



**Second Session - Thirty-Fifth Legislature**  
of the  
**Legislative Assembly of Manitoba**

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**STANDING COMMITTEE**  
on  
**PUBLIC UTILITIES**  
and  
**NATURAL RESOURCES**

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40 Elizabeth II

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*Chairman*  
*Mr. Ben Sveinson*  
*Constituency of La Verendrye*



**VOL. XL No. 2 - 8 p.m., TUESDAY, MARCH 19, 1991**



**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fifth Legislature**

**Members, Constituencies and Political Affiliation**

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARR, James	Crescentwood	Liberal
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHEEMA, Gulzar	The Maples	Liberal
CHOMIAK, Dave	Kildonan	NDP
CONNERY, Edward	Portage la Prairie	PC
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Cliff	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
HARPER, Elijah	Rupertsland	NDP
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MALOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold, Hon.	Rossmere	PC
ORCHARD, Donald, Hon.	Pembina	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP

**LEGISLATIVE ASSEMBLY OF MANITOBA  
THE STANDING COMMITTEE ON  
PUBLIC UTILITIES AND NATURAL RESOURCES**

**Tuesday, March 19, 1991**

**TIME — 8 p.m.**

**LOCATION — Winnipeg, Manitoba**

**CHAIRMAN — Mr. Ben Sveinson (La Verendrye)**

**ATTENDANCE - 10 — QUORUM - 6**

*Members of the Committee present:*

Hon. Messrs. Enns, Findlay

Messrs. Alcock, Dewar, Evans (Interlake),  
Helwer, McAlpine, Penner, Mrs. Render, Mr.  
Sveinson

**APPEARING:**

Dennis Wardrop, Acting President and Chief  
Executive Officer, Manitoba Telephone System

Bill Fraser, Vice-President Finance, Manitoba  
Telephone System

Tom Stefanson, Chairman, Manitoba  
Telephone System

**MATTERS UNDER DISCUSSION:**

Annual Report for the Manitoba Telephone  
System for the year ended December 31, 1988  
and December 31, 1989

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**Mr. Chairman:** I call the Standing Committee on Public Utilities and Natural Resources to order to continue considering the Annual Reports of the Manitoba Telephone System for the fiscal years ending December 31, 1988 and December 31, 1989.

\* (2005)

I believe that we were about to pass the 1988 report. Shall the Annual Report for the Manitoba Telephone System for the fiscal year ending December 31, 1988 pass—pass.

We will go on to consider the 1989.

**Mr. Gregory Dewar (Selkirk):** I have a question again dealing with Community Calling and specifically the Selkirk area. According to the

schedule, Selkirk will receive the service in 1992. Do they begin paying for that service in 1991?

**Mr. Dennis Wardrop (Acting President and Chief Executive Officer, Manitoba Telephone System):** Mr. Chairman, I beg your pardon. I did not hear the last phrase of the question.

**Mr. Dewar:** The Selkirk area will get this service in 1992. When will they begin paying for this service?

**Mr. Wardrop:** The date of 1992 is only tentative at this point in that it is pending the decision of the Manitoba Public Utilities Board with regard to the start-up of the program. Depending upon that date, there may be some minor adjustments to the schedule required. However, if it were to occur in 1992, then Selkirk itself is at the present time in an extended area boundary, I believe. Just let me check that. Yes, Selkirk is part of an extended area boundary at the present time, so they would receive their rate increase at the time that the program was restarted. All areas that are currently receiving extended area service will experience the rate adjustment at the time that the program restarts in that they already are receiving a form of Community Calling, in that they have an expanded area of calling.

**Mr. Dewar:** So, if Selkirk gets the service in 1992, they begin paying for it in 1992?

**Mr. Wardrop:** They would begin at the restart of the program, which would likely be in 1991.

**Mr. Dewar:** Will other areas receive this service in 1990? There are some areas that will be receiving the service this year. Are they exempted from paying until next year, until 1991?

\* (2010)

**Mr. Wardrop:** All communities at the start of Community Calling will certainly be on the rate schedule. Some that are already receiving a form of Community Calling, which is our Extended Area program at the present time, a larger flat-rate calling

area, would begin paying initially at the start-up of the program, which would be this year in 1991.

**Mr. Dewar:** When, under the old program, were Riverton, Arborg, Hecla to receive the additional calling exchanges under the old Community Calling application?

**Mr. Wardrop:** The exchange of Riverton was scheduled under the old program to receive Community Calling to Arborg, Hecla, Pine Dock, Poplarfield and Vidir in 1994 and to their adjacent exchange of Gimli in 1994. I would also ask, could you refresh my memory on the other communities? There was an interest—

**Mr. Dewar:** That is fine. I was wondering, when will, say, Riverton receive that service now?

**Mr. Wardrop:** As I indicated earlier, the schedule will undergo some changes depending upon the date of start-up that will be ruled on by the Public Utilities Board. However, it would be my feeling at the present time that by 1994 we would have caught up, so to speak, with the former schedule and, in all likelihood, they would receive it in 1994. It is our intention to still complete the program by 1996. There probably would be some delay, perhaps in the first year's schedule, and that is about all, the first year or two.

**Mr. Dewar:** Another question is, when would they start paying for it?

**Mr. Wardrop:** The communities of Riverton, Vidir and Arborg would begin payment of the 15- or 20-cent rate at start-up of the program in that they are currently in an expanded calling area. As such, they would be deemed to have an expanded calling service right at start-up, and they would begin to pay at that time.

**Mr. Dewar:** You think the start-up would be in 1991, so they will start paying for a service in 1991, which they will not get until 1994?

**Mr. Wardrop:** Mr. Chairman, in the intervening time frame, they would have received expanded calling to Vidir and Arborg. What will be added in 1994 would be Hecla, Pine Dock, Poplarfield and adjacency to Gimli, in the case of Arborg and Riverton.

**Mr. Dewar:** Do you think this will cause a problem with subscribers?

**Mr. Wardrop:** This, of course, as you know, is a filing before the Manitoba Public Utilities Board and

it has to be ruled on. The concept behind the program is that those who are receiving an expanded calling area service would pay either at start-up or at the date they first received expanded calling areas.

The Public Utilities Board had previously reminded us in their last ruling that it was important for us to correct what they called anomalies in which, without such an arrangement, certain communities would have access to calling of a certain size of community or area and would be paying a significantly different rate than other communities that perhaps had the same size but received it later.

\* (2015)

By arranging our rate schedule in this way we overcome those anomalies, and we feel it is a fair and equitable basis that those who are indeed receiving an expanded calling area service would be required to pay, and those who are not receiving it would not be required to pay until such time as they received some form of expanded calling.

**Mr. Dewar:** What were the criteria that MTS used in establishing when an area would get expanded service?

**Mr. Wardrop:** Mr. Chairman, there were a number of factors that weighed into any community in terms of the timing of the introduction of it. There were a number of prerequisite requirements. One of them was that we had already established a digital switch base in the community, an infrastructure that we were in a position to program construction in that area at that time. It was a combination of many factors like that which led to the particular choice of year that was most suitable for expansion in various areas.

We also attempted to spread the expansion around the province on as equitable a basis as was practical in terms of year by year, recognizing that there are certain economies in doing a whole area at once. It was factors of that nature that went into it.

**Mr. Dewar:** Yesterday I raised in the House with the minister concerned—it was brought to our attention dealing with successful bidders on MTS contracts. Apparently some contractors were hired from out of province and they were awarded contracts. He virtually imported all of his staff from out of province, and he paid wages substantially below the Manitoba

heavy construction wage. Is the president aware of such a thing ever occurring before?

**Mr. Wardrop:** Mr. Chairman, we follow the practice of issuing public tenders on jobs of that size. It is an open bidding process that is pursued. The awards are generally made on the basis of the lowest price, commensurate with meeting our minimum standards. We have no knowledge, generally speaking, of the various subcontractors that may have been engaged as part of that bid, and we have no direct knowledge of whatever may have been the arrangements at that level.

Certainly, if it came to our attention that there had been an infraction or an alleged infraction of the Manitoba Labour Act, we would certainly refer that to the Department of Labour for a ruling and accordingly, but as a general rule we would not have knowledge of that. I am not aware of any such situation at this time until I did read the news report yesterday or hear from the media that there had been a question of this nature raised.

**Mr. Dewar:** So you have never had complaints about this before?

**Mr. Wardrop:** I have not received them personally. I am not aware of any that have been received.

**Mr. Dewar:** What steps will be taken to ensure that these winning bidders adhere to Manitoba labour laws?

**Mr. Wardrop:** Mr. Chairman, our intention at the present time is to continue in our practice of open tendering. As I indicated, if it came to our attention that there was a violation of the Manitoba Labour Act, we would immediately refer it to the Department of Labour, and it would be whatever they decided or ruled upon. I am sure that they would take the necessary steps to put the matter right, and we would see our action in that respect having been fulfilled when we had referred it to the Department of Labour.

**Mr. Dewar:** Does MTS have any compliance officers whose task it is to check into these matters?

**Mr. Wardrop:** We have no one that specifically examines the labour practices of subcontractors to our major contractors and so on. It would only be if it was brought to our attention.

**Mr. Dewar:** If you were to encounter any offenders, what would the penalties be?

**Mr. Wardrop:** I would imagine that, if such was the case, the Department of Labour would take the necessary actions, if indeed a contractor had been found in a variance from what was the labour code, and as such I would think they would deal with it appropriately. We do not see Manitoba Telephone System's role as penalizing, or in this respect we think that is more appropriately the responsibility of the Department of Labour.

\* (2020)

**Mr. Dewar:** Yes. Who makes the decision regarding the awarding of contracts?

**Mr. Wardrop:** It depends on the size of the contract in terms of dollar amounts. In a contract of this size that would involve upwards of \$300,000 or above that, the decision would be made by the board.

**Mr. Dewar:** You stated that often the lowest bid is the one that is accepted. The unfortunate part is it is often the lowest bidder that is the one that is violating the laws. Can I have assurances that when these contracts are awarded—apparently they are awarded this week—you will look into the matter to ensure that none of these contractors will be breaking any Manitoba laws, labour laws?

**Mr. Wardrop:** Mr. Chairman, I believe I have, and I will certainly reiterate that I would assure the committee, if it was brought to our attention that there was an alleged violation of the Manitoba Labour Act, we would immediately forward that information to the Department of Labour and see whatever action or advice they may give on it.

**Mr. Dewar:** I promise I will follow up on this issue. I do not believe it is an excessive requirement that these contractors follow Manitoba labour laws.

I wanted again to deal with -(interjection)- Apparently they have not. Are the big contractors broken down to allow for local content? Is there a requirement that these large contractors subcontract some of their work with smaller, local firms?

**Mr. Wardrop:** Mr. Chairman, in the process of assessing a contract, we do review the capability of the bidder to complete the job. This would include an assessment or an inventory of what equipment he has, his past experience and so on. In the process of that, one does become aware of how much Manitoba content, so to speak, there would be in the contract and so on. This usually is not a

factor in the decision, although it can be from time to time.

\* (2025)

**Mr. Reg Alcock (Osborne):** Maybe we could start, Mr. Wardrop, on page 3 of -(interjection)- I do not have '90. If I had '90, Harry, I would do it from '90, but I have to deal with the year I have here, you know. Mind you, at the rate this government moves, this is probably as far as we are going to get in this decade.

If you look at that nice little diagram you have at the bottom of the page there, where it says where each dollar came from, you show that 54.6 percent of your revenues come from long distance service and 33.7 from local service. I presume those are fees charged for in-home service on the local side and long distance charges, 11.7 from miscellaneous and other. Can you tell me what that is?

**Mr. Wardrop:** Mr. Chairman, I think it would be more appropriate if I ask Mr. Fraser, who is our Vice-President of Finance, to speak on that matter. He is the individual who is most knowledgeable in the areas of finance.

**Mr. Alcock:** The man I want to hear from.

**Mr. Bill Fraser (Vice-President Finance, Manitoba Telephone System):** Mr. Chairman, the miscellaneous category on page 3, the major revenue sources in that area are directory advertising and cellular.

**Mr. Alcock:** Those two, the advertising and the cellular service, make up the majority of that. There was a time—and I am wondering, MTS has a service where they provide computers on lease and were providing some support services to that, does that produce a significant amount of revenue?

**Mr. Fraser:** No, it does not.

**Mr. Alcock:** Are you continuing to offer that service?

**Mr. Fraser:** There is a unit, Business Networks, which is primarily involved in business systems but not the sale of the hardware itself. There are some sales of personal computers and that sort of thing that go on through that portion of the operation.

**Mr. Alcock:** So you do sell some computer hardware, and you lease some, too. I believe there was a lease arrangement that one could enter into.

**Mr. Fraser:** I am not aware of leasing arrangements in that area.

**Mr. Alcock:** What would be the revenue from that service?

**Mr. Fraser:** I do not have that breakdown with me today. I could get back to you with that information.

**Mr. Alcock:** Well, perhaps we could just get a size. Would it be—

**Mr. Fraser:** In terms of computers themselves, it is very, very small. I would doubt that there is much more than \$100,000 in revenue in that area.

**Mr. Chairman:** Mr. Fraser, could you move your mike up a little bit, please.

**Mr. Alcock:** Well, perhaps back to the chairman of the board then, because this really is a policy issue as opposed to the dollars and cents of this particular question, why do you offer that service at all?

**Mr. Tom Stefanson (Chairman, Manitoba Telephone System):** Mr. Chairman, that is a good question, and I can advise you that the board is presently looking at that and other issues around MTS.

**Mr. Alcock:** I am pleased to hear that. There was a debate, and I attended a national telecommunications conference—God, this is back in 1974 or '75—where they were talking about whether or not the telephone systems across the country would expand into cable. The debate was whether you had a single carrier, who then offered only the carrier service, and other entities offered the attachment to either end. I have a sense, with the announcements the minister has made to date, that is the direction the telephone company is moving, and you are not going to compete in areas where small independent operators can successfully develop a market. You are simply going to provide those services where a monopoly of some sort is probably the most efficient way of delivering the service. Would that be a fair statement of the direction you are moving in?

**Mr. Stefanson:** Mr. Chairman, in regard to items like computers and fax machines and business networks, the board is presently reviewing the entire situation. Our philosophy is such that, if there is good economic reason or it is important from a strategic purpose, we should be in those kinds of businesses.

**Mr. Alcock:** I am not quite certain what you mean by good economic reason. I mean, you do not mean good economic reason from the sense of a profitable market. From that point of view, with the

leverage you have, you could certainly compete successfully with an awful lot of suppliers who can currently fill those niches. Good economic sense, I am not certain what you—are you intending to move into competition with other suppliers of services at either end?

**Mr. Stefanson:** Mr. Chairman, no, we are not. By good economic sense, it has to meet that criteria. Let me explain that, by economic sense, I mean that, if we are making bundles of money at something right now that we are presently in, we would have to find alternate services of revenue to replace whatever we were to lose if we were to make a move to get out of it.

\* (2030)

**Mr. Alcock:** At the present time, the only thing you are making bundles of money at is long distance service, local service, directory advertising and your new cellular system.

**Mr. Stefanson:** Mr. Chairman, the items that you are questioning here, computer hardware, fax machines, that kind of thing, it is my impression that we are not making much money at it.

**Mr. Alcock:** Why do you not get out of it?

**Mr. Stefanson:** We have already made the motion to get out of the sale of fax machines. That happened at our last board meeting. The others, like computers, will be looked at in the very near future.

**Mr. Alcock:** Good. I am pleased to hear that, and I shall not pursue that any further other than to say that I think it is an appropriate direction. I think it is wrong for a corporation with the kind of position that the telephone company has in the market to compete with other smaller companies in the provision of services. That gets us to the other side of the problem because you are a large corporation with an enormous amount of economic power and certainly a great deal of power to offer or withhold a service. You also have a responsibility to act as a good corporate member of this community.

That brings me to the matter of the housing on Jessie Street behind the station down on Corydon Avenue. Can you tell me what is happening currently with that and what your contact with the residents in that area has been?

**Mr. Stefanson:** In regard to the contact, I will let Mr. Wardrop comment on that. We are not going ahead with the parking lot that the question was all about last fall.

**Mr. Alcock:** What is the current status of the housing that you own on that street?

**Mr. Stefanson:** The properties will be put up for sale.

**Mr. Alcock:** So there is no continuing plan to develop that area? You are going to allow it to go for sale and return to single family dwellings?

**Mr. Stefanson:** Mr. Chairman, it will not be our decision what will happen to the property after we sell it, but we have decided not to go ahead with the parking lot, and as a result the property serves no more useful purpose to us, so we will be selling it.

**Mr. Alcock:** Are there plans in the works to vacate that site entirely?

**Mr. Stefanson:** At present we have no plans to vacate the site. I might ask Mr. Wardrop if he has anything to add to that.

**Mr. Wardrop:** Mr. Chairman, I concur with Mr. Stefanson's answer. There are no plans at the present time to vacate that site completely.

**Mr. Alcock:** Okay. Thank you very much. I am sure the residents on the street will be most pleased to hear that you are prepared to sell those houses.

There was a suggestion that some of those houses had been shut down for the wintertime and allowed to sit without heat all winter long, so they may not be in much condition for sale. It may take rather extensive renovation. Do you know whether that is true or not? Were they shut off for the wintertime?

**Mr. Wardrop:** Mr. Chairman, I cannot answer that. I do not know whether they were or not. I can assure you that when we put them on the market though, they will be in a saleable form.

**Mr. Alcock:** I am very pleased to hear that.

My final question for tonight deals a little bit with the future. I was reading an article not too long ago about a proposal by Motorola corporation, I believe it is, to build a worldwide cellular network, satellite based. What would be the impact of that on a local service like MTS?

**Mr. Wardrop:** Mr. Chairman, that is a very visionary proposal on the part of the Motorola corporation. It will take a considerable number of years to complete, and it is speculative at this time what the end use will be for such a new and innovate service. I would expect that it will certainly provide services

that are not available today; for example, a roaming capability with a portable telephone at well in excess of the roaming capability of a cellular telephone, and from that aspect it will open up brand new markets.

At the same time, just a cellular has not replaced the wire line traditional telephone but rather augments it and adds a new dimension of mobility to it. I would see that this service would probably do exactly the same thing. It would add an extra level of mobility to telecommunications, but there would still be a basic need and more desirable applications where wire line and a fiber optic line type connection was the most suitable choice. In essence it is really another dimension in technology, an application which would enrich the lives of people but in itself would not necessarily detract significantly from the existing services.

**Mr. Alcock:** That is interesting. You do not foresee the operational cost of the cellular systems falling to the point where they are competitive with the current service?

**Mr. Wardrop:** Not at the present time, not in the near future. The cost of launch vehicles is on an upward growing curve. The cost of land-based systems, such as fibre optics, is on a downward curve in unit costs. There are some technological developments that increase the efficiency of the use of satellite channels, but there are even greater developments on the horizon for increasing the efficiency of use of fibre optics. They are two separate and different technologies, and they in some areas do overlap slightly, but they have different characteristics. I think we will continue to have widespread applications for both of them in the future.

**Mr. Alcock:** How widespread is the development of fibre optic systems here in Canada? Do we have a true coast-to-coast fibre network?

**Mr. Wardrop:** Mr. Chairman, yes, we have a fibre optic link operated by the members of Telecom Canada, of which Manitoba Telephone System is a member, from coast to coast. We are in the process of adding a second crossing within Manitoba, wherein a significant number of communities—and by 1996, virtually every community would have some form, at least in part, of fibre optic access, but even today the number would be in the region of possibly a hundred or more communities at the present time that have such access.

**Mr. Alcock:** I have no further questions. I would just like to comment on two things. I am very pleased

about the decision relative to Jessie Avenue. I think that will be very well received in the neighbourhood. I am pleased about the board policy decision around moving out of areas where there is other competition.

**Mr. Dewar:** I was wondering if the president could outline the affirmative action program of MTS.

**Mr. Wardrop:** Mr. Chairman, we have had a number of programs over the last few years that could be broadly considered in the affirmative action area. We have had a pay equity program that has been in operation for going on to its third year. We have a program in which we provide special assistance to target groups, visible minorities, and that has been in progress for a number of years. We have a co-ordinator of that, and that co-ordinator reviews each vice-president's areas of operation during the year and makes a report that comes to me personally as president and forms part of the annual job review that is done with the vice-presidents in their areas. It is one of their personal objectives to maintain that program in an adequate level.

**Mr. Dewar:** How many employees does MTS have?

**Mr. Wardrop:** Mr. Chairman, approximately 5,000. It varies from day to day, of course.

**Mr. Dewar:** How many are visible minorities?

**Mr. Wardrop:** I do not have those figures with me, but they are obtainable. We have records on that.

\* (2040)

**Mr. Dewar:** Could I have that information?

**Mr. Wardrop:** We could undertake to provide that.

**Mr. Dewar:** How does MTS encourage Native involvement?

**Mr. Wardrop:** Just excuse me. I want to make a note of that.

Mr. Chairman, I believe the question was with reference to specific actions in the encouragement of employment of Native people. Is that correct?

**Mr. Dewar:** Yes.

**Mr. Wardrop:** Of course, as part of the program for target groups, Native or aboriginal people are one group of visible minorities and they are part of that program. In addition to that, there is a particular attempt made in communities where there is a large Native population to encourage subsequent training to assist them in furthering education. They may start as a labour class and they are able to acquire



technical skills and move into the technician area and so on. So there is a considerable number of programs both of educational assistance as well as basic target group numbers for hiring.

**Mr. Dewar:** What plans does MTS have to deal with Manitobans with disabilities?

**Mr. Wardrop:** Mr. Chairman, we have a number of activities in that area. Again, one of the visible minorities are handicapped and disabled people. In addition to that, we have a special needs centre for the broad population of disabled and handicapped people. This is a centre which provides specialist interface to customers with various devices, modifications, and types of telephone equipment that have been proven to be helpful in reducing the difficulties that handicapped people have with respect to using the telephone and in communicating. I might mention that these programs are not separate and apart. They are all part of the integrated system of Manitoba Telephone System. For example, the manager of our special needs centre is herself a handicapped person, and we find that is very helpful in ensuring that there is a good understanding between the customers and the individual serving them.

**Mr. Dewar:** Thank you. That is very encouraging. I want to bring to your attention a complaint I received from a Miss Elaine Berliner. She worked for MTS in the Yellow Pages directory advertising sales department. Are you aware of this?

**Mr. Wardrop:** I am somewhat familiar with the individual mentioned, yes.

**Mr. Dewar:** Yes, I was wondering if—she is very persistent. She still feels that she has been dealt an unfair blow by MTS. Is there anything that can be done further to resolve this problem?

**Mr. Wardrop:** I had some weeks ago reviewed her file and, on the basis of the file, I did not see very much that could change at that time. However, my reason for reviewing the file was that she had contacted me by telephone and asked for a personal interview, which I had agreed to. It was in connection with that, to discuss with her what her concerns were and see if I could gain any different understanding from that personal contact.

Approximately five minutes before the appointed time, she called me and told me that for some reason that she did not clarify she was not going to

keep the appointment, and I have not heard from her since.

**Mr. Dewar:** If I could arrange such a meeting, would you take part in it?

**Mr. Wardrop:** Mr. Chairman, I offered to meet with her and certainly that offer would remain open. I have indicated that to her as well, so by all means.

**Mr. Dewar:** In her letter, she explains to me that she has talked with Mr. Stefanson and she was very unsatisfied with his response. Maybe he can bring some light into the situation.

**Mr. Stefanson:** Mr. Chairman, I do not really want to get into the specifics of her case at this time. I might say that one thing we do at MTS is that we listen to concerns from our employees, from our customers. Anybody who wants to get in to see the vice-president or the president or myself, the door is open and, on several occasions, whatever problem the person might have had has been resolved.

In this particular case, I did meet with Ms. Berliner. This is going back some time ago. It would be a year ago, I would think. Prior to my meeting, she had a meeting with the president who was at that time Mr. Bird. I believe she had a meeting with one of the vice-presidents as well.

There was nothing that came out of those meetings that created a situation whereby I felt that I could do anything on her behalf. After all, as chairman of the corporation, the chairman and the board are primarily responsible with policy, and there was no evidence that there was a policy problem here.

In my viewpoint, it was more of an operational problem. I am aware that she was not satisfied or believed that she did not receive the satisfaction that she wanted from me. As I said, I am unable to get into the details of her situation at this time.

**Mr. Dewar:** In her letter, she seems to imply that you, Mr. Stefanson, had agreed with her and that you were going to do something about it, but did not. Anyway, perhaps I can set up the meeting with her and maybe yourself and Mr. Wardrop, if she is still interested in pursuing this.

**Mr. Stefanson:** Mr. Chairman, I am certainly prepared to talk to her again, if she can give us some other information. Perhaps she missed something the last time. I would not necessarily say that I

agreed with her. I was sympathetic towards her position and what had happened to her.

**Mr. Dewar:** That is fine. Thank you. I was wondering if the president or the minister could detail some upcoming capital plans of MTS.

**Mr. Wardrop:** Mr. Chairman, Manitoba Telephone System's capital program for 1991 is in the order of \$218 million. As well as providing for growth in telephone services, it also has a fairly substantial component with respect to advancing the Service for the Future program which includes individual line service, the Community Calling program, which we are anticipating will be restarted, making provisions for the introduction of Urban Unlimited and that program progressing.

In addition to that, there are a number of projects that relate to our responsibilities as part of Telecom Canada for nationwide telecommunications and the communications across the nation, and it is a whole sundry of undertakings of that nature.

**Mr. Chairman:** Mr. Dewar, I would just like to note that we are discussing the 1989. I do not think anybody minds hearing about the good things that are going on, but if you could make it as brief as you can. We will be discussing the 1990 and so on and 1991 later on.

**Mr. Dewar:** Thank you, Mr. Chairman, you did allow us to talk about the Community Calling which was released yesterday.

\* (2050)

**Mr. Chairman:** I said that I did allow some leeway in that on other things. We do like to hear about good things but, like I said, if we could keep it brief. Order, Mr. Alcock.

**Mr. Dewar:** Thank you. What steps has MTS taken in the area of recycling?

**Mr. Wardrop:** Mr. Chairman, there have been a number of initiatives in this area. I mentioned earlier today the recycling of directory programs. We are encouraging the use of recycled paper. In fact, the report we are reviewing right at the moment is, in part, published on recycled paper.

We are in the latter planning stages of a more formal program in which on tendering for paper supplies in a large number of areas, the requirement for tendering will, in fact, involve recycling. We do have a program that we work with various recycling agencies or reprocessing metal industries which

purchase our copper wire that has been removed and recovery of various metals from the equipment that we provide and so on.

**Mr. Chairman:** Do you have a question?

**Mr. Dewar:** Well, just one more question then. When will the 1990 report be available?

**Mr. Stefanson:** Mr. Chairman, the 1990 report should be available sometime in the second half of April.

**Mr. Dewar:** Okay. When will this committee have the opportunity to review it?

**Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act):** When the Legislature decides to call the committee again, which will be sometime in the latter part of this session, I would imagine. That is up to the House leaders to call the committee.

**Mr. Dewar:** Okay.

**Mr. Cliff Evans (Interlake):** Mr. Chairman, I would just like to familiarize myself a little bit more with the Jessie street situation. I understand in not being too, too familiar with it, that over a number of years units were bought by MTS?

**Mr. Stefanson:** Mr. Chairman, that is correct.

**Mr. Cliff Evans:** Twelve houses, 12 units, is that the amount that were bought over a period of time in how long? Is it 12?

**Mr. Wardrop:** I believe it is five. I am not certain of that number. It is not 12.

**Mr. Chairman:** Order, please.

**Mr. Cliff Evans:** So it is five units bought over a period of how long?

**Mr. Wardrop:** It would be in the order of possibly 10 to 12 years.

**Mr. Cliff Evans:** Now you are saying that these units are going up for sale. Over a period of 10 or 12 years you have purchased five units, five houses, five apartments or whatever they were. Now you have decided against a parking lot—which I go along with Mr. Alcock on that—but over a period of time you have spent money to purchase these units, and now you are putting them up for sale. What do we foresee as far as value on those homes and units now, or do you foresee a loss, or do you foresee any kind of a profit on the resale of these units?

**Mr. Stefanson:** Mr. Chairman, I do not have that information. I would suspect that if we bought the houses 10 years ago that we would be able to sell them for more than what we paid for them. If Mr. Evans wants the details as far as the costs, I am sure that Mr. Wardrop can arrange to have that information supplied.

**Mr. Cliff Evans:** Again, because of my being unfamiliar as far as the period of time purchased and what not, my concern of course is that if you are purchasing units at one period of time for a specific amount of money and then trying to resell them at another specific time, values could be up, could be down, and they could be a loss or a gain. All I am asking is, was the decision not to go ahead with the parking lot and to resell the units, was it a decision for the idea of making more money on it?

**Mr. Stefanson:** The purpose of making money was not the basis for the decision. Since you asked a

question earlier, I have had the information in regard to costs handed to me. The cost of the properties as such are \$66,000, \$18,000, \$18,500, \$40,000, \$28,500 for a total of \$171,000. The dates of purchase was another question that you asked. The first property was purchased in January 1971, the second in March 1973, the third in February 1980, February 1987 and August 1988.

**Mr. Cliff Evans:** Thank you very much for that. I would like to put it on record that when the properties are sold I would like to see the . . . .

**Mr. Chairman:** Shall the Annual Report for the Manitoba Telephone System for the fiscal year ended December 31, 1989 pass—pass.

Being that the time is now 8:55 p.m., this committee will rise.

**COMMITTEE ROSE AT: 8:58 p.m.**