

Rogers, U.S. cable company target Cogeco for takeover

Altice plans to sell Canadian operations to Rogers; controlling family rejects \$10.3-billion bid

ALEXANDRA POSADZKI
NICOLAS VAN PRAET

Altice USA Inc. and Rogers Communications Inc. are teaming up to acquire Cogeco Inc. and Cogeco Communications Inc. with an unsolicited \$10.3-billion offer, but the move faces stiff opposition from the companies' controlling shareholder and Quebec Premier François Legault.

Under the proposal, Altice, a major U.S. cable company, would snap up Cogeco's American assets – an East Coast cable business called Atlantic Broadband – while Rogers, a long-time shareholder of Cogeco,

would acquire the Canadian side of the business for \$4.9-billion.

However, the deal does not have the support of Gestion Audem Inc., a company controlled by the members of the Audet family that holds 69 per cent of the voting rights at Cogeco.

The family, which also controls 82 per cent of the votes at Cogeco Communications, has unanimously rejected the offer, Gestion Audem said in a statement. "The family takes pride in its stewardship role in both companies," the statement read.

The boards of both Cogeco companies have also rejected the offer, although analysts say other bids are likely to follow.

Altice approached Toronto-based Rogers to initiate the bid for Cogeco, according to a source. The Globe and Mail is not identifying the person because they are not authorized to speak publicly about the matter.

The family's refusal to sell its multiple-voting shares comes in spite of Altice offering what it calls a "sizable premium" in order to entice them. Altice is offering the Audet family \$800-million for their holdings.

■ COGECO, A9

Andrew Willis Altice USA head Dexter Goei knows how to get what he wants ■ B1

Kremlin critic was poisoned with Soviet-era nerve agent, Germany says

GEIR MOULSON
BERLIN

Russian opposition leader Alexey Navalny was poisoned with the same type of Soviet-era nerve agent used in a 2018 attack on a former Russian spy, the German government said Wednesday, provoking outrage from Western leaders who demanded Moscow provide an explanation.

The findings – which experts say point strongly to Russian state involvement – added to tensions between Russia and the West. German Chancellor Angela Merkel called Mr. Navalny's poisoning attempted murder, meant to silence one of Russian President Vladimir Putin's fiercest critics.

The Berlin hospital treating the dissident said he remains on a ventilator though his condition is improving. It said it expects a long recovery and still can't rule out long-term effects on his health from the poisoning.

The German government said that testing by a German military laboratory showed "proof without doubt of a chemical nerve agent from the Novichok group." British authorities identified Novichok as the poison used on former spy Sergei Skripal and his daughter in England.

"There are very serious questions now that only the Russian government can answer, and must answer," Ms. Merkel said.

Canada said it "strongly condemned" the poisoning of Mr. Navalny and called on Moscow to explain what had happened and ensure those responsible were held to account.

"The use of chemical weapons is despicable and abhorrent," Foreign Minister François-Philippe Champagne said in a tweet.

Britain and Italy also called on Russia to explain what happened, with British Prime Minister Boris Johnson calling the use of a chemical weapon "outrageous."

In Washington, National Security Council spokesman John Ullyot tweeted that it was "completely reprehensible."

"We will work with allies and the international community to hold those in Russia accountable, wherever the evidence leads," Mr. Ullyot said.

■ RUSSIA, A9

THE VATICAN

Pope Francis resumes public appearances

Pontiff holds first weekly general audience with a live crowd in six months as the Holy See lifts restrictions imposed because of the coronavirus pandemic



Pope Francis speaks with attendees as he arrives to hold a limited public audience at the San Damaso courtyard in the Vatican on Wednesday. VINCENZO PINTO/AFP VIA GETTY IMAGES

Schools expect fiscal hit from drop in international students

JOE FRIESEN
POSTSECONDARY EDUCATION
REPORTER

Colleges and universities say they're anticipating financial losses possibly in the billions of dollars due to a drop in international enrolments caused by the global pandemic.

The government of Canada last week took additional steps to make it easier for students to study online from abroad, but the national associations that represent universities and colleges say the losses are still likely to be significant. The associations are lobbying the federal government to make money available for post-secondary institutions.

Denise Amyot, president of Colleges and Institutes Canada, said a mid-June survey showed colleges expected their new international enrolments to fall by two-thirds this term, from about 90,000 to 30,000. It's still unclear whether those fears will be realized, as data are not yet available, but colleges are hoping the im-

pact will be less than expected, Ms. Amyot said.

"Administrators are worried right now. They're worried about the financial impact. They're worried they'll have fewer programs to offer domestic students," she said. "Every student counts right now. I can't think of a better way to put it."

International students are crucial to university finances because they represent half of all tuition revenue. The impact of the pandemic may be more pronounced for colleges, though, as they tend to offer shorter programs that result in more frequent student turnover.

International students contribute nearly \$22-billion a year to the Canadian economy, according to federal government estimates, with billions flowing from postsecondary tuition fees alone. Ms. Amyot said an analysis conducted on behalf of the colleges estimates between \$1.8-billion and \$3.5-billion in lost revenue, depending on the length and severity of the pandemic.

■ SCHOOLS, A9

Recipe for a COVID-19 vaccine: Science with a dose of nationalism

ERIC REGULY
EUROPEAN BUREAU CHIEF
ROME

Italy treated its entry into the race to develop a COVID-19 vaccine as a national event, as if it were unveiling the country's Olympic squad.

"Today, the Italian vaccine has begun human trials," Health Minister Roberto Speranza wrote on his popular Facebook page on Aug. 24. "Our country's brain power and research are at the service of the global challenge to defeat COVID."

He was referring to the launch of the first clinical trials of a vaccine candidate developed by Italian biotech company ReiThera. The trials will be managed by Rome's Lazzaro Spallanzani National Institute for Infectious Diseases, a prominent front-line warrior in Italy's six-month battle against the pandemic, and will see 90 healthy volunteers monitored for 24 weeks to determine the vaccine's safety and ability to trigger an immune response.

If all goes well – if the volunteers do not get horribly ill – the wider Phase 2 and Phase 3 trials will start late this year in a virus-rich country such as Mexico, where the pandemic is still running rampant. The ReiThera vaccine is based on a cold virus from a gorilla, and biotech observers think it has a fair chance of emerging from the trials in flag-waving form.

■ REGULY, A10



SEAN KILPATRICK/
THE CANADIAN PRESS

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633 DAYS THAT MICHAEL KOVRIG AND MICHAEL SPAVOR HAVE BEEN JAILED IN CHINA

tgam.ca/jailed-canadians

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Ottawa won't reveal vaccine cost estimates

Government says releasing financial information about deals with pharmaceutical companies now would compromise other negotiations, but one economist says that as other countries share specifics, the benefit of secrecy to Canadian negotiators lessens

BILL CURRY OTTAWA

The federal government is not releasing its cost estimates for a potential COVID-19 vaccine – nor saying how much it is offering pharmaceutical companies to secure a supply – even as the U.S. makes public the financial details of a “warp speed” effort to launch a successful vaccine by January.

Many countries are announcing preorders with manufacturers to ensure access for their citizens to any successful vaccine. In the past month, Canada has announced deals with Pfizer Inc., Moderna Inc., Johnson & Johnson and Novavax Inc. The federal government says revealing financial information about these deals now would compromise negotiations with other pharmaceutical companies. It has also not revealed how much it is budgeting for vaccine purchases.

In contrast, the U.S. government’s “Operation Warp Speed” aims to secure a vaccine supply by January, 2021, and has made public the value of its initial payments to pharmaceutical companies as deals are reached.

For instance, it announced \$446-million for Johnson & Johnson in March, followed by \$483-million for Moderna in April and up to \$1.2-billion for AstraZeneca in May.

The funding agreements, some of which were later expanded, generally support clinical trials and secure U.S. access to specific amounts of vaccine doses if trials are successful.

University of Alberta health economist Christopher McCabe said the U.S. disclosures undercut Canada’s argument that such information must be kept secret. He

said that as other countries release details, the benefit of secrecy to Canadian negotiators lessens.

“For a little while, it makes sense,” he said. “But over time, it becomes a less convincing justification.”

Reports have suggested a wide range of potential costs per dose for a successful vaccine, and more than one dose may be required, which Prof. McCabe said would mean a total price tag for Canada in the billions. The cost could lead to disputes between the provinces and Ottawa over how to pay, he said.

The federal government announced deals with Moderna and Pfizer on Aug. 5 and Johnson & Johnson and Novavax on Aug. 31. The four deals would cover up to 190 million doses of vaccine.

Cecely Roy, a spokesperson for Public Services and Procurement Minister Anita Anand, said the government will eventually release contract details, as it did with its purchases of personal protective equipment. She also said that the terms of the agreements vary and include some advance payments. A portion of advance payments may be recovered should a vaccine not receive Health Canada approval.

“We will [release financial details] when doing so will not undermine Canada’s negotiating position with additional leading vaccine developers and when we would not be in violation of any applicable confidentiality agreements with suppliers, and therefore potentially jeopardize access to vaccines for Canadians,” the office said.

“Like the incredibly competitive market for PPE and medical supplies within which we were



Lazzaro Spallanzani hospital health director Francesco Vaia, centre, steps outside the institute on Aug. 24, the day of the first human trials of an Italian-developed coronavirus vaccine. The trials will see 90 healthy volunteers monitored for 24 weeks to determine the vaccine’s safety and ability to trigger an immune response. YARA NARDI/REUTERS

operating in the early months of the pandemic to secure these life-saving goods, we are now operating in a highly competitive environment for vaccines. ... When we are able to, we will provide details on the value of Canada’s vaccine agreements.”

Former parliamentary budget officer Kevin Page, who is now president and chief executive

officer of the Institute of Fiscal Studies and Democracy at the University of Ottawa, said the government should release more information.

“Parliament and Canadians will want to know that they are not being subject to price gouging by private-sector companies and are co-ordinating with international partners on purchases and

distribution,” he said in an e-mail. “If the government’s argument is that they will not release information on signed contracts because it will compromise ongoing negotiations, this could be a signal that the government already believes it has paid too much on early contracts.”

Mr. Page said the government should release a budget in the fall

Reguly: To be sure, jingoism is part of the motivation to invent a life-saving

FROM A1

While Italy, the original European epicentre of the pandemic, is proud that it is finally in the vaccine game in a serious way, it is entering an exceedingly crowded race. Every country, it seems, wants a piece of the vaccine action, and the political forces propelling the launch of vaccine candidates are powerful – and potentially dangerous.

At last count, on Aug. 28, the World Health Organization had recorded 33 vaccine candidates in clinical evaluation trials (Phases 1, 2 or 3) and 143 in preclinical trials – in total, almost 180 research efforts to find a safe and effective way to build mass immunity to a highly contagious disease that has killed more than 864,000 people around the world since January (other estimates put the vaccine candidate count higher). The three front-runners come from Oxford University and Britain’s AstraZeneca; China’s Sinovac Biotech; and U.S. drug inventor Moderna in partnership with that country’s National Institute of Allergy and Infectious Diseases.

To be sure, jingoism is part of the motivation to invent a life-saving vaccine, but only a small part.

Governments fear vaccine nationalism will ensure that the countries that develop a vaccine will naturally exhaust the production run on their own citizens, leaving little or nothing for outsiders. The best insurance policy against nationalism is, of course, nationalism. If ReiThera’s vaccine works, Italy, with ample pharmaceutical manufacturing capacity, should be able to pump out torrents of it to keep its own people above ground.

“Countries may say that they support equitable access, but hoarding is already happening,” said Elis Torreele, the Belgian biomedical researcher and former director of the Médecins Sans Frontières Access Campaign, the charity’s effort to ensure the poor can receive affordable medicines and medical treatment. “You may think as a government that

you are expected to protect your own population first, but it undermines global solidarity.”

While politicians are working hard to ensure their countries get ample supplies of vaccines, the political pressure could backfire, Dr. Torreele said, if regulatory corners are cut to rush vaccines to market. Quickie approvals might deliver vaccines that are weak or, worse, dangerous. “What I fear is that we will end up with vaccines that are far less effective than they should be,” she said.

That’s also the view of Andrea Crisanti, the Italian microbiologist and professor at the University of Padua who was an early proponent of mass testing to detect asymptomatic cases. His research in the town of Vo, in northeastern Italy, early in the pandemic determined that 40 per cent of COVID-19 cases were asymptomatic. In an interview in July, he said vaccines are “complex” beasts that normally require many years of research and trials on human guinea pigs to get right.

Governments fear vaccine nationalism will ensure that the countries that develop a vaccine will naturally exhaust the production run on their own citizens, leaving little or nothing for outsiders.

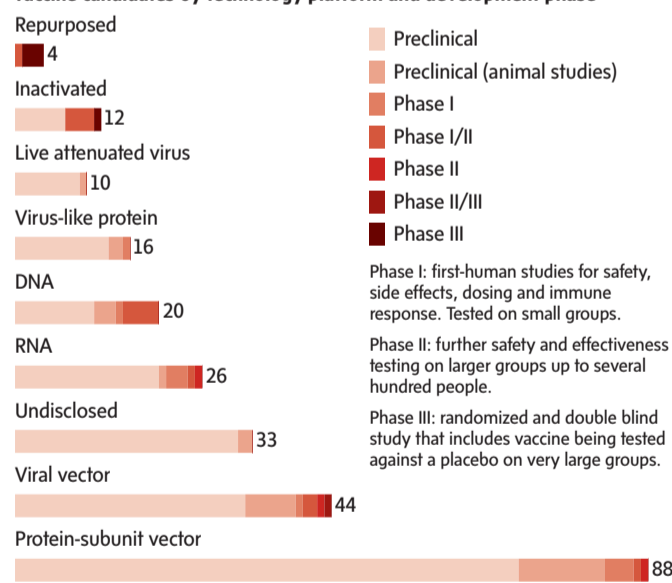
He added that the record vaccine jaunt from start to finish was 3½ years, for the Ebola vaccine, rVSV-ZEBOV, which was created in Canada and approved in 2019. Despite decades of effort, there are no vaccines for other ugly and often fatal viral or parasitic infections, including malaria, HIV and hepatitis C.

“The turnaround for a vaccine is usually five to 10 years, and you need a huge population to get the testing right,” Dr. Crisanti said. “If we have a [COVID-19] vaccine by the end of the year, it

RACE FOR A VACCINE

A study by McKinsey & Co. has noted more than 250 COVID-19-vaccine candidates in development globally, using a wide range of technologies

Vaccine candidates by technology platform and development phase



JOHN SOPINSKI/THE GLOBE AND MAIL, SOURCE: MCKINSEY & CO. (VIA BIOCENTURY; CLINICALTRIALS.GOV; MILKEN INSTITUTE COVID-19 TREATMENT AND VACCINE TRACKER; PRESS SEARCH); PHILADELPHIA COLLEGE OF PHYSICIANS

could be dangerous or inefficient.”

The WHO has said that a vaccine should be at least 50-per-cent effective, meaning half the injected population would be protected from the disease. But the WHO guidelines are just that – guidelines. The agency has no legal authority to ensure that vaccines are, say, 90-per-cent effective, and some former drug regulators have suggested that less than 50 per cent for a first-generation vaccine should be acceptable, even welcome, given that the pandemic is in full swing in the United States, Latin America, India and other parts of the world. Their argument is that saving a few lives is better than saving none and that the second-generation vaccines will up their game.

Still, the WHO is warning that truly lousy vaccines could emerge soon.

“There is a danger that political and economic pressures for rapid introduction of a COVID-19 vaccine could lead to widespread

deployment of a vaccine that is in reality only weakly effective, perhaps because of a misleadingly promising result from an underpowered trial,” the WHO’s Solidarity Vaccines Trial Expert Group said in an Aug. 27 article in the Lancet medical journal.

“Deployment of a weakly effective vaccine could actually worsen the COVID-19 pandemic if authorities wrongly assume it causes a substantial reduction in risk, or if vaccinated individuals wrongly believe they are immune.”

Political pressure for a vaccine or treatment is intensifying as the body counts rise. U.S. President Donald Trump is leading the charge, with enthusiastic support from Russian President Vladimir Putin and British Prime Minister Boris Johnson.

Last month, Mr. Putin’s government was the first to approve a COVID-19 vaccine, known as Sputnik V, even though it had undergone no large-scale testing, with no published results from the small Phase 1 trial. Later in



the same month, Mr. Trump announced the approval of a convalescent plasma therapy for COVID-19, which he claimed was a “historic breakthrough” that could result in 35-per-cent fewer deaths. His information came from a study that was wildly misinterpreted by U.S. Food and Drug Administration commissioner Stephen Hahn. He later admitted his mistake; the plasma success rate is nowhere near as high.

Pierre Morgon, a Swiss-based biotech consultant and vaccine

ates, contract details



Above: Sao Paulo Governor Joao Doria holds a box of Sinovac's potential coronavirus vaccine during a news conference in Brazil on July 21. China's Sinovac Biotech is one of three front-runners in clinical evaluation trials around the world.

Below: Australian Prime Minister Scott Morrison meets with members of the team at the microbiology laboratory at AstraZeneca in Sydney on Aug. 19. In May, the U.S. government announced initial payments to AstraZeneca of up to \$1.2-billion in a vaccine deal.

ABOVE: AMANDA PEROBELLI/REUTERS; BELOW: LISA MAREE WILLIAMS/GETTY IMAGES

that outlines its plans for vaccination and costing.

Conservative and NDP MPs are also raising concerns over the lack of financial information.

"They've just bungled this vaccine procurement from the start," Conservative health critic Matt Jeneroux said, pointing to the fact that other countries moved more quickly to get agreements. "Not only are we falling behind, but we're not even being transparent about how much we're paying and how much this is gouging the Canadian taxpayer."

NDP MP Charlie Angus said the recent WE Charity controversy has eroded Canadians' trust in federal contracts.

"The government needs to be on notice that the money that they're spending in a pandemic is an unprecedented amount of money," he said.

"The money has to go out the door fast, but it has to follow the rules so that the Canadian interests are put first and not just people who know people in the government. Not just the power of the lobbyists."



g vaccine – but only a small part



Vials of a potential vaccine are seen at Novavax labs in Gaithersburg, Md., in March. Novavax Inc. is one of the companies Canada has made a deal with for doses of vaccine.

ANDREW CABALLERO-REYNOLDS/AFP VIA GETTY IMAGES



A new vaccine is on display at the Nikolai Gamaleya National Center of Epidemiology and Microbiology in Moscow on Aug. 11. Last month, Russia was the first to approve a COVID-19 vaccine, known as Sputnik V, even though it had undergone no large-scale testing, with no published results from the small Phase 1 trial.

ALEXANDER ZEMLIANICHENKO JR/ RUSSIAN DIRECT INVESTMENT FUND VIA AP

In this repurposed convention centre in the Bahraini capital of Manama, 6,000 people are participating in a large-scale trial of a Chinese-sponsored vaccine for the coronavirus. MAZEN MAHDI/AFP VIA GETTY IMAGES

specialist, does not agree that fast-tracking approvals will automatically result in the delivery of potentially faulty or ineffective vaccines. He pointed out that the first novel coronavirus genome sequence was published in early January, giving biotech companies a head start in vaccine development, and that the trial results will be published by the vaccine developers, ensuring transparency. It's not in any drug company's

best interests to rush the delivery of a vaccine that saves few lives. Still, he thinks it's unlikely that an effective vaccine will achieve widespread distribution before this time next year, citing manufacturing and supply-chain constraints.

"We'll start to get some clarity by the end of this year about timing," he said.

He thinks the vast majority of the vaccines under development

will be stillborn. The high number of attempts, he says, is in good part the result of quick and easy financings to advance their sponsors' technologies. "Governments and NGOs are throwing massive amounts of money at this effort, and biotech companies are taking what they can get," he said.

But the biotech players who haven't received their loot yet are running out of time, because gov-

ernments and other vaccine funding bodies are shifting their focus from the labs to production and distribution deals. Canada is among them; it recently struck agreements with Novavax, Johnson & Johnson, Pfizer and Moderna to secure access to millions of vaccine doses. "The money is shifting from upstream to downstream," Mr. Morgon said.

Just how many vaccines will make it to market, when they will

do so, which countries they will come from and how effective they will be remain open questions.

As thousands continue to die every day from COVID-19, political leaders who are facing re-election, such as Mr. Trump, will push ever harder for a vaccine – any vaccine. Politics and science never make good companions, and shoddy vaccines cannot be ruled out.