliber could otherwise reach in another market. In other words, the isolation of the city via its language barriers and media diversification translates directly to missed financial opportunities.

After refusing to wear a Quebec sweater even for photographs, the young centerman sat out the season in adamant refusal and in the hopes that eventually, the financially-strapped Quebec franchise would succumb with their hands tied by their purse strings and move the rookie. And indeed, they did.

Being an almost entirely monolingual francophone, Quebec was far-flung, and although it has come far, has it come far enough?

In 1995, when the Nordiques last breathed Quebec air, there were no English radio stations on the air and the city housed only one privately-owned English television station.

Today, there are still no commercial radio stations in the Quebec province based outside of the city of Montreal, and there are only two daily English-language newspapers (Montreal Gazette and the Sherbrooke Record)--neither of whom are based in or in close proximity to Quebec City.

With a lack of English-language media outlets, Lindros' proposed conundrum, that would carry weight to this day, is simple: a player (or team's) marketability can not be sustained on a regional level. The hockey market spans two continents and even abroad, and by neglecting the majority of the fan demographic, the city essentially isolates itself, its team, and its players.

As Lindros and other players like Clint Malarchuk have openly stated, Quebec City is a tough place to play for an Anglophone.

Montreal survives on its bilingual roots and its accommodating Francophone community. Quebec, on the other hand, has strict laws to enforce the primacy of the French language.

Although, many of the Quebecois are aptly bilingual due to the pervasive nature of English television today, from passer-by greetings to street signs, everything is laden with French.

In fact, english-speakers, or Quebecers, are considered by the Canadian government as an "official language minority" and a group in need of government intervention.

When all is said and done, the bottom line is that expansion should foster the league's growth, not stunt it. And Quebec City is just not ready to be a feasible NHL investment--far from a fait accompli.