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PRIVATIZATION CASE: EDMONTON TELEPHONES

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INTRODUCTION

The Edmonton Telephones Corporation (ED TEL) is a good example of the crown corporations which have been prevalent in the utilities sector. Formed privately, it was purchased by the City of Edmonton in 1905 so that rapid expansion could be financed. In 1990 a corporate governance board was established. The regulatory environment changed in 1992 and again in 1994. Multi-media investment requirements to compete are large, variable and risky, and are beyond the financial capacity of the City as owner. ED TEL was privatized in early 1995; an Initial Public Offering (IPO) option was rejected in favour of a direct transaction with TELUS (itself privatized by Alberta in 1990).

GENERAL BACKGROUND

Government-owned (crown) enterprises have been an integral dimension of Canadian economic history. Often these entities were formed for specific purposes such as developing megaprojects or establishing infrastructure. Examples are certain Canadian railways, public works, utilities, and resources developments.

Another mechanism by which crown corporations were formed was by forced buyouts–termed nationalization. Frequently the motive for such government direct involvement in business activities was to force the direction of regional economic development. Such enterprises often were perceived as integral to a particular government's political credibility; political and financial fortunes both soared and crashed accordingly (Tupper/ Doern, eds. 1981).

Debate continues as to whether Canadian "crowns" have been good or bad economic policy, but two facts are clear. The first is that crown corporations have been a dominant characteristic of the Canadian economy (Taylor, 1991; *Ch* 7). Canadian governments often have chosen direct ownership as a form of regulation policy, rather than the policy options of enhanced competition or conventional economic regulation (Strick, 1994). The Canadian experience has mirrored the British approach, including recent privatization/ regulation changes (*The Economist*, 13 August 1994; *p* 64). Historically, Canadian governments had the financial capacity to undertake enterprises/projects directly or indirectly (*eg* loans or loan guarantees) beyond the capacity of private companies or consortiums. The second fact is that policy thinking in Canada is changing markedly; governments are considering wider rationales and choices rather than opting for direct control through ownership (Brander, 1995; *Ch* 3). While changing political philosophies in Canada appear to be underway, a dominant factor seems to be the dire financial straits of most governments in Canada (Canada West Foundation, August 1995). Today Canadian governments are saddled with debts/deficits that preclude major new financial commitments. There is limited capacity for additional risk exposure and significant new undertakings border the impossible; indeed there is some "harvesting" of government-owned assets for current cash needs.

The case reported herein is that of Edmonton Telephones Corporation (ED TEL). Up to 1995, it had been the largest independent telephone company in Canada. Historically it has been an instrument of regional (City of Edmonton) economic development. The decisions of 1994 shared that regional economic development perspective, but with sharply different strategies to deal with the dynamics of telecommunications regulation, technology and competition.

ED TEL CASE STATUS

Over the last century, Canada's telephone/telecommunications sector has been progressive and successful. Like the rest of the world, it now faces dramatic and rapid change. ED TEL has been a part of the Canadian telecommunications success; indeed its formation in 1893 took place more than a decade before Alberta became a province (Stinson, 1980, *p* 27). Edmonton's telephone system was initiated by a private entrepreneur and purchased by the city in 1905 for $17,000 (Byfield, ed. 1992, *p* 91). There were about 500 subscribers and a need for rapid growth; the city was better able than the individual to finance the required system growth.

By the end of 1993, ED TEL had grown into a full-services telecommunications operation with nearly 400,000 access lines, over 2,000 employees, a revenue base of $300m and cost-based capital assets of nearly three-quarters of a billion dollars (ED TEL Annual Report, 1994). ED TEL is an urban regional economic entity with services boundaries that are contiguous with those of the City of Edmonton. It is a large corporation in the context of the Edmonton region.

TELUS corporation (formerly Alberta Government Telephones) entirely surrounds the Edmonton region and serves the rest of the province of Alberta. TELUS is about four times as large as ED TEL (TELUS Annual Report, 1994). TELUS was privatized by the Alberta Government in 1990.

In 1990 a major change also took place for ED TEL. By City Council decision, the governance was changed from a city department to corporate governance with an arms-length board; an eleven-person board was established, including the President and Chief Executive Officer. A policy option, which was to put the company up for sale, was rejected. Agreements were developed with the city-shareholder which included rate-of-return regulation and other payments to the City of Edmonton. The new status implied a three-dimensional relationship of ED TEL to the city: the city represented the shareholders that are the citizens; ED TEL's regulator was the city; and lastly, Edmonton as the regional economic development host.

Great change was under way. The changes embodied both opportunities and threats for ED TEL. Major regulatory change was underway for telecommunications in Canada. In 1992 and 1993 the Canadian Radio-television Telecommunications Commission (CRTC) made landmark decisions establishing long-distance competition (CRTC,1992-12; 1993-17). Until those decisions, all ED TEL long-distance traffic had to be routed through TELUS, and a revenue-sharing arrangement was put in place under the Alberta Telecommunications Act (Alberta Statutes, 1988). Today Edmonton-generated traffic can be carried by TELUS competitors and by resellers. Further regulatory change was the result of a recent Supreme Court of Canada decision (Canada Statutes, 1993; Decision #23345, April 1994). The court decision ruled that independent telephone companies such as ED TEL are federal undertakings, and hence must be federally regulated. Pending operational and regulatory transition arrangements, ED TEL became subject to federal government rather than municipal government regulation. In addition to the two major changes just described, other changes are taking place in the telecommunications sector.

This set of changes is in multi-media technology development and opportunities (the "information highway"), and was facilitated by a more recent regulatory decision (CRTC, 1994-19). Convergence – the merging of broadcast, telecommunication, and computer sectors – is racing forward (Janisch, 1994). Elements that are converging, including linking and competing, are in terminal/media/node groupings (Deloitte & Touche, 1993). Digitized cellular and wireless technologies and distance-collapsing satellites systems are among technologies newly available to serve resource sectors, industry, professions and education. Existing carriers such as ED TEL face daunting challenges of future viability and potential growth. Management and investment effectiveness, through four identified phases and ten critical success factors, can be expected to determine the players of the future (Kraemer, 1992). More flexible management styles and corporate culture will be essential. Investment decisions will need to be correctly judged, but more to the point of this paper, must be expeditiously made and implemented.

ISSUES AND OPTIONS

A range of strategic issues is inferred from the foregoing assessment. This paper focuses on the particular **ownership** issue of ED TEL **privatization**, and the **process** of privatization. While management and organizational issues are important, they are not included in the scope of this discussion. As well as the privatization issue itself, regional economic implications will be evaluated. The enhanced economic viability of ED TEL is congruent with economic progress by the City of Edmonton and its surrounding region. The "driver" across the ED TEL issues and options is enhancing its likely competitive economic success. Such success can provide secure and growing employment, income streams, and government revenues.

OWNERSHIP OPTIONS

1. **City Department** – city ownership and operation.

For 85 years Edmonton's telephone system was handled as a city public works department; the telephone system was a monopoly, with evolving ancillary businesses such as the Yellow Pages. In 1989 the City decided to retain ownership but shifted operations to a newly-established corporate governance board. The thrust of the Council decision, not unanimously agreed upon, was that business operations were impeded by a decision-making system that was relatively slow and often log-jammed by the problems of modern-day government.

2. **City Corporation** – city ownership but corporate governance.

This has been the policy in place since 1990. After five years of experience, business operations had stabilized. However, as indicated above, two dramatic changes had occurred. The rate regulation change would have an exceedingly major impact on the flow of funds from ED TEL to its city shareholder; the magnitude being at least a $15m decrement on a base of about $40m per year. There were three sources of impact: on the allowable rate of return, the allowable master agreement "alimony" payments, and the net revenue return allocation from Yellow Pages. The bottom-line result was that unless an alternate solution could be found, the city revenue decrement would need to be made up from property tax increases. Not a happy prospect, and without much scope for phasing. In the coming few years the owner would have to make substantial and expeditious business investments which would be complicated by the fact that certain of these investments contain significant risks. Investment of public funds generally is risk-averse and slow. The combined regulatory impact and business investment requirement created a tenuous situation for the ED TEL city-owner. Continued city ownership would have required revenues (increases in city taxes) due to regulatory impact **and** investment monies (further increases in city taxes) to fund ownership responsibilities facilitating competitive actions in the rapidly changing marketplace. The grim outlook of this analysis motivated a search for policy options on behalf of the owner.

3. **Privatization by Buyout** – ED TEL purchase/takeover.

While there could be other potential purchasers of ED TEL, the most likely source was TELUS. It had initiated purchase discussions with ED TEL in mid-1992; after separate and respective valuations analyses, the price positions were widely variant and the matter was dropped. Inasmuch as the ED TEL board was dissatisfied with the price offer, no recommendation was taken to the city-shareholder-owner. The differing price expectations is explained as follows: economic valuation of business operations = X; value of economic synergies = Y; strategic value = Z. The separate and independent ED TEL/TELUS valuations of X were similar ($325 - 350m) -- thus not a source of dispute. ED TEL valuation of [Y + Z] was significant ($75 - 100m); the TELUS position was that both Y and Z were zero. TELUS held firm to that position through 1992, so there was not a basis for detailed negotiation nor for continued discussion of privatization-via-acquisition. Had there been agreement that [Y + Z] was non-zero and substantial, a sharing of these values potentially might have been negotiated. When it became known in 1994 that ED TEL was pursuing option 4. below, TELUS expressed an interest in renewed discussions with ED TEL; these discussions took place while the option was pursued.

4. **Privatization by IPO** – investor purchase.

The Initial Public Offering (IPO) privatization option was pursued actively by ED TEL. During 1994 ED TEL engaged the corporate and consulting analysis and advice from investment bankers, regulatory officials and corporate lawyers. Early in the process, City Council was advised of ED TEL 's board actions and reasons. The city engaged independent advice. Investment banking analysis indicated an ED TEL market value of $425 - 475m; $25 - 35m of this amount would be needed to redress the debt to equity ratio required by new CRTC regulation. The residual of about $400m would become available to the City of Edmonton. The market value includes the impact of Revenue Canada tax rulings and negotiable CRTC regulatory transition arrangements. By autumn 1994 the ED TEL preliminary prospectus had been developed and approved by the Board of Directors. In fall 1994 a market exposure exercise was to be undertaken; the potential for shares purchases would be afforded to investors directly or indirectly (through major fiduciary institutions, pension funds, insurance companies, and others who manage the savings of Canadians). Corporations and companies, whether within the tele-communications sector or not, had the same opportunity to respond to the ED TEL prospectus. ED TEL shares would be offered with the constraints noted below. The expected decision period, based on price from the market, was November 1994. The final decision prerogative was the jurisdiction of Edmonton City Council.

Decision Process Issues

Privatization of ED TEL was a very difficult decision for Edmonton. The telephone company is a large regional economic entity with a long history in the City. Some citizens and their representatives felt that City Council made a long-term commitment to ownership in conjunction with the 1989 decision to form a corporate governance board beginning in 1990. Thus there was a significant feeling that privatization involved a policy reversal rather than fresh policy determination. In such circumstances, the sensitive handling of decision processes can be acutely important. In this case, four decision process issues emerged:

1. Plebiscite. The 1989 decision included a City of Edmonton bylaw stating that 100% ownership would be retained, thus privatization could only take place by replacing that bylaw. Some members of City Council and a segment of the citizenry felt that such a decision should be made by public plebiscite rather than by Council itself. A citizen group, "Friends of ED TEL", was formed to challenge the privatization proposal and to resist it both legally and politically. A citizen petition was mounted in an effort to force a plebiscite onto the city, citing both legal and moral grounds. Investment banking advisors suggested that IPO marketing would be seriously jeopardized if there was an outstanding court case. A court decision struck down the legal argument, and a higher court decision upheld that decision. Leave for a Supreme Court of Canada appeal was requested, but it was denied. That concluded this issue.

2. Partitioning. Complex decisions can become impossible if a circularity evolves where no logical sequence can be followed. Opponents to a decision may enjoy success by fostering such circularity. That is a sound strategy where there is a high likelihood of losing an issue on its substantive merits. Proponents of a decision may enhance the probability of success by a countervailing strategy. In a case such as ED TEL privatization the decision circularity can be, "how can you decide without knowing the price?" and yet, "how can a price be determined in the absence of substantive agreement?" As with megaproject decision making, complex decisions are facilitated by partitioning the larger decision into a sequence of linked but smaller decisions (Warrack, 1993).

The partitioning here became sequential decisions "in principle", "constraints", and "price". That is, if constraints—for example, regional economic development—could be agreed upon and the price was sufficient, would City Council agree to sell/privatize? If a proposal is not agreed in principle, there is no point in taking the time and resources to develop the essential details. In June 1994, following public information sessions and a public hearing (see below), City Council made the "in principle" decision to privatize ED TEL.

3. Public Participation. ED TEL proposed to City Council that extensive public information sessions be held prior to any decisions. Council agreed, but also wished to hold a public hearing in Council Chambers after the public information sessions had been completed. Three regional public information sessions were held in early June culminating with a televised public information session. ED TEL paid the costs for these sessions and later that month the City Council public hearing was held.

Throughout this period ED TEL was invited to meet with business, community, and special interest groups. There were numerous such meetings including public affairs staff, senior managers, and Board members. Concurrently, a public survey by the University of Alberta Population Research Laboratory was commissioned by ED TEL (Snider, 1994). The survey plumbed opinion as to privatization, allied constraints, and how the potential monies should be handled.

The public participation process thus had three components. These included group-invited meetings with ED TEL, public information sessions held by ED TEL, and a public hearing conducted by City Council. While disagreements remained on matters of policy, it appears that the public felt the opportunities for involvement and input were extensive. City Council took its "decision in principle" after the public participation process described above.

4. Potential Sale Proceeds. The ED TEL proposal for privatization was for the City of Edmonton to handle the proceeds as they saw fit. The public opinion survey revealed two unexpected results. The first being weaker-than-expected citizen resistance to the telephone company privatization. While certain persons and groups continued to hold strong feelings against it, the view seemed not to be generally shared. This result was confirmed by the public's lack of interest in the information sessions and the public hearing. Strong views were expressed by a few citizens, but generally, the same few were attracted to each public participation opportunity. Mirroring the public's response, a minority of City Council continued to resist the privatization decision.

The other surprise was that citizens expressed strong concern about how the city would handle the money. Some of the reaction was highly cynical. Many who were asked if there should be a plebiscite on the sale of ED TEL, instead responded that there should be a plebiscite restricting what City Council could do with the expected $400m privatization proceeds. One option would be to follow endowment management principles and policies such as those at the University of Alberta (Warrack and Fleming, 1994). The City of Edmonton, with expertise and advice from their finance department, holds the prerogative on this matter. A bylaw can be prepared and passed which would constrain spending actions of the city, possibly similar to policies for financial management of endowments.

Applicable Business Concepts

Ownership Duality

Ownership includes not one but two dimensions. Property ownership and conferred benefits is familiar to all; the second component is risk(s) associated with the property. This business concept applies whether the property is an ordinary commodity, a physical structure, a professional credential, or an ongoing business. An inherent ownership responsibility is to handle the risks, which may range from very small to very large, that are concurrent with any property ownership. Many people have had cars that "nickel and dime" their owner, with attendant uncertainties of performance at critical times, and change cars because the risk liabilities have come to outweigh the property benefits. The author has had an analogous experience with owning a remote lake cabin—it is gone. Other common-sense examples can readily come to mind.

A modern telecommunications sector risk involves keeping ahead—or at least abreast—of dynamic technological changes. Technology is embedded in capital facilities, so a competitive investment profile is imperative. Telecommunications investment today has the following characteristics: large, quick, clustered, and risky. An owner must be able to meet the associated risks or lose market share to competitors who can.

Like nearly all governments in Canada, the City of Edmonton is in a very difficult fiscal position. ED TEL's strategic planning calls for investments of about a billion dollars over the next five to eight years, not evenly distributed; about half of this large amount is incremental due to competitive multi-media investment requirements. As owner of ED TEL, the city would need to fund the necessary investments; for efficient financing, a major portion must be financed with equity. Higher risk business requires proportionately higher equity/debt ratios. Even if regulation was steady-state (not shifting from the city to federal CRTC), it would be exceedingly difficult for the city-owner to impose sufficiently higher property tax levels to meet the ownership risks and responsibilities of funding future ED TEL expansion and technological adaptation. In fact, as explained earlier, regulation is changing and the annual revenue-flow decrement will be about $15m. Hence, because property taxes would need to be raised even more, it becomes virtually impossible for the owner (City of Edmonton) to meet the risks and responsibilities inherent in its ED TEL ownership.

Risk as a Commodity

Risk can be packaged, bought and sold, like oil or any other commodity (even hockey goalies!). Insurance transforms uncertainties into risks, for a price known as the premium. Often insurance risks are packaged and resold to insurance underwriters, again for a negotiated price. Like commodities, risks can be managed; few larger organizations today fail to have risk management as an integral operation. Risk mitigation strategies are vital in today's business or government. Risks can be identified and lessened through prudent management and some of the residual risks can be insured. Certain large risks, including business risks, may remain as liabilities beyond the capacity for owner(s) to sustain. Business may seek partners, or sell a property and concurrently remove the risk. This fits the ED TEL reality for the City of Edmonton. Edmonton may be willing to supply the risk commodity, but would there be a demand in the Canadian marketplace for the property ownership including its attendant risks?

That important question was posed to a leading Canadian investment banking firm, Nesbitt Burns. In turn, that firm engaged additional advice from a leading American firm, Goldman Sachs. The ED TEL Board was advised that the answer to this critical question was 'yes'. The fundamental basis for the answer is that there are funds (that manage savings of Canadians for longer-term gains) that need more risk; attendant to the risk profile is the prospect for larger future gains, especially capital gains, in funds' value. A factor in the analysis is Canadian tax law wherein preferred tax treatment is allowable only if a threshold proportion of the fund's investments is Canadian. ED TEL would constitute a new Canadian investment opportunity.

CHOSEN PRIVATIZATION OPTION

By mid-1994, the decision was made to proceed with "Privatization by IPO—investor purchase" (see above, "Decision 4"). Three important realities comprise context for this decision. First, timing: the regulatory change forced by the Supreme Court of Canada meant that privatization plans had to be put in place quickly. The second and third realities contributed to this urgency. As of autumn 1994, a second reality was that there was no privatization, purchase, or buyout offer warranting serious consideration. The third reality was the vigorous effort to harness ED TEL for the greatest feasible regional economic development leverage. In fact, a set of constraints was agreed upon by the ED TEL

Board and the City of Edmonton in an effort to protect and enhance regional economic benefits for Edmonton.

It needs to be recognized that an unconstrained IPO (Initial Public Offering) is strongest in the investment marketplace. Each constraint imposed would result in (at least marginally) lower share prices. Many constraint options (and sub-options) were considered, and several were rejected. The following IPO privatization constraints were agreed as "downside" protection:

i) The head office would remain in Edmonton;
ii) The Board majority would be from Edmonton;
iii) Priority shares purchase opportunity for Edmontonians;
iv) Priority shares purchase opportunity for ED TEL employees; and
v) No single purchaser may acquire over 15% Common Shares ownership.

Two other constraints were considered and also merit comment. One was the possibility that the City of Edmonton would insist on continuing as a partial owner. Respecting the advice of investment bankers and the ED TEL Board that share value would be harmed by such a move, City Council agreed to an "all or nothing" decision with the result that 100% of the shares would be offered to investors. Another constraint proposed by the ED TEL Board was a "Golden Warrant" offer to the city for "upside" protection. The Warrant would have provided that after a specified period in the future, and if the share prices increased by a certain multiple, then the city, as former owner, would receive a block of shares. The City did not take up this offer. Apparently they saw the potential reward as being be too distant in the future and, as previously mentioned, because of the Warrant's potential to act as a price constraint.

Privatization of ED TEL would generate a stronger investor price because of built-up potential tax credits. As a Crown Corporation (of the City of Edmonton), the company was in a non-taxable position. Certain tax credits can be available to private sector purchaser(s) that are taxable; the preferable tax position "capitalizes" into economic value and share prices. In addition, Canada's Telecommunications Act contains a regulatory transition provision of up to five years; ED TEL was able to negotiate partial transition (especially with regard to Yellow Pages) that resulted in share value enhancement. Both the tax credit and regulatory transition factors are applicable to either an IPO or buyout/takeover privatization option so long as the purchaser is taxable under Canadian law.

The mid-1994 privatization decision by ED TEL and the City of Edmonton was to pursue the IPO option with the five regional development constraints as enumerated above. For strategic reasons, a private takeover would normally constitute a price premium. The IPO option was designed with sufficient flexibility that a private purchase could be possible if an offer equivalent to the net realizable proceeds from an IPO was to be received. During the first half of October 1994, the ED TEL Audit Committee and Board completed its review and decisions approving the IPO Prospectus. Securities Commissions approvals were obtained, and preliminary arrangements were made to "market" the IPO investment opportunity. Preparation and arrangements were complete by the end of the month.

TELUS Reconsiders

During the summer of 1994, and pursuant to the public meetings held in June, ED TEL intentions of IPO privatization became widely known to the Canadian business community. A parameter of the public disclosure was that ED TEL expected to raise $425-475m in the Canadian investment marketplace. As a result of this positive market response, TELUS began to reconsider its previous position. Informal enquiries were initiated by TELUS, but ED TEL held firm to the position that only public information about ED TEL could be disclosed prior to the public release of the Prospectus. Meanwhile the newly-hired President of

TELUS arrived on 1 November 1994, only days after the public release of the ED TEL Prospectus.

TELUS expeditiously reconsidered its 1992 offer. It already had extensive information about ED TEL and had begun additional work. Once the Prospectus had been issued, ED TEL was free to cooperate with TELUS (excepting strategic planning information, in case the deal remained unconsummated) so that TELUS could decide whether to bid anew. Privatization had already been decided by the City of Edmonton, but an IPO option would not be pursued until there was a determination of whether TELUS wished to make a firm offer. By mid-November 1994 TELUS had made a new offer of $465m. Extensive negotiations ensued.

These negotiations focused primarily on "soft" items of regional economic development, beyond the price offer itself. These "soft" considerations covered all but the priority share purchase opportunity for employees (item V of the constraints listed in the preceding section). In addition, several more items were negotiated. These items included employment assurances, rates, research and development expenditures assurances, and other matters. The TELUS final offer was taken to City Council for decision. After protracted analysis, discussion and debate, the offer was accepted.

All major business transactions in Canada are subject to the Competition Act. In 1986 Parliament legislated that applicable law would be under the Civil Code rather than the Criminal Code, thus the law now provides for a prior-review of major merger and takeover transactions by the Competition Bureau. In this case, procedural processes, including timing, precluded a Competition Bureau decision by the end of the calendar year. However, the Revenue Canada tax ruling contemplated an IPO privatization and was to expire on 31 December 1994. This was extended to 31 March in relation to the TELUS offer, and to 31 May 1995 if an IPO was to be undertaken. Another federal Government decision was necessary regarding the transition to CRTC regulation of ED TEL, similarly extending the transition period. Industry Canada initiated a new federal Order-in-Council to accomplish the timing extension. The Revenue Canada and CRTC regulatory transition provisions allowed time for the Competition Bureau to do its work. A ruling was expected in February or March 1995.

FINAL PRIVATIZATION RESULT

The Competition Bureau issued its ruling 28 February 1995. While the Bureau reserved the right to re-visit its decision within three years (an unlikely event), the Bureau ruled that the TELUS purchase transaction of ED TEL could proceed. The existing ED TEL Board set aside the IPO Privatization Option and the TELUS offer was closed. On 10 March 1995, $465 million was paid to the City of Edmonton. The City announced its intention to form an ED TEL Endowment Fund as a basis to manage the proceeds for the good of the future of Edmonton, including displacement of the revenue flow to the City formerly received from its telephone company.

In addition to the cash payment and the assumption of ED TEL debt ($170 million), TELUS made several other major commitments to Edmonton.

i) ED TEL will maintain its identity as an operating subsidiary of TELUS; ED TEL will continue to have its own Board of Directors (the majority of whom shall be from Edmonton)

ii) TELUS and ED TEL Head Offices and Head Office Operations will continue to be in Edmonton within specified time and circumstances

iii) The Chief Operating Officer (COO) for ED TEL will be appointed by its own Board

iv) Two additional Edmontonians will be appointed to the TELUS Board

v) No ED TEL layoffs for a year, and subject to earning its regulated rate of return, no layoffs for an additional three years

vi) Subject to CRTC decisions, rates in Edmonton will continue to be determined independently

vii) TELUS will expand its research and development investments commitments ($12 million in 1995) in Edmonton

viii) ED TEL employees will have a special one-time opportunity to purchase TELUS shares, and access to the current employee share purchase plan of TELUS

ix) ED TEL pensions will be kept whole

x) The respective Mobility (Cellular) companies will merge immediately.

In March 1995 TELUS appointed its new ED TEL Board, and added Edmontonian members to its own Board. The new integrated telecommunications company thus began operations as a company that serves the entire Province of Alberta. A new era began.

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