

NEWSLETTER

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IN THIS ISSUE

- Global Crossroads Summit
January 29 & 30, 1998
- Telecommunications
Conference,
April 28 & 29, 1998
- Telecommunications
Deregulation Series
- Derrick de Kerckhove
Speaking Event,
November 19, 1997
- ATAC Fuel Tax Study
- CTRF Annual Conference
May 25 - 28, 1998

MEMBER NEWS:

- New Corporate Members
- New Board Members

INSTITUTE INFORMATION:

- VHI Members
- VHI Directors

PUBLICATION INFORMATION

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GLOBAL CROSSROADS SUMMIT

The Global Crossroads Summit was held on January 29th and 30th in Calgary with just over 100 participants in attendance. Federal Transport Minister David Collenette delivered the Keynote Address to the gathering of senior transportation, telecommunications and labour executives, as well as academics and government officials.

Minister Collenette outlined a framework for the development of a national transportation strategy. He invited the participants at the Summit to work together to provide him with their input and to outline their solutions for addressing the areas that most affect their ability to compete nationally and internationally.

The goal of the two day Summit was to kick-start the process for long term industry-government cooperation in the development of a new national transportation strategy. The participants, from across the country, outlined their priorities for the reform of Canada's transportation policies and systems with a view to improving the country's global competitiveness. Participants were rotated through four facilitated sessions on the following key topics: National Transportation Strategy and Vision, Infrastructure Renewal, Competitiveness - Regulation/Taxation and Seamless Intermodal Service.

Summit participants identified key areas for industry and government action. These proposals included the:

- Establishment of a mechanism for harmonization of federal and provincial regulation;
- Pursuit of neutral tax treatment between transportation modes;
- Creation of new infrastructure financing instruments such as user pay principles, tax free bonds and private sector consortiums;
- Establishment of an independently managed National Highways Program funded by industry, federal and provincial levels of government;
- Development of a strategy to ensure a balance between environmental and economic realities;
- Investment in research and development to create seamless communications across the transportation sector; and
- Development of a framework to increase awareness of the overall importance

TELECOMMUNICATIONS CONFERENCE

of the transportation sector to Canada's economy.

The work has just begun, and The Van Horne Institute is committed to working with industry and government to move the process forward, to ensure that the issues identified as impeding competitiveness will be confronted and resolved.

The Institute is organizing a one and one half day conference on regulatory issues in the telecommunications industry, April 28th and 29th in Calgary, under the theme *Telecommunications Regulation and Deregulation - The New Frontier*. Panels will

TELECOMMUNICATIONS

feature topics such as: a comparative analysis of regulatory regimes in Canada, the U.S. and the U.K.; submissions to the CRTC on high cost serving areas; telecommunications law and competition law - the transition; interconnection issues; international deregulation and alliances; and, the growing convergence between the internet and telecommunications. For further information about the conference, please call the Institute office.

A very successful Speaker Series on Deregulation of the Telecommunications Industry — co-hosted with The Calgary Chamber of Commerce — recently concluded.

The following summary provides highlights from each of the speakers' speeches:

**George Addy, Executive VP & Chief General Counsel
TELUS Corporation**

Mr. Addy began by stating that there is a revolution going on in the communications industry. However, the benefits of competition will only be reaped when there is a fully deregulated marketplace for all communications products and services. In this market, service providers would be free to offer customers tailor-made service. One service provider could offer a blend of wireless, wireline, broadcast and data communication services. This is not currently happening. Not all competitors are treated equally by the regulator, and so cannot offer the same choice, innovation and competitive pricing. Service providers should have the freedom to invest resources to meet market needs, not regulatory needs. Competitors who advocate "managed competition" simply want to sideline real competition and protect their position in the market place.

Philip Bates, President & COO, Sprint Canada

The economic benefits of long distance competition will soon apply to the local market. For example, long distance competition has resulted in a 55% reduction in long distance rates. Sprint Canada - a wholly-owned subsidiary of Call-Net Enterprises Inc. - began, in 1994, to provide residential long distance services; in 1997, residential internet access services; and in 1998, they intend to be in the local services market. Mr. Bates stated that Sprint's goal is to become the #1 alternative provider of local services, once local number portability is in place, perhaps by late this year.

**Bill Catucci, President & CEO
AT&T Canada Long Distance Services Company**

Today, with the first-generation digital, optical and wireless infrastructures in place, a new set of changes - and a real sense of urgency - is developing. With several different infrastructures in place or

emerging, and with many streams of new products and systems evolving at once, the customer is in a much better position to dictate the capabilities they want. So, customization and customer demand are now pulling technology, instead of the other way around. Soon, through convergence in technologies, information, voice, data, and video may all flow over the Internet on a digital packet-switched network, in contrast to today's circuit-switched networks that separate the various components.

The telecommunications business has become so complex and so far reaching today that no one company can do everything. As a result, three first-tier global alliances have emerged. AT&T Corp. founded WorldPartners in 1993, which has now evolved into an alliance of 17 leading global carriers worldwide.

**Shirley Soehn, VP, Regulatory & Government Affairs
MetroNet Communications Corp.**

Since long distance competition was allowed in 1992, competitors to the established carriers have captured about 30% of the market share. In May 1997, the CRTC issued a Decision to deregulate the local switched market. MetroNet is the only carrier who has met competitor obligations and can now offer local switched services to customers. The company's facilities include a state of the art Fiber Network in 5 cities with 6 others planned.

In her view, when all telecom market segments are truly compet-

DERRICK de KERCKHOVE SPEAKING EVENT

itive, there will be little or no requirement for day to day regulatory oversight. Then, the Competition Bureau may eventually be able to assume the role of regulator. Where is deregulation taking the telecom industry? We will be trading bandwidth in a sophisticated buying, selling and hedging market.

Robert Watson, President, Shaw FiberLink Ltd.

Shaw offers the full range of products and services from data (LAN, MAN, WAN, ATM), voice, video (conference, distance learning), internet, intranet (corporate nets), to telecommuting. Shaw Communications is a diversified communications company with 26 years in Canadian entertainment, information and education. Calgary is the first major North American city that is wired for high two-way bandwidth, digital cable terminals and WAVE technology. Mr. Watson stated that when it comes to telecommunications, Calgary has the highest density downtown core fibre grid in North America.

If you would like to receive full copies of the speeches from the Speaker Series, please contact the Institute office.

NEW MEMBERS

Derrick de Kerckhove, Director of the McLuhan Program of Culture and Technology at the University of Toronto, spoke at a luncheon on November 19, 1997 in Calgary, with the generous support of sponsors - the Royal Bank of Canada, Shaw Communications, and The Calgary Chamber of Commerce. The luncheon speech topic was "*Convergence and Emergence in the Virtual Economy.*"

He outlined some key features of convergence such as digitization, connectivity, virtualization, mobility and satellite scale. In terms of connectivity, he described how the speed and volume has changed over the decades since the invention of the telegraph in 1844 to the internet/world wide web and other

NEW BOARD MEMBERS

emergent technologies. He also spoke about the shift from broadcast, or one way technology, to a network economy, which is more interactive. This shift will result in new marketing and educational opportunities such as V(virtual)-malls, V-universities, and mass customization of products and services.

Following his luncheon speech, Mr. de Kerckhove then gave a similar address at the University of Calgary. Through the use of the distance learning centre technology, his address was also simultaneously received at the University of Alberta.

We are pleased to announce the following new members to The Van Horne Institute:

- *Alberta Energy & Utilities Board*
- *AT&T Canada*
- *Coopers & Lybrand*
- *Government of Alberta:*
 - *Transportation & Utilities*
 - *Economic Development & Tourism*
- *IBM Canada*
- *Schenker Canada*

We would like to welcome the following appointments to our Board:

Céline Bélanger

Céline Bélanger is the Chair of the EUB, the agency responsible for regulating Alberta's energy resource and utility sectors. Ms. Bélanger assumed her position on March 1, 1995, and was given the responsibility of amalgamating the functions and regulatory mandates of the former Energy Resources Conser-

vation Board (ERCB) and the Public Utilities Board (PUB).

Ms. Bélanger began her career as a self-employed public affairs consultant prior to assuming the responsibilities of Secretary of the Alberta Research Council in 1979. She subsequently moved to Ottawa to work as Special Assistant to the Federal Minister of State for International Trade.

In 1980, Ms. Bélanger returned to Alberta to work as Executive Assistant for a succession of three Alberta Ministers of Energy. As Executive Assistant, she dealt with such issues as the National Energy Program and oil and gas deregulation. From 1986 to 1989, Ms. Bélanger held a number of senior positions with the Alberta Petroleum Marketing Commission, encompassing areas such as market analysis, regulatory affairs and special projects. In 1990, she was appointed as a Board member of the National Energy Board.

Mr. Bélanger is currently a member of the Board of Directors for the Petroleum Technology Alliance Canada, a member of the Board of Governors for the Southern Alberta Institute of

ATAC FUEL TAX STUDY

Technology, and a member of the Management Advisory Council at The University of Calgary.

A native of Edmonton, Alberta, Ms. Bélanger graduated from the University of Alberta with an Honours B.A. (magna cum laude) in Political Science.

Robert A. Ferchat

Robert Ferchat is Chairman and Chief Executive Officer of BCE Mobile Communications Inc. Mr. Ferchat also serves on the Board of BCE Mobile's member companies.

With more than 30 years of senior management experience with some of Canada's leading organizations, Mr. Ferchat was formerly Chairman, President and CEO of TMI Communications for two years. Prior to joining TMI, he held a number of senior management positions at Northern Telecom Limited including Vice President, Controller, Executive Vice President and Chief Financial Officer, President of Northern Telecom

CANADIAN TRANSPORTATION RESEARCH FORUM CONFERENCE

International and President of Northern Telecom Canada.

The early years of Mr. Ferchat's career were spent with Ford Motor Company of Canada, where he served in a number of management roles.

VHI MEMBERS

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 AT&T Canada
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 Stentor Telecom Policy Inc.
 Sultran Ltd.
 TELUS Corporation
 The University of Calgary
 TransAlta Utilities Corporation
 TransCanada PipeLines Limited
 Trimac Corporation
 United Airlines

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 Edmonton
Céline Bélanger, AEUB, Calgary
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J. Scott Broughton, Transport
 Canada, Winnipeg
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**ABOUT THE VAN HORNE
 INSTITUTE**

The Van Horne Institute has been established to address important **transportation** and related **regulatory** issues confronting industry and government, in North America and internationally, through research and education.

The Institute was incorporated federally in 1991 as a not-for-profit organization, and was granted affiliation with The University of Calgary in January 1992.

KEY CONTACTS:

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