

NEWSLETTER

Summer 1998, Issue

IN THIS ISSUE

- Electricity Deregulation Forum
October 6, 1998
- 1998 Resident Fellowships
- University of Alberta
Affiliation
- Global Crossroads Initiative
- Transportation Speaker Series
May 21 - June 26, 1998
- Telecommunications
Conference

MEMBER NEWS:

- New Corporate Members
- New Board Members

INSTITUTE INFORMATION:

- VHI Members
- VHI Directors

PUBLICATION INFORMATION

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Invitation to Submit: Submissions
for the Newsletter are welcome and
can be forwarded to Vivian Pander by

ELECTRICITY DEREGULATION FORUM

On Tuesday, October 6, 1998, a Forum is being organized by the Institute on the subject of *Electricity Deregulation*. To be held in Calgary, this one day Forum will feature speakers focusing on the unique aspects of electricity deregulation in Alberta. Topics discussed will include: Stranded Costs, Investment in New Generation, Retail Competition, Transmission Issues, Strategies & Opportunities. An additional perspective will be brought by speakers from California. In 1998, California became the first U.S. state to move into full scale electricity deregulation. Minister Stephen West of the Alberta Department of Energy will be the Keynote Luncheon Speaker. Please contact the Institute for full program information, which will be

1998 RESIDENT FELLOWSHIPS

available soon.

We are pleased to announce that Dr. William Shaw, Professor in the Department of Mechanical Engineering, has been awarded the Institute's 1998 Resident Fellowship. The Fellowship buys out teaching time to allow the recipient the opportunity to complete a research project. The subject of Dr. Shaw's work is fundamental and applied research on *Hydrogen Embrittlement of Steel*, affecting pipelines and other pressure vessels. His work will be completed in early 1999 and will be published by the Institute.

The 1998 Killam Fellowship, awarded through the University of Calgary, has been

UNIVERSITY OF ALBERTA AFFILIATION

given to Dr. Jeff Caird, Professor with the Department of Psychology and Research Associate of the Institute. Dr. Caird will be compiling several years of research on older driver safety and mobility. His work will also be published by the Institute once it is completed.

We are pleased to announce that the Institute has signed an affiliation agreement with

GLOBAL CROSSROADS INITIATIVE

the University of Alberta. Effective June 17, 1998, the agreement is for a five-year term, and is similar to the association the Institute currently enjoys with the University of Calgary. The affiliation will allow the Institute and the University of Alberta to collaborate on areas of mutual interest, focusing on research and educational opportunities. Future initiatives will be featured in upcoming editions of the newsletter.

Continuing to spread the message of the Initiative's vision and objectives, Pat Daniel,

Chairman of the Global Crossroads Initiative, gave the opening re-

TRANSPORTATION SPEAKER SE-

marks at the kick-off breakfast for National Transportation Week in Edmonton, May 29, 1998. Mr. Daniel will also be making a presentation before the provincial Deputy Ministers of Transport at the Transportation Association of Canada's annual conference in Regina in September 1998. Following this, an opportunity to speak before the provincial Transport Ministers is being arranged.

A speaker series recently concluded on the theme of "*Calgary as a Transportation Hub*," coorganized with the Calgary Transportation Authority and the Calgary Chamber of Commerce. The following summary provides highlights from each of the speeches:

Lamar Durrett, President & CEO, Air Canada

Mr. Durrett commented on the future of Calgary's air services. He stated that it is dependent on three major factors: the economy, airline alliances and air policy. As economic activity continues to grow in Calgary, Air Canada will add new services to complement this economic activity. Currently, 1,000 Air Canada and AirBC employees live and work in Calgary. The airline world is being dramatically changed by a new generation of airline alliances. Calgary finds itself linked to two such large alliance groups through Canadian Airlines and Air Canada. Air Canada's Star Alliance is a partnership with Lufthansa, United Airlines, SAS, THAI, VARIG, Ansett Australia and Air New Zealand airlines offering a network of more than 660 destinations on six continents. The third major factor influencing the future of Calgary's air services is the role of government in creating and implementing air policy. Mr. Durrett acknowledged that the Canada - U.S. Open Skies Agreement played a big part in Air Canada's financial turnaround. He indicated that he is very supportive of a free-market approach to international services, with phase-in provisions and an opportunity for all carriers to prosper.

Darshan Kailly, President & CEO, Canadian Freightways

Mr. Kailly challenged the audience to consider Calgary - Population 17 million. He explained that in today's reality, putting goods on a multi-product truck in Calgary today, by 9 a.m. tomorrow those goods can reach about 17 million people. He then provided some statistics on the importance of trucking to Canada's economy. In 1996, Canada's total world-wide trade was over \$500 billion and trucks carried 55% of that trade. The Canada-U.S. border is a major route for trade by truck with one truck crossing the border every three seconds. Every hour trucks carry \$30 million in goods across the border. Trucking is also big business in Calgary with over 35,000 trucks per day moving in and out of the city. Mr. Kailly then spoke about three key trends in his industry — one

the need for speed of delivery, two the need for time certainty on delivery, and three the focus on core competencies rather than expending resources on functions that do not add value.

Hugh MacDiarmid, Executive Vice President Commercial, Canadian Pacific Railway

Mr. MacDiarmid began by discussing transportation trends such as: globalization, north-south trade, industry concentration, information technology and logistics management. These trends require high asset utilization and access to capital. He then spoke about policy choices that affect his industry, such as the increasing use of trucks for freight, the higher rail taxation levels in Canada relative to the U.S., rail network rationalization and the consolidation of the grain distribution system towards fewer higher throughput elevators. He concluded by predicting a bright future for

TELECOMMUNICATIONS

Calgary as a western transportation hub thanks to the Alberta

Advantage: a robust economy, new investments in transportation infrastructure, and a solid resource base.

NEW MEMBERS

Mike Sprague, President, Tibbett & Britten Group North America

Tibbett & Britten Group is a leading specialist distribution group, operating in 22 countries, employing 27,000 people, and handling US\$75 billion worth of clients' goods annually. Mr. Sprague outlined what is changing in distribution: the continen-

NEW BOARD MEMBERS

talization of manufacturing through free trade, competitive pressures driving efficiency, inventory being reduced with just-in time methods, and fewer key distribution hubs becoming the norm. He explained that Canada can be serviced by two hubs, one in Calgary and one in Toronto providing daily coverage to 90% of the country. Calgary has an excellent future as a distribution hub, but he advised to watch real estate costs, and that the major opportunity for Calgary would be to capture east-bound traffic flows.

A Conference on "*Telecommunications Regulation and Deregulation: The New Frontier*" was held in Calgary on April 28-29,

NEW BOARD MEMBERS - CONTINUED

1998. Timely topics facing the industry were discussed in panel sessions featuring leading speakers in the field. Copies of the proceedings from the event are available by calling our office.

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

Calgary Transportation Authority
Shaw FibreLink Ltd.
Transport Canada
Vancouver Port Corporation

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

Lorne Friberg

Mr. Friberg is President, CEO and Director of Sultran Ltd; President, CEO & Director of Pacific Coast Terminals Co. Ltd. of Port Moody, B.C; and Chairman and Director of PDS Rail Car Services Corporation. He began his career as a Transportation Engineer with CN Rail in Montreal. His education includes a Bachelor of Applied Science (Civil Engineering) from the University of British Columbia (1978), and a Master of Business Administration from the University of Calgary (1986).

Dr. Vernon Jones

Dr. Jones is Professor and Associate Dean (External) with the Faculty of Management at the University of Calgary. He has served in the past as Executive Director of the Banff School of Advanced Management. His teaching and research interests are in marketing strategy and financial services marketing, as well as management and executive education. Dr. Jones holds a Bachelor of Arts in Economics, as well as an MBA and Ph.D. in Business Administration from the University of British Columbia.

Mark Kolesar

Mr. Kolesar has been with TELUS Corporation for 10 years, where he has worked in the areas of regulation, government policy and external relations, marketing and business development. He is currently Director, Regulatory Customer Services. He has also been a frequent lecturer at the University of Alberta and the University of Calgary, where he has taught courses in strategy development, business policy, financial

management and management accounting. Mr. Kolesar has an Honours Degree in Philosophy and an MBA; both from the University of Ottawa.

Dr. Stuart McFadyen

Dr. McFadyen currently holds the position of Professor, Faculty of Business, at the University of Alberta, and is the Founding Director for the Cultural Industries Research Centre, also at the University of Alberta. His educational qualifications include: Doctor of Philosophy in Economics, University of California, Berkeley; Master of Arts (Economics), University of British Columbia; Master of Arts (Economics), University of California, Berkeley; Chartered Accountant, Institute of Chartered Accountants of British Columbia; and Bachelor of Science, University of Manitoba.

Dr. John Morrall

Dr. Morrall is a Professor of Civil Engineering at the University of Calgary. Following graduation from Carleton University, he was employed as a transportation engineer with the Metropolitan Toronto and Region Transportation Study and the Department of Highways of Ontario. He joined the University of Calgary after completing his Ph.D. at the University of Waterloo. His research and professional interests include all aspects of the planning and design of rural and urban highways. His international activities have included highway projects in Peru, Argentina, Australia and the United States.

David Murray

Mr. Murray is a graduate of the University of Saskatchewan and the National Defence College in Kingston, Ontario. He joined the public service in 1972, and has worked at the local, regional and national headquarters levels of the federal government in positions that have taken him across Canada.

Immediately prior to joining Transport Canada, he worked in Hull, Québec at the National Headquarters of Human Resources Development Canada (HRDC) as Director General, Administrative Services. Mr. Murray was recently appointed to the position of Regional Director General, Prairie and Northern Region for Transport Canada.

Captain Norman Stark

Born in Lisburn, Northern Ireland, Mr. Stark joined the British Marine in 1964. In 1972, he obtained his Certificate as Master Foreign Going and sailed on various trades such as the North Atlantic, Mediterranean, Great Lakes, Gulf of Mexico and the Far East. In 1977, he moved to Saint John, New Brunswick, where he was appointed to the position of Assistant Harbour Master for the Saint John Port Corporation. From 1981 to 1985, Mr. Stark was Harbour Master at the Port of Halifax. He joined the Vancouver Port Corporation in 1985 as Assistant Port Manager and, in 1990, became Presi-

VHI MEMBERS

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 Alberta Energy & Utilities Board
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 Bell Mobility
 Bennett Jones Verchere
 Blake, Cassels & Graydon
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 Canadian Airlines International Ltd.
 Canadian Freightways Limited
 Canadian National Railway Co.
 Canadian Pacific Limited
 Cargill Limited
 Delta Airlines, Inc.
 Edmonton Power Inc.
 Edmonton Regional Airports Authority
 Federal Express Canada Ltd.
 Foothills Pipe Lines Ltd.
 Gazoduc Trans Quebec & Maritimes Inc.
 Government of Alberta
 Greyhound Canada Transportation Corp.
 IBM Canada
 Inland Cement Materials Division
 IPL Energy Inc.
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 Siemens Electric Limited
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 Sultran Ltd.
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 TransCanada PipeLines Limited
 Transport Canada
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Ron Laing, Inland Cement Materials Division, St. Albert, Alberta
Jacques Lamarre, SNC-Lavalin Inc., Montreal
Dr. David A. Lewin, Edmonton Power, Edmonton
Gerald J. Maier, TransCanada PipeLines Limited, Calgary
Dr. Robert L. Mansell, The University of Calgary
Jeff J. McCaig, Trimac Corporation, Calgary
Dr. Stuart McFadyen, The University of Alberta, Edmonton
Dr. John Morrall, The University of

VHI DIRECTORS

Calgary
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Dave Murray, Transport Canada, Winnipeg
Fred H. Peacock, Peacock Holdings Limited, Calgary
H. Gordon Pearce, Pearce Consulting Services Limited, Calgary
Dr. Anthony Perl, The University of Calgary
Roger Pike, Greyhound Canada Transportation Corp., Calgary

Hugh Planche, Hugh Planche Holdings, Calgary
Dr. Stephen J. Randall, The University of Calgary
George Richardson, James Richardson & Sons, Limited, Winnipeg
Robert J. Ritchie, Canadian Pacific Railway, Calgary
Jon Slingerup, Federal Express Canada, Mississauga
Captain Norman Stark, Vancouver

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, and affiliated with the University of Alberta in June 1998.

KEY CONTACTS:

PETER C. WALLIS, *President & CEO*

VIVIAN PANDER, *Programs Manager*