

## **CANADA'S STRATEGY FOR THE INFORMATION HIGHWAY**

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## **Canada's Strategy for the Information Highway**

Seated at his desk in the House of Commons in January 1994, Canadian Industry Minister John Manley listened intently as Governor General Romeo Leblanc read the Speech from the Throne<sup>1</sup>. The document outlined policy commitments that the newly elected Liberal Government promised to achieve during the upcoming session of Parliament. "The Government will implement a Canadian strategy for the Information Highway," read the Governor General. A few weeks earlier, Manley and his junior minister, Jon Gerrard, Secretary of State for Research and Development, had convinced the Prime Minister and his senior staff of the importance of developing a Canadian strategy for the so-called "Information Highway."

Canada had long been a leader in the development and use of information and communications technologies. In 1880, a national railway was built as a precondition for the entrance into the Canadian Federation of the province of British Columbia. Canada had developed, in the 1930s, one of the first national coast-to-coast radio broadcast systems, and, in the 1950s, one of the first national television networks. In 1960, the Allouette One satellite, the world's first domestic communications satellite, had been launched by Canada. By 1990, telephone penetration had reached ninety-nine percent, one of the highest among OECD countries, and cable systems were available to over ninety-six percent of Canadian households, serving approximately seventy-five percent. The communications system was the result of a concerted national effort to bridge the barriers of distance, climate and geography that separated Canadians living in the world's second largest country.

In the process of building one of the world's best communications infrastructure, Canada had also built a strong information technology and communications industry. It exported to over ninety countries and employed over 400,000 Canadians. In the 1990s, the industry had revenues of over \$60 billion<sup>2</sup> and accounted for 6.8 percent of Canada's GDP. The sector supplied over three percent of the world market and was a leader in research and development (R&D), accounting for over one-third of total industrial R&D in Canada. It had employment growth of 11.2 percent per year compared to a national average of 2.6 percent. The information technology and communications industry had contributed to Canada's ranking as the top country in the world according to the United Nations Human Development index.

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<sup>1</sup> The Governor General is Head of State in Canada. The role is mostly ceremonial. At the beginning of each new Parliament, under the leadership of the Prime Minister, the Government prepares the Speech from the Throne, which outline the policies and programs that it intends to implement in the Session.

<sup>2</sup> All figures are in Canadian dollars. Figures are from Speaking Notes For the Honorable John Manley, Canadian Minister of Industry to the Empire Club, Toronto, March 6, 1997

The growing world market for communications services and products represented an important economic opportunity for Canada. But Manley would caution Canadians that “we’re not going to get there by resting on our laurels. No industry changes faster than information technology and communications. Two factors - the decreasing cost of computer power and digitization - have helped to accelerate the change.”

First, the cost of information technology and communications continued to drop, while computing power increased dramatically. The *Economist* magazine had observed, if cars and their price had developed at the same pace as microprocessors over the previous two decades, a typical car would cost, in the 1990s, less than five dollars and get 250,000 miles to the gallon.

Secondly, new technological developments meant that information could be digitized, more easily, into a sequence of ones and zeros that could be transmitted across many networks. Traditionally, each network had customers that were captive to that network’s technology. Cable technology was very good at relaying large amounts of information, such as television images, but it could not transmit information both ways. Telephones, on the other hand, were good at two-way communications, but lacked the bandwidth to transmit pictures. Increasingly, the two technologies could offer similar services that would compete with each other for customers.

The increasingly interconnected and ubiquitous communications network of cable, telecommunication, satellite, broadcasting, and computers had become commonly known as the “Information Highway”. The accelerating pace of change in communications technologies presented both opportunities and challenges. As in other industrialized nations, Canada was beginning to comprehend the profound effect of these new technologies on the economic, social, and cultural fabric of society. Knowledge was becoming a key strategic resource. New communications technologies presented challenges to both the current regulatory framework and the established communications industry. It seemed clear that Canada had to develop a strategy or lose its competitive edge over other countries.

In 1993, the United States established its National Information Infrastructure (NII) initiative. Canada’s major trading partners - the United States, Japan and the European Union - launched multi-billion dollar initiatives and major policy and regulatory overhauls to encourage the construction of their parts of the Information Highway. There was a growing consensus in Canadian government, industry and interest groups that action had to be taken.

In October 1993, after nine years as the official opposition party<sup>3</sup>, the Liberal party had formed the Government. In its election policy document, commonly known as the “Red Book”, the Liberal Party had included a strong focus on jobs and technological innovation. Public expectations of the new Government were high. In November 1993, Manley was sworn in as Minister of Industry. In the first few weeks of his mandate,

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<sup>3</sup> The party with the most House of Commons members, after the governing party, forms the opposition.

Manley and Harry Swain, his Deputy Minister<sup>4</sup>, a career civil servant who had moved to the job in June 1993, discussed the need to develop policy options for an Information Highway initiative. Manley and Swain agreed that a new Government vision and an updated public policy framework were needed.

While the Information Highway would underpin Canada's economic competitiveness, it also had to promote accessibility of information to the broadest number of Canadians. During one speech, Manley would comment that "we need to create a society that is not divided between those with access to information and those without." To emphasize the importance of information to democracies, Manley would quote James Madison, one of the framers of the U.S. Constitution, "a people who mean to be their own governors must arm themselves with the power which knowledge gives." Universal access to telecommunication services for all Canadians had been and continued to be a central feature of the Canadian *Telecommunication Act*.

The *Broadcasting Act*, which regulated broadcasting services in Canada, functioned as an important regulatory instrument to promote Canadian culture. Cultural policies were an important component of Canadian public policy. In a manner similar to many European countries, Canada actively promoted the creation and viewing of Canadian cultural programming. Cable companies were required to carry a majority of Canadian television channels on their service and they contributed a portion of their earnings to a Canadian television production fund. Radio stations were required play a percentage of Canadian music. Canadian artists such as Celine Dion, Bryan Adams, Alanis Morissette, and Shania Twain had benefited from the policy. Borderless global communication networks were putting pressure on cultural policies developed in an earlier technological era. At that time broadcasting systems matched national borders.

Manley argued that the country should "not lose sight of basic Canadian values and beliefs in the information age." The principles of universal access to telecommunications services embodied in the *Telecommunications Act*, and promotion of Canadian culture as expressed in the *Broadcasting Act*, should endure. The new Information Highway initiative should ensure that the Information Highway was developed in a manner that promoted social cohesion through widespread access to information, helped promote and reinforce Canadian cultural identity, and contributed to the nation's economic competitiveness.

### **Developing the Information Highway Initiative**

Michael Binder, Assistant Deputy Minister of Telecommunications and Spectrum Management, the senior civil servant responsible for the Government's telecommunication policy, had seen first hand the challenges and opportunities posed by new emerging technologies. New software and hardware developments were making it possible to watch television and make telephone calls with computers. The lines between

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<sup>4</sup> The Deputy Minister reports to the Minister and is the administrative head of the department. The position is usually held by a career civil servant.

broadcasting and telecommunications networks were blurring and made their regulation more difficult. Would this new service be considered telecommunications or broadcasting - or possibly a mix of both? The policy dilemmas were growing, but so was the vast potential of the new technologies in areas such as teleducation or telemedicine, particularly in such a geographically vast country as Canada.

For the initiative to be included in the Government's Speech from the Throne, Manley needed to discuss the initiative with the Prime Minister within weeks of his appointment as Minister of Industry. Swain and his Associate Deputy Minister, Kevin Lynch, who had held several senior positions in the Department of Finance before joining Industry Canada in 1993, both understood the need to move quickly. They asked Binder to lead a team to develop the initiative. Binder had held senior positions in the former Department of Communications,<sup>5</sup> including acting Deputy Minister, and had been involved in communications policy for over ten years. Binder reached into his organization of over 400 employees to put together an Information Highway project team, using primarily the personnel in his new-media branch, headed by newly appointed Director-General Susan Baldwin. In early December, Binder gave his team the goal of bringing forward a proposal to Manley by January 1994.

In late December 1993, Eli Turk joined Industry Canada as Senior Policy Adviser to Minister Manley. Turk had some experience with communications policy and technologies. As a university student, he had served in the Canadian military's Communications Command and, subsequently, had worked on communications policy issues as Director of Policy and constitutional negotiator for the Inuit Tapirisat<sup>6</sup>.

Turk and Binder cooperated closely in the development of the Information Highway initiative. While Binder and his team worked to develop the initiative, Manley and Turk garnered the appropriate political support. On January 18, 1994, consistent with Canadian parliamentary tradition, the Governor General, with the Prime Minister seated next to him, read the Speech from the Throne in the House of Commons, which committed the Government to develop a strategy for the Information Highway.

### **Developing The Public Policy Framework To Realize The Initiative**

By early February 1994, Binder and his team had developed a public policy framework for the initiative. Swain and Lynch convened a meeting to review the team's work. Although it was not common practice for Deputy Ministers to invite political staff to internal departmental meetings, Swain invited Turk to participate in the working meeting. Over several hours, Swain, Lynch and Turk reviewed the public policy framework with Binder and his team.

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<sup>5</sup>In 1993, the Department of Communications was disbanded and its responsibilities were reorganized into two departments. Industry Canada was reorganized and expanded to include sections of the Department of Communications that had been responsible for telecommunications policy. The newly created Department of Canadian Heritage became responsible for broadcasting policy.

<sup>6</sup>The Inuit Tapirisat of Canada is the national political organization of Canada's 37,000 Inuit, located mostly in the North.

A central feature of the public policy framework was the establishment of a multi-stakeholder Information Highway Advisory Council (Council). The Council's mandate was to review and respond to a set of fifteen public policy questions related to the development of the Information Highway (Exhibit 1). Canada had a long history of public policy consultations. Over the years, panels of experts and Royal Commissions<sup>7</sup> had studied and held public hearings on communications policy issues. The collection of multiple competing industries and interests within one Council was uncommon. Recent attempts to do so in the areas of environmental and economic policy had produced mixed results.<sup>8</sup>

Although Binder's team had already accomplished a considerable amount, the public policy framework still needed fine-tuning. A communications industry conference was being held the next week and Manley was scheduled to be a keynote speaker. This event offered an excellent opportunity for a public launch of the Information Highway initiative. Recognizing the timing issue, Swain convened a Sunday afternoon follow-up meeting with Binder's team. Once again, Swain, Lynch and Turk probed Binder and his team on the policy framework for the proposed initiative. Lynch, a well-respected economist, used his sharp analytical skills to move the group discussion forward and focus work on the definition and articulation of the goals and the implementation plan for the initiative. After several hours of lively discussion, Swain and Lynch felt that the team was ready to meet with Manley.

At the regularly scheduled Monday morning ministerial briefing, Manley was briefed on the proposed initiative. Manley had been Clerk to the Chief Justice of the Supreme Court of Canada and, as a former tax lawyer, Manley had advised firms in the communications industry. As an opposition Member of Parliament, he had supported government-sponsored communications technology initiatives. With no previous ministerial experience, Manley, had been appointed by the Prime Minister to one of the most powerful positions in Cabinet. Within his first few weeks on the job, he had not hesitated to enlist the Prime Minister's support for the Information Highway initiative.

Before going public with the proposal, Manley needed to weigh the associated political risks of bringing together competing interests to form an advisory council as opposed to using commissioned studies, small expert panels or other lower risk public policy mechanisms. The advantage of the Council was that it would provide a forum for stakeholders to discuss and build consensus on a national vision for Canada's Information Highway. Furthermore, as leaders in their respective fields, the Council members were potential allies in Manley's efforts to lead and move Canada's Information Highway agenda. The strategy did present some risks. Should the Council fail to reach any type of

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<sup>7</sup> Royal Commissions have been established to examine economic, aboriginal and other issues. They are usually composed of full-time commissioners, appointed by the government for a specific length of time to review a defined issue. They hold hearings, conduct research and produce reports.

<sup>8</sup> The National Roundtable on the Environment and the Economy to review environmental policy and the Prosperity Council to review economic policy had used multi-stakeholder councils.

consensus or, worse, degenerate into a forum to criticize existing governmental policies, it might become a political liability, particularly under the microscope of the press.

Seated around C.D. Howe's<sup>9</sup> former desk, Manley, Turk and Tony Macerollo, Manley's Chief of Staff, who headed his political office and advised him on all aspects of his duties, discussed the pros and cons of the initiative. In the end, they concluded that the Council structure did offer some attractive features. Manley concluded that the development of the strategy was key to Canada's social and economic future. To accomplish the task, the Government needed advice from a broad range of stakeholders.

In a February 1994 speech to the Information Technology Association of Canada (ITAC), Manley announced via videoconference that the Government would establish a Council to advise it on the development of a strategy for Canada's Information Highway.

### **Council Leadership**

From the outset, it was intended that a broad range of divergent views and interests would be represented in the Council. It would be critical, therefore, to identify and recruit a highly skilled and respected Canadian to chair the Council.

Binder and Turk had begun to discuss Council membership in January 1994. Originally, Binder's team had suggested that a chair should have a strong background in the communications field. Subsequent discussion had convinced both Binder and Turk that, in fact, someone with no perceived or real vested interest would probably be more effective. In their view, the most important skill would be the Chair's ability to manage meetings and move the group towards consensus.

By mid-February, an extensive list of proposed candidates had been prepared for Manley's consideration. In developing the list, Turk had sought the advice of several well-respected Canadians. One name that had been suggested by several sources was that of David Johnston. Although Turk did not know Johnston personally, he knew of his accomplishments and personal reputation. Binder had also heard very positive feedback about Johnston.

Johnston had just announced that he would be stepping down, after fifteen years, from his duties as principal of McGill University. He had been Chair of the National Roundtable on the Environment and Economy<sup>10</sup> as well as Chairman of the Association of Universities and Colleges of Canada (AUCC).

A memorandum was prepared for Manley's consideration recommending David Johnston and other alternative candidates for the position of chair. Although Manley did not know

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<sup>9</sup> C.D. Howe led the Canadian industrial effort during World War II and became the longest serving Industry Minister in Canadian history. He enlisted a group of business leaders to advise him and paid them one dollar a year. They became known as C. D. Howe's dollar-a-year men.

<sup>10</sup> Although the results of the Round table on the Environment and the Economy had received mixed ratings, there seemed to be consensus that Johnston had been a strong chair.

Johnston, he agreed that Johnston seemed to have the experience and the skills to chair the Council. Manley asked Turk to approach Johnston and gauge his interest.

Johnston was interested. “When Eli called on behalf of the Minister, he made a convincing case and the importance and the timing of the initiative captured my attention immediately, but I wanted to make sure that the Minister and the Government were serious about this initiative” recalled Johnston. A set of documents describing the proposed initiative were sent to Johnston. A few days later, Johnston agreed to meet with Turk, in Ottawa, to discuss the proposal further. Following the meeting, Turk arranged for Manley and Johnston to meet and discuss the initiative. “I had never met Minister Manley, but I was immediately struck by his clear understanding of the importance of this initiative for Canada and his personal commitment to its success.”

Turk also accompanied Johnston to meetings with Macerollo, Lynch and Binder. Johnston observed, “ The cohesiveness of the political and bureaucratic team that I encountered at Industry Canada was remarkable. The meetings had given me the confidence that there was a strong and committed team behind the initiative.”

Johnston's appointment as Chair of the Council was announced on March 16, 1994. The press release also announced that within the next month, a Council with members from industry, educational institutions, consumer and labor groups, and the artistic community would be established.

In announcing Johnston's appointment, Manley spoke of the importance of the initiative for Canada. Unfortunately the press was not as enthusiastic. While the stories carried factual details of the initiative, the Ottawa Citizen headline read *Info-Highway planners shut out the public*. The press had focused part of their stories on Manley's comments that the Council might want the flexibility of an in-camera discussion.

This news story foreshadowed the Council's debate, at its first meeting, of the pros and cons of public meetings versus private meetings. U.S. tradition would dictate open meetings, while British tradition would favor closed meetings. Canada had a history of trying to balance the need for frank dialogue in private, which was often very productive for decision making, and the need to be open and transparent in discussing issues.

### **Council Membership**

Suggestions for Council membership came from all quarters, including interest groups, industry associations, labor organizations and individual Canadians. Manley and Johnston had agreed that the optimal size for the Council was ten to fifteen members. An effective Council according to Johnston had to “fit around a round table.” Political and bureaucratic consultations with other government departments, combined with the attempt to foster inclusiveness, pushed the number of proposed candidates to over forty. Both Manley and Johnston considered the number unmanageable.

Over several weeks, Binder, Turk and Johnston carried out intensive consultations with key political and bureaucratic officials in concerned departments. They reviewed a matrix of proposed candidates that was being prepared for Manley's consideration. The document, prepared by Industry Canada and other departmental staff, organized candidates by various categories, including interest group affiliation, language, gender and geography.

A twenty-nine member Council was proposed to Manley. He considered the number too large but listened carefully to Johnston, Binder and Turk outline considerations in determining Council membership. Public interest and consumer groups, the Internet community, educators, librarians, labour unions and the cultural community needed to be part of the Council. Established and newly formed wireline and wireless telephone companies, cable operators, broadcasters and equipment manufacturers should have voices in the Council. Multi-media and telemedicine experts would contribute enormously to the Council's discussions. Not only did the Council need a broad range of views, it also needed gender balance, linguistic diversity and Canadians from all regions of Canada, possibly every province.

In late March, Manley agreed to the twenty-nine member Council. Turk contacted potential candidates on Manley's behalf. Although most candidates already had heavy professional commitments, the acceptance rate was extremely high. On April 19, 1994, the twenty-nine member Council was announced (Exhibit 2).

### **Objectives and Principles For Developing The Information Highway**

A set of objectives and principles to guide the development of the Information Highway in Canada had been released on the same day as Johnston's appointment. The press release stated that the work of the Council would be guided by the Government's policy objectives and operating principles for the development of the Information Highway. The three policy objectives were to:

- create jobs through innovation and investment in Canada
- reinforce Canadian sovereignty and cultural identity
- ensure universal access at reasonable cost

The four operating principles included:

- an interconnected and interoperable network of networks
- collaborative private and public sector development
- competition in facilities, products and services
- privacy protection and network security

A fifth principle would be proposed and agreed upon by Council members later in November 1994.

- lifelong learning as a key design element of Canada's Information Highway

Johnston insisted on having the objectives and principles of the framework posted in large script on the walls of the Council meeting rooms. During the Council's deliberations, he would consistently refer back to this framework.

The Government issued, along with its announcement, a discussion paper, *Canadian Information Highway: Building Canada's Information and Communications Infrastructure* which was written by the Secretariat for the Council. The discussion paper was made widely available.

The preparation of the discussion paper had not been smooth, Binder had directed his staff to broadly consult with other government departments and outside interests. As the product of an interdepartmental committee, the paper had quickly become incoherent and unfocused. Attendance by some departments was infrequent, other departments sent different staff to each meeting and input was often contradictory. It appeared that the process would take several months and yield sub-optimal results. Binder was furious "we can't wait after every bureaucrat in this town, either they get on board or the train is leaving without them." Binder launched an ultimatum to his counterparts to provide input within one week or forfeit their involvement entirely. He assigned a senior staff member to coordinate input and produce a draft discussion document within ten days. Binder insisted that one person per department speak with authority and provide comments directly to the appointed Industry Canada official. Once the draft was finalized, Binder sent it out to his counterparts one last time to allow them to raise any "critically important" problems with the paper.

The discussion paper did not have legal status and was designed to guide and organize the work of the Council. It also served to inform the public of the issues and questions that the Council hoped to review over the next year.

In the weeks leading up to the first Council's meeting, Johnston worked with Binder's team, now formally known as the Council Secretariat, to develop organizational mechanisms to facilitate the work of the Council. The procedures would be proposed at the Council's first meeting.

### **The First Meeting: Getting the Mechanics Right and Building Political and Bureaucratic Support**

On May 5-6, 1994, the Council met in Ottawa for the first time. The Government had set up the Council as an ad hoc committee with a twelve month life span. Johnston and Council members were acutely aware of the time constraint. They needed to organize themselves quickly and efficiently. Work needed to be accomplished simultaneously on substantive issues.

Meanwhile, Manley had to continue to work on the political front. He had secured the Prime Minister's support for the initiative but to ensure its success, he needed the support

of other members of the Cabinet. The Council's meeting became an opportunity to build understanding and support for the initiative with Ministers, political staff and senior government officials in other departments. Manley's opening comments would be key.

As the Minister responsible for one of the largest portfolios in Government, Manley had many competing demands on his time. Nevertheless, he made it a priority to attend most of the first Council meetings. In his opening remarks at the first meeting, Manley challenged Council members to generate the ideas, advice and commitment required to build a truly Canadian Information Highway. He characterized the Council as a catalyst for innovative solutions to speed the implementation of Canada's Information Highway. He reiterated the importance of the policy framework that would guide the Council. The biggest challenge for Council members was to give the Government realistic and implementable recommendations within the current fiscal context. The Government had made a commitment to reduce its budgetary deficit to three percent of Gross Domestic Product (GDP) within three years. Consequently, cuts were being carried out to budgets and staff at Industry Canada and other government departments.

For the Council, the main focus of its initial meeting was to establish procedures, to refine issues, and to form working groups. In planning the first meeting, Johnston and the Council Secretariat had concluded that the Council needed to be broken down into smaller groups. Johnston would later comment that "we needed to get the job done in twelve months and have certain members focus more closely on some issues. Most Council members had worked in groups before and they would understand the need to assign duties and tasks. They would not hesitate to let their opinions be known if they were unhappy with their assignment." Advance planning was done by Johnston and the Council Secretariat: they assigned Council members to Working Groups and appointed chairs. Working Group chairs were contacted by Johnston before the first Council meeting to confirm their willingness to undertake the roles. The plan was presented at the first meeting and only two members requested Working Group changes to which Johnston agreed immediately.

Each of the five Working Groups was assigned leadership on some of the fifteen issues identified in the initial Information Highway discussion paper released at the same time as Johnston's appointment (Exhibit 3). Work on each issue was not exclusive to one Working Group. For example, the question related to competition and regulation was assigned to both the Working Group on Competitiveness and the one on Culture. Each group was assigned one or more "sherpas"<sup>11</sup> or staff persons from the Council Secretariat composed of civil servants seconded<sup>12</sup> from Industry Canada and other government

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<sup>11</sup> The term does draw its roots from the Nepalese Sherpa's that guide the way. In public policy, the term has been used to name Senior officials that help guide policy development processes. A sherpa or senior official is appointed by each G7 country to coordinate the planning and management of its Heads of State and Ministerial meetings.

<sup>12</sup> It is common practice in Canada for civil servants to work temporarily on a special task force or project either within or outside their department usually for up to a year. Their current position can be filled temporarily but seconded employees have a right to return to their former position.

departments. The staff would be “on loan” to the project for one year. Canadian civil service rules allowed for staff to accept temporary assignments and maintain the right to return to their original position. This facilitated the rapid creation of the Council Secretariat. Once special funds were allocated to the initiative, contract staff was also added to the Secretariat.

Many sherpas maintained a network of civil servants in various federal government departments and agencies to help them advise Working Groups. For example, the sherpa for the Working Group on Access and Social Impact maintained a network of twenty-three civil servants from the department’s of Justice, Human Resources Development, and the Privacy Commissioner’s Office. By way of e-mail and face to face meetings, these civil servants provided details of current government policy and data on issues under Council consideration.

The Chairs of the Working Groups had a wide range of skills and experience. Francis Fox, a lawyer who had also been federal Minister of Communications, chaired the Access and Social Impact Working Group. Gerry Turcotte, the head of a collaborative group which managed a high speed communication network, chaired the R&D, Applications and Market Development Working Group. Derek Rowe, a successful high-tech entrepreneur from Newfoundland, chaired the Competitiveness and Job Creation Working Group. Anna Porter, a well-known spokesperson for the cultural community and founder of a large publishing company, chaired the Canadian Content and Culture Working Group. Veronica Lacey, head of Canada’s largest school boards (North York Board of Education), chaired the Education and Training Working Group. Each of these Chairs was assisted by a vice-chair. The Council also decided to augment each of the Working Groups with non-Council members with specific expertise but without full Council membership (Exhibit 2).

Following the Canadian parliamentary practice of three readings for legislative proposals, which is rooted in British parliamentary tradition, Johnston proposed a three step methodology for dealing with Council issues. Each Working Group would introduce an issue, it had discussed internally, at a full Council meeting. A progress report on the issue would be presented at a subsequent Council meeting and policy recommendations would be presented at a final third meeting. It was agreed that this process could be waived in special circumstances with Council approval. This process tried to balance the need for due process with the need to move quickly to advise the Government on issues that needed immediate input. On the process, Johnston would later comment, “It was a good method, but required much flexibility to function fairly and effectively. It did establish a comfort level in the whole Council. It also had the advantage of permitting early public exposure of recommendations through the Council website, to encourage public input.”

The Council decided that Working Groups would attempt to work by consensus. If a consensus was not reached, provision was made for recorded majority and minority positions. These results would be presented to the Council. Working Groups could also request a vote from the full Council on an issue.

After considerable deliberation and despite the negative press on the issue of meeting privacy, Council members decided that meetings would be closed to the media. Many members felt that the presence of the media would inhibit discussions. At the same time, members wanted the process to be as transparent as possible and adopted procedures to facilitate this. In keeping with the subject matter of the Council, a website was created and it was agreed that the minutes of meetings would be posted.. Thus, all the Council's work including first, second and third readings of recommendations would immediately go into the public arena ( thought not the minutes of the Working Groups) for comment, reaction and amendment. Furthermore, press briefings with the Council Chair and Working Group chairs would be held after every meeting. Johnston would later reflect that "maybe we should have made our meetings open to the public with some sessions in-camera, but the chemistry of the group would have changed in the public spotlight."

An Executive Committee was established to steer the activities of the Council. It was composed of Johnston, Binder, the chairs of the Working Groups, and the Executive Director of the Council Secretariat. Turk usually attended their meetings as an observer on behalf of Minister Manley.

The format for the first Council meeting consisted of an opening dinner on Thursday night and a full day on Friday. Subsequent meetings would be two days long to allow for Working Group meetings on Thursdays before full Council meetings. Turk had initially asked for a time commitment of one day a month from Council members. That had now doubled. For most members, this time commitment would double again, as additional Working Group conference calls and preparatory work for meetings increased.

On Manley's invitation, four of his cabinet colleagues attended the opening dinner<sup>13</sup>. With almost a quarter of the twenty-two member Canadian Cabinet at one event, Turk took the precaution of alerting the Royal Canadian Mounted Police (RCMP) security service. Many of Binder's and Turk's counterparts from other departments attended this, and subsequent, Council meetings and events. This group included Policy Advisors to Cabinet Ministers and senior officials responsible for their department's role in the Information Highway initiative. Turk's counterpart from the Prime Minister's office would become a regular attendee, thereby establishing a direct link to that office.

Generally, Council members had the opportunity to socialize on Thursday evenings after the working dinner. These events allowed for informal discussion of issues and many friendships were developed. Consumer advocates, labor leaders and Internet groups had access to the CEO's of some of the largest Canadian communications companies to raise issues in an informal setting.

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<sup>13</sup> They were Hon. Ralph Goodale, Minister of Agriculture and Agri-Food; the Hon. Michel Dupuy, Minister of Canadian Heritage; the Hon. Arthur Eggeleton, President of the Treasury Board and Minister responsible for Infrastructure; the Hon. Marcel Masse, President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs.

An ambitious agenda had been established for the first meeting. The most important item was meeting mechanics. The Council could not effectively tackle substantive issues if it had not agreed to a process by which to do so. At the end of its first meeting, the Council had adopted procedures, created an Executive Committee, reviewed and adopted its terms of reference, established Working Groups, examined the first draft of the proposed work plan which assigned issues to each Working Group, with deadlines for first reading recommendations to Council. Meeting dates for the remainder of the year had been established. The tight procedural decisions made way for speedy progress on substantive issues.

### **The First Six Months: The Council Makes Progress**

On June 15, 1994 the Council held its second meeting. This meeting began with comments from Manley, as would most subsequent ones. He informed the Council that the Government would be seeking its input with regard to a new framework for competition between the telephone and cable industries.

Manley would often stay for the discussion of Council agenda items and engage Council members on issues. As one Secretariat staff member would later comment “Manley’s ability to engage Council members on a wide range of issues was important. There is no doubt that his presence at the meetings gave momentum to the Council’s work. “

The mechanics of the Council process already seemed to be working well. Working groups had met earlier in the day and reported on their activities. They had discussed additional names for their Working Groups. After the meeting, a media briefing was held, followed by an Executive Committee meeting to discuss various administrative and procedural matters.

Following the third meeting on July 15, 1994, twenty-six additional members were added to the five Working Groups and announced publicly on July 25, 1994. This new feature allowed the Council to draw upon specific expertise while keeping the size of the Council at a manageable level. It also gave the opportunity to some groups who had felt excluded to more directly participate in the work of the Council.

In August, Binder hired Peter Liebel to head up the increasingly complex job of running the Council Secretariat. Liebel had been a senior civil servant at both the Department of Finance and at the former Department of Communications. Liebel, Johnston and Parke Davis, a senior member of the Secretariat, agreed to develop a more sophisticated system to track the progress of Working Groups and the Council. It was becoming apparent that the sheer volume of recommendations that would emanate from Working Groups and be taken to the full Council would soon become unwieldy. Furthermore, potentially conflicting recommendations could reach the Council at different points in times, making it impossible for the Council to examine issues in a comprehensive way.

The proposed policy tracking system would cluster issues such as privacy and security, and copyright and intellectual property, among Working Groups in a consistent and

coherent manner (Exhibit 4). Some Working Group Chairs, however, were concerned that the system could slow down their work. They agreed to discuss the issue with their members at the September 29, 1994 Working Group meetings. On September 30th, 1994, the Council adopted the clustering proposal in an effort to make their work more efficient, effective and manageable. Canadian Heritage Minister Michel Dupuy attended this Council meeting to discuss policy issues related to Canadian content and culture on the Information Highway.

At its October meeting, the Council was joined by Arthur Eggleton, the President of the Treasury Board. As the Minister responsible for developing and implementing the Government's use of Information Technology for government services, he sought feedback from Council members on questions related to Government's use of the Information Highway. A public discussion paper on privacy issues was also released following the meeting to seek the views of Canadians<sup>14</sup>.

Thus far, the Council had, in its first six months, submitted a number formal recommendations to Manley, released a public discussion paper and met with a number of ministers. On Nov. 18, 1994, the Council released a progress report.<sup>15</sup> It identified the recommendations already submitted to the Government. Recommendations included continued support for CANARIE, a public-private sector consortium that provided support for education and research networking, the harmonization of ownership rules for broadcasting and telecommunications companies, the banning of digital scanners, and the adoption of a pro-competitive policy for global and regional mobile satellite systems.

From the outset, the Government had asked the Council to submit their recommendations as soon as they were ready. In return, the Government had committed itself to respond as soon as possible. In its February 1995 budget, the Government committed additional resources to the CANARIE project, as recommended by the Council in October 1994.

Many such policy recommendations had been made in the first six months, but these had arisen in areas where consensus had been relatively easy to reach. The more contentious policy issues were still working their way through the Working Groups. Potentially divisive issues, such as the convergence policy to regulate competition between the cable companies and the telephone companies still lay ahead.

As they reviewed the schedule for the next six months, the magnitude of the job ahead was becoming even more apparent to Johnston, Council members and Secretariat staff who were now regularly working weekends and evenings. Johnston, now spending several days a week on the task, became even more determined to ensure that the process moved the issues ahead. He pushed Council members to hold to their aggressive Working Group schedules by maintaining an aggressive full Council meeting schedule. Johnston had instituted a no-substitutes rule which required Council members to attend meetings personally. This rule, together with the overall commitment of members, had resulted in

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<sup>14</sup> The Privacy paper was published in the Canada Gazette, the Government's official journal of record.

<sup>15</sup> The report was entitled *Providing New Dimensions for Learning, Creativity and Entrepreneurship : Progress Report of the Information Highway*.

regular and consistent attendance. Members had become much more familiar with the issues and with each other. These two factors would help the Council move through the heavy workload in the upcoming six months.

### **Competing Interests Clash: The Process Hits Speed Bumps**

Lloyd Axworthy, Minister of Human Resources Development Canada, joined the November Council meeting via video conference. A dialogue led by the Learning and Training Working Group focused on training issues in the information age.

As with previous meetings, attendance was high. Busy Council members had consistently made a special effort to attend meetings. Members welcomed John Gray, a well-known Canadian author and composer. At the Council's inception, the arts community had criticized their lack of representation on the Council. Already larger than the Canadian Cabinet, Manley had hesitated to increase Council membership. But when one member resigned for personal reasons, Manley agreed to replace him with Gray.

The emergence of contentious issues at Council meetings began in November 1994. In the preceding months, the Canadian Radio and Television Commission (CRTC), the regulator of the telecommunication and broadcasting industry, had issued a controversial decision which many interest groups argued would lead to a monopoly in the provision of Direct Broadcast Satellite (DBS) Services. In response to the criticism, the Government had announced a review of the Direct Broadcast Satellite (DBS) policy framework. The announcement had solicited diverging reactions from the bureaucracy and the conflict was quickly escalating into open warfare between bureaucratic factions. In an attempt to diffuse the situation, the two ministers most responsible for the policy, Manley and Dupuy, together with their Deputy ministers, had decided to move the issue out of the bureaucracy and established a special three person panel to advise them. Ironically, all three panel members were former senior civil servants.<sup>16</sup>

Several Council members were upset by these events, claiming that the Government had by-passed the Council and set up a parallel process on this issue. To further complicate things, several Council members had direct commercial interests in the issue. At the November meeting, a proposal on the DBS issue emanating from a Working Group was presented to full Council. Much debate ensued and the collegial atmosphere which had existed in the first six months suddenly broke down. Council members who had petitioned the Government for the DBS policy review clashed with Council members who had opposed the Government policy review, many of whom had direct interests in the issue. The initial DBS proposal as put forward by the Working Group was superseded by a second proposal put forward by other Council members, in an attempt to bridge the different views on the issue. Some members feared that the issue would hurt the credibility of the Council. Finally, the proposal was withdrawn altogether only after Johnston agreed to chair a subgroup of the Council. This new mechanism, known as a

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<sup>16</sup> The three person panel was headed by one of the key negotiators of the Canada-U.S. Free Trade agreement, Gordon Ritchie. The two other members were Robert Robinovitch, former Deputy Minister of Communications and Roger Tasse, former Deputy Minister of Justice.

Bridging Committee, would be used later on to discuss four other issues – Personal Communications Services (PCS), Employment Impacts, Copyright, Convergence.

The DBS Bridging Committee, also dubbed the “Group of Four”, was composed of four members without direct interests in the issue. The “Group of Four” presented their recommendations at the April meeting. Senior government officials had advised the Council that the final government policy on DBS was imminent. In light of this advice, the “Group of Four” had recommended that the three reading rule be waived in order to give the Government timely advice. Several Council members were uncomfortable with the notion of voting on the issue immediately, particularly in light of the contentious history of the issue. Consequently, the issue was postponed to the May meeting. In the interim, the Government issued its DBS policy. At the May meeting, given the government announcement, the Council agreed to cease any further work on the issue.

In the end, the DBS episode was a diversionary issue which had consumed some of the Council’s precious meeting time. The event had also highlighted the difficulty in seeking advice on very specific policy issues from parties who had direct commercial interests in the final policy outcome. This would also be true in the case of the Government’s request for advice on the licensing of spectrum for Personal Communications Systems (PCS).

Consistent with Canadian spectrum management rule-making, the Government had called for comment on a draft proposal for the allocation of PCS spectrum in the Canada Gazette. But unlike its U.S. counterpart, the Federal Communications Commission (FCC), the Canadian regulatory agency, the CRTC, did not have the authority to license spectrum. This power resided with Industry Canada and ultimately its minister – Manley. This made Manley not only the Government’s chief policy maker on telecommunications issues but also the chief allocator of spectrum resource. Under the *Radiocommunications Act*, Manley had the power to allocate licenses for new wireless services such as PCS, the next generation of cellular services. Decisions made by Manley and officials at Industry Canada would shape the future of the wireless industry in Canada.

A public policy debate had underway on the appropriate industry structure for PCS. New entrants argued that they should be favored over incumbents in an attempt to foster increased competition in telecommunication services? Incumbent players argued that they should not be penalized for their success and the quality service that they had provided Canadians over many years. Both views were represented on the Council. At its February meeting the Council established a Bridging Committee on the licensing of Personal Communications Services (PCS). It would review the Government’s proposed policy to allocate thirty MHz blocks of spectrum to new entrants and limit the incumbent cellular companies to ten MHz blocks, due to their current twenty-five MHz cellular licenses.

The Bridging Committee on PCS was headed by Rowe, who had experience in the wireless industry but was not intending to compete for the licenses. He worked over the month through teleconferences and e-mail to develop Council recommendations. Several heated exchanges between industry players took place, but Rowe relentlessly focused

players on the issues. The final recommendations, which represented a compromise between the parties, essentially endorsed the Government's proposal, which also represented a policy compromise. The recommendations were presented and approved at the March meeting. The Council had waived the three reading rule in doing so.

Jean-Claude Parrot, the former head of the powerful postal union and currently the Executive-Vice President of the Canadian Labour<sup>17</sup> Congress, had been an advocate of addressing the impact of the Information Highway on employment. He had requested that the Government establish a parallel committee to the Council. Sensitive to setting up any parallel policy processes during the Council's life span, the Government had denied the request. At the February meeting, Parrot continued his push to have a more thorough examination of labor's issues but this time he was much blunter with Council members. Members from consumer and public interest groups immediately showed empathy towards Parrot and his concerns. They urged the Council to more closely examine the issues raised by Parrot. Johnston would later reflect that "We should have seen this inevitable conflict and reacted much earlier. He had given us notice very early in the process that he was unhappy and we were slow to react."

In an attempt to build consensus on the employment issue, the Council established a Bridging Committee on Employment and the Workplace. At the June meeting, a proposal on the issue had been submitted to the Council but it had met with resistance from several members of the Competitiveness and Job Creation Working Group who had made a counter proposal. The Bridging Committee agreed to try to reach some type of consensus by July. On July 28, 1995, the Bridging Committee reported to the Council that despite its best efforts, only two members could agree on a set of proposals. Parrot outlined his concerns and indicated that he would be filing a minority report.

A Bridging Committee was established to examine copyright issues and a sub-committee produced a report, the first attempt to comprehensively examine copyright law and practice in the context of the Information Highway in Canada. Much of the debate centered on the right to "browse" works on the Information Highway. Users argued that copyright protection on the Information Highway should be similar to the rights given to users in a library or educational setting. The cultural community argued for strong protection of creator rights in the new digital environment. The clash of views between those arguing for the rights of creators and those arguing for the needs of the users resulted in heated debates. In the end, compromise recommendations were approved by the Executive Committee in August 1995, days before the Council's final report went to print.

To review the convergence issue -- the introduction of competition between the telephone and cable companies, a Bridging Committee was established under the leadership of David Sutherland, Chairman of the National Capital Freenet. Interestingly, the President of the Ottawa-based grassroots Internet association would lead the task of building consensus among industry titans. Canada's largest phone and cable companies were represented on the Council and the convergence policy represented a key commercial

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<sup>17</sup> This is not a typo, it is the Canadian spelling for the word labor.

issue for both parties. Corporate battles usually fought in the marketplace now found a new venue – the Council. Johnston’s skills as a chair became critical. He used tact, diplomacy and humour to keep Council discussions civil and productive.

Sutherland and Johnston managed to develop general but consensual recommendations on convergence which built upon a CRTC report that had been issued in May 1995.<sup>18</sup> The examination of this issue had produced some tense episodes. During one session on convergence with palpable tension in the air, Johnston had diffused the tension by pulling a clown’s wig out of his briefcase and cracking a joke. At the final Council meeting, members would affectionately give Johnston a caricature which depicted him as a clown with a big red nose, the caption would read “press the clown’s nose and get a joke.”

### **Competing Interests Come Together**

Many issues had produced tension among Council members. The Council had gone through a visioning exercise in an attempt to build consensus on a shared understanding of the necessary steps to be undertaken to develop Canada's Information Highway. By mid 1995, members had been working together for over one year and important interpersonal relationships had developed despite potentially competing interests. Members had come to share an increased respect for their differing perspectives. A willingness to transcend the interests of a particular community in order to address the broader interest of Canada had emerged. In a generally collegial and positive atmosphere Working Groups had produced hundreds of recommendations for the Council

The Working Group on Learning and Training had led a productive discussion of issues with the federal Minister responsible for training and had produced a report on learning and training. The Council endorsed the Working Group’s suggestion of a fifth operating principle – lifelong learning as a key design element of Canada’s Information Highway. Many recommendations on learning and training had been adopted by the Council. The Working Group had examined the changing nature of work. In the 1990s, individuals could expect perhaps three, even five different careers. The Information Highway could become an enabling tool for smoothing transitions from career to career. They had also studied the emerging market for technology-based learning products and had made recommendations on how Canada could develop world leadership in this area.

Faced with a small domestic market in the shadow of the world’s most powerful cultural products exporter, the United States, Canada had attempted to promote a domestic cultural industry. Through cultural policies, Canada had moved from being simply a market for British, American and French cultures to a major exporter of film and television products. The Working Group on Canadian Content and Culture formulated strategies to promote Canadian content and to strengthen Canadian culture and identity on the Information Highway. The Working Group had suggested ways to encourage Canadian digital content and the creation of a strong Canadian multi-media industry.

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<sup>18</sup> The report is entitled Competition and Culture on Canada’s Information Highway: Managing The Realities of Transition. It is available at <http://www.crtc.gc.ca/ENG/HIGHWAY9505E.HTM>

Canada, like many of its G7 partners was making the transition towards a knowledge-based economy. The Information Highway presented opportunities to improve Canada's global competitiveness. The Competitiveness and Job creation Working Group had brought consumer, labor and small-business representatives together with CEOs of large corporations to examine issues concerning the pace of the development of Information Highway. The Working Group had focused on the balance between competition and regulation, and economy-wide competitiveness needed to create jobs in the digital economy. It had led Council wide responses on issues such as PCS and convergence. The Working Group had also provided suggestions on how the Government could be a catalyst for job creation by becoming a model user of Information Highway technologies.

The human dimension of the Information Highway was central to the Council's work. Canada's long preoccupation with providing communications services in rural and remote areas continued into the digital age. The Access and Social Impacts Working Group, guided by Fox and Sutherland, had brought together native leaders, community-based Internet groups, business leaders and Quebec's Access to Information Commissioner. The Working Group had looked at the need for privacy and security, consumer awareness, and how to best protect Canadians against offensive content in the Information Age. Their consultation paper *Privacy and the Information Highway*, released in October 1994, had received many responses.

The Access and Social Impacts Working Group had examined the issue of access to information in remote and rural communities. The Working Group had also led the efforts to examine the employment impacts of the Information Highway. While consensual recommendations in this area had eluded the Council, a majority of its members had adopted a wide ranging set of recommendations. The former President of the Consumers Association of Canada, Irene Seiferling, who had been an active and effective voice for consumer issues within the Council, headed up a Task Force on Growth, Employment and Competitiveness composed of non-Council members. The Task Force had produced a paper entitled *The Economic Impacts of the Information Highway: An Overview* which had contributed to better understanding the impact of the Information Highway on employment.

The information technology and communications sector had been a strong performer of R&D in Canada. The Research and Development Applications and Market Development Working Group had brought together public and private sector research and development organizations as well as industrialists and educators to examine ways to ensure that Canada continued to a leader in R&D. The Working Group had focused on how Canada's information industries could take full advantage of research and development and technological opportunities presented by the Information Highway. It had also examined the roles of industry and government in setting technology standards. The Working Group had also looked at the organization of the Government's science and technology activities. It had also identified specific applications of information technology in health, education and institutions such as libraries and museums.

Council members had taken the opportunity to educate each other. For example, in July 1994, Council member Gerry Sinclair, Director of a leading interactive multimedia project, had made a live interactive multimedia presentation to the Council which had demonstrated the powerful potential of this new medium for education. Every members brought a rich and important perspective to the Council. For example, Terry Matthews, Chairman and CEO of Newbridge Networks Corporation, John MacDonald, Chief Technology Officer of Bell Canada, and Charles Sirois, Chairman and CEO of Teleglobe, arguably three of the most knowledgeable Canadians with regard to telecommunications networks, provided useful technology and business insights to the Council.

Many Council members had made speeches on the subject of the Council's work. Liz Hoffman, Chair of the Coalition for Public Information, had promoted closer contact between the Council and grassroots groups. She had also proposed a public consultation exercise by the Council. Members had concluded that the amount of time and resource needed for such an exercise would not allow them to devote adequate time to discussing the issues already under consideration by the Council. Reg Alcock, member of Parliament for Winnipeg North and one of the most knowledgeable Parliamentarians on technology issues had participate in many meetings of the Council. He had educated many of his parliamentary colleagues on the initiative.

### **A Cabinet Presentation**

As the work of the Council was drawing to a close, the magnitude of their report was becoming evident. Manley decided to prepare the groundwork for the Government's receipt of the report with his Cabinet colleagues and used his own personal knowledge of technology to do so. He had been one of the first members of his former law firm to purchase a computer. He was a daily user of e-mail and had arranged for a network connection at his home. In June 1995, Manley delivered a multimedia computer-based presentation on the challenges and opportunities of Information Highway to the Prime Minister and his cabinet colleagues. Manley decided to operate the computer himself for this presentation to try to illustrate to his colleagues the growing accessibility of this new and powerful technology. The presentation had stimulated an excellent Cabinet level discussion of Information Highway issues.

Lynch, who by now had been promoted to Deputy Minister of Industry Canada, made a similar presentation to his colleagues. An early advocate of the Information Highway initiative, he had regularly attended Council meetings and had been extremely effective in focusing his colleagues' attention on the initiative. Binder and Turk also made presentations to their counterparts in other departments on the work of the Council.

### **Canada's International Information Highway Strategy**

Manley had started to promote Canada's Information Highway strategy internationally. At the February 1995, G7 Conference on Information Societies held in Brussels, Manley along with Heritage Minister Michel Dupuy, led the Canadian delegation. Council members Chagnon, Sirois, and Bureau were part of the delegation. Lynch, Johnston,

Binder and Turk advised Manley at the meeting. Manley took the opportunity to meet with his counterparts from G7 to discuss Information Highway Issues. In the meeting with the Japanese, Manley had been able to resolve Sirois's seven year old problem with KDD, the Japanese long distance service provider.

Manley had also met briefly with Thabo Mbeki, Vice - President of South Africa. Industry Canada had assisted South Africa in overhauling its telecommunications regulatory framework. On a more personal level, Manley had been increasingly concerned over the growing inequities in information infrastructure between industrialized and developing nations. Manley argued during the G7 meeting for a stronger focus on this issue in industrialized nations. In the closing press conference, hosted by Jacques Santer, President of the European Commission and Al Gore, Vice-President of the United States, Manley's comments had been highlighted. Canada's international profile on Information Highway issues was growing.

In trips to the United States, Mexico, Japan and the United Kingdom, Manley had engaged his counterparts on Information Highway issues. Johnston had traveled to Washington to meet with officials involved in the NII initiative. The Council Secretariat had established and maintained contacts with other countries who were also reviewing their Information Highway policies.

### **The Prime Minister Meets The Council**

By mid-June 1995, considerable Government-wide interest had been generated with regard to the Council's work. At Manley's invitation, Prime Minister Jean Chretien agreed to attend the Council's July meeting. The visit highlighted the importance that the Government attached to the Council's work. After more than a year of intense work, Council members would have the opportunity to speak directly with the country's chief policy maker.

After initial comments by the Prime Minister, each Working Group made a presentation. Doug Holtby, President and CEO of a large western Canadian based broadcaster spoke on behalf of the Canadian Content and Culture Group. His comments captured the general mood of Council members. " Good morning Mr. Prime Minister, the members of the Working Group on Canadian Content and Culture represent interests as diverse as you will find on the Council. They all put their vested interests aside for the benefit of Canada. The fact that this group was able to arrive at twenty-four unanimous recommendations is truly remarkable. Our Working Group members are truly proud to have participated on this Council and we deeply appreciate the understanding and goodwill of our fellow Council members. It is our sincere hope that our recommendations will find their way into Government policy."

### **The Council's Final Report**

Some debate had existed among Council members on the need for a detailed final public report. Certain members felt that the transmission of recommendations, as they were approved, was sufficient. Furthermore, they argued that the process to agree on a text could become unwieldy. Johnston and others felt strongly that a report would provide a vision and context for the Council's recommendations and that a report would be more reflective of the Council's work. It would also have a much greater impact both domestically and internationally, as a public education vehicle.

The issue was debated over three meetings and Council agreed to proceed with a final report. Drafts were prepared for the Council's consideration, again over a series of meetings. By June, the report process was becoming complex. In order to expedite the work of report, the Council delegated approval of the final draft of the report to the Executive Committee.

At the July meeting, the draft report was reviewed by Council members. It was then that Parrot tabled his minority report. Many Council members were upset with the move. Nevertheless, Johnston urged Council members to include the minority report as part of the Council's overall report. They agreed. In his minority report, Parrot would carefully state "that my dissent from the Council's final report does not encompass the report in its entirety. There are several positive aspects of the report, which are the result of the time and effort contributed by the members of the Council, its Working Groups and public employees involved in process."

The Council report included over three hundred general and detailed recommendations. The recommendations were organized around the original fifteen policy questions that the Government had asked the Council to consider.

The report was released on September 27, 1995. Press coverage was generally factual. Criticism centered on the assertion that the report did not go far enough. The press' lack of enthusiasm for the initiative did not dampen the public's interest in the Council's work. It quickly found its way into university reading lists and other fora. By May 1996, 20,000 copies had been distributed and the Council website was receiving over 5,000 hits a day.

The report represented a remarkable consensus, given the diverging views and interests of Council members. The report would state "in many ways, the Council reflected the diversity of Canada itself. As with any national dialogue, ours was marked by healthy tension. Determined to speak with a coherent voice to Canadians, the Council believed its task was not so much to eliminate this tension but to manage it creatively and sensitively in the pursuit of common goals."

### **The Government Response**

On the afternoon of September 27, 1995, Manley made a speech to students at the University of Ottawa on the topic of Canada's strategy for the Information Highway. He welcomed the Council's report and indicated that the Government would respond formally early in 1996.

Several months earlier, Binder had established a committee of senior officials from departments involved in the Information Highway strategy. Now that the Council had issued its report, he and newly appointed Executive Director of the Information Highway Secretariat, Richard Simpson established an aggressive timetable of meetings for the committee to develop the government wide response to the Council report. More than thirty departments and agencies of the Canadian Government were involved in the response.

As with the Council's structure, a series of Working Groups were established. Each Working Group, co-chaired by a variety of agencies and departments, was assigned a series of Council recommendations and the task of formulating the Government's response to the recommendation. An Executive Committee coordinated the work of the Working Groups.

It was agreed that the Government would respond by way of an action plan. To accomplish this goal, a Memorandum to Cabinet would be prepared. An ambitious plan to have seven Ministers sign the document was proposed. Many officials were skeptical of the plan. They had often had difficulty moving forward cabinet documents which required only two ministerial signatures.

Binder proposed the plan to Lynch and ultimately Manley who agreed. The drafting process began. Over several months, Binder and Simpson met with their colleagues in other government departments. Turk met with his counterparts in other political offices. By late March, there was general consensus among officials across government on the proposed Memorandum to Cabinet. Late in the process, certain departments, nervous that they had been too ambitious, tried to roll back commitments or move back milestones with regard to their department's implementation of activities related to the Information Highway strategy. Turk and Simpson worked closely to convince departments to be aggressive in their strategy. They highlighted public expectations and the forward-looking and ambitious comments made by their Ministers. By early April, most issues were resolved.

Manley had managed to build considerable support for the initiative among his cabinet colleagues. However, he asked Turk to ensure that both ministerial staff and their Ministers were well briefed and supportive of the initiative. To accomplish this last goal, Turk enlisted the help of Johnston. Lynch arranged for Johnston to be sworn in for cabinet secrecy purposes. Johnston could now access Cabinet documents and associated materials. Turk set up meetings with senior staff members of each signing Minister and other key departments. He suggested that the senior officials of the department involved with the initiative be present at the meeting.

Johnston, Turk and a senior member of Information Highway Secretariat, traveled from Ministerial office to Ministerial office over a two-week period. Many political advisors had attended Council meetings or events. Several advisers were interested in meeting Johnston. Some had been students at McGill University, while others were regular

viewers of his public affairs show "The Editors", carried on the U.S. Public Broadcasting Service (PBS) and the Canadian Discovery television channel. At each meeting, an overview of the initiative was given and the important contribution of the department and its officials (often present at the meeting) to the strategy was highlighted. Advisers were offered materials to assist them in briefing their ministers. Finally, Johnston and Turk sought commitments with regard to the timing of their Ministers' signature to the document.

In one situation, civil servants had indicated to Industry Canada officials that the number of urgent issues facing their minister that month would limit his ability to sign the cabinet document quickly. Johnston and Turk managed to set up a short meeting with the Minister's Chief of Staff. Johnston quickly established a good rapport with the adviser. They discussed a wide range of public policy issues including Canada's strategy for the Information Highway. Clearly, the competing pressures on the adviser's time had not allowed him to focus on the strategy. As Johnston and Turk briefed him, he flipped through the document that had just been provided to him. He asked several key questions. At one point he asked Johnston directly, "What's in it for my minister?" Johnston replied confidently "Simply the good of all Canadians". The adviser smiled approvingly at Johnston. As the meeting was closing, Johnston tactfully sought and received a definite commitment of support. Within two days, the Cabinet document traveled through four levels of bureaucracy to be signed by the Minister.

In mid-April, Manley presented the action plan to his cabinet colleagues. Many Ministers from regions outside central Canada saw the Information Highway as a powerful force for economic and social development. Software development and website hosting could be done just as easily in Newfoundland or downtown Toronto, once the Information Highway infrastructure was equally available in all regions of the country. Emerging technologies, such as satellite based multi-media applications, meant that distance to market would become less of an economic barrier. The distance for transmitting data by satellite from Toronto to New York was the same as that required for transmitting the same data from Newfoundland to New York. Once all the Canadian Government's documents were on-line, a business in the Yukon had access to essentially the same government information as a business based in Canada's capital – Ottawa. Canadians in remote communities would more easily access medical and educational services through tele-medicine and distance education.

### ***Building the Information Society; Moving Canada Into the 21<sup>st</sup> Century Is Released***

In May 1996, Manley released the Government action plan entitled *Building the Information Society: Moving Canada Into the 21st Century*. The document was divided into four sections that highlighted programs and policies that it had already initiated in response to the Council's work, as well as those that were upcoming.

In the section *Building Canada's Information Highway*, the Government reported that it had already harmonized ownership rules between broadcasting and telecommunications

companies and that it had licensed new spectrum for PCS and wireless broadband, one of the first countries in the world to do so. It had introduced a mobile satellite policy. It had funded, through a \$ 78.5 million contribution, the second phase of CANARIE, a collaborative research and development consortium. It committed the Government to new policies for digital television, digital radio, a program for advanced satellite services for multimedia and the long awaited convergence policy, to regulate competition between cable and telephone companies. It would also develop a “standards road map” to ensure the compatibility of Canada’s Information Highway with its global counterparts.

In the section, *Growing Canadian Content*, the Government highlighted its current efforts through its digital collection program to have young Canadians digitize collections in museums and libraries in all parts of Canada. A strategic alliance with Kodak had set up the Imaging center at the Canadian Museum of Civilization and the Access Amicus service to put the National Library on-line. The Government committed to establishing a Government Task Force on Digitization to examine ways to digitize all of the Federal Government’s collections. It also promised action on copyright protection and programs to encourage the production of Canadian content for the Internet.

In the section, *Realizing the Economic and Social Benefits for All Canadians*, the Government had much to report. It had established Strategis, Canada’s largest business website and the Student Connections Program to hire students to introduce and train over 50,000 small businesses to use the Internet. The Community Access Program would establish 1,500 access centers in rural and remote communities to connect them to the Internet. The SchoolNet and First Nations SchoolNet programs would connect all Schools in Canada to the Internet. Future governmental commitments included the introduction of privacy legislation to protect personal information, the development of an Electronic Commerce framework and the development of CanWorkNet, Canada’s national electronic directory of Internet sites related to work, career development, training, labor market information, community development and other workplace related topics.

In the final section, *Getting Government Right*, a report on Government Services revealed that all Government employees had Internet addresses and that the Government bidding system was now on-line. The Government committed to develop a government-wide electronic commerce strategy. Several specific commitments would make government services available electronically.

The action plan also set a tone of urgency: “Our major trading partners – the United States, Japan and the European Union – have all launched multi-billion dollar initiatives and major policy and regulatory overhauls to encourage the construction of their parts of the Information Highway. If we fall behind our major trading partners in building our Information Highway, its worldwide counterpart will come to Canada – later – and not the way Canadians want to see it. The action plan aims at providing a national framework that will facilitate Canada’s transition toward an information society and a knowledge economy.”

As he reflected on the Information Highway Advisory Council process, Binder would comment “there is no doubt that we hit a few bumps along the way, we even cracked a few windshields, and we had to fix some flat tires but through a team effort we made it. The combination of political leadership, Council leadership and bureaucratic leadership made the initiative possible. The same type of leadership will be needed to sustain it.”

## **The Future**

By May 1996, Canada’s Strategy for the Information Highway seemed well under way. Press interest in the issue had improved dramatically and government wide support for the initiative was well developed. Nevertheless, many issues and questions lay ahead.

There had been suggestions that the Council should reconvene for a Phase II. Was this a good idea? If yes, what should the membership be in light of the change of certain members affiliations? How would Parrot, the labor leader react to a Phase II? How much of the Council report could the Government realistically implement?

When would the convergence policy be issued? How could the Canadian provinces become more engaged in the strategy? How could Canada further pursue its strategy internationally, particularly as a French speaking country?

The Community Access program only served 1,500 communities of Canada’s 5,000 rural and remote communities, could Manley secure the resources to expand this and other programs and secure resources for the new programs outlined in the action plan in this tight fiscal environment?

Finally on a personal note, Manley had been the political champion for the initiative, he had become Industry Minister two and half years ago, many of his colleagues had been shuffled or moved to other duties over the summer by the Prime Minister ( a common practice in Canada is to move Cabinet Ministers into new portfolios every two years) practice, could he realistically expect to stay in his current role for much longer?.

How long could he keep his team in place? If he reconvened the Council, would Johnston who was in high demand be available or willing to serve?

Rumors had been circulating that Turk, who had been Manley’s political advisor on the strategy, was considering leaving to study public policy at a well-know institution in the Northeastern United States.