



**25 YEARS**

**REPRESENTING THE PUBLIC INTEREST**

***PUBLIC INTEREST ADVOCACY CENTRE  
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC***

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## Message of the Chair

The policy and economy into which the Public Interest Advocacy Centre was launched twenty-five years ago has changed dramatically. But the core purposes of the Public Interest Advocacy Centre - to represent the unrepresented in seeking standards of affordability and universality of basic and essential services - has, if anything, become more complex and more pressing. In a wealthy society, ranked by the United Nations as close to the most liveable in the world, it might have been imagined twenty-five years ago that an anniversary such as this would have provided an opportunity for the Centre to offer a valedictory and announce the closing of its doors. But though (and, perhaps, because) the nature of the battle, since the Centre's creation, has changed dramatically under the influence of rapidly changing technological artillery in the information technologies and telecommunications, and a profound shift in political philosophy towards the abandonment of regulation and welfare interventions in favour of deregulation, anti-interventionism, and the presumed virtues of competitive markets, victory seems as far as ever out of reach.

J. K. Galbraith has noted that the dominant fashion of referring to our economic order as a "market economy", rather than a "capitalist economy" as we formerly did, disguises but does not alter the influence of wealth and power on the shaping of economic events. And early evidence around the world suggests that the new technologies have exacerbated wealth and income disparities within and among countries rather than ameliorated them. Further, though advocates of the virtues of competition diminish the importance of the fact, markets continue to fail in important ways, or fail to develop a sufficient number of competitors to ensure supposed efficiency virtues or consumer benefits. Thus it is, for instance, that in the 'price caps' hearings currently proceeding before the CRTC further price increases for local telephone service are sought by all service-providers in order to engender the competition that will lower prices! It is a further reflection on the temper of our times that it takes a dramatic act of terrorism to diminish zealotry for a declining role for governments, and to revive the notion that there are 'public goods' which can and will only be provided collectively.

The Board of Directors of the Public Interest Advocacy Centre, its Counsels and its staff have been engaged in an almost continuous dialogue on how best, in changing circumstances, to represent public interests. Much has been happening and most dramatically in the worlds of online consumer protection, privacy, broadband, and telecommunications regulation. Infringing on issues far beyond old-fashioned regulatory concerns, and vastly more complex, understandings of the public interest evolve with the technology, the industry players, and shifting government policies. But as representing client interests in regulatory and court proceedings diminishes in importance in other traditional areas, research and advocacy on behalf of consumer and social interests more generally increasingly shapes our activities.

The Board would wish it publicly understood how well they have been served and how well they feel the community has been served by Michael Janigan, Executive Director and General Counsel, and Philippa Lawson, General Counsel, both in these ongoing conversations on whither the public interest, and on the conduct of their researches and interventions on behalf of the community's interests. Phillipa Lawson remains the expert repository of where that public interest lies in the ever-evolving field of the information technologies and Michael Janigan both steers the ship and presides over energy developments including the latest experiment in privatization, the dismemberment of Ontario Hydro. We continue to be very grateful for the services of Andy Reddick and his indispensable oversight of the information highway. Katherine Priestman and Jennifer Sheperd have been recent and invaluable additions to the research staff. We also continue to be grateful to Donna Brady and the occasional staffers who keep the ship afloat.

**Ian A. Stewart**  
Chair



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## Message from the Executive Director

Since 1992, it has been my privilege and good fortune to be the Executive Director and General Counsel of the Public Interest Advocacy Centre. While it is exciting to be present at the creation of any new entity, particularly one with ambitious public goals, I know now that the challenge of carrying on the dreams of an organization's founders may be equally invigorating. The PIAC of the seventies and eighties was a people's tribune of astonishing vigor, with special expertise in obtaining standing for the previously unrepresented citizenry. Even a cursory review of the breadth of PIAC's case load of that era would leave an impartial observer impressed. PIAC's energy and vision had its source, in no small measure, in the persona of its first Executive Director, Andrew Roman. Andy's leadership put PIAC on the map, and raised the bar of organizational expectations for all his successors.

In the nineties, those expectations met the hard reality of a recession..Governments became indifferent to the necessity of citizen participation in decision making. Informed consumer views were a luxury budget item. In addition, some of the new areas of public advocacy such as human rights and environmental law that had been championed by PIAC , become increasingly specialized and complex . It was difficult for the Centre's counsel to become effectively involved in such cases without serious resource concerns.. It was clear that PIAC had to re-focus its work

With the help of a resourceful and understanding Board of Directors, PIAC chose to concentrate its limited resources and firepower on the delivery of important public services, such as telecommunications, broadcasting, and energy .The favourable reviews for the results of this concentration of efforts, allowed us to make contributions to the consumer interests in banking, financial services, and airlines.

Our utility work was also giving PIAC exposure to important public issues in privacy, e-commerce, competition, world trade and consumer protection.. Technological developments in telecommunications created new opportunities for advocacy in the vision and reality of the Information Highway. Full time non-lawyer research staff were added to the operation to enhance PIAC's capabilities . PIAC not only survived but managed to grow.

PIAC's refocused mandate would have remained on the drawing board without the personnel to carry it out. In my tenure, PIAC has been diligently served and enhanced by the work of its staff, Philippa Lawson, Andrew Reddick , Angie Barrados and Donna Brady. New additions Kathleen Priestman and Jennifer Shepherd seem determined to maintain the Centre's hard earned reputation for independent and insightful representation and advocacy.

PIAC , twenty-five years after its founding is still a work in progress It has had to adapt to changing policy needs and the availability of financial resources. But it remains standing, capable of many more years of defending the public interest

**Michael Janigan**  
Executive Director





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# 25 years representing the public interest

## What is Piac?

The Public Interest Advocacy Centre (PIAC) is a non-profit federally incorporated organisation which was founded in Ottawa in 1976. Present at the creation were Andrew Roman and fellow lawyers William Joyce and Gaylord Watkins. Mr. Roman, PIAC's first Executive Director, had previously been the founding general counsel of the Regulated Industries Program of the Consumers' Association of Canada. He was determined to create a new Canadian presence that would provide legal representation and expertise to under-sourced public interests. PIAC would operate as a public interest law firm. Legal research and support staff would make sure that advocacy for the disadvantaged was accomplished in a professional manner.

PIAC's goals were highly ambitious and the scope of PIAC's early work reflected the considerable talents of Mr. Roman and the staff that he assembled. PIAC became active in a broad range of issues, including: environmental protection, aboriginal rights, the rights of the disabled and the preservation of citizen voting rights. PIAC also spoke for consumers in the regulation of utilities, such as: gas, electricity, telephone service and cable broadcasting.

Since inception, PIAC had been especially vigilant in compelling government and private corporations to administer programs or to conduct business in accordance with fairness and due process. PIAC won many victories on this basis in the courts and tribunals and provided a strong consumer-based voice for lower income customers in the regulation of important public services and utilities.

However, as the organization entered the 1990's, the task of "representing the unrepresented" on a plethora of environmental, social, regulatory and human rights issues became overwhelming for a small organization. At the same time, governments at all levels were moving swiftly to cut back support for advocacy, both

for service organizations such as PIAC and for the organisations which PIAC served.

PIAC responded to the increasing demands on its resources by consolidating its efforts and by choosing to focus on issues where it could work most effectively for the benefit of Canadians. Acting particularly on behalf of the low income Canadian consumer, PIAC has established an enviable reputation for solid legal and research work in the areas of telecommunications, the Information Highway, energy, privacy and competition law. Its work in regulated industries has naturally led to a demand for PIAC expertise in other increasingly important issue areas, including: banking, financial services and electronic commerce.

PIAC has also provided Canadian policy makers with key research and has been engaged in advocacy on issues associated with fairness, financial consumer protection, and access to banking services. For example, government must address the increasing consensus among Canadians that banks must operate in a more customer-friendly fashion. Information privacy must be protected while the accessibility of financial services and community re-investment must be enhanced.

As the new century begins, PIAC's work is firmly grounded in the commitments made in 1976 by the Centre's founders. While some of the most important contributions PIAC now makes are outside of hearing or court rooms, PIAC clearly remains focused on ensuring that important public services are delivered for the benefit of all Canadians.

This report sets out the key contributions that PIAC has made and concludes with a discussion of future challenges.





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# The First Decade: 1976-1985

## Political and Economic Context

When PIAC came to life Pierre E. Trudeau has been elected with his second majority government in 1974. Mr. Trudeau had won two previous mandates, the last by a minority in 1972. The Liberal electoral success in the sixties, seventies and eighties meant that, with the exception of the brief Progressive Conservative government of Prime Minister Joe Clark in 1979-1980, Canada was governed by the Liberal Party for over twenty years (1963-1984). Mr. Trudeau was Prime Minister for over fifteen years of that time. The political agenda was very much shaped by Mr. Trudeau's vision of Canada.

It is during this period that the Canadian constitution was revised (1981) and ratified along with the Canadian Charter of Rights in 1982. Partly as a result of the constitutional process, this period can be characterised as one involving rancorous federal-provincial relationships.

As a consequence of Liberal Party dominance on the federal political front the agenda was very much taken up with the implementation and reinforcement of the ideals of the Prime Minister for a more equal and fair society. Concretely, this meant putting in place programs and policies that were designed to help: diminish poverty, increase developmental support to third world countries, improve the Canadian social safety net, protect civil liberties, reduce foreign (U.S.) interests in the ownership of the Canadian economy, and support the development of arts and culture. This ambitious agenda could only be accomplished by increasing the number of federal regulatory agencies whose decisions affected how Canadians live, what they can buy and at what price.

On the economic front, the national concern was engaged by: inflation, the rise of unemployment, high interest rates (particularly in the early 1980's) and the rapid increase of the national debt. During this period, economic sovereignty still held sway. The Trudeau government tried and, in large part, succeeded, in diminishing the ownership of the Canadian economy by non-Canadian (primarily American) interests via the Foreign Investment Review Agency (FIRA).

Generally, this period saw the role of the state consolidated by the strengthening of all types of social programs, as well as increased interventions to regulate the economy. However, in retrospect, the government was largely unprepared to deal with the effects of the world-wide economic changes. The financial consequences of this failure, in the form of deficits and debt, would exact a significant toll in the deficit-cutting agenda of the next decade.

In September 1984, the Conservatives with Brian Mulroney were elected with a huge majority government and were later to be re-elected with a reduced majority in 1988.

## PIAC's Objectives

The Centre's objectives, as reflected in the incorporating documents, were as follows.

1. To provide an institutional setting in which public interest advocacy can be advanced in Canada.



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2. To provide representation to a range of public interests which are presently unrepresented or under-represented, in cases of importance to public interest groups.
3. To provide persons and groups with access to legal representation in areas of law practice generally not served by the private bar or legal aid programs.
4. To conduct original research and writing on consumer advocacy in Canada, based on the uniquely Canadian experience of the advocates associated with the Centre.
5. To gather and to disseminate information about techniques, procedures and results of consumer advocacy in Canada.
6. To provide law students with opportunities to participate in a clinical programme in administrative law and practice and to help with litigation.

*In my years as CRTC chairman, I got the opportunity to appreciate the broad and balance vision PIAC brought in its interventions. Their work was intelligent, articulate and sensible and in that sense was helpful to the Commission.*

**Pierre Juneau**  
Former CRTC  
Chair  
1968-1975

that represent normally under-represented interests. This support was offered in legal, administrative and legislative processes.

In its early years, PIAC assisted citizen's groups in preparing for regulatory proceedings by offering intensive training in regulatory procedure

and advocacy techniques. As a result of PIAC's efforts, major regulatory decisions now would be taken by tribunals fully aware of all relevant facts and sensitive to public interest considerations. PIAC's case selection reflected the concept that the Centre represented more than individual citizens did. It accepted cases that would affect large segments of the population or that would raise broad issues of social or economic importance.

Initially, the Centre did not take positions on issues or enter cases on its own behalf. PIAC acted only for clients and the positions advocated were those of the clients. This policy would change in the second decade of PIAC's existence.

In these early years, the Centre had offices both in Ottawa and Toronto. The Toronto office was maintained until July 1989. In 1980, Public Interest Research Centre (PIRC) was founded as the research arm of PIAC. In later years, PIRC's planned role was largely taken up by PIAC itself. Currently, PIRC assists PIAC in the financial management of its operations.

## Areas of Intervention and Issues

The first Board of Directors determined the Centre's three priority work areas: telecommunications (telephone and broadcasting regulation), energy utilities and social assistance. There was an important rationale for these initial priorities: all three areas of public service were seen as essential. Whatever status the telephone held earlier in the century, by 1976, there was little doubt that the telephone was necessary for full participation in Canadian society.

It was also believed that this portfolio of concerns would align well with PIAC's overarching



theme of giving a voice to the voiceless. PIAC's efforts in telecommunications, utilities, and social assistance would address:

- the lack of effective representation of the affected public in important regulatory decisions;
- the need for public interest interventions to ensure balanced decisions; and
- the threat posed by ineffectively regulated monopolies delivering important public services by, in part, making unreasonable demands on their customers.

## Telecommunications

### Telephone

In the first decade of PIAC intervention before the newly created Canadian Radio Television and Telecommunications Commission (CRTC), PIAC established the affordability of basic telephone rates as a key concern together with issues associated with quality of service. In particular, strong representations were made for the provision of reliable and high quality service in Northern Canada. PIAC also intervened in proceedings that dealt with emerging competition in the provision of telecommunications services. Major telecommunications clients included the National Anti-

*Over many years of dealing with PIAC I have found that, whether we agreed or disagreed, they represented their 'clients' interests with both conviction and integrity, making a positive contribution to the public policy debate.*

*Bernard Courtois  
Chief Strategy Officer,  
Bell Canada*

Poverty Organisation (NAPO) as well as organisations representing aboriginal and disabled groups.

While the majority of PIAC's intervention work during this time involved Bell Canada, the results had nation-wide impacts, given their precedent-setting value. Rate increases for basic services were halted and progress was made regarding: advance payments, high installation charges, public telephone charges and securing rebates for excessive long distance toll rates. In addition, when the CRTC took an interest in improving telephone access for consumers with hearing impairments, PIAC succeeded in having a technical committee struck to create a standard for a coupling system.

### Broadcasting

While broadcasting was not identified as an essential public service, PIAC became concerned with increasing household expenditures on cable services. Specifically, PIAC intervened in broadcasting cases concerned with cable licence renewals, transfers of licences, take-overs of cable companies, and basic service rates. PIAC's clients included organisations such as the Canadian Broadcasting League and Public Broadcasting in British Columbia. Typically, interventions for these clients were concerned with maintaining high quality broadcasting at reasonable prices for all Canadians.



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## Energy Utilities

PIAC identified that cost, security of supply, and safety were the three main concerns of Canadian energy consumers. In advancing these concerns, the Centre represented consumers and environmentalists in many decision-making fora, including: the Ontario Energy Board, the National Energy Board, the Atomic Energy Control Board, the Federal Court and parliamentary committees. In addition to the regulation of energy utilities, PIAC's early work focused on nuclear industry issues. Many of the same themes of obtaining fairness and consumer protection from monopolies, present in PIAC interventions in telecommunications, were also prevalent in PIAC's representation on energy issues.

## Administrative Law Development

Another way PIAC helped to improve the decision-making processes for citizens was to offer training to tribunals and government departments across the country. Recognising the Centre's expertise, the Government of Canada retained PIAC to help draft the rules of procedure for the Beaufort Sea Environmental Assessment Panel. In Ontario, PIAC provided training for Environment Ministry scientists to prepare them for the Environment Assessment Board. In the Yukon, PIAC held a session for the Executive Council on how to establish and regulate boards. PIAC also provided commentaries on proposed rules of procedures of regulatory tribunals, such as: the CRTC, the Ontario Assessment Board, the Import Tribunal, the National Energy Board and the National Transportation Agency.

PIAC also championed the provision of cost awards in important tribunals to ensure that effective representation could be provided for the stakeholders who lacked financial resources to be heard. Cost awards effectively addressed both PIAC's organisational objective of representing the under-represented and the necessity to finance the Centre's interventions. By the end of this period, PIAC had successfully established its professionalism and the relevance of its representations. Its efforts were also being tangibly recognised in the form of cost awards.

## Social Assistance and Human Rights

Motivated by its organisational objectives and work priorities, PIAC was involved early on with a number of test cases concerning the rights of unemployment insurance claimants. While the final judicial results for these cases were not in favour of the clients, PIAC was able to observe, with satisfaction, that the governing Act was amended shortly thereafter to reflect the Centre's concerns. As well, the maternity benefits case contributed to the insertion of the words "equal benefits of the law" into section 15 of the Canadian Charter of Rights. PIAC relished its role as both the protector of the vulnerable citizen's rights and the watchdog of government misconduct.

PIAC was also eager to test the limits of the new Charter of Rights. Its early work in this area concerned issues of equal access to public places for all members of the public, including disabled persons. PIAC succeeded in obtaining court-recognised rights of equal access for its clientele in areas where the public is normally admitted.



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## Advocacy Training Program

PIAC realised that, with limited resources, the Centre could only be involved in relatively few cases each year. It therefore decided to develop an advocacy-training program. Advocacy training was seldom taught in law schools and was not available to ordinary citizens and community groups. The premise of advocacy training was that the development of skills, such as the preparation of evidence, cross examination techniques and the submission of an effective final argument or a brief for a parliamentary committee, could be taught. Once trained, citizens could confidently present their views in front of regulatory tribunals, boards, and others.

Training sessions were offered in many provinces to a surprisingly large number of citizens. Participants represented all types of consumer, seniors and public interest groups and the sessions were often tailored to suit the specific needs of the participating groups.

## Other activities:

Briefs and submissions on policy matters:

Class action reform, Telecommunications and Broadcasting policies, Information Highway, Transportation, Energy, Regulation of financial institutions, Competition, the future of the Canadian economy, Access to information and Privacy, Pharmaceutical pricing, Constitutional reform.

## International Activities

The Centre helped with the formation of the Australian Public Interest Advocacy Centre based in Sydney N.S.W. PIAC also received delegations of many countries, including India and the Philippines, and provided advice on how to constitute a public interest advocacy centre in these countries.

## Assessment of the relevance and success of PIAC activities

PIAC's creation facilitated the representation of many Canadians who had previously been without a voice in decision making-processes that affected their access to important public services. PIAC's perspective on its interventions was that the regulatory process is not about winning or losing, but about finding the answer that will best serve the public interest. This viewpoint has gained currency in regulatory tribunals, together with the realisation that better decisions can come from informed, responsible and orderly interventions. By the end of this period, not only were PIAC interventions encouraged, but the participation of other citizens groups was also now actively sought in the regulated industries and in legislative proceedings.

*BC PIAC and PIAC have worked closely together over the last 20 years. Their respective executive directors sit on each other's boards. The most comprehensive co-operation has been in the telecommunications area where PIAC has provided leadership to other consumer advocacy groups, including BC PIAC over the years.*

**BC PIAC**



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PIAC believed that public interest groups, specializing in specific policy areas, had a major role to play in the formulation of legislation. This role could be enhanced by the presentation of well-reasoned, highly informed briefs to all levels of decision-makers. This capacity would ensure that important policies were developed and decisions were taken that considered the views and interests of commercial parties, organised citizens groups, and the Canadians they represent. PIAC largely achieved this objective in its initial operations and in the responsible representations that it made.

PIAC received important recognition for the training programs with targeted groups and governments. Such programs had both increased the ability for groups to present their views and for policy makers to hear the informed concerns of ordinary Canadians.

*As a consumer advocate, regulator and private sector representative, I have watched PIAC over the years provide its constituents with dedicated and professional representation in many forums. This is an important contribution to the development of Canadian public policy and regulation that is as valuable today as it was when PIAC was established 25 years ago. Congratulations on this landmark anniversary.*

**Janet Yale**  
**president CCTA**

PIAC's formation was accomplished at a time when governments at all levels were creating a host of new regulatory agencies, boards and tribunals that were potentially open to receiving input from all citizens. PIAC responded to this challenge of marshalling the input from previously un-represented and under-represented Canadians.

PIAC's frequent and repeated interventions and litigation produced a significant and positive record during these years. The Centre was instrumental in ensuring that utility rate increases from distribution companies for natural gas, electricity, telephone and cable companies were strictly scrutinised. In fields like environment, energy and disabled persons' rights, significant victories were won and legislation amended in accordance with the principles advanced in PIAC's submissions.



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# Part II: 1986 - 1995

## Political and Economic Context

The Mulroney years, as historians have termed them, began in 1984 and ended in 1993. The Progressive Conservatives, led by Brian Mulroney, were elected in September 1984 with the largest parliamentary majority in the history of Canada. Their agenda was very much shaped by the effects of the policies of the governments that preceded them as well as their desire to respond to the perceived policy failures of those same governments.

Some of the groundwork for the lingering effects of the Trudeau government had been laid with the coming into force of the Charter of Rights. Groups clamouring for social and political change based new claims on the Charter's protections, creating bureaucratic and political instability. The Mulroney government was frequently faced with the task of providing answers to expectations created by the Trudeau era, without the financial ability or political will to do so.

The continuing constitutional saga also marked this period. In 1987, the Meech Lake Accord, an agreement among Canada's first ministers, tried to tie up the loose ends created by the 1982 constitutional events. In the end, the length of time between the agreement and the requirement for its sanction by all provincial parliaments proved to be a recipe for the Accord's demise. Many changes in leadership in the provinces, pressure from aboriginal people, criticism from Charter advocates and the difficulties of selling the Accord in Western Canada led to the collapse of the Meech Lake Accord in the sum-

mer of 1990. After this, another year of consultation and talks, driven by the Prime Minister, led to the Charlottetown agreement. This agreement was once again promoted as a solution to the intrinsic political and economic questions needed to reconcile the country. This time, an expression of the popular will was sought. A referendum was held in October 1992 and the agreement was rejected by a majority of the voters in most of the provinces.

On the economic side, the Mulroney government appeared to veer more to the right as its mandate wore on. At times, elements of the government appeared captivated by the right-wing neo-liberal policies that were favoured by the business elites and marketed internationally as "Thatcherism" and "Reaganomics". Initiatives undertaken by the liberals were dismantled; Petro-Canada was privatised and FIRA, the agency for reviewing the control of Canadian companies by foreigners, was also abolished.

In 1988 the Canada-U.S. free trade agreement was concluded and its approval secured with the 1988 national election. Later, the North American Free Trade Agreement extended the free trade zone to include Mexico. The trade agreements opened the large American markets to Canadian businesses and many flourished as a result. However, Canadian manufacturing had been ill-prepared for competition and the initial years of free trade were marked by extensive job losses in the manufacturing sector in the Quebec City-Windsor corridor. Critics claimed that NAFTA also opened up all the social programs of our country to potential contestation on the grounds that they were unfair subsidies that provided competitive advantages to Canadian businesses.

On the home front, the budgetary policies of the Conservative government met with much disfavour and decidedly mixed results. Ideologically opposed to the intervention of the state in the



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economy, the government initiated policy changes that reduced regulation and tried to supplement public protection with competition.

At the same time, the Bank of Canada established high interest rates to reduce inflation and cool down the economic expectations created by the growth of the mid-eighties. The government's tax measures appeared to favour the wealthiest individuals and corporations and put a heavier proportional burden on the middle class. These measures included the imposition of the popularly despised GST, which was ostensibly created as a tax fairness measure. In practice, the GST operated more as a government cash cow, and a regressive one at that. By the end of the eighties, the domestic and global pressures became too much for the economy to bear. Canada spun into a recession that was earlier and deeper than that experienced in the United States.

The recession had a marked effect on government revenues and led to program reductions. Severe cuts in social programs increased the difficulties for the growing poorest segment of the population that was reliant on such programs in the face of a stubborn recession. Although, in principle, the Mulroney government was against government deficits, the Progressive Conservatives created the highest deficit of the century. Under the Trudeau government, the percentage of the debt rose from 18% to 34% of the GNP. In the Mulroney years, the percentage of the debt rose to 73% of the GNP.

There was considerable evidence that the biggest beneficiaries of the fiscal policies of the Mulroney government were among the best-resourced Canadian taxpayers, namely big corporations and wealthy Canadians. Unfortunately, these "winners" appeared to be among the most vocal in demanding action from the government to dismantle public corporations and social programs.

In a move that was symbolic of the policy thrust of the Mulroney years, the federal department of Consumer and Corporate Affairs was dismantled in 1993 and was absorbed into Industry

Canada. The focal point of consumer protection created by the Liberals in the sixties was now just a branch in a department devoted to business interests.

The Liberals, led by Jean Chretien, formed the government following the national elections of October 1993. They came to power having made promises to abolish the GST (later denied), to create more jobs, and to improve youth programs and day care. In power, the Liberals also put great emphasis on the importance of developments in information technology and the economic potential of biotechnologies. Most importantly, the elimination of the deficit, a Liberal campaign promise, became a governing mantra early in the mandate.

The Liberals first set out to continue the previous government's plans to eliminate 40 000 jobs in the federal government. Thereafter, deficit reduction strategies dictated funding cuts to the provinces and to social programs, triggering hardship for PIAC's traditional constituencies.

The government's deficit reduction priority meant that there was little enthusiasm for increasing government and regulatory scrutiny in the marketplace. The previous government's policies, associated with deregulation and increased reliance on market forces, were largely left in place. A renewed government interest in addressing the issues long championed by PIAC would have to wait for fairer financial times.



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## PIAC: Carrying On the Tradition

In this period, PIAC's objectives remained unchanged; however, the Centre experienced significant internal and external challenges to its capacity to deliver on its ambitious objectives.

PIAC continued to be concerned that major regulatory decisions needed to be taken by tribunals that were fully aware of all relevant facts and were sensitive to public interest considerations. Both federal and provincial governments also needed to consider the well-informed views of the public interest in addressing legislative concerns.

As in the previous decade, PIAC accepted cases that would positively affect large segments of the population or that raised broad issues of social or economic importance. The Centre continued to provide advocacy advice, assistance and training to citizen's groups that represented the interests of normally under-represented publics. This included support for legal, administrative and legislative processes.

However, some significant changes impacted the work. In 1989, Andrew Roman, who had been the driving force behind PIAC's inception, left to pursue his legal career in private practice. While Mr. Roman remained on the Board of Directors for several years following his departure, the Board struggled to carry on his energetic agenda.

Mr. Roman had been successful in capturing the government's interest in furthering public participation in the formation of important policies. His reputation and personal network had sustained the Centre throughout the seventies and eighties. PIAC would face governments in the nineties with different priorities and bereft of Mr. Roman's acumen.

John Berris, and subsequently, Ian Lawson,

handled the immediate work demands following Andrew Roman's departure from the position of Executive Director. However, there was a sea of change in the government's support of NGOs that saw core funding phased out. Consumer and Corporate Affairs Canada was less able to provide the kind of organisational support that allowed PIAC to embark upon its broad agenda.

The major function of the Centre remained the same: to represent the disadvantaged public before tribunals and courts. However, environmental and human rights work was proving to be resource intensive for a depleted PIAC. Environmental organisations were moving rapidly to increase their level of knowledge and sophistication and demanded the same of their counsel. Many of the work areas consistent with PIAC's

*I joined the PIAC Board in 1989, one of the refugees from R.I.P.. It was the early post-Roman era and another stage in the development of public interest advocacy was developing. Deregulation was the trend and also the challenge. PIAC's advocacy role had to expand from the more narrow regulatory tribunal representation to the larger public policy sphere. Looking back and from the perspective of being on the "other side" now, I believe PIAC has succeeded in meeting the challenge. PIAC gives credibility to the voice of normal people, consumers, the poor, seniors and others both in regulatory tribunals and at the policy level. This could only have been accomplished with the hardworking, dedicated staff (Michael, Pippa, Andy, Donna and many others) and a similar Board of Directors.*

**Barbara Cram  
CRTC Commissioner**

objectives would not be funded. It was difficult to complete work on funded projects and maintain high quality interventions.

In March 1992, Michael Janigan assumed the position of Executive Director and General Counsel. Several important changes had to be made quickly if PIAC was to continue. First of all, it was necessary to revamp the constitution and



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membership of PIAC to respond to the increasing need for NGOs to be accountable. Membership was expanded to key groups and organisations active in PIAC's issue areas. Their inclusion provided PIAC with regular contact with organisations that had a direct knowledge of Canadians' problems at the front line. PIAC began to advance issues on its own, representing its traditional constituencies on issues where PIAC already had experience. PIAC's Board was revitalised and new members provided essential advice on, and support for, PIAC's refurbished mandate.

## Areas of Intervention and Issues

Up until 1992, PIAC tried to fulfil its objectives by staying involved with the same wide range of subject areas that existed at the organisation's inception. The result was becoming financially ruinous. Under Michael Janigan's supervision, PIAC tried to align its work with its resources. PIAC continued its historic commitment to telecommunications interventions and other regulated industry work and some attempts were made to advance client concerns in social policy. PIAC created a full time research presence to deliver the policy reports and advice that governments now required in an era of reduced funding.

PIAC also tried to organise coalitions with like-minded public interest groups to attempt to maximise the possible clout of PIAC's work. In fact, coalition building in all areas of PIAC's involvement became an integral part of the Centre's service delivery strategy during these years. With the demise of the Regulated Industries Program of the Consumers' Association of Canada, PIAC's

organisational presence became increasingly important to government, regulators and ordinary consumers.

The relentless push to continue with deregulation and restructuring of utility markets raised the stakes for PIAC in ensuring that consumer concerns were addressed in the process. Changes in both telecommunications and broadcasting legislation created new frameworks for PIAC's representation as the Centre scrambled to adapt to the competition mantra.

During this period, new issues arose that were intimately connected with PIAC's continuing priorities and that required an organizational response from PIAC. The global interest in the development of the Information Highway necessitated new research and expertise to help define the public needs and role. Societal, media, and international interest in the protection of personal information drove government efforts to fund PIAC's work in privacy, including the publication of the important legal text "*Privacy and Free Enterprise*" in 1993.

## Telecommunications Telephone

Change in the world of telephony as Canada and other industrialised countries had known it for almost half a century, had never occurred so intensely and to such an extent as to that which transpired during this period.

In the United States, the consequences of the AT&T break-up, which resulted in seven regional "Baby Bells", started to be felt by the population. The poorest segment of the population suffered most. Local basic phone rates increased between 1983



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and 1989 by more than 51% while long distance prices decreased by only 19%. The Federal Communications Commission (FCC) and other state regulators had to create programs such as Link Up America and Lifeline to help people get connected and to keep their phone.

Competition was also introduced in other countries. In the United Kingdom, Mercury was allowed to compete with British Telecom in 1984. The Japanese market was opened in 1985, followed by Australia and New Zealand in 1991. In Canada, the CRTC started allowing competition in 1982 but for terminal equipment only. The above international changes put pressure on the Canadian government and the CRTC to open the market to competition in all the telecommunications market segments and for all services.

*PIAC was invaluable to NAPO in providing the professional expertise to deal with the extraordinarily complex telecom world. Without their support and guidance, it would have been virtually impossible to bring forward the views of low income Canadians on issues of access or affordability. They respected the views and concerns of the poor, understood their issues and fought hard to ensure equitable and fair treatment*

*Lynne Toupin  
Former NAPO  
Director 1992 to  
1998.*

tion, and through the review of the regulatory framework, PIAC's efforts were directed to ensuring that residential consumers did not have

PIAC took part in all major hearings held by the CRTC over the course of this period. In doing so, it represented a host of public interest organisations, such as: the National Anti-Poverty Organisation (NAPO), federal and provincial branches of the Consumers' Association of Canada, Rural Dignity of Canada and a large number of smaller provincial organisations representing welfare recipients, the disabled, and the elderly.

From the 1987 rate rebalancing application by Bell Canada to the Unitel application for long distance competi-

to pay more than their fair share for basic telephone service. It was essential that the new framework of regulation and competition be built on principles of equity and fairness for all Canadians. By working with large coalitions, most notably People for Affordable Telephone Service (PATS), PIAC succeeded in containing excessive local phone increases required by the telephone companies across the country.

Telecommunications services, linked with the development of computer technologies, was regarded as the key economic enabler of the nation in all segments of the economy. The key telecommunications stakeholders have frequently demanded a deregulated market to deliver on economic expectations. Unfortunately, sole reliance on market forces can not achieve the goals of universal, affordable, accessible telecommunications services.

For all Canadians, and particularly for the vulnerable clientele that PIAC traditionally represents, the telephone is a key social and economic tool. It enables full participation in society and has no realistic substitutes. Keeping access to the telephone network affordable has been PIAC's top priority. PIAC's mission has been to ensure that the economic benefits of the developments in information technologies and communications services are shared by all Canadians, whatever their revenue level and wherever their home.

## Broadcasting

As part of the regular work of the Centre, PIAC kept an eye on cable offerings and on the price of basic cable service. PIAC represented the concerns of cable consumers when changes were made to the legislative and regulatory structure of the industry. As competition was being introduced into telecommunications services, the cable industry promoted itself as an alternative to market domination by the incumbent telephone companies. PIAC worked to prevent competition con-



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cerns from extracting financial concessions from beleaguered cable consumers.

PIAC's participation in the broadcasting field was severely curtailed by the lack of cost award funding by the CRTC. The Broadcasting Act did not contemplate the need for consumer-based representations. The successful penetration of cable services had made cable an important household feature and PIAC tried to keep up with public expectations for better service.

*As Chairman of the CRTC and as one who has witnessed the work of PIAC firsthand for the past 11 years, I congratulate the Public Interest Advocacy Centre on 25 years of excellent public service. Public input is vital to the CRTC's processes and we certainly value the input and comments from the general public. However probably the main source of research and detailed analysis on behalf of various public interest groups has been that of PIAC. Without the hard work and dedication of the staff at PIAC particular consumer interests would simply not be represented before the Commission. Their efforts have been extremely helpful to our decision making process. In the work before the Commission I wish to note the high calibre of work of Pippa Lawson, Michael Jannigan and Andy Reddick. I commend the work of PIAC for the past 25 years and extend best wishes for continued success in the future.*

*David Colville  
Chairman and v.p. telecommunications, CRTC*

## The Information Highway

In the years after the Liberals took power, the full force of the development of information technologies translated into a major policy initiative for the federal and provincial governments. The Information Highway became a global buzzword and its proponents promised new potential for economic and social development.

Around the same time, communications companies, made up mostly telephone compa-

nies, undertook major investments to accelerate the modernisation and development of their infrastructures and of the commercial content that would be offered and would create new market opportunities.

PIAC got actively involved in Information Highway initiatives and assisted in the development of Public Space Community Networks, with help from the Alliance for a Connected Canada. PIAC was also involved in the Access and Social sub-committee of the federal government's Information Highway Advisory Council (IHAC). PIAC's work had a number of important goals:

- To ensure that an electronic public space was preserved for the expression of Canadians and their communities and community services,
- To ensure that all Canadians would have access to high quality communications networks, and
- To ensure the protection of the privacy of individuals and of their personal data.

## Energy Utilities

On behalf of the Ontario Coalition against Poverty and the Consumers Fight Back Association, PIAC was involved in the regulation of energy at the Ontario Energy Board (OEB) throughout much of this period. The goal of the interventions was similar to that of telecommunications: the provision and maintenance of affordable and universal delivery of important and essential public services. PIAC's interventions in telecommunications provided the Centre with the experience and tools to help advance the representation of vulnerable consumers regarding policies and energy rates.



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As with telecommunications, this period saw the commencement of profound changes in the energy industry. The agreement to deregulate the commodity price of cluded in late 1985. Increased reliance on market forces would continue to influence restructuring of the energy industry during and after this period. It was important to PIAC that restructuring was not done only for the benefit of industry stakeholders and large users; smaller users of gas and electricity in Ontario deserved to be treated fairly too.

As PIAC learned from the treatment of other public utilities, competition can be a mixed blessing for consumers. The introduction of competition is a real incentive for defunct monopolies to make their operations more efficient. However, while market forces may drive the prices down for high volume users that benefit from discounts, consumers who don't have any purchasing leverage may be left paying high rates. PIAC intervened on behalf of its clients to make sure that ratepayers did not subsidise the utility shareholders' efforts to diversify operations and profit sources.

In the technical aspects of public utilities regulation, PIAC has played an important role both in telecommunications and energy. PIAC fought to keep wasteful expenditures out of each utility's revenue requirement and insisted on the utility's

service quality standards that reflect a customer-oriented attitude.

*The proper adjudication of regulatory hearings through fair and equitable decisions requires a credible voice to provide policy options and assist in thoroughly scoping issues and defining their implications. As a regulator, I was pleased and comforted that PIAC was so well represented over the years.*

*John Todd's regulatory presence as an expert witness has been widely regarded, and in my opinion has led to a better understanding of the issues among parties.*

**Marie Rounding**  
President & CEO,  
Canadian Gas  
Association  
Former OEB Chair

## Privacy

Throughout this period, Canadians expressed increasing concern about the invasion of their privacy and the use of their personal data without their consent and knowledge. Their con-

*I have had the pleasure of working with PIAC for a great number of years, both in my capacity as Director of Privacy Policy at Industry Canada, and recently while in the private sector. They do an absolutely outstanding job of representing the Canadian public, both as consumers and citizens in civil society. I think of them first when I want a fast opinion, a detailed research report, or a serious and thorough representative of a consumer group in an ongoing activity or multi-stakeholder group. Over the many years that I have been involved in privacy, cryptography, and electronic commerce and service delivery, I have worked with several members of PIAC. They have represented Canada brilliantly abroad, at the OECD, at important international conferences and meetings, and with other NGOS. They have been key players in pulling together effective global campaigns of NGOS on civil liberties issues. Throughout all of this activity, we always know that we can count on their serious research, their strong but moderate voices when demanding justice and consideration for the individual, and their thoroughly informed legal views. Many NGOs, in my opinion, waste time tilting at windmills, but PIAC can be counted on to intervene in a timely manner on the truly pressing issues that face us today, in a way that does credit to all Canadians. I am proud to support them.*

**Stephanie Perrin**  
chief privacy officer, ZeroKnowledge



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cerns were fed by the accelerated development of computer databases and data manipulation programs. The targeting of groups of consumers and the invasion of telemarketing in day to day life left consumers wondering who knew what about their lives.

PIAC recognised the growing importance of the privacy issue and actively researched both the problem and the appropriate policy responses. Working with a private survey firm, commissioned by federal agencies, and together with other consumer groups, PIAC actively worked on defining the concerns of Canadians and on grabbing the attention of decision-makers. PIAC also continued monitoring developments in the telecommunications field that impinged on personal privacy. The CRTC made use of PIAC's interventions when new telephony features, such as Call Display and Call Return, were introduced and triggered privacy implications.

When the Canadian Standards Association created a committee to develop a model privacy code, PIAC was one of the few key consumer representatives included in this multi-stakeholder group. A number of important industries, such as banking, insurance and direct marketing used the CSA's code to write their own privacy protection codes.

## Transportation

Transport 2000, a national citizen's group promoting public transportation in Canada, engaged PIAC's services on numerous occasions in these years. The purpose was to persuade the regulatory authorities, the National Transportation Agency and the Department of Transport, to make continued investments in public transportation.

Opposing the abandonment of passenger rail lines and passenger services was a primary focus of PIAC's work.

*The Public Interest Advocacy Centre has intervened with Transport 2000 Canada, a consumer organization concerned with public transport, in cases involving loss of transport facilities. PIAC has since provided advice and expertise on an ongoing basis. Such cooperation has been especially useful in the dramatic dossier of Airline industry mergers. As the lead member of the Canadian Association of Airline Passengers, PIAC's expertise has successfully brought media, industry and government to pay attention to the needs of consumers in a field where corporate interests would otherwise been their only focus.*

*Harry Gow  
President, Transport 2000 Canada*

## Social Assistance, Human Rights, Procedural Fairness

PIAC provided legal opinions and assistance to groups attempting to maintain a social safety net and advance the interests of those citizens whose well being depended upon adequate income from public authorities. Such work included providing an opinion on the merits of a Charter challenge to certain sections of the Income Tax Act.

PIAC also undertook individual cases from time to time. One case involved the denial of a citizen's right to vote in the national referendum about the Charlottetown Accord because the citizen changed residence from one province to



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another. The case went all the way to the Supreme Court where PIAC's appeal was denied by a decision of 6 -3. PIAC had, however, provided this citizen with an aggressive defence of voting rights.

PIAC also assisted individuals in Prince Edward Island, Saskatchewan, and Ontario with legal issues, such as: the right to demonstrate, discrimination based on sexual orientation, welfare benefits, and privacy protection.

## Other Activities

PIAC has always been focused on work in regulated industries. Nonetheless, the Centre has also presented briefs and research on numerous other public issues, including: Canadian Deposit Insurance, banking, competition, the proposed Regulatory Efficiency Act, funding of citizen's groups, consumer protection statutes, convergence, airline deregulation, insurance retailing by financial institutions, housing, home equity conversion and the environment. PIAC published the Consumer Advocacy Manual in 1991 and a second edition was published in 1995.

During this period, PIAC's staff was frequently invited to present consumer views to government and business, as well as to other public interest groups across the country and abroad. PIAC's expertise in a number of policy areas and its representation of the vulnerable consumer became recognised. As a result, local and national media frequently sought comment from PIAC.

With the globalisation of the marketplace, PIAC developed contacts with many individuals and organisations that work in the consumer protection field in other countries. This included

co-operation in the area of telecommunications regulation and privacy protection. This contributed to PIAC's knowledge in these areas and occasionally directly assisted the Centre's regulatory interventions.

PIAC also had opportunities to share its experiences with other public interest groups outside of Canada. PIAC received visitors from other countries seeking assistance on consumer issues, and was invited to other countries to share common concerns.

## Hits and Misses

Throughout this decade, PIAC further improved its reputation as the voice of the unrepresented. With ongoing organisational changes, PIAC continued to effectively represent its clients before the regulators, the courts and the policy makers. PIAC's expertise and the quality of its research, which was extensive and often cutting edge, greatly assisted PIAC in fulfilling its mandate and objectives.

PIAC's frequent and repeated interventions produced a significant and positive record. The well-supported evidence that the Centre developed was not only welcomed but also encouraged by regulators and policy makers. PIAC consistently advocated that only extremely well justified rate increases should be passed on to the most vulnerable Canadians in the public utilities market. A review of the regulatory decisions provides evidence that, in many cases and for many years, PIAC mostly succeeded.

This can also be said about much of PIAC's work on the policy side. Many legislative or policy initiatives would have been different without PIAC



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or its representations. The Telecommunications Act, the Broadcasting Act, the CSA Model Code on Privacy, the Telecommunications Regulatory Framework and the Cable Regulatory Framework are examples, among others, of where PIAC made a significant difference by voicing the concerns of ordinary Canadians.

PIAC's influence on the policy agendas of governments was more limited throughout this period. Budgetary constraints and pessimism about what government could accomplish severely restricted PIAC's ability to make a difference.

However, while the trend towards rapid deregulation could not be stopped, PIAC fought hard for orderly implementation of change; too fast a pace would have produced a more negative impact on vulnerable and ordinary consumers.

And, the rate shock that occurred with the break-up of AT&T in the U.S. did not take place in Canada.

PIAC's involvement in important emerging issues, like privacy protection and the Information Highway, was perceived by all stakeholders to be constructive. The Centre's ability to create, or to participate in the creation of, large and diverse coalitions brought even more strength to PIAC's interventions.

Through extremely precarious financial times, PIAC was able to maintain the quality of its work, both in research and in the regulatory arena, to increase the number of interventions, and to represent an even broader spectrum of the vulnerable population.



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# Part III: 1996 - 2001

## Political and Economic Context

The Liberal government of Jean Chrétien was re-elected with majority governments in 1997 and 2000. Critics noted that the Liberal government had changed its program emphasis from the "Red Book" policies with which it had been elected in 1993.

The deficit reduction priority subsumed all government planning. The fiscal policies of the first Chrétien mandate had severe impacts on the most vulnerable Canadians that continue to be felt today. During this time, there was renewed interest in the restructuring of the Canadian marketplace to remove the necessity of government intervention and subsequent government expense. The deficit reduction strategies engaged a debate as to the cause of the deficit and debt. PIAC's clients firmly rejected the identification of social programs as the culprit:

"Numerous economists, spanning a range of philosophical viewpoints, have concluded that the federal deficit was not caused by "excessive" social spending. Rather, high interest rates and the low employment and economic growth they helped bring about were by far the most significant causes of Canada's deficit."<sup>1</sup>

The concluding year of the first Chrétien mandate saw a significant improvement in public finances and a resultant clamour for reinvestment in social programs. But in the meantime, the replacement of the Canada Assistance Plan by the Canadian Health and Social Transfer had had a severe impact on the most vulnerable Canadians, those who depended on social programs for their livelihood. The federal government aggregated all funds for health care, social assistance, social pro-

grams, and post-secondary education into one transfer and severely cut the total amount of the transfer. These initiatives, together with ending the half-and-half sharing of the costs of social assistance and major social programs between the federal and the provincial governments, caused a number of provinces to choose to pass the cuts on to the poor.

Another blow came with the changes to the Unemployment Act in 1997. The federal government diminished the number of potential beneficiaries by introducing the concept of hours worked instead of weeks worked, by raising the threshold for the initial request for benefits, and, at the same time, by lowering the level of the benefits. In the process, the government increased the number of Canadians who would have to rely on provincial social assistance programs already under pressure from federal social program costs.

The high unemployment levels of the Tory years were reduced as the economy brightened, but in some parts of the country, they were still over 10%. According to the current government, the federal deficit is history but the poverty level, even by Statistics Canada standards, has not noticeably decreased since the Liberals took power.

What was surprising, given the strident nature of the Liberal opposition in the Mulroney years, was the degree to which the Chrétien government adopted the agenda of the previous government as its own. This meant that Canadian governments, for almost 20 years, had flirted with and frequently embraced a neo-liberal agenda that elevates the value of market freedom and devalues a balanced, people-centred approach. The concept of the citizen as the focus for good

<sup>1</sup> 2000 Alternative Report on Canada, Canadian Feminist Alliance for International Action, 2000, p.15, [www.fafia.org](http://www.fafia.org)



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government has consequently been eroded and has been replaced by the concept of the citizen as a mere consumer. Critics frequently have questioned why government economic policies appear to favour industry stakeholders over more holistic economic concerns such as jobs and social development.

## Keeping the Faith

PIAC had readjusted its priorities in 1992 to better co-ordinate its work with its resources. In 1997, the Board took another look at existing and planned case priorities in light of the changing Canadian social environment.

In the social and human rights policy fields, there were now experienced organisations that specialised in Charter challenges that were likely better prepared to be engaged in human rights work than PIAC. Public interests in environmental protection were similarly well served by specialised organisations. PIAC therefore chose to leave the work in these areas to the specialised organisations.

Financial resources for NGOs had not markedly increased despite the government's improving fiscal position. While PIAC had survived some lean times, its resources were already spread too thin to accommodate other issues that necessitated extensive preparation and ground-work.

The Board studied the options for PIAC's future direction in light of the Centre's recent experience and historical mandate. As a result, the developed the following governing principles to assist in case selection:

- an identifiable segment of vulnerable consumers or citizens should be affected by the case;
- there is a need for PIAC's special legal or

regulatory advocacy skills;

- PIAC's work on the case should be meaningful to other public interest groups or coalitions;
- there should not be other providers available to provide similar services; and
- the potential funding for the work shall be considered.

The skill set required of PIAC's staff had changed markedly during the nineties. While the lawyers continued to employ traditional advocacy skills in tribunal proceedings, more work was being done for vulnerable consumers in the research, analysis and communication of important policy findings. PIAC counsel were no longer involved in court proceedings and the research staff had been expanded to fulfil PIAC's work requirements.

PIAC's historical involvement in regulated industries continued but the introduction of competition meant that the nature of regulatory superintendence was changing. Fewer oral hearings meant that PIAC would have to be more active in the policy debates outside the hearing room. Monitoring competitive market conditions became a key component of PIAC's work. PIAC took on a new role, analysing utility markets, advocating

***Without PIAC, disadvantaged consumers would have no voice in regulatory matters. With PIAC, those same consumers get knowledgeable, experienced advocacy of their interests, before federal and provincial tribunals, within governments, in Parliament.***

***What I've liked most about PIAC's work has been its ability to establish itself in successive fields as an expert advocate, by attracting able staff and giving them the independence and opportunity to develop their expertise. PIAC has always been prepared to work steadily and persistently, in the long march of institutional change on behalf of consumers and the public interest.***

***Rollie Thompson  
Board Member***



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measures to improve competition, and educating consumers to help them make informed choices in newly competitive markets.

The Centre continued to handle numerous requests from government, industry and ordinary Canadians for its published reports. In an effort to expand PIAC's reach and the accessibility of the Centre's information, PIAC also developed a Web page that put information resources at the fingertips of connected consumers.

Demand for PIAC's services in no way diminished during this period, despite the Centre's role changes. At present, PIAC continues to focus its work on the regulated industries of telecommunications, energy, and broadcasting. Emphasis is also placed on work in the fields of privacy, Information Highway development and electronic commerce. A second echelon of priorities concerns banking, financial services, competition and trade policy issues. PIAC's Board acknowledged that the areas of transportation, health protection, social policy and human rights were unlikely to garner extensive PIAC support.

## Work Highlights

### Telecommunications Telephone

PIAC's clientele has not been a winner in the restructured telecommunications market. Local rates have been increased to address the alleged subsidy of local service and most Canadians are still experiencing higher overall monthly telephone bills. In contrast, high volume users of telecom services have enjoyed substantial reductions as a result of competition. Customers have also seen

basic services, such as repairs to inside wiring and directory assistance, separately costed and telephone companies are charging new fees for these services.

Residential local service competition is not close to becoming a reality. The cable companies have de facto abandoned the idea of offering telephone service while new entrants have largely confined their efforts to commercial service. Local competition is now mooted as the prices are not attractive options for low-income consumers.

Since 1995, PIAC has represented numerous groups in CRTC proceedings, including: the Alberta Council on Aging, Action Réseau Consommateur, the Consumers' Association of Canada, the National Anti-Poverty Organization, One Voice: Canadian Seniors Network, and Rural Dignity of Canada. Philippa Lawson, PIAC's legal counsel has been instrumental in coordinating PIAC's representation during this period.

PIAC fought to separate myth from reality in the new world of competition. While accepting the usefulness of some competitive tools, PIAC continued to insist that competition deliver benefits to all consumers.

*25 years is quite young for such an important and valuable voice talking about, with and for Canadians. During my years at the CRTC I got to know PIAC through insights they brought to the public process. They enriched the reflexion and allowed decisions to be enhanced by the dimension of constant concern about Canadian consumers. Advocates, they certainly are but they have a wonderful talent of helping the decision making process in presenting wherever they can balanced points of view. For all the decisions you have helped to improve in Canada, thank you.*

*Françoise Bertrand  
Former CRTC Chair  
Director, Strategic Orientations and Decisions, SECOR*



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PIAC's operating principle for telephony regulation could be stated as follows: the telephone is, and will remain, an essential service and the Internet is quickly becoming a basic telecommunications service in Canada's information economy and society. While PIAC's role has evolved, it still voices the concerns of telecommunications users for whom market forces have dealt a less influential hand.

## Broadcasting

Notwithstanding the lack of cost award funding, PIAC has undertaken frequent interventions in broadcasting regulation during this period. This has included responding to calls for comment from the government and the CRTC on issues of:

convergence, television policy, cable regulations, competition, the community channel, the licensing of new competitive services and the setting of rules for telephone companies to enter the broadcasting distribution market. In these proceedings and policy initiatives PIAC has represented and promoted the interests of ordinary residential consumers.

In issues of cable regulation, PIAC advocated for fair pricing, quality of service, and fair rules for competition similar to those imposed on the telecommunications industry. PIAC similarly urged cable

companies to further contributions of Canadian content and develop new public good multimedia services. PIAC also asked the CRTC to affirm the

basic and essential nature of over-the-air television signals in Canada that are still used by at least by 20% of Canadians. Moreover, PIAC argued for the development of local, regional and national not-for-profit content so that Canadians could satisfy their social, cultural and civic information demands as citizens, as well as their consumer needs.

Over the years PIAC has been a consistent advocate for the granting of cost awards by regulatory tribunals, including the CRTC, for broadcasting regulation. PIAC recently attempted to have the Broadcasting Act amended to permit intervenor funding for public interest groups appearing before the CRTC. Such a change would improve the expression of consumers' concerns through well developed and high quality research. Broadcasting Act interventions are becoming more and more complex with the increasing convergence of services and matters relating to competition and pricing.

## Information Highway

During this period, there has been an accelerated growth in the access and use of the Internet and other Information Highway services by Canadians both at work and at home. The Liberal government wants Canada to become "the most connected country in the world" and this may soon become a reality. However, there are many Canadians who lack the means, need or interest to use these technologies and services.

Under the stewardship of PIAC's Director of Research, Andy Reddick, the organisation has been actively involved in this area. PIAC wants to ensure that Canadians have choice in how they get information and services and that comparable quality and equity exists in the different means of access used by Canadians. A study PIAC undertook in 1999 clearly demonstrated that there is a digital divide in Canadian society; only 30% of low-income people, compared with 80% of upper

*PIAC has set the standard for effective, relevant and professional public interest advocacy. They bring a much-needed consumer voice to CRTC proceedings. PIAC's creative and thoughtful proposals have done much to advance the Canadian debate on public policy issues concerning the communications industry.*

*Ken Engelhart  
Vice-President  
Regulatory, Rogers  
Communications*



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income households, have home access. This demonstrates that there is lots of work yet to do to ensure that all Canadians participate in the information society and in the economy it generates.

PIAC has actively researched many aspects of the topic and has been involved in two major surveys supported by a number of government and private sector sponsors. The first survey, *Information Highway and the Canadian Communication Household*, was completed in 1997-1998. The second survey, *The Information Highway and the Canadian Communication Household II: Privacy, Access and the Shifting Marketplace*, was completed in 1998-1999. Both surveys analysed the attitudes, behaviour, expectations and practices of Canadians for different types of communications activities and services. The government has used these surveys to develop its policies and programs related to access and content for both traditional and new communications and information services. PIAC expects to continue to participate in these types of research initiatives in the future.

Another aspect of PIAC's involvement concerns access to the Internet and Internet-driven technologies. PIAC's counsel, Philippa Lawson, participated in the National Broadband Task Force that advised the Minister of Industry on how best to achieve the goal of delivering broadband services to all Canadians by 2004. Andrew Reddick is currently PIAC's representative on the government's Government Online Advisory Panel.

## Electronic Commerce

As the Canadian government agenda on the advancement of the information economy grew in importance, so did its emphasis on electronic commerce as an enabler of technological and economic development for Canada.

PIAC has become a recognized leader in consumer protection and advocacy on electronic

commerce both nationally and internationally. This resulted from PIAC's efforts to identify emerging issues of importance for consumers. PIAC's research and advocacy on the general Information Highway issues, privacy and telecommunications have permitted the Centre to develop the knowledge and expertise sought by governments and businesses in this new age.

PIAC has made countless presentations on consumer issues to governments, business groups, trade organizations and industry conferences. PIAC staff, and Philippa Lawson, in particular, has worked with a number of international consumer organisations, including Consumers International, in developing knowledge and common positions. These positions are extremely useful in forums such as the OECD or the World Trade Organization to advocate for effective consumer protection in this new form of commerce. The Centre provided detailed input to the OECD's Consumer Policy Committee when it developed the OECD Guidelines for Consumer Protection in Electronic Commerce.

On the national scene, PIAC has been a proactive member of an Industry Canada multi-stakeholder working group that drafted the Canadian Principles of Consumer Protection in Electronic Commerce. PIAC was also part of the Canadian delegation to the OECD on e-commerce issues.

More recently, PIAC participated in a multi-stakeholder working group coordinated by the Office of Consumer Affairs of Industry Canada to develop a Canadian code of practice for consumer protection in electronic commerce. PIAC was part of the Canadian delegation at the Hague Conference on International Law on a draft Convention on Jurisdiction in Civil Law matters to argue that consumers have the right to recourse in the courts of their country in regard with cross-border disputes. The Centre also participated in research conducted by Consumers International and is working closely with our colleagues through the Trans-Atlantic Consumer Dialogue and other channels.



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## Energy Utilities

PIAC provided continued representation of consumer interests at the Ontario Energy Board through the Vulnerable Consumers Coalition, a group of tenants, seniors and poverty focused organisations. This period saw significant restructuring of the energy industry in Ontario; Ontario Hydro was dismembered and moves were made to introduce competition to the sale of electricity.

While PIAC undertook a full docket of regulatory interventions, the Centre also embarked on research and advocacy that promoted vulnerable consumers' interests in the evolution of deregulation and competition in the energy utility markets across North America. PIAC produced reports on numerous topics such as utility shopping, utility standard supply services and the deregulation of natural gas in Canada.

Again, building on experience with telecommunications, PIAC was active in attempting to ensure that both the process of unbundling services and the introduction of competition in natural gas and electricity fields did not simply mean the subsidisation by ratepayers of the competitive response of the incumbent utility.

Together with other public interest intervenors, PIAC encouraged the government to set up a licensing regime for energy suppliers in Ontario. PIAC has tried, with limited success, to obtain adequate enforcement of appropriate and consumer friendly conduct by all players in the energy market.

In newly structured electricity markets, PIAC argued that residential ratepayers should be insulated from the additional cost consequences of restructuring. PIAC was also concerned with the potential escalation of residential rates and a reduction of demand-side management programs associated with the introduction of competition.

## Privacy

From 1995 to 1999, PIAC actively participated in the federal government's efforts to implement federal legislation for the protection of personal information in the private sector. The Personal Information Protection and Electronic Documents Act was finally enacted, partly as the government's response to pressures from European nations requiring that adequate data protection measures exist in countries to which data about their citizens could be transferred. This Act also partly addresses the longstanding concerns expressed by Canadians over the handling of their personal information by private sector organisations. This is a crucial issue for the development of electronic commerce, which the government views as a key economic enabler.

In this latest period of its history, PIAC alone or with Action Réseau Consommateur published important research and surveys on privacy protection. These publications have helped to identify not only concerns but also good business practices and data management policies that deliver both good protection to consumers and efficiency to business in data

*"The Office of Consumer Affairs in Industry Canada has come to expect consistently high quality policy research and leadership roles from PIAC on consumer issues of importance to Canadians. The superior level of PIAC work on behalf of consumers has most recently been apparent in the areas of personal information protection and consumer protection in electronic commerce, where PIAC continues to win the respect of government, NGO and private sector colleagues. Congratulations to PIAC on their first 25 years: we look forward to working with you in the years to come."*

**Kernaghan Webb**  
Chief of Research  
and Senior Legal  
Policy Advisor,  
Office of Consumer  
Affairs,  
Industry Canada



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management. A study on consumer reporting and privacy was released, demonstrating that a consumer's credit reports circulate widely among insurance companies, landlords, and employers, as well as creditors. Serious questions were also raised about current practices in obtaining consumer consent to share information and the enforcement of provincial consumer reporting legislation.

PIAC monitored technological developments that could impinge on personal privacy, particularly in the telecommunications field. The Centre developed a national and international network of contacts with privacy advocates that helps PIAC to stay on top of the privacy issue and further improve PIAC's intervention work.

## Banking and Financial Services

PIAC's participation in banking issues grew out of the Centre's interest in the delivery of important public services to vulnerable consumers. In the nineties, ordinary bank depositors began to decry their treatment as customers. They were being subject to escalating customer charges, branch closures and high interest rates on credit. As well, the inability of some low income Canadians to obtain access to basic banking services caused significant social marginalization. PIAC participated in the consultations associated with the federally commissioned MacKay Report on banking and set to work to advance the recommendations associated with access to banking services.

PIAC produced reports and analyses that helped support policy recommendations for:

- access to basic banking services for all adults;
- access to banking services in depressed urban areas as well as rural and remote locations;
- fair selling practices and service fee levels;
- enforceable protection of consumers' personal information; and
- the creation of an oversight agency to promote consumer interests in the financial services sector.

PIAC's efforts, combined with those of other consumer organizations, have produced positive results. For example, the Minister of Finance has introduced legislation to create the Financial Consumer Agency of Canada that will ensure access to basic services and monitor and ensure fair business practices in this sector.

## Transportation

PIAC continued to support the activities of Transport 2000 on a limited scale, providing legal, technical, and logistical assistance in promoting affordable and environmentally sensible public transportation. Similar assistance has been provided to Canadians for Reliable and Safe Highways (CRASH), a group concerned with truck safety issues on Canada's highways.

In 1999, the proposed merger of Canada's two major domestic airlines triggered a requirement for public interest input on the issues associated with re-regulation and competition. PIAC was instrumental in the formation of the Canadian Association of Airline Passengers (CAAP), a coalition of consumer and public interest group. CAAP's objectives included protecting passengers



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from the abuse associated with monopoly or dominant firm pricing and airline neglect of quality of service. Together with others, such as the Air Passenger Safety group, The Council of Canadians, Option Consommateurs and Transport 2000, PIAC helped draft the Canadian Airline Passenger Bill of Rights that argued for guaranteed standards for safety, quality of service and pricing. House and Senate Committees studying the airline restructuring issue reviewed the Airline Passenger Bill of Rights with considerable interest.

While the government was resistant to the major changes, PIAC's interventions assisted with the establishment of the Air Transport Commissioner of Complaints and helped to secure increased powers for the Competition Commissioner to resist anti-competitive conduct by the dominant airline.

In 2001, PIAC produced its study, *High Hopes and Low Standards*, a critical analysis of how the current system of airline regulation is failing passengers. PIAC's work addressed the considerable need to redesign airline transportation to fit the needs of Canadian travellers, not just investors and bureaucrats.

## Other Activities

In responding to the efforts to restructure utilities, PIAC has been intensively involved in the application of competition law and policy. In particular, the Centre had to be vigilant to prevent emerging market dominance in deregulated essential markets. This exercise made PIAC particularly aware of the perceived deficiencies in the competition law system in Canada. PIAC supported law reform efforts to initiate such measures as private party access to the Competition Tribunal as well as increased Commissioner powers to prevent market dominant behaviour.

International trade issues in communications, consumer protection and competition, are of particular importance for PIAC. In addition to the North American Free Trade Agreement (NAFTA), organisations like the Organization for Economic Cooperation and Development (OECD), the International Telecommunication Union (ITU) and the World Trade Organization (WTO) deeply influence Canada's communications policies and practices. PIAC has been involved in numerous government consultations designed to fashion the government's position in these key areas. In those venues and before parliamentary committees dealing with these issues, PIAC wanted to ensure that the terms and conditions Canada negotiates and accepts do not undermine Canada's ability to achieve economic, social and cultural policy objectives.

## PIAC to Date

In the twenty-five years of PIAC's existence, the Centre has been devoted to the principle that public policy is best determined when all elements of the public interest are represented by informed advocates at the time decisions are made. There is still a de facto belief in some government circles that the policy making process should involve



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government and industry only. Where it has had the time and resources to be continuously active, PIAC has mostly won its argument. However, as PIAC's key organisational motivation of representation is generally subversive of a world view in which money portends influence, it remains a constant struggle to establish a level playing field when important decisions are made.

While PIAC's courtroom presence has diminished during the course of the nineties, the organisation takes pride in developing research that has addressed current and emerging issues in important Canadian industries. It has survived and grown in this difficult period by adapting its operations to the public policy demands of the era as well as to the available financial resources. PIAC begins the new century as an important public asset in the service of ordinary and vulnerable Canadians.

*I have been associated with PIAC for over a decade. During many of those years it served as a spokesman for One Voice - Canadian Seniors Network before important bodies such as the CRTC. Like many small NGOs, One Voice always had too many demands on its small staff. (We marvelled at the way PIAC could somehow find the necessary funding to carry on year after year!) Hence, we were relieved that we could have confidence in PIAC to conduct the necessary research and analysis to identify key decision areas. We enjoyed an excellent relationship with PIAC because it never failed to consult with us in formulating position papers.*

*Throughout PIAC was understanding of the peculiarities and unique qualities of the voluntary sector - never imposing, always facilitating and endeavouring to serve in the best public interest.*

*I congratulate PIAC on all that it has accomplished to date and I look forward to watching it tackle other vital issues in the future. Although many - indeed most - Canadians probably have never heard of PIAC, we can be confident that through its efforts the quality of life of all citizens is being maintained or even enhanced as a result of PIAC's work.*

*Ivan Hale, C.M  
Former Director of One Voice*



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# PIAC's Future

While it may be difficult to read PIAC's future through the glass of a crystal ball, there is a strong likelihood that this organisation will be able to address the challenges that the future has in store. PIAC has an extremely good track record and proven ability to adjust to difficult circumstances in representing the under-represented sector of society.

The pace and extent of change arising in this global society are yet unknown and the impacts of change on the most vulnerable members of the Canadian society will have to be closely monitored. If the past is any indication of the future, PIAC will have a major role to play in the years to come.

With the Centre's continually growing expertise and success in representing consumers in the regulated industries, including the telecommunications, cable service and energy industries, PIAC's efforts in those areas will most certainly continue. Market forces alone cannot be relied on to deliver essential goods and services to everybody in need and at affordable prices.

PIAC will strive to maintain its international reputation in the ever expanding fields of privacy and electronic commerce. Moreover, with the speed of global change in e-commerce and data management, it is increasingly critical for PIAC to stay in the forefront of developments, voicing the public's concerns and helping to create practical and effective solutions to marketplace challenges.

With the creation of the new Financial Consumer Agency of Canada (FCAC), it will be important for PIAC to monitor the Agency's agenda. The FCAC must act with consumers' best interests at heart and be open to working with public interest groups like PIAC in the financial services area.

Given that PIAC's core services include producing outstanding research and engaging in public interest advocacy activities, it makes good sense for PIAC to focus more energy on communications and external relations. Making the results of the Centre's work more accessible to stakeholders should be PIAC's driving concern. This association strategy might involve: expanding the services offered on PIAC's website, reengineering the way that PIAC distributes its publications and submissions, re-examining the effectiveness of the Centre's member newsletter, *Hotwire*, and reconsidering how PIAC keeps a pulse on consumers' emerging and continuing concerns.

PIAC has been involved with coalitions in the past and continues to work with other special interest organisations. This is an area where PIAC could really increase its effectiveness. If PIAC truly speaks for the public's interest, it must keep in touch with groups that interact with the public on a day-to-day basis. This is one way for PIAC to test emerging consumer issues, to begin researching those issues, and to remain accountable to the public. This proactive approach is much more successful than a reactive approach; the government, media, and other stakeholders will come knocking on PIAC's door for input, rather than the other way around.

PIAC may soon be adding a related issue to its agenda. The effects of increasingly constrained resources are rippling through the non-profit community and there is a demonstrated need for organisations to consult with each other and ensure that research and lobbying efforts do not overlap. PIAC is well positioned to help address the need for greater leadership in the consumer movement and could lend its expertise to organise a strengthened and more effective voice for the movement in Canada.

PIAC's work will never be wholly welcomed by those who favour the status quo. PIAC is an organization that is dedicated to the service of Canadians who may not fall into the category of "economic winners". PIAC's services will continue to be available to even the odds and to provide the clout that the marketplace won't deliver.





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# Acknowledgments

PIAC would like to acknowledge and thank the many people who have helped the organization develop and grow. We may have forgotten some names: we apologize for those omissions and thank them for their work

## Past and Current Board members

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PIAC would also like to express its gratitude to those individuals, organizations, agencies and governments that have provided funding throughout our existence. We are particularly grateful to the Office of Consumer Affairs, Industry Canada for their continued support and encouragement.