

In This Issue

- Moving Forward Guide
- Airlines Conference, May 30, 2000
- Newsletter Name
- New Members—Profile
- New Publication
- Resident Fellowship Program 2000
- VHI Members
- VHI Directors

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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 education and research. The **Institute** was incorporated federally in 1991 as not-for-profit organization, and was granted affiliation with the University of Calgary in January 1992, the University of Alberta in 1998, and with SAIT in January 2000.

MOVING FORWARD GUIDE

Transportation Needs Higher Public Priority in Canada

Stringent customer demands, higher value products, severe international competition and globalization are some of the pressures placed on the transportation system, according to a new landmark publication, **Moving Forward, A Guide on the Importance of Transportation in Canada**.

The official launch of this publication was held in Regina on March 16th, 2000 with the Honourable Minister of Saskatchewan Highways and Transportation, Maynard Sonntag officiating.

This collaborative publication between The Van Horne Institute for International Transportation and Regulatory Affairs (VHI) and the Western Transportation Advisory Council (WESTAC) is a timely guide. It targets Canadians who are unfamiliar with the critical role our national transportation system plays in the economy.

"A safe, effective, efficient and sustainable transportation system is the underpinning of a dynamic economy and a healthy environment. And it will be essential to maintaining Canada's place in the 21st century, in terms of both economics and quality of life issues," said Honourable David Collette, Federal Minister of Transport.

Some powerful trends - from low commodity prices to ordering products using the Internet - are placing new demands on transportation. Having an efficient and affordable transportation system is vital. The risks of any deterioration in the transportation system are significant. About 50 percent of the economy (GDP) - from manufacturing to tourism - critically depends on transportation.

"This guide is a valuable tool to assist with the education, training and research in transportation," said Maynard Sonntag. "This type of information is essential to attract top-notch people to this industry which plays a vital role in linking our communities and supporting trade."

Education, training and research in transportation and regulatory affairs are the hallmarks of the Van Horne Institute. Peter Wallis, President and CEO, believes that, while we are making some significant progress in the development of education and research in transportation through partnerships with the University of Calgary, the University of Alberta and the Southern Alberta Institute of Technology, there is still a lot of work to be done to create a degree or intensive research program in transportation.

"Everyone intuitively understands the critical importance of transportation in the development of Canada's economy," says Wallis. "**Moving Forward** intends to document that importance in a readable, but very focused way. We hope that it will become an invaluable handbook to anyone wishing to achieve a better understanding of the importance of transportation in their everyday lives."

Dr. Clarence Woudsma, Assistant Professor of Geography and Academic Director of the Van Horne Centre for Transportation, agrees that an education in the fundamentals of transportation is the key to a career in this rapidly developing field. "When you think of transportation and how logically it encompasses not only the traditional modes of air, surface and marine, but also pipelines, electrical transmission and information technology," says Woudsma, "the necessity for structured courses in transportation and related regulatory affairs becomes more and more obvious."

Moving Forward is available from the Van Horne Institute at \$15.95 each, plus GST.

AIRLINES CONFERENCE

The Centre for Regulatory Affairs presents ... **Airline Competition, Regulation and Government Policy in Canada**, Tuesday, May 30th, 2000, Delta Calgary Airport Hotel, 2001 Airport Road NE, Calgary, Alberta.

Conference Theme: What is the appropriate aviation policy and regulatory framework for Canada?

Conference Objectives:

Develop an understanding of the objectives of current government policy, its implications, the alternatives, and their implications for fares and service.

Assess the experience under deregulation and the relative roles of competition and government policy in creating and sustaining competition in domestic airline service.

Review the effectiveness of the policy and regulatory responses to the establishment of a dominant carrier.

8:00 – 8:30 **Registration and Continental Breakfast**

8:30 – 8:40 **Opening Remarks by Peter Wallis**
President & CEO, The Van Horne Institute

Session A *Deregulation of Passenger Airlines Services in Canada*

8:45 – 9:50 **David Gillen**, Wilfred Laurier University and **Fred Lazar**, York University will review market developments since deregulation. The Speakers will also consider the regulatory framework upon which deregulation was based and the impact of that regulatory framework on the evolution of the market for passenger airline services.

Session B *Overview of Recent Developments in Canada*

9:50 - 10:50 **Current aviation policy - 2 perspectives**
Valerie Dufour, Director General, Air Policy, Transport Canada, will outline the Government of Canada's Federal Aviation Policy.

Richard Elliott, Competition Bureau will provide a perspective on the Government of Canada's competition policy as it relates to aviation.

Session C *What Should be the Objectives of Federal Aviation Policy?*

11:00 – 11:45 **William Stanbury**, Faculty of Management, University of British Columbia, will consider

arguments for and against cabotage and limits on foreign ownership. The arguments will be in the context of the Canadian market, its performance, evolution, and appropriate policy objectives.

11:45 – 1:00 **Luncheon Guest Speaker** To be announced

Session D *The Economics of Passenger Service and Barriers to Entry: The Rationale and an Evaluation of the Commissioner's Undertakings.*

1:00 – 1:40 **Thomas Ross**, Faculty of Management, University of British Columbia, will consider the economic or structural difficulties facing new entrants in Canada and the prospects for competition, the rationale for the Commissioner's undertakings and their adequacy, as well as additional policy measures that have been, or should be, adopted to encourage efficient competition.

Session E *Regulations under Section 78 of the Competition Act - What is Predatory Behaviour?*

1:40 – 2:20 **Doug West**, Department of Economics, University of Alberta, will introduce and explain the concept behind the regulation and powers of the Commissioner of Competition under Section 78 of the **Competition Act** to prevent or restrain any competitive practices by a dominant air carrier.

Session F *The Way Forward: Views on Future Developments*

2:35 – 4:00 Panelists will detail their views and predictions on the evolution of the aviation industry in Canada.
Panelists (featuring industry analysts and air carrier representation.)

4:00 **Closing Remarks** **Dr. Jeffrey Church**

REGISTRATION FEE:

Van Horne Institute members: \$299 + GST = \$319.93
Non-Members: \$345 + GST = \$369.15
(GST#R134441211)

NEWSLETTER NAME

ON TRAC has been selected as the new name for the VHI Newsletter. Gordon Pearce, Chairman, Calgary Airport Authority, is the winner of a complimentary registration to an Institute course or event. Thank you, Gordon. **ON TRAC** will become a functional acronym for the Van Horne Institute: **T**ransportation, **R**egulatory Affairs and **C**ommunications.

...and many thanks to others who offered several creative and interesting suggestions.

NEW MEMBERS

Air Transport Association of Canada is the voice of commercial aviation in Canada. Membership includes all the major national and charter operators in Canada, the regional carriers and a large number of helicopter, air taxi and flight training school operators. Collectively, ATAC members account for more than 96% of the \$10 billion in commercial aviation revenues earned in Canada.

Danoil Energy Ltd is a Calgary based oil and gas company engaged in the exploration, development and acquisition of both oil and natural gas reserves in western Canada. Danoil is a well managed company that has established a record of consistent production growth. A concentration on long life reserves has provided a solid base for continued growth. In 1999, Danoil returned to profitability and experienced record cash flow creating momentum to add further shareholder value.

ENMAX Corporation is an electric distribution and transmission utility company headquartered in Calgary, Alberta. A wholly owned subsidiary corporation of The City of Calgary, ENMAX currently provides electricity to 297,800 residential and 28,200 commercial customers over 1,044 square kilometers.

Gibson Petroleum provides mid-stream services for the marketing and transportation of oil and gas. They are committed to making contributions to meet the needs and goals of both the Van Horne and Gibson's mandate of a commitment to education.

Kelowna Flightcraft Limited has been in operation since 1977 at the Kelowna, BC airport. It is one of the first dedicated courier air services across Canada and has the largest fleet of aircraft in the Canadian air freight market. The company is a dynamic organization involved in the overhaul maintenance and modification of light and heavy aircraft.

Lawson Lundell Lawson & McIntosh is a Western Canadian business law firm with offices in Vancouver, Calgary and Yellowknife. From its roots in forestry, mining and energy, it has grown to represent businesses and governments across a wide variety of industry sectors - from natural resources to technology - including all facets of transportation and communications.

Teamsters Canada is a labour union that represents in excess of 100,000 members across Canada. Their members are employed in various capacities of the transportation industry. Headquartered in Montreal, local union offices are established in every Canadian province.

WestJet Airlines is a low fare, short haul airline based in Calgary, Alberta. WestJet commenced operations on February 29th, 1996, and currently operates 16 Boeing 737-200 jet aircraft, servicing 13 cities in Canada. During 1999, WestJet carried more than 2.3M passengers and has expanded its operations into eastern Canada with the addition of Hamilton to its schedule on March 9th, 2000.

NEW PUBLICATION

INDUSTRIAL ORGANIZATION: A Strategic Approach.

The authors Jeffrey Church and Roger Ware, have forged a fresh approach to the study of industrial organization. By integrating the new learning of the last 15 years with the traditional understanding of imperfectly competitive markets through an effective blend of analysis and examples, the authors have created an unusually revealing text that puts the emphasis on understanding and on the development of students' analytical abilities.

The emphasis in Church and Ware is on market power. What are the determinants of market power? How do firms create, utilize, and protect it? When is antitrust enforcement or regulation an appropriate policy response to the creation, maintenance, or exercise of market power? The book's focus is on strategic competition and how firms can shelter their market power and economic profits from competitors. This focus establishes the intellectual foundation for determining business practices that warrant antitrust examination and prohibition and underlines recent activist antitrust policy.

Dr. Jeffrey Church is the Academic Director at the Van Horne Institute for the Centre for Regulatory Affairs.

RESIDENT FELLOWSHIP PROGRAM

Deadline: May 15, 2000

Fellowship Purpose: The Van Horne Institute Resident Fellowships are intended to support completion and publication of high quality research. We provide individual scholars with the opportunity to complete works or projects that require a period of intensive effort. The plans for dissemination of the results would include publication through The Van Horne Institute.

Eligibility: Any person holding a full-time University of Calgary or University of Alberta appointment, without definite term, and of professorial or instructor rank, is eligible. In addition, any academic appointment with supervisory responsibilities for a Post Doctoral student, or a Graduate Student.

Conditions of Award: Fellowships are not renewable. They are awarded on the general condition that the recipient agrees to conduct the work in residence at the applicant's university of appointment. The Fellowships are based upon research topics that are relevant and applicable to the advancement of transportation, regulatory affairs and information communication.

If you are interested in more information or in supporting a research program through the Institute, contact the Programs Coordinator.

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