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Report
On the
Relationship Between the Department of Communications
and the Telecommunications Carriers

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This Report was prepared for the Department of Communications by a project team made up of representatives from various organizations and does not necessarily represent the views of the Department or of the federal Government, and no commitment for future action should be inferred from the recommendations of the participants.

This Report is to be considered as a background working paper and no effort has been made to edit it for uniformity of terminology with other of terminology with other studies.

Terms of Reference

1. Objective

To obtain the views of the Telecommunications Carriers concerning the optimum form of DOC/Carriers relationships and measures which might be taken to develop these relationships in the interest of achieving national goals.

2. Areas To Be Covered

The study will explore:

- a) Means for ensuring carrier understanding of national telecommunications policies, goals and guidelines.
- b) Means for bringing to the attention of the government the carriers' point of view, programs, development forecasts and pertinent factors involved in achieving national goals: the financial, manpower, material and technical requirements, as well as regulatory implications.
- c) Means for determining mutual acceptance of related goals, and the programs designed to attain them.

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- Canadian Pacific Telecommunications - Mr. R.A. Mountford
and associates
- Telesat Canada - Mr. J.C. Delorme
- Miss Anne Booth
- Trans-Canada Telephone System - Mr. N.C. Phemister
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- Department of Communications
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Introduction

The Minister of Communications in 1969 authorized a broad and intensive study of Canada's telecommunications industry. This program known as the 'Telecommission' embraces nearly 50 studies which explore the many social, economic, legal, technical and environmental aspects of telecommunications in Canada and as it relates to other nations.

This report on the Relationship Between the Department of Communications and the Telecommunications Carriers was conceived in order to obtain the views of the Telecommunications Carriers for study by the Telecommission.

A list of the Telecommunications Carriers who have provided submissions concerning the DOC/Carrier relationship.

Canadian National/Canadian Pacific Telecommunications

Telesat Canada

Trans-Canada Telephone System

Note: Attached to this study is a copy of each submission received from the above bodies.

Summary

This study was initiated for the purpose of obtaining the views of the Telecommunications Carriers concerning the optimum form of the Department of Communications/Carriers relationships and measures which might be taken to develop these relationships in the interest of achieving national goals.

The Carriers' views and recommendations on this matter are included in their entirety in the attached Appendix.

The general consensus of the Carriers' submissions is that a national advisory council or committee concerned with telecommunications matters should be formed which would meet at regular intervals to discuss policy.

The Trans-Canada Telephone System envisages a council with membership enlisted from the Department of Communications, telecommunications carriers, and provincial governments as required.

CN/CP Telecommunications propose a similar advisory committee on policy which would establish a number of subordinate committees to provide a vehicle for discussion in greater detail.

Telesat Canada suggested that provision be made in appropriate telecommunications legislation to establish a Council composed of representatives from the government, industry, and other society elements interested in telecommunications.

Relationship Between the Department of Communications
and the Telecommunications Carriers

A report by:
Canadian National/Canadian Pacific Telecommunications

Terms of ReferenceObjective

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Areas to be covered

The study will explore:

- (a) Means for ensuring Carrier understanding of national telecommunications policies, goals and guidelines.
- (b) Means for bringing to the attention of the Government the Carriers' point of view, programs, development forecasts and pertinent factors involved in achieving national goals: the financial, manpower, material and technical requirements, as well as regulatory implications.
- (c) Means for determining mutual acceptance of related goals, and the programs designed to attain them.

Background

The Department of Communications was established by an Act of the Federal Parliament assented to March 28, 1969. Its purpose as stated in the Act was to exercise jurisdiction over all matters pertaining to:

- A. Telecommunications
- B. The development and utilization generally of communication undertakings, facilities, systems and services for Canada.

Additional duties were also cited to be:

- (a) Co-ordinate, promote and recommend national policies and programs with respect to communication services for Canada, including the Canada Post Office.
- (b) Promote the establishment, development and efficiency of communication systems and facilities for Canada.
- (c) Assist Canadian communication systems and facilities to adjust to changing domestic and international conditions.
- (d) Plan and co-ordinate telecommunication services for departments, branches and agencies of the Government of Canada.
- (e) Compile and keep up-to-date detailed information in respect of communication systems and facilities and of trends and developments in Canada and abroad relating to communication matters, and
- (f) Take such action as may be necessary to secure, by international regulation or otherwise, the rights of Canada in communication matters.

It is evident from the foregoing that the new Department of Communications will exercise a great deal of influence over the future of the telecommunications industry in Canada.

Starting viturally from scratch to build its communications policy organization, the Department recruited a large number of able, highly-trained administrators and engineers to perform these various functions. For the most part, these people have had little or no operating company experience at the senior administrative level. If then they are to deal adequately with their far-reaching responsibilities in the telecommunications industry, it is most important that a mechanism be developed to provide good two-way communication between the Department and the operating companies in the industry.

This is essential to provide for full understanding of the Telecommunications Carriers' plans and objectives and also to provide a suitable mechanism for the Department to advise the Telecommunications Carriers of the Department's plans, objectives and policies.

Objectives

Canadian National/Canadian Pacific Telecommunications hold the opinion that a strong relationship between the Department of Communications and the Telecommunications Carriers must be maintained at all administrative levels in the best interests of both the Department and the Carriers.

Ideally the relationship should be based on mutual respect and understanding. There should be a continuing 'dialogue' between the Department of Communications and the Carriers in the respective administrative and policy making structures.

Finally, there should be a two-way flow of information between the Department of Communications and the Carriers on incipient planning, particularly as it concerns policy, expansion, new developments.

Recommendations

Canadian National/Canadian Pacific Telecommunications believe that the best way to secure complete understanding and acceptance by the Carriers of national goals, policies and guidelines, is to allow the Carriers to participate from the beginning in the planning which leads to the formulation of new policies. To this end, it is recommended that Government establish a National Telecommunications Policy Advisory Committee. This Committee would sit with members of the Department of Communications at frequent and regular intervals to keep abreast of Government's views, aspirations, policy planning, in the telecommunications field and to give Government the benefit of the Carriers' practical experience in this field.

The Committee should be small and include not more than two or three very senior officers from the Carriers' organizations, preferably those involved in a policy making role, and suitable representation from the Department. The Advisory Committee envisaged in this recommendation would in turn establish a number of subordinate committees made up of personnel drawn from lower levels in the Carriers' organizations. These subordinate committees would likewise meet at regular intervals with members of the Department of Communications to outline the Carriers' development plans, forecasts, etc., and the financial, manpower, material and technical requirements involved in achieving national goals.

TELESAT CANADA

PART B1. Objective

To obtain the views of the Telecommunications Carriers concerning the optimum form of DOC/Carriers relationships and measures which might be taken to develop these relationships in the interest of achieving national goals.

2. Areas to be covered

The study will explore:

- a) Means for ensuring carrier understanding of national telecommunications policies, goals and guidelines.
- b) Means for bringing to the attention of the government the carriers' point of view, programs, development forecasts and pertinent factors involved in achieving national goals: the financial, manpower, material and technical requirements, as well as regulatory implications.
- c) Means for determining mutual acceptance of related goals, and the programs designed to attain them.

PART B

The objective of this portion of the study was agreed to be "to obtain the views of the Telecommunications Carriers concerning the optimum form of DOC/Carriers relationships and measures which might be taken to develop these relationships in the interest of achieving national goals".

It is understood that this study concerns the most effective means of promoting a free exchange of views between the Department of Communications and those involved in the telecommunications industry which will result in a continuing dialogue among the parties concerned which will lead to a greater understanding of individual requirements and viewpoints.

The Telesat submission does not consider the necessity or requirements of a study relating to the establishment of a permanent formalized body with regulatory powers as it is assumed this would be the subject of Telecommission Study 7 (a).

It should be realized, at the outset, that in any consideration of developing a means to improve the common carriers' understanding of national telecommunications policy and to inform the government of the carriers' problems and proposals, the effectiveness of any program or structure developed is dependent on the willingness of the participants to inform and consult with the other parties concerned.

Furthermore, the structures for such exchanges and co-operation already exist to a certain extent within the industry itself; however, the relationship between the government and industry has in the past been in the nature of "lobbying" or in the government "sounding" ideas publicly before taking action to affect the industry. It is not expected that such practices will necessarily cease or that they should cease, if a more formal body is set up for the purpose of exchanging views on matters of common interest.

Therefore, if it is felt that a forum has to be provided to the government and to the industry for the purpose of obtaining the views of all concerned, Telesat believes that it should be in the form of a consultative body. However, any consultative and informational instrumentality must of necessity be formalized or the dialogue will inevitably diminish to an unsatisfactory level.

Telesat Canada would suggest that if such a body is found desirable, provision be made in appropriate telecommunications legislation to establish a Council composed of representatives from the government, the industry and other elements of the Society interested in

telecommunications. Obviously the number of members on this Council would have to be limited to ensure that it did not become unwieldy. The Minister would then be obligated to solicit the advice of the Council members although he would not be under the obligation to follow their recommendations. The industry and public sector members would also have a forum to present their problems and views. This Council would fill an advisory rather than a regulatory function and would ensure that the representatives would be aware of each others planning and opinions but would not place limitations on any members.

TRANS-CANADA TELEPHONE SYSTEM

TERMS OF REFERENCE1. Objective

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2. Areas To Be Covered

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- c) Means for determining mutual acceptance of related goals, and the programs designed to attain them.

GENERAL

The Department of Communications is, by Act of Parliament, responsible for co-ordinating promoting and recommending national telecommunications policies and programs, as well as for federal government activities in the field of telecommunications, including custody of the radio frequency spectrum and co-ordination of requirements for government telecommunications services.

The achievement of national telecommunications goals will be dependent in large measure on the nature of the relationships between the Department of Communications and the telecommunications carriers. The active participation of the carriers in the development of national telecommunications policies and guidelines is essential to their effective implementation. The experience and knowledge of the carriers gained in planning, building and operating telecommunications systems should represent a vital factor in the formulation of national telecommunications policies. The close collaboration of the Department of Communications and the carriers in the development of these policies will ensure that the excellence of Canada's telecommunications is maintained.

Following the determination of national policies, their administration should be the responsibility of the Department of Communications while the management of the affairs of the carriers, within the framework of the established policies, should be the responsibility of the carriers.

Although it does not fall strictly within the scope of this study, the carriers re-emphasize the point that adequate earnings are an essential prerequisite to the achievement of the national goals and the optimum development of telecommunications in Canada.

The form of the relationships between the Department of Communications and the carriers should be such that they will continue to meet the ever changing needs of the industry and government in an evolving environment.

RECOMMENDATION

In the opinion of the member companies of the Trans-Canada Telephone System, an effective medium for ensuring joint participation of the Department of Communications and the carriers in the development and implementation of national policy would be through the formation of a National Telecommunications Advisory Council. The Council would be composed of senior officials of the federal Department of Communications and the carriers, with provincial government representation as required. Periodic meetings of the Council would be held as the needs of both government and industry dictate.

The basic purpose of the Council would be to provide a forum for the exchange of views and recommendations, and to ensure common understanding of the major issues affecting national telecommunications policies and goals in such areas as: regional development, spectrum management, promotion of Canadian competence, technological innovation, and social and economic environment.

It may be necessary for the Council from time to time to recommend establishment of temporary task forces to study specific problems. They would disband on completion of their particular projects. The need for such temporary task forces should be kept to a minimum through the continued use of normal government-carrier channels.

It should be emphasized that there are many existing relationships between individual branches of the Department of Communications and the carriers (either separately or as groups), on various telecommunications matters, such as licensing, government telecommunications service arrangements, etc. Likewise, there are also effective relationships today between the carriers and many other departments and agencies of the federal government. Such relationships, which are of great mutual value in specific aspects of our industry's operations, should be maintained and certain new ones established to accommodate discussion between an individual carrier and government on a variety of subjects. These activities would serve in many instances as input to the Council's deliberations.

