GOVERNMENT TELECOMMUNICATIONS AGENCY

ANNUAL REPORT 1992-1993

Canada

OUR MISSION

To bring information and telecommunications products and services to government for effective delivery of services to Canadians.

CORPORATE PROFILE

The Government Telecommunications Agency is a Special Operating Agency of the Government of Canada. It adapts the best private- and public-sector practices in providing a comprehensive portfolio of common and customized telecommunications and information products and services to federal departments and agencies. Through the Telecommunications Architect Program, GTA also plans, designs and develops the government's advanced telecommunications network architecture.

The Agency serves the federal government across Canada through District Offices organized under five Regional Headquarters located in Moncton, Montréal, Toronto, Winnipeg and Vancouver, as well as from its National Headquarters in Ottawa-Hull.
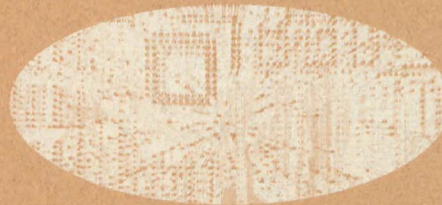
Explanation of cover page design: GTA is a forward-looking, customer-oriented organization which capitalizes on the best efforts of its team to provide telecommunications solutions in response to the requirement for leaner, more efficient and more accessible government. The dynamism of the relationship between the Agency and its federal and private sector allies is captured visually by the cover design portraying energetic people in motion, superimposed over a background signifying the interconnected and global nature of telecommunications.

Graphic design by Pentafolio inc.

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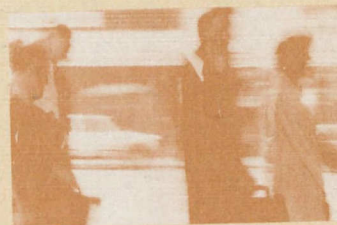# THE YEAR IN REVIEW ... A MESSAGE FROM THE PRESIDENT

THIS IS THE Government Telecommunications Agency's third **Annual Report** since becoming a Special Operating Agency (SOA) in 1990. And, even as I reflect on our achievements of the past year, at my back I hear the winged chariot of the information revolution transforming all before it in ways that we are only beginning to understand.

But one thing is clear. In the public sector, information technology is opening up new avenues for delivering government services to Canadians more efficiently and creatively than ever. At the same time, our customers are under pressure to realize this technology's potential for streamlining their operations and lowering costs.

As an SOA, GTA has dedicated itself to providing telecommunications and information management solutions to help our customers retool for a competitive future. I believe 1992-93 has delivered the most tangible results yet.

Designing and building the government's telecommunications networks is a massive undertaking — one that no single organization can do by itself. For this reason, GTA continued to work closely with its customers and to form strategic alliances with both departments and suppliers to tap the expertise resident in government and industry. Through this strategy, we have built a high level of trust with our colleagues in the government community, and I believe many of them are beginning to see GTA as an extension of their own organizations.

One of our major thrusts this past year has been to sharpen our customer focus. We continued to build closer working relationships with our two advisory boards — the Government Telecommunications Council (GTC) and the Telecommunications Advisory Panel (TAP) — which played active roles in guiding our services development and Architect Program activities. We also created new account teams to address customer needs more efficiently and we established focus groups to help us better understand our customers.

In line with our customer focus, one of the Agency's key corporate initiatives in 1992 was the implementation of Total Quality Management (TQM) to begin continuous improvement of our key processes. Everyone, at every level in GTA, attended TQM awareness sessions; we trained our TQM cross-functional team; we asked employees where they thought improvements could be made; and we formed working groups to implement creative solutions. As a result, I am proud to say that GTA is among the leaders in developing a full-fledged TQM culture within the Public Service.

On the products and services side, GTA continued to serve as a catalyst for Public Service renewal by providing enabling services to customers at very attractive rates.

One exciting service launched last year was the Government Videoconferencing Service. Videoconferencing offers real potential to increase government efficiency and to reduce travel costs significantly. Other new services added to our product portfolios include all-digital audio teleconferencing, two enhanced fax products and a switched data service.

To pass on further savings to our customers, we introduced a Bill Volume Discount plan. Latest estimates are that GTA was able to save the government over $83 million in telecommunications services costs alone during 1992-93.

Government-wide connectivity — identified as a major priority by, among others, the Treasury Board Senior Advisory Committee Information Management Subcommittee (TIMS) and the GTC — is another area in which we made significant strides. With the launch of the Government Message Handling Service (GMHS), government employees can now

René Guindon

send electronic-mail messages across the country or around the world, regardless of the electronic-mail system used.

Such applications of information technology are the way forward for the Public Service, and GTA will continue to bring them to government to meet the challenges of public administration in the '90s.

I am personally very pleased that GTA was able to play a critical role within the government this past year in implementing the Telecommunications Privacy Principles introduced by the Minister of Communications. We are committed to working with our customers and suppliers to help ensure that the Principles are appropriately applied to government operations.

I believe the Agency is on the right path. The success of our customer focus and collegial approach to business is more evident each year. As the President of GTA, it is my pleasure to dedicate this report to our customers and employees — the men and women who, with their vision, cooperation and trust, are designing and building an efficient, streamlined Public Service to serve Canadians well, now and in the years ahead.

Through their efforts, GTA will continue to set new standards of excellence to help to realize the promise of telecommunications and information technology for the government and the people of Canada.

René Guindon
President
Government Telecommunications Agency

GTA's Executive Team: Charting the Course

Message from the Vice-President, Corporate Management

GTA's **Annual Report** offers me the opportunity to respond to the most commonly-asked question I have received since joining the Agency via the Executive Interchange Program in October 1992. The question, of course, is: "How does government compare to the private sector?" More telling than the question, perhaps, is the sense I have that an unfavourable response is expected.

My perspective on this question has broadened since I attended a recent government executive forum where the focus was on restructuring both services to the public and the Public Service. The issues associated with managing change and finding opportunities in difficult circumstances are global challenges. They are not unique to the Canadian government.

The most noticeable difference that I have witnessed between the public and private sectors relates to "pride" and "planning". Pride begets confidence; confidence spawns creativity; creativity involves risk-taking; risk-taking demands planning; planning establishes account- ability; accountability provides for achievement; and achievement produces a sense of pride.

It should come as no surprise to those that I have had the pleasure of working with at GTA that I have a preoccu- pation with planning. Establishing and achieving measurable objectives are pre- requisites to pride. I firmly believe that this cycle of organizational effectiveness builds on itself and that the public sector is on the threshold of shifting from a climate of apology and defensiveness to
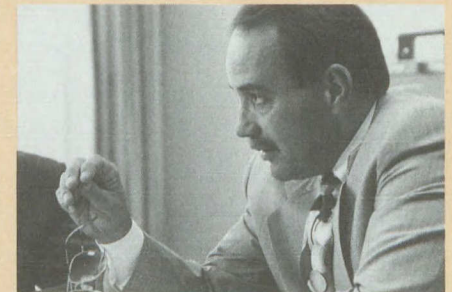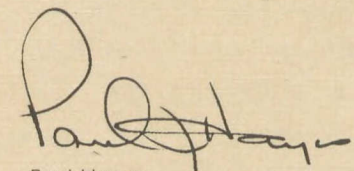
Paul Hayes

one of pride in the responsible services it provides, waving the flag of performance judged against plans.

It all begins with raising your head! In reviewing this year's **Annual Report**, I hope that customers and colleagues alike are as proud of their contribution to GTA's successes as I am to be part of your team.

Paul Hayes

Dan Sum

MESSAGE FROM THE VICE-PRESIDENT, ARCHITECTURE AND DEVELOPMENT

THIS HAS BEEN ANOTHER challenging and rewarding year in the development of a common telecommunications infrastructure and related services and the evolution of the Government Enterprise Network Architecture (GENA). Departments and industry both have shared in our achievements. We are grateful for our customers' continued support as we pursue the vision of the Telecommunications Architect Program, and are gratified that our mutual efforts have led to formal recognition from our international professional peers.

To achieve the seamless integrated network which is necessary for improved service to the public, interconnectivity of distributed applications in a multi-vendor environment is key. Government-wide electronic messaging and commerce are now practical realities, opening new avenues for operational efficiencies and improved public services. With this accomplished, new challenges loom in the federal arena. These include continued coordination of the planning and implementation of state-of-the-art enabling technologies and applications that support Public Service renewal and provide an electronic highway for transparent communications both internally and with the public.

In service development, our goal is very specific: To ensure the development of new services that will account for 40% of GTA's operating margin within the next five years. Our plans include videoconferencing, enhanced facsimile, fibre-optic Metropolitan Area Networks, high-speed data network services and government internetworking services.

I am encouraged by our progress in the past year. I have every expectation that, with the continued participation of our government and private sector colleagues, this momentum can be sustained and our mutual goals for the future accomplished.

Dan Sum

Roger Bason

MESSAGE FROM THE VICE-PRESIDENT, MARKETING

CONTINUING ECONOMIC RESTRAINT has prompted our customers to seek imaginative means of improving the quality of their service to the public, reducing costs and managing their budgets more efficiently. Increasingly, departments are identifying technology as the agent which will enable them to streamline program delivery and re-engineer the way they conduct their business.

As an SOA, GTA has dedicated itself to being a customer-driven service provider. The new account management team established by the Agency's Marketing Branch has fostered closer relationships with our customers, allowing us to develop services and features that meet both the immediate and long-term needs of the government community.

Because they realize the benefits that result from sharing resources and harmonizing programs, departments are working more closely with each other, creating a compelling need to improve the interoperability of local- and wide-area networks. The Agency has responded to this requirement by actively assisting customers to communicate government-wide by voice, electronic messaging and, most recently, videoconferencing services. The government's goal of improving the public's access to federal programs through the establishment of Infocentres has reinforced GTA's intention to accelerate the introduction of Government Internetworking and Remote Data Access services and our commitment to be the leading provider of services that enable customers to conduct electronic commerce within and between departments.

The rapid convergence of computing and telecommunications technologies has provided us with a further incentive to develop the alliances required to provide total telecommunications solutions. I have no doubt that, by working closely with our strategic allies and customers, GTA can ensure that the Canadian public is able to make full use of federal programs and services.

Roger Bason

Robert Gervais
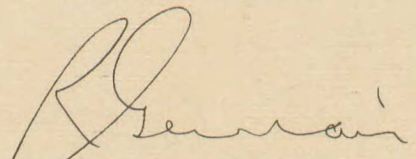
MESSAGE FROM THE VICE-PRESIDENT, OPERATIONS

"CUSTOMER" WAS PROBABLY the word most commonly heard in the Operations group during the year. The second was "focus". We realized that we needed to concentrate on the little things to be better at the big ones. We pursued that goal by ensuring that we:

- Focused on **improved billing** to customers. The first of our billing improvements was the introduction of monthly billing for calls on the Government Intercity Calling Service. We also reviewed and modified our billing programs to remove major irritants and get the process running on a production basis.

- Focused on **quality of service** to customers. The Agency initiated Total Quality Management, which is described elsewhere in this **Report**. TQM has helped the Agency's staff focus on the process improvements essential for enhanced customer satisfaction; the work continues.

- Focused on **running the business**. We restructured GTA's Information Technology Group — which plays a critical role in the capture, handling, processing and distribution of information necessary to provide the full range of service to customers — to permit it to contribute more effectively to the Agency's goals.
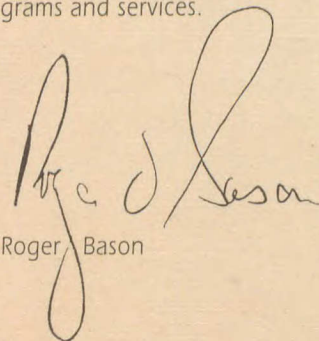
- Focused on **enhanced products** for customers. One of many improvements we initiated last year was the all-digital Government Teleconferencing Service (GTS), offering superior audio quality and flexibility. Loaded with user-requested features, GTS is extremely popular, as customers prefer to invest their scarce resources in moving information, not people.

- Focused on the **individual**. As well as making sure that staff members received appropriate training on new services and technology, GTA helped protect the privacy rights of individuals by ensuring that the Telecommunications Privacy Principles enunciated by the Minister of Communications were properly communicated to customers.

Robert Gervais

MESSAGE FROM THE CHAIR, GOVERNMENT TELECOMMUNICATIONS COUNCIL

THE ONLY CERTAINTY in today's world is change, and last year was no exception to the rule. As the Chair of the Government Telecommunications Council (GTC), I am pleased to have participated in GTA's response to developments in both the

Phil McLellan

government and telecommunications environments.

The Council, which represents the largest users of telecommunications services within the federal community, provides advice to the Agency on government-wide telecommunications and information management initiatives. Like the

Agency itself, the collegial process embodied by the GTC and our sister organization, the Telecommunications Advisory Panel, has evolved and matured since its inception three years ago, when GTA became a Special Operating Agency.

Through our deliberations, Council members contribute to the efficient management of the federal telecommunications infrastructure. We are especially proud of our part in helping to identify telecommunications priorities for the Agency to pursue in its five-year **Business Plan**. These included the continuing development of digital and value-added services and, in particular, improvements in interdepartmental communications through such vehicles as electronic messaging and electronic commerce services.

As senior federal managers, we appreciate GTA's importance as a provider of effective and value-added services. We also recognize that the Agency is a key agent for enabling government renewal and re-engineering the way it does business. I am confident that the guidance given by the Council to the Agency helps in ensuring that the government community continues to be well served through new and enhanced GTA services such as improved inter- and intra-departmental E-mail capabilities and innovative videoconferencing solutions.

The Council and the Agency enjoyed a productive and mutually beneficial partnership in 1992-93. I look forward to continuing in the same vein in the upcoming year and, through the collegial process, working together to promote the effective delivery of federal programs to the Canadian public.

Phil McLellan

MAKING THE CONNECTION: GTA 's CUSTOMERS

Tim Smith, GTA, and Al Hagerman,
Royal Canadian Mounted Police.

SATELLITE NETWORK
PROVIDES COST-EFFECTIVE
POLICING FOR THE RCMP

FOR THE MOUNTIES, "getting their man" is now faster and more cost-effective than ever with GTA's Government Satellite Network (GSN).

The Royal Canadian Mounted Police (RCMP) has replaced several of its telecommunications land lines in the Far North with a GSN-based web of 50 satellite stations, and realized dramatic improvements in network cost and performance.

The satellite system supports a number of data communications applications, including the Canadian Police Information Centre (CPIC). As a result, an officer in the North can now run a check on a driver's license issued by any province and get a response within seconds.

In addition to a response time that is consistent with that in downtown Toronto, the system gets high marks for survivability in areas where people have been known to use satellite dishes for target practice.

But the RCMP's primary reason for using GSN is savings. "It's very expensive to get communications lines into the northern part of the country," says Al Hagerman, Officer in Charge, Network Services Branch at the RCMP.

"By using this service, we were able to get our costs down to about half of what we were paying before we went over to GTA."

To meet the client's needs, the Agency negotiated a volume rate with the service supplier, and purchased and leased back the Very Small Aperture Terminals (VSATs) to the RCMP. Moreover, by dealing with GTA, the RCMP has been able to avoid getting locked into expensive long-term contracts.

As a large organization, with a strong core of operational and technical people, the RCMP has the expertise to develop systems and evaluate telecommunications services; it therefore recognizes good value.

According to GTA Account Manager Tim Smith, the added value GTA is able to provide is the Agency's continuous efforts to make the service cost-effective for the client.

Hagerman agrees: "They worked very hard to get the cost down as far as they could. I am not sure we would have been able to do it on our own."

"By going through GTA, we got the good rates and the flexibility we were looking for."

The RCMP Data Centre, repository of the Mounties' centralized databases.

Supply and Services Builds "Client-access" Network

SUPPLY AND SERVICES Canada (SSC) has seen the future. Now, it is building that future with the SSC-GTA Router Network.

The vision for the new Supply and Services is "client access to SSC services from the desktop," says Don Orr, Director General for SSC's Office and Telecommunications Services Directorate.

"It's of strategic importance to provide that capability."

According to Orr, easy, high-quality access to a range of SSC services, including purchasing, cheque production and financial control, will be available to personnel in other departments by 1996. As a result, SSC's customers will be able to manage their payrolls and purchase goods and services from their own desktops.

SSC's "client-access" vision is the department's response to increasing pressure to operate at lower cost with improved levels of service.

The first step in this long-range undertaking to provide connectivity between SSC, its client departments, and private-sector suppliers was the implementation of Local Area Networks (LANs)

Don Orr, Supply and Services, with GTA's Marcel Lachance and Jacques Adams-Robenhymer.

as productivity tools for the department's employees, who were using PCs and Macs.

To help bring the vision to reality, SSC teamed up with GTA. The department needed the Agency's expertise to provide the connectivity. Providing connectivity is a major role of GTA's Telecommunications Architect Program.

"Without GTA, we would have had to do it ourselves, which doesn't make sense in these tough economic times," says Orr.

"Instead, we have a strategic alliance from which we both benefit."

SSC gains the knowledge and experience to plan a leading-edge network and implement a model for the government of the future.

For its part, the Agency gains a customer that is eager to put this type of advanced network in place right now, and one that also provides a testing ground for GTA's new common internetworking service, which it is developing for the benefit of the rest of the government community.

"We're two departments working as one," says Orr. "It's a great way to build the future."

GROWTH IN USE OF GTA SERVICES

Aggregate Number of Clients

| | 1988-89 | 1989-90 | 1990-91 | 1991-92 | 1992-93 |

The aggregate number of subscribers to GTA's portfolio of products and services continues to grow, reflecting customers' satisfaction with the Agency's value-added and cost-effective approach.

GTA Helps CBC
Compete under Pressure

IN A BUSINESS where not having the news before anybody else is deemed to be total failure, having the right telecommunications at the right price is crucial.

That's why CBC turned to GTA for GDCS (Government Digital Channel Service) — a high-speed voice and data service linking 26 backbone network sites from Vancouver to St. John's.

GDCS supports the Corporation's News Gathering Service, which allows editors to get news stories off mainframe computers in Toronto and Montréal, add the local angle and produce their scripts just minutes before the newscasts go on the air.

GTA's service has dramatically reduced the cost of news gathering for the CBC and helped the broadcaster resolve a compounding problem: Due to competitive and budgetary pressures, demand for information systems and telecommunications was exploding.

"We had come to the end of what we could do with the size of the loaf of bread we had," says Michael Bidder, CBC's national Director of Corporate Telecommunications. "Then GTA came along and said, 'What you've got today is going to cost you less tomorrow.'"

After converting to GDCS in 1991, CBC also switched to a discount arrangement negotiated by GTA on behalf of its customers, which provides savings of 45% on long-distance calls to locations not on the government network. And the

Corporation can still benefit from potential savings of more than 50% by using the Government Intercity Calling Service (GICS).

Back in Toronto, the Corporation is currently moving into new headquarters and transferring its voice lines to take advantage of GTA's preferred Centrex line rate. This will reduce the per-line cost from $35 to approximately $25 per month for over 1,000 CBC lines.

Looking ahead, Bidder sees the demand for telecommunications at CBC continuing to increase under competitive pressure to get the job done faster and ongoing restraint programs.

As a result, he's looking at videoconferencing's ability to cut travel expenses and improve productivity as well as at broadcast-quality video for moving programs between offices, to allow for more cost-efficient editing and production.

"We are always on the lookout for ways of doing more with less," he says "and GTA is always coming up with new options."

Randy Patrick, GTA Ontario Region, and Michael Bidder, Canadian Broadcasting Corporation.

LEARNING NETWORK OVERCOMES DISTANCE AND COST

BRIDGING TIME ZONES at a moment's notice is the new smart way to provide training and business communications in government.

Not just a physical network, the Public Service Learning and Communications Network (PSLCN) is a centre of expertise or "one-stop shop" that provides access to the telecommunications services designed to develop and deliver training, meetings and conferences anywhere in the country.

The partners in the enterprise include the Canadian Centre for Management Development (CCMD), Training and Development Canada (TDC), Public Works Canada (PWC) and GTA, which provides the telecommunications and information technologies.

PSLCN provides multimedia training that combines professors, graphics, video, audio and print materials in a powerful educational tool that makes the country into a virtual classroom. As a result, distance learning is "more cost-effective, timely and accessible than traditional instructional methods," says GTA Product Manager Pat McMillan.

For business communications, videoconferencing allows participants to meet right away, speeding up the decision-making process and accelerating project schedules.

In one of 15 major trials held in 1992, Health and Welfare Canada produced a business television event to clarify a complex piece of legislation with employees across the country. Questions were fielded from 15 sites nation-wide, and more than 500 people participated. Carole Maisonneuve, Health and Welfare Training Co-ordinator, says the results were dynamic, and educational.

"We're going through a major change in the way we do business. Going with business television really took a leap of faith, but it was a very successful event. It really helped us to focus on how we could use this technology in the future."

Museums Canada also used PSLCN to conduct an electronic tour of the Canadian Museum of Civilization in Ottawa for numerous remote sites in northern Ontario.

"The service was very supportive," says Assistant Conservator Leslie Redman. "They provided the expertise and shepherded me through the various steps."

By using innovation and technology to break down the barriers of distance and time, PSLCN delivers better training and business communications at lower cost.

"You need to be on the leading edge to introduce the most cost-effective ways of doing technology-assisted training and communications," says McMillan, "and that's what PSLCN plans to do."

INNOVATION AT WORK

A CULTURE OF QUALITY

GTA's EMPHASIS on continually improving customer satisfaction prevailed in every aspect of its work last year, but nowhere

was it more apparent than in the Agency's commitment to the concept of Total Quality Management.

In GTA's view, TQM denotes a corporate culture in which there is a fundamental belief that the customer is paramount and deserves excellent service; that all staff members, including those not on the front lines, have important parts to

play in ensuring customer satisfaction; and that the more involved employees are in determining organizational goals, the more they will be committed to achieving those objectives.

Introductory steps in GTA's launching of TQM included a survey to determine customers' thinking about the Agency's service; organization-wide personal interviews of all GTA's employees to solicit their concerns and suggestions regarding the provision of quality service; approval of a TQM plan for the organization; demonstration by senior management of its commitment to the initiative; and nation-wide involvement of staff in TQM awareness sessions.

By the end of the fiscal year, the Agency had in place all the tools and structures required to undertake full TQM implementation. These arrangements included the Total Quality Steering Committee, representing GTA's senior management; the cross-functional Total Quality Team, with membership from each of GTA's branches and regions; and eight Business Process Improvement Teams, to carry out assessments of the Agency's processes. Our government

A talented artist as well as an engineer, GTA's Anne Philpott won the People's Choice Award in the Minister's Art Competition.

colleagues and customers are watching us with keen interest, with a view to implementing similar initiatives in their own departments.

SERVICE THAT RESPONDS

GTA's CUSTOMER-DRIVEN approach led to our establishment of the Customer Assistance Centre (CAC), which serves as a central contact point for registering client concerns, queries and feedback. In the past, customers did not always know where to turn for answers. Now, the CAC staff handles some 1,300 calls monthly, providing prompt, courteous responses while analyzing the reasons for recurrent questions with a view to improving customer service.

The Agency recognizes the importance not only of responding to customer concerns, but of knowing what customers want in the first place and helping them to get it — at the right time, at a competitive

price and in a satisfactory manner. Accordingly, in the past year, the Agency restructured the Account Management team in its Marketing Branch.
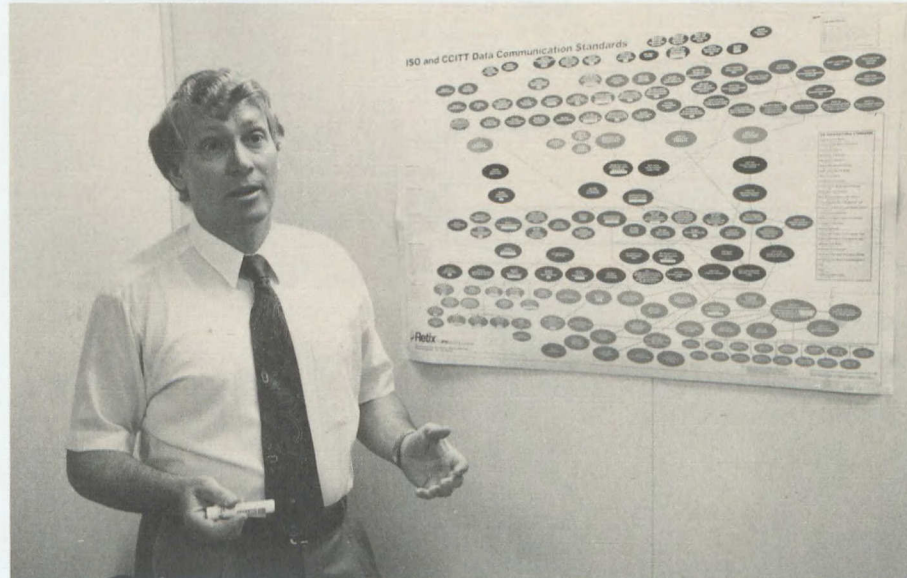
The first of its kind in the Canadian Public Service, the team is based on the flat organization concept, providing a single point of contact for GTA's customers. Formerly, clients dealt with several different product specialists. Now, each of GTA's customers is served by a specific Account Manager, who receives training on all of the Agency's services and is supported by a professional Product Management team. This team assists the Account Manager to serve the customer, the focus of all their efforts.

A Good Corporate Citizen

LAST JUNE, the 6,000 telephone subscribers in Kirkland Lake entered the age of digital communications, thanks in part to the efforts of GTA. The Agency's John Da Pra worked closely with the local telephone company to advance its modernization schedule to provide a relocating Veterans Affairs office with the same telecommunications capability it enjoyed in Toronto. As a result, Kirkland Lake is now served by a new, fully-digital switching office that supports fibre-optic long-distance calling instead of by the 28-year-old, step-by-step central office that previously served the townsfolk.

A similar cooperative effort between GTA and another supplier resulted in the installation of a new digital multiplex system to serve 20,000 residents in the Sydney/Cape Breton area.

GTA's commitment to good corporate citizenship extends to youth. The Agency provides opportunities for secondary and post-secondary students to gain work experience, mainly through the co-op education program and through contracts to recent university graduates. About 80% of the Ontario Region's staff graduated from the co-op work placement program undertaken jointly by GTA and Sheridan College, and former co-op students make up a fourth of Headquarters' Information Technology group. Furthermore, in recognition of the global nature of telecommunications, the Agency provided a six-month work assignment to Bernadette Bôle-Besançon, an engineering student from France. The experience broadened her knowledge and that of all who worked with her, strengthening international ties.

Bruce Catley and his GTA colleagues have contributed to the development of national and international telecommunications standards.

Setting the Standard in Professionalism

THE INVOLVEMENT of GTA's Architecture and Development Branch in setting federal, national and international telecommunications standards is a clear illustration of the professionalism and ability of the Agency's staff. GTA's Bruce Catley is the Chair of the Database Working Group of

Burlington teleworkers Donna Bentley, Don Walker (standing) and Dilu Kalsi with their Ontario Region colleague Terri Jesswani (seated left).

the International Organization for Standardization (ISO)/International Electrotechnical Commission (IEC) Joint Technical Committee on Information Technology; other GTA employees contribute their expertise to such organizations as the Canadian Standards Association and the ISO.

COMMUNITY SPIRIT — GTA's STAFF HAS IT!

GTA'S EMPLOYEES are much more than a group of highly-skilled professionals. They are multi-dimensional individuals whose interests run from coaching minor hockey

to raising funds for battered women's shelters, and whose talents contribute to the betterment of their communities.

- Susan Coulas, a GTA telecommunications analyst in the Ontario Region, and a volunteer on the crisis hot line for New Hope Community Services, has used her telecommunications skills to implement a system to switch calls to the homes of hotline volunteers so that, even when doing the midnight shift, they can sleep while waiting for the next troubled caller.

- A member of Oakville's Erinoak Treatment Centre Special Education Advisory Committee, Charlotte Perrenoud, another of GTA's regional employees, represents the educational interests of children with disabilities. Her awareness of these issues has helped her in her job, where she is compiling a database of special needs telecommunications auxiliary equipment which provides workplace assistance to people with physical disabilities.

- The Agency's Donna Ward was Co-chair and a key organizer of a Department of Communications conference designed to promote understanding and raise awareness of the professional and personal concerns of women and men in the workplace. Entitled "Sharing the Load — Finding the Balance", the conference addressed such topics as gender awareness and partnerships to create a better workplace.

TELEWORK — PRACTISING WHAT WE PREACH

DONNA BENTLEY no longer has a three-hour daily commute to and from the Agency's Ontario Regional Office in Toronto, because she now works in a satellite office near her home in suburban Burlington. Together with eight other Agency colleagues and eleven Department of Communications employees, Donna is participating in a Telework pilot project operating under Treasury Board guidelines.

The pilot links GTA's Burlington and Toronto offices through a high-tech telecommunications system based on data communications, electronic file management, voice communications and special facsimile arrangements. The project clearly illustrates the Agency's innovative spirit, and is a practical demonstration of state-of-the-art telecommunications services in action.

STRATEGIC ALLIANCES

ITS COMMITMENT to forming strategic alliances with organizations in the public and private sectors is one of the Agency's greatest strengths. These relationships ensure that GTA is always aware of, and able to respond quickly to, customer requirements. At the same time, the

Agency is also aware of the very latest breakthroughs in the domestic telecommunications industry and is therefore in a position to incorporate them into its own services, providing a major market for the products of Canadian businesses.

The Government Videoconferencing Service is a perfect example of this kind of synergy, as it is the platform for the Public Service Learning and Communications Network, a distance-learning application that GTA developed jointly with the Canadian Centre for Management Development, Training and Development Canada and Public Works Canada. In striving to stimulate the domestic telecommunications industry, the Agency operates in a multi-vendor environment and, in doing so, acts as a catalyst for the formation of business alliances within the private sector. When designing GVS, GTA entered into supply arrangements with the Canadian companies Unitel, Telesat, Carota and Optinet and with the Stentor group, which in turn allied themselves with systems integrators and manufacturers such as Adcom, CLI, CBCI/Internet, Norstan, Picturetel and BT Canada Inc.

Other agreements include one between the Agency and the Treasury Board Secretariat concerning access to government information databases, which will permit the eventual exchange of messages and information between different LANs and the development of electronic directories. On the private-sector side, the Agency and the Institute of Market Driven Quality at the University of Toronto entered into an alliance for the implementation of Total Quality Management at GTA.

HONOURS AND ACHIEVEMENTS

LAST SPRING, the Agency's Telecommunications Architect Program was nominated for the Computerworld Smithsonian Award, one of the most prestigious honours in the computer industry. The competition is billed as "a search for heroes" and involves projects in which information technology has been "an engine of positive change" to the benefit of society. The award is sponsored jointly by the Smithsonian Institute and **Computerworld**, a leading journal in the information-technology field. GTA's nomination is particularly noteworthy, as there were only four Canadian nominees and the Agency was the sole representative of the Canadian public sector.

Back in Ottawa, the Time Group of Companies presented the Agency with a formal letter of appreciation for the role that GTA had played in developing and sharing telecommunications technology. Under contract to the Agency, Time offered voice messaging services to government users in the Ottawa-Hull area. After three years, the Agency reviewed its involvement and determined that its efforts would be better focused on other priorities. Accordingly, GTA withdrew its shared voice messaging service and ensured a smooth transition for Ottawa-Hull customers wishing to remain with Time. The company now provides employment for 25 people. In thanking GTA for acting as a catalyst in creating these private-sector jobs, Time's staff noted that these benefits had come about without spending large amounts of public dollars.

GTA's success is based on the pride and professionalism of its employees and is expressed in the spirit of innovation that motivates their actions.

Robert Gervais receiving letter of appreciation on behalf of GTA from the President of the Time Group of Companies, Mr. Botho von Hampeln.

THE BLUEPRINT FOR THE FUTURE

TO OBTAIN THE MAXIMUM benefits of information technology, the government needs the right telecommunications infrastructure, one that has the power of

The 1992 Telecommunications Architect Program Forum was the most successful to date, attracting more than 450 registrants.

universality as well as speed. Universality depends on rules by which the participants agree to play. This is why we need a blueprint to point us in the right direction.

Development of the blueprint for the future is the "raison d'être" of the Government Telecommunications Architect function, for which GTA is the focal point.

The centrepiece of the blueprint is a network which will provide the necessary communications links for all advanced applications foreseen in the government. Successful implementation of this network will improve the efficiency of government operations and provide Canadians with better access to federal services.

GTA's vision is that of a seamless network for communications and information processes in the government, in a distributed departmental information-management and multi-vendor environment. The strategy to achieve this vision is based on open network architecture and technology.

According to the blueprint, different LANs in government departments will be able to interconnect through the enterprise-wide network and conduct business throughout the government and beyond. And they will be able to do so regardless of the differences in physical configurations and proprietary protocols.

To help deal with the problems of incompatibility occurring at various levels of the adopted Open Systems Interconnection (OSI) reference model, the infrastructure requirements were defined as three separate layers. The **Physical Network Layer** defines the physical connection requirements between LANs, mainframe computers, and individual users.

Luis Rodriguez Rosello, representing the Commission of European Communities at last year's Forum.

Ian Clark, Secretary of the Treasury Board, was one of many Forum speakers.

LAYER 3
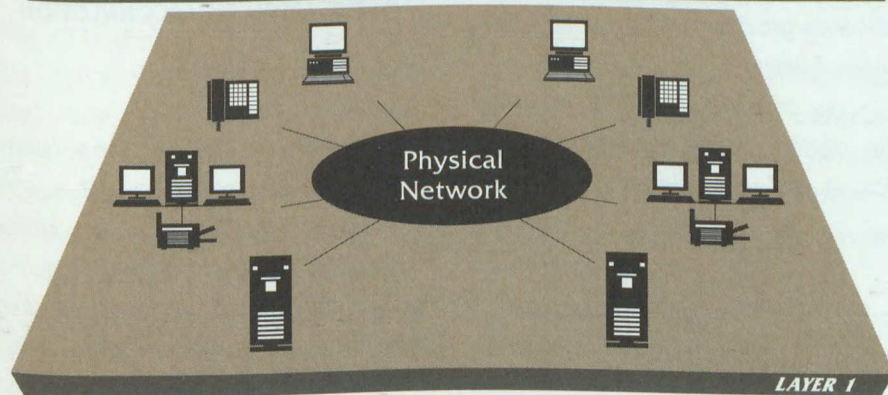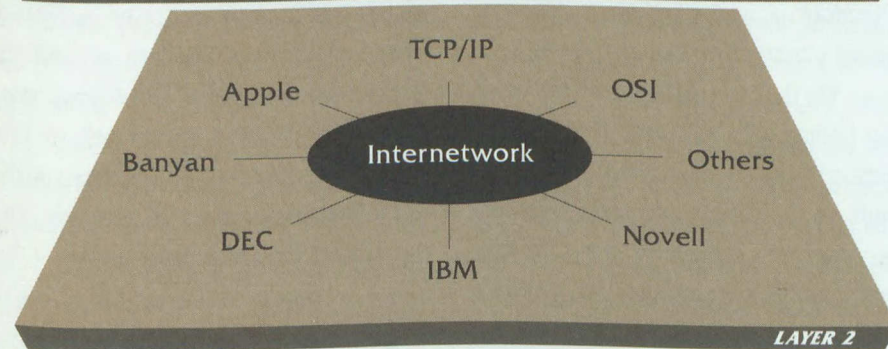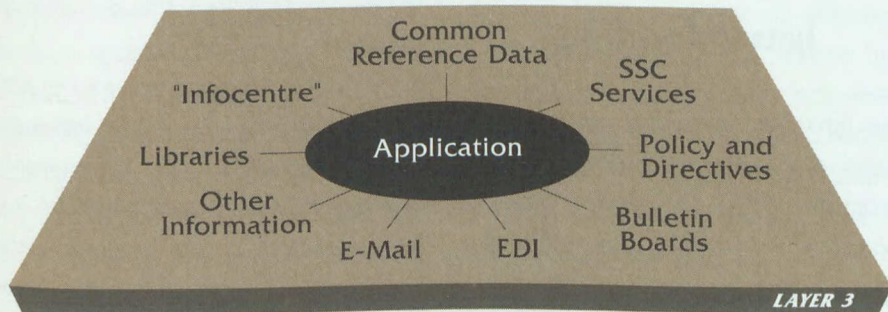
LAYER 2

LAYER 1

The Physical Network Layer will connect all types of terminal equipment.
The Internetwork Layer will enable interoperability throughout the government and beyond.
The Application Layer will simplify access to diverse applications in the government.

The **Internetwork Layer** defines how to deal with different protocols in the network. This allows normally incompatible equipment and sub-networks to communicate. The **Application Interconnection Layer** addresses the incompatibility problems of proprietary applications, such as different E-mail programs.

The value of this approach is its ability to deal separately with the issues affecting the three layers. In this way, each layer can be developed relatively unaffected by the issues associated with the other layers.

PHYSICAL NETWORK LAYER

IN COOPERATION with the user departments, GTA launched several initiatives in the last year which will advance the development of the future network's physical layer:

- To evaluate new transmission technologies that could support a high-speed network and multi-media applications, the Agency began planning a pilot project in cooperation with Newbridge and Unitel. The project will test the feasibility

17

of using frame relay technology for fast packet transmission. Transmission speed can be doubled simply by using a different method of packetizing information.

- GTA began an analysis of the Asynchronous Transfer Mode (ATM) protocol. The ATM approach is to transfer fixed-sized blocks of information, at different time intervals, depending on available bandwidth. In this way, flexible bandwidth can be provided according to demand at any particular time, thus avoiding inefficiencies such as those that are the result of protocols requiring dedicated facilities.

- Working closely with the Department of National Defence, GTA issued a Request for Proposal (RFP) for a fibre-optics network to serve the Ottawa-Hull area. The network will provide high-speed connection for government offices throughout the region.

- GTA also collaborated with the Communications Research Centre in analyzing and planning Personal/Wireless Communications in the government. This project is another step towards the introduction of technology to further improve service to the public.

INTERNETWORK LAYER

THE INTERNETWORK LAYER is based on the premise that the proprietary network protocols of IBM, DEC, Novell, Banyan, and others will continue to operate within the government for the foreseeable future. Therefore, a way must to be found to permit interworking between them.

On the advice of the Core OSI Working Group, GTA decided to bridge the protocol gap by employing, in the network, routers which meet internationally-accepted OSI standards. The OSI reference model was adopted as both the objective to achieve and direction to follow to provide true government-wide interoperability.

To determine the effectiveness of this solution, the Agency embarked on the Government Router Network Pilot Project

in 1992-93. Several departments were connected to the network in different locations across Canada. Evaluation of the results has confirmed the feasibility of the router approach.

As one of the most active advocates for the development of an internetworking capability in the government, Supply and Services Canada became the first department to use the government internetworking service that GTA is developing. SSC's dependence on advanced communications systems to support its progressive information-technology strategy illustrates the importance of the architected approach to telecommunications and the urgency of adopting the new networking technologies.

APPLICATION INTERCONNECTION LAYER

THE THIRD LAYER of the enterprise network, the Application Interconnection Layer, deals with the accessibility of various departmental and common applications in the government, such as electronic messaging and database access.

Mary-Ann Lawler, Chair of the ISO/IEC Joint Technical Committee – 1, providing an informative Forum briefing on international progress in open network implemention.

Until now, the most notable characteristic of the various electronic messaging systems in use in the government has been their inability to communicate with one another. This problem has been overcome by the Government Message Handling Service (GMHS). Based on the internationally-adopted X.400 standard, the architecture for this service not only allows different departmental messaging systems to work with one another, but also paves the way for Electronic Data Interchange (EDI) and electronic directory applications.

GMHS has been tested, and departmental electronic messaging systems are now being connected to the service.

GTA's current planning for government-wide EDI, as an "overlay" application on the GMHS system, calls for pilot projects to be conducted in 1993-94, with the Agency, Supply and Services Canada (both now part of Government Services Canada), and Revenue Canada – Customs and Excise (now the Department of National Revenue) as participants.

A closely-related need is for electronic messaging users to be able to easily locate the messaging addresses of other users. Because there are over 200,000 personal computers in use in the federal government and most departments have

their own electronic messaging systems, the importance to government efficiency of this capability is clear. In addition, the architected solution must not only meet current needs; it must be able to handle the rapid increase in the number of potential users as electronic messaging systems are connected to GMHS.

GTA has identified X.500 standards and technology, which permit dissimilar directory systems to be inter-linked, as the vehicles to provide the necessary inter-connectivity. As a result, the Agency has undertaken an X.500 directory project, with the objective of meeting the immediate needs of GMHS users for a standards-based directory solution to support both centralized and distributed electronic directories.

GTA plans to issue an RFP to determine the viability of, and costs and implementation schedules for, an X.500-compliant electronic directory. Implementation will be carried out in consultation with departments.

In the past year, the Architect Program also developed a method of implementing network registration conforming

to OSI standards. In addition, it has continued its progress in planning a system to permit remote access to databases.

AN ONGOING CHALLENGE

THE BLUEPRINT for the future must be updated regularly to reflect changes occurring in the technological, regulatory and social environments. It must remain sensitive to the varied needs of and economic factors affecting users, and must continue to guide the evolution of networks and services in response to the emerging government structure.

Developing and pursuing the blueprint's objectives will require continuing active participation by industry and, most importantly, by GTA's colleagues and customers in the federal community.

J.A. Macdonald, Comptroller General of Canada, speaking about the key role of telecommunications and information technology in government renewal.

GTA's Products and Services: Enterprising Solutions
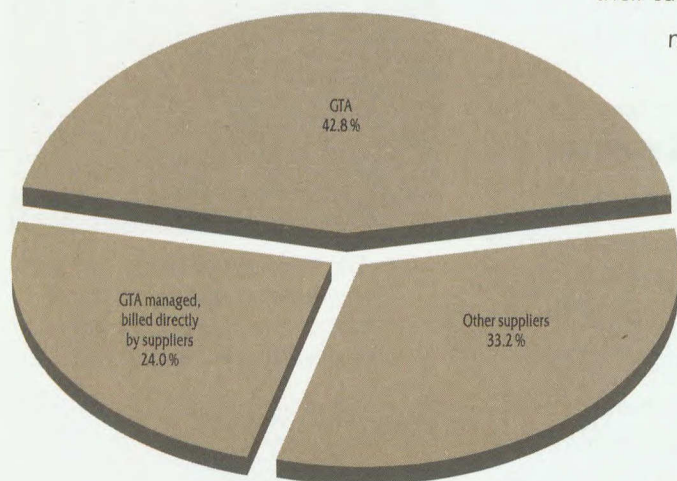
GTA maintained its predominance in the government telecommunications services market in 1992-93.

IN THE THREE YEARS SINCE GTA was designated as a Special Operating Agency, its customers have become increasingly enthusiastic about the Agency's new way of doing business. They appreciate its focused response to their needs, and have demonstrated their satisfaction by overwhelmingly turning to GTA when seeking imaginative and cost-effective information-technology and telecommunications solutions. The Agency has enhanced departments' ability to serve Canadians, while providing value to the Crown — through GTA, it is estimated that savings of over $83 million were realized by the government in the last year.

Although it secured two-thirds of the government telecommunications market in 1992-93, success has not made GTA complacent. It continues to explore innovative ways to serve its customers better. The Agency has accordingly embarked on an inventive new endeavour — the establishment of user focus groups. This initiative is consistent with the Agency's commitment to collegiality, which permits customers to be more than simply purchasers of products; they are partners whose advice and counsel is valued and applied to the enhancement and development of services.

By becoming more sensitive to customer needs, GTA has been able to add value to both its traditional and exciting new services. The following brief overview of the Agency's achievements in the past year illustrates its commitment to excellence.

Local Shared Services (LSS)

WITH MORE THAN 275,000 users, GTA's Local Shared Services are those most familiar to customers. LSS include local telephone and cellular telephone services, facilities management, administrative support, and, in certain locations, voice messaging.

The LSS portfolio includes the Government Consolidation Management System (GCMS), an automated order processing and inventory system that helps customers control and manage their telephone systems by providing inventory, cost and order information that is complete, accurate and up to date. The creation of the GCMS database began in 1992-93, and information on more than 40,000 lines has already been loaded. When rollout of the system is finalized this year, the database will contain data on 55 consolidations and over 200,000 lines.

As well as delivering common services to departments, the Agency negotiates low rates on behalf of customers for local telecommunications services delivered directly to the federal community

by the private sector. For example, through this type of arrangement, federal cellular telephone subscribers obtain free features and discounted rates, but are billed directly by the service provider. These negotiations are part of the value-added service that GTA provides to clients at no charge.

In 1992-93, GTA converted to monthly invoices for Agency-billed LSS accounts. The new system is more timely, as invoices are based on actual data for the previous month. This increases billing accuracy and customers' understanding of the invoices. On another front, the initial steps were taken for the eventual production of an electronic version of the government telephone directory.

GOVERNMENT INTERCITY CALLING SERVICE (GICS)

THE LARGEST PRIVATE network in Canada, the Government Intercity Calling Service provides long-distance voice, data and facsimile services to federal government subscribers. While GICS usage increased over the past year to 260 million minutes, customers enjoyed price reductions amounting to $13.5 million. These savings were the result of both GTA's low basic rates and the Agency's newly-introduced Bill Volume Discount plan. Through an agreement which GTA negotiated with suppliers, the Agency's customers are also able to benefit from price reductions on off-net calls.

GTA continued to develop services to meet customers' requirements. New GICS services include Telefax, for basic point-to-point facsimile, and Telefax Plus, an enhanced service that simplifies faxing to multiple addresses while saving time and resources. Also new is Tele56, an enhanced switched data service that transmits at 56 kilobits per second and supports a variety of applications, such as videoconferencing and telecommuting. To facilitate telecommunications management, both Telefax and Tele56 usage can be identified separately on call-detail reports.

GOVERNMENT INTERCITY CALLING SERVICES (GICS)

Cost per Minute (Cents)

Volume of Calling (in Millions of Minutes)

1989-90   1990-91   1991-92   1992-93
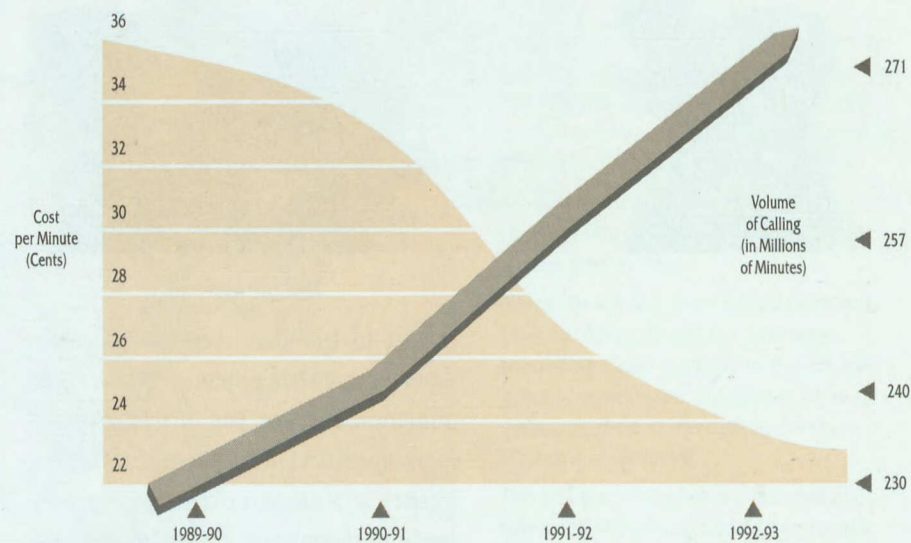
While the volume of intercity calling on the GICS has increased, costs to customers continue to decline.

In the past year, the Overseas Calling Service was extended to Québec consolidations, permitting callers in more locations to benefit from international GICS (IGICS) rates. The IGICS rates and the savings available through the Bill Volume Discount plan resulted in price reductions

of 10% to 15% over commercial international long-distance rates. Another GICS development was the introduction of monthly billing for on-net calls. The Agency also worked closely with departments to guide them in their implementation of call-detail management practices. Consistent with the Telecommunications Privacy Principles established by the Minister of Communications, the management practices ensure that the privacy rights of individuals are protected.

GOVERNMENT DIGITAL CHANNEL SERVICE (GDCS)

GROWTH IN THE USE of the Government Digital Channel Service continues to be explosive. There are now over 750,000 circuit miles in place, an increase of 50% in one year. Customers appreciate the versatility of this dedicated end-to-end service that carries data, video and integrated applications traffic. They also like its cost-effectiveness and the fact that GDCS is customized to their particular requirements. In the past year, savings of $15 million were realized by users of the service, which is offered at 37% to 80% less than comparable intercity commercial services. GDCS subscribers also benefitted from the extra savings provided through the Agency's Bill Volume Discount plan, which was introduced last year.

Now available in 160 serving areas across Canada, GDCS is the ideal service for building departmental backbone network infrastructures, as it provides transmission capabilities for a wide range of applications. It also permits the integration of data, image and video traffic on a single digital network for added efficiency and savings. GDCS supports the latest and most advanced telecommunications applications, and will provide the platform for future developments such as frame relay services for data communications.

GOVERNMENT MESSAGE HANDLING SERVICE (GMHS)

AS ELECTRONIC MESSAGING became more widespread in the federal community, it became increasingly obvious that users of dissimilar E-mail systems needed a mechanism which would permit them to communicate with each other. GTA
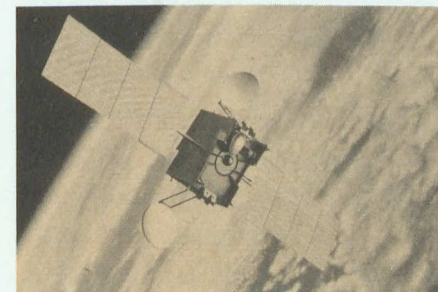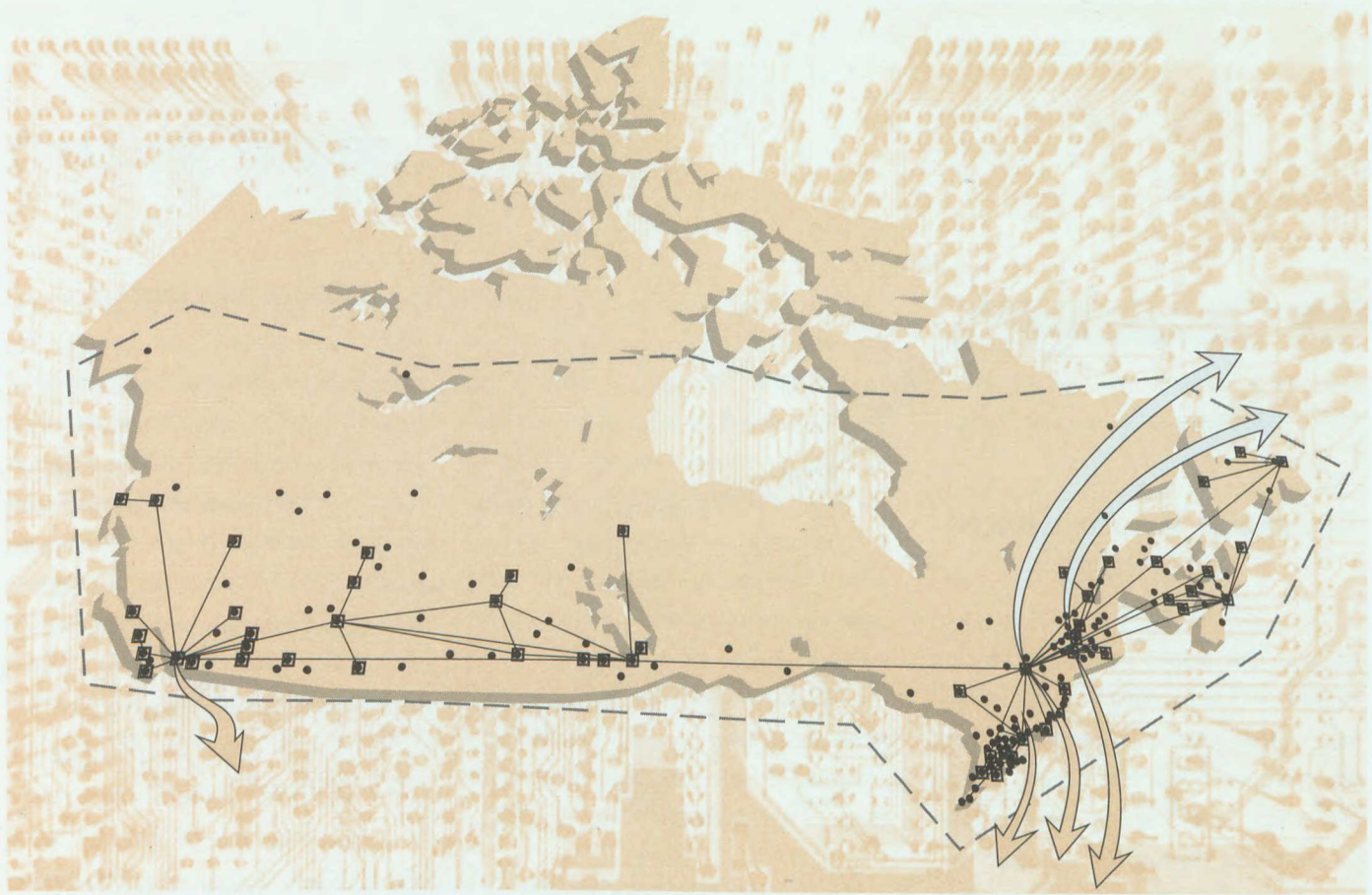
GTA Network Coverage

Intercity Calling Service

The Government Intercity Network is shown in black.

Consolidations and Direct Access Intercity (DAIX) sites are shown as squares. Four new consolidations were added in the review period: Chatham, Kitchener and Windsor in Ontario, and Amherst in Nova Scotia.

Government Intercity Calling Service (GICS) trunk groups and foreign exchanges are represented as lines.

Access to the U.S. (including Alaska and Hawaii), Bermuda and the Caribbean (excluding Cuba) is provided by four WATS groups, represented as coloured arrows, which originate in Vancouver, Toronto, Ottawa and Montréal.

The first two phases of the International Government Intercity Calling Service are represented by arrows emanating from the Ottawa-Hull and Québec regions. Among the locations served by IGICS are Cuba and Mexico.

Government Packet Network

Serving areas are shown as dots.

Government Satellite Network

The outlined area represents the broadcast footprint of the Ku band, while the rest of northern and Arctic Canada is served by the C band.

stepped into the breach by developing the Government Message Handling Service, an example of the Agency's commitment to innovation and value. Based on the international X.400 standard for electronic messaging, GMHS is equipped with the full administrative and support functions essential for high-volume message handling.

This exciting new service permits customers to exchange messages, documents and computer files with users of different E-mail systems in government departments, with the Government Electronic Messaging and Document Exchange Service (GEMDES) and Senior Executive Network (SEN) messaging communities, as well as with subscribers to other public and private E-mail systems. Through the use of GMHS, customers will be able to achieve the long-sought goal of global electronic messaging connectivity, as the service will provide the backbone for X.500 electronic directories.

Specifically designed for the federal environment, GMHS supports French character texts and Electronic Data Interchange transactions. Offered at rates considerably lower than those charged for similar commercial services, GMHS has a flat-rate billing structure. In recognition of the value provided to the Crown by GMHS, development of the service has

been identified as a major telecommunications priority by the Comptroller General's Office, the Government Telecommunications Council and TIMS.

GOVERNMENT VIDEOCONFERENCING SERVICE (GVS)

ANOTHER NEW SERVICE generating intense interest and excitement is the Government Videoconferencing Service. The perfect response to PS 2000 training recommendations and Prosperity Initiative calls for increased productivity and performance levels, GVS provides an interactive audiovisual capability for both a national network of electronic meeting rooms and a virtual nation-wide classroom for business communications and distance learning. Predictions are that 10% to 15% of government travel will be replaced by videoconferencing, resulting in annual savings of $80 to $120 million.

GTA has formed alliances with every major Canadian videoconferencing vendor for the provision of the components of the service. By doing so, the Agency has not only ensured low rates for its customers, it has stimulated the growth of the videoconferencing industry in Canada. GTA is the only supplier in the Canadian market offering all aspects of a videoconferencing service, including advisory services, consulting and assistance in designing the network, procurement, reservations, bridging of multipoint control units, terminal equipment, network services and training.

Customers have two service options when subscribing to GVS. The first is a dedicated service configured to meet the needs of specific departments. It is made up of switched networks based on GTA's low-cost Tele56 and GDCS services. The second, Videoshare, is a service arrangement through which GTA acts as a strategic broker on behalf of larger departments, selling surplus videoconferencing time, via a centralized reservation service, to small and medium-sized departments that only have occasional requirements for videoconferencing services. Sharing of the service optimizes departments' investment in GVS, and provides extra value to the Crown.

Departments have found that videoconferencing offers increased efficiency as well as savings on travel costs.

FINANCIAL REVIEW

MANAGEMENT REPORT
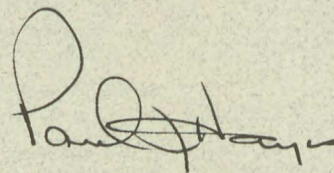
THE CORPORATE MANAGEMENT Branch has prepared the following financial statements in accordance with Treasury Board's policy and procedures for revolving funds, the relevant requirements and standards of the Receiver General for Canada and the accounting policies given in Note 2 (see page 29).

They include estimates based on the experience and judgement of GTA's management team. Certain of the previous years' figures have had to be revised due to the format selected for the statements this year.

GTA maintains accounting, financial, and management and information control systems as well as management practices developed to provide reasonable assurance that reliable and accurate information is available when required. These systems and practices also permit economical and efficient management of public funds and guarantee that transactions follow the prescribed regulations, respect parliamentary authorities and are properly recorded. Finally, they form the basis of an integrated financial information system for reporting on the operations of the Revolving Fund.

Paul Hayes
Vice-President
Corporate Management

In Millions of Dollars

340
300
250
200
150
100
50
0

1988-89   1989-90   1990-91   1991-92   1992-93
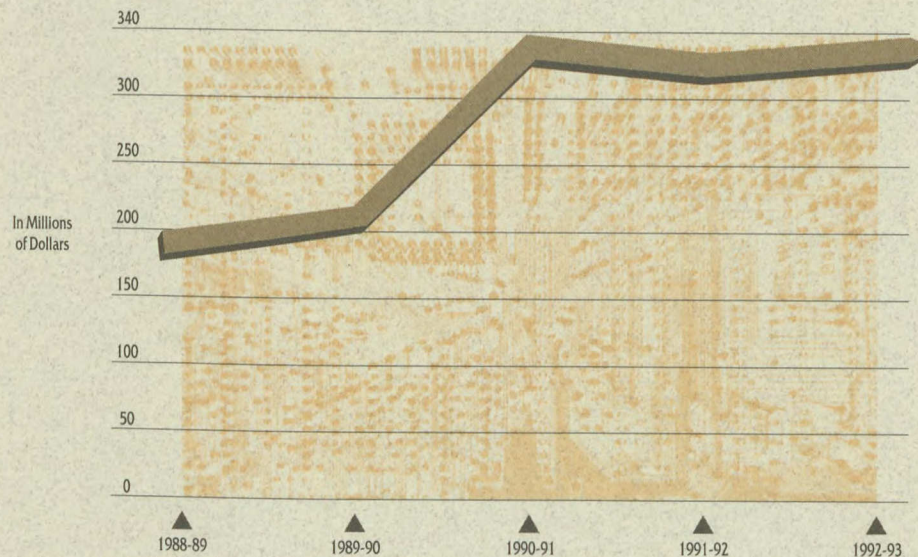
GTA's REVENUES

The Agency's revenues now include figures for GTA services which are billed directly by carriers.

BALANCE SHEET

AS AT

MARCH 31, 1993

(Preliminary Statement)

	1992-93	1991-92
	(in thousands of dollars)	
ASSETS		
Current		
Accounts Receivable		
Government of Canada	38,407	35,738
Outside Parties	2,891	2,045
Prepaid Expenses	—	3
	41,298	**37,786**
Capital at Cost (Note 3)	8,339	6,803
Less : Accumulated Amortization	(4,999)	(4,024)
	3,340	**2,779**
Other		
Deferred Charges	36	63
	36	**63**
	44,674	**40,628**
LIABILITIES		
Current		
Accounts Payable		
Government of Canada	1,014	328
Outside Parties	14,232	14,936
Current Portion of the Provision for Employee Termination Benefits	38	42
Deferred Revenue	—	1,900
	15,284	**17,206**
Long-term		
Provision for Employee Termination Benefits	1,766	1,528
Deferred Revenue	54	147
	1,820	**1,675**
EQUITY OF CANADA		
Accumulated Net Charge against the Revolving Fund's Authority	13,817	8,637
Accumulated Surplus	13,753	13,110
	27,570	**21,747**
	44,674	**40,628**

The accompanying
notes are an integral
part of the Financial
Statements.

STATEMENT
OF OPERATIONS
FOR THE
YEAR ENDED
MARCH 31, 1993

(Preliminary Statement)

The accompanying
notes are an integral
part of the Financial
Statements.

	1992-93	1991-92
	(in thousands of dollars)	
REVENUE		
Telecommunications Services:		
Direct Billings by Carriers	115,194	109,330
Customized	90,566	106,014
Government Intercity Calling	64,229	69,277
Government Digital Channel	25,063	8,154
Local	10,340	8,702
Government Packet	10,203	8,669
Electronic Messaging	3,012	3,834
Videoconferencing	1,399	—
Other Network	363	112
Other Revenue	2	2
Total Revenue	**320,371**	**314,094**
EXPENSES		
Operating Services:		
Direct Billings by Carriers	115,194	109,330
Customized	89,935	104,794
Government Intercity Calling	45,330	49,481
Government Digital Channel	20,534	5,862
Government Packet	9,558	9,120
Local	8,639	8,872
Electronic Messaging	2,005	2,763
Videoconferencing	1,183	—
Other Network	343	110
Unallocated Cost of Sales	1,735	122
	294,456	**290,454**
Management Services:		
Salaries	8,827	7,338
Termination Benefits	324	180
Professional Services	6,126	4,425
Telecommunications, Freight and Travel	1,620	1,298
Rental, Building and Equipment	1,595	1,129
Information and Software	893	563
Repairs, Materials and Supplies	789	884
Amortization	521	372
Loss on Disposal of Capital Assets	46	12
Other	15	6
	20,756	**16,207**
Telecommunications Architecture:	3,542	904
Less: Customer Funding	(1,768)	(25)
	1,774	**879**
Interest Charges on the Revolving Fund	2,742	611
Total Expenses	**319,728**	**308,151**
NET SURPLUS	**643**	**5,943**

STATEMENT OF ACCUMULATED SURPLUS

FOR THE YEAR ENDED MARCH 31, 1993

(Preliminary Statement)

	1992-93	1991-92
	(in thousands of dollars)	
Balance, Beginning of Year	13,110	7,167
Net Surplus for the Year	643	5,943
BALANCE, END OF YEAR	**13,753**	**13,110**

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED MARCH 31, 1993

(Preliminary Statement)

	1992-93	1991-92
	(in thousands of dollars)	
Operating Activities		
Net Surplus for the Year	643	5,943
Add: Provision for Termination Benefits	324	180
Amortization	1,127	980
Loss on Disposal of Fixed Assets	46	12
Amortization of Deferred Charges	25	10
Less: Amortization of Deferred Revenue	(92)	(51)
	2,073	7,074
Changes in Current Assets and Liabilities	(5,434)	2,981
Changes in Other Assets and Liabilities		
Deferred Charges	—	(68)
Payments on and Change in Provision for Employee Termination Benefits	(87)	(125)
Accrued Revenue	—	1
	(87)	(192)
Net Financial Resources (Used) Provided by Operating Activities	(3,448)	9,863
Investing Activities		
Fixed Assets		
Purchased	(1,731)	(1,109)
Net Financial Resources Used by Investing Activities	(1,731)	(1,109)
Net Financial Resources (Used) Provided and Change in the Accumulated Net Charge against the Revolving Fund's Authority Account, during the Year	(5,179)	8,754
Accumulated Net Charge Against the Revolving Fund's Authority Account, Beginning of Year	(8,638)	(17,392)
ACCUMULATED NET CHARGE AGAINST THE REVOLVING FUND'S AUTHORITY ACCOUNT, END OF YEAR	**(13,817)**	**(8,638)**

NOTES TO

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

MARCH 31, 1993

(Preliminary Notes)

1. Purpose and Authority

The Government Telecommunications Agency Revolving Fund was originally established in 1963 to plan and provide telecommunications facilities and services at the request of federal departments and agencies. Section 4 of the **Revolving Funds Act** authorized the Minister to make payments out of the Consolidated Revenue Fund for working capital, capital equipment and temporary financing of operating requirements, the total of which was not to exceed $8,000,000 at any time. This authority was increased over time to $64,000,000 under Section 3(3), 1991-92.

2. Significant Accounting Policies

(a) Prepaid Expenses

Some payments are made to suppliers for activity in the next fiscal year and are recorded as prepaid expenses on the balance sheet.

(b) Capital Assets

Fixed assets are carried at cost. In most cases, amortization is calculated using the diminishing balance method at the following rates: automobiles (30%), office equipment (20%), furniture and fixtures (10%). Telecommunications equipment constitutes a special category of assets, amortized on a straight-line basis, over the first three to seven years of utilization of the equipment.

(c) Deferred Charges

Deferred charges are linked to acquisitions of telecommunications equipment by GTA and are amortized on a straight-line basis on the same life expectancy as the asset to which they relate. In 1992-93, the amortization relating to deferred charges amounted to $24,930.

(d) Deferred Revenue

Advance payments from client departments and agencies for future telecommunications services are recorded as deferred revenue and are included in revenue on an equal basis over a three- to seven-year period. In 1992-93, $92,441 was recognized as revenue.

(e) Employee Termination Benefits

Termination benefits accrue to employees over their years of service with the Government of Canada as provided for under collective agreements. The cost of these benefits is recorded in the accounts as the benefits accrue to the employees.

3. Capital Assets and Accumulated Amortization (in thousands of dollars)

Asset Class	1992-93			1991-92
	Cost	Accumulated Amortization	Net	Net
Office Equipment	4,174	1,923	2,251	1,540
Furniture and Fixtures	736	262	474	341
Automobiles	119	103	16	22
Telecommunications equipment	3,310	2,711	599	876
	8,339	4,999	3,340	2,779

4. Restatement of Prior Years' Figures

For comparative purposes, some previous years' figures have been restated to conform with the 1992-93 presentation.

5. Direct Billings by Carriers

Direct billings by carriers are for rates negotiated by GTA, but invoiced directly by the carriers.

**FIVE YEARS IN
REVIEW -
STATEMENT OF
OPERATIONS**

	1992-93	1991-92	1990-91	1989-90	1988-89
			(in thousands of dollars)		
REVENUE					
Telecommunication Services:					
Direct Billings by Carriers	115,194	109,330	117,700	—	—
Customized	90,566	106,014	115,779	100,613	85,423
Government Intercity Calling	64,229	69,277	78,606	81,964	77,473
Government Digital Channel	25,063	8,154	—	—	—
Local	10,340	8,702	8,573	8,847	7,800
Government Packet	10,203	8,669	8,106	7,433	5,843
Electronic Messaging	3,012	3,834	2,900	1,414	1,285
Videoconferencing	1,399	—	—	—	—
Other Network	363	112	13	24	15
Other Revenue	2	2	3	3	3
Total Revenue	**320,371**	**314,094**	**331,680**	**200,298**	**177,842**
EXPENSES					
Operating Services:					
Direct Billings by Carriers	115,194	109,330	117,700	—	—
Customized	89,935	104,794	114,947	99,645	84,281
Government Intercity Calling	45,330	49,481	66,418	67,938	64,991
Government Digital Channel	20,534	5,862	—	—	—
Government Packet	9,558	9,120	8,539	8,231	6,139
Local	8,639	8,872	6,004	7,731	7,496
Electronic Messaging	2,005	2,763	2,206	1,872	1,294
Videoconferencing	1,183	—	—	—	—
Other Network	343	110	5	57	9
Unallocated Cost of Sales	1,735	122	8	164	680
	294,456	**290,454**	**315,827**	**185,638**	**164,890**
Management Services	20,756	16,207	13,821	11,766	10,143
Telecommunications Architecture	1,774	879	235	—	—
Interest Charges on the Revolving Fund	2,742	611	1,048	1,092	408
Total Expenses	**319,728**	**308,151**	**330,931**	**198,496**	**175,441**
NET SURPLUS	**643**	**5,943**	**749**	**1,802**	**2,401**

Notes:

The 1992-93 figures are
preliminary.

Reporting of direct
billings by carriers began
in 1990-91 when GTA
was established as a
Special Operating Agency.

FIVE YEARS IN
REVIEW -
BALANCE SHEET

Note:
The 1992-93 figures are
preliminary.

	1992-93	1991-92	1990-91	1989-90	1988-89
		(in thousands of dollars)			
ASSETS					
Current					
Accounts Receivable	41,298	37,783	41,326	30,331	25,975
Prepaid Expenses	—	3	24	—	29
	41,298	37,786	41,350	30,331	26,004
Capital (Net)	3,340	2,779	2,662	2,476	2,514
Other	36	63	6	18	48
	44,674	**40,628**	**44,018**	**32,825**	**28,566**
LIABILITIES					
Current					
Accounts Payable	15,246	15,264	17,709	14,326	15,506
Other	38	1,942	79	218	80
	15,284	**17,206**	**17,788**	**14,544**	**15,586**
Long-term	1,820	1,675	1,671	1,599	1,335
	17,104	**18,881**	**19,459**	**16,143**	**16,921**
EQUITY OF CANADA					
Accumulated Net Charge against the Revolving Fund's Authority	13,817	8,637	17,392	10,264	7,029
Accumulated Surplus	13,753	13,110	7,167	6,418	4,616
	27,570	**21,747**	**24,559**	**16,682**	**11,645**
	44,674	**40,628**	**44,018**	**32,825**	**28,566**

NUMBER OF
CLIENTS USING
SPECIFIC
GTA SERVICES

SERVICES	1992-93	1991-92	1990-91	1989-90	1988-89
Government Intercity Calling	154	152	145	142	135
Local	154	150	145	142	135
Customized	115	113	110	100	102
Electronic Messaging	101	88	77	66	65
Government Packet	82	82	71	53	42
Government Digital Channel	48	37	—	—	—
Other Network	8	4	41	47	45
New Services	11	—	—	—	—
TOTAL	**673**	**626**	**589**	**550**	**524**

GTA OFFICES

7   Ottawa, Ont.**
    14th Floor
    300 Slater St.
    K1A 0C8
    (613) 990-4444

8   Montréal, Qué.*
    Room 306, 715 Peel St.
    H3C 4S2
    (514) 283-6578

9   Moncton, N.B.*
    4th Floor
    Dominion Building
    1045 Main St.
    P.O. Box 5090
    E1C 8R2
    (506) 851-6100

10 Halifax, N.S.
    9th Floor
    Willow Tree Tower
    6009 Quinpool Rd.
    B3K 5J7
    (902) 426-2323

11 St. John's, Nfld.
    2nd Floor, Building 302
    Pleasantville
    P.O. Box 9277
    Station "B"
    A1A 2X9
    (709) 772-4888

1   Victoria, B.C.
    Room 205
    816 Government St.
    V8W 1W9
    (604) 363-3656

2   Vancouver, B.C.*
    Room 505
    1166 Alberni St.
    V6E 3W5
    (604) 666-5435

3   Edmonton, Alta.
    1610 – 9700 Jasper Ave.
    T5J 4C3
    (403) 495-2467

4   Regina, Sask.
    1020 – 2002 Victoria Ave.
    S4P 0R7
    (306) 780-7722

5   Winnipeg, Man.*
    609 – 386 Broadway
    R3C 3R6
    (204) 983-2301

6   Toronto, Ont.*
    9th Floor
    55 St. Clair Ave. East
    M4T 1M2
    (416) 973-6179

*   Regional Office

** National Office

Serving the Federal Government Across Canada

1992-93

DATE DUE - DATE DE RETOUR

ISTC 1551 (2/90)

NOTRE MISSION

Notre mission consiste à offrir des produits et serv... ...ormation
au gouvernement pour qu'il puisse desservir effica...

PROFIL

L'Agence des télécommunications gouvernementales est un organisme de service spécial du
gouvernement du Canada. Elle adapte les meilleures pratiques employées dans les secteurs
privé et pub... ...ts et services de télécom-
munications ... et organismes de l'adminis-
tration fédér... communications, l'ATG pla-
nifie, conçoi... ...ications évolué du gouver-
nement.

L'Agen... ...ns l'ensemble du pays par
l'entremise c... ...aux à Moncton, Montréal,
Toronto, Wir... ...trale située à Ottawa-Hull.

Explication de ...é sur la clientèle et qui compte sur
les efforts sou... ...visant à répondre à la demande de
rationaliser le g... ...a relation entre l'Agence et ses alliés
des secteurs fe... ...es en mouvement, superposés à un
...communications.

Nota : ...nd également du féminin.

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