

NO: R005

COUNCIL DATE: **JANUARY 13, 2014**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **January 8, 2014**

FROM: **Fire Chief**

FILE: **9-1-1 Services**

SUBJECT: **9-1-1 Services in British Columbia – Input to the UBCM regarding the Introduction of a Province-Wide Call Answer Levy**

RECOMMENDATION

The Fire Services Department recommends that Council:

1. Resolve to support in principle, subject to the other comments contained in this report, the implementation of a Call Answer Levy to fund 9-1-1 services in British Columbia, which would be applicable to all devices that can generate a 9-1-1 call; and
2. Instruct the City Clerk to forward a copy this report and Council's resolution related to this report to the UBCM as the City of Surrey's response to the UBCM request for input related to the possible introduction of a Province-wide Call Answer Levy related to 9-1-1 services.

INTENT

The purpose of this report is to provide information about the current 9-1-1 services in BC and to recommend a response to a request for input that has been received from the UBCM related to the possible introduction of a province-wide call answer levy for all communication devices as a means to fund 9-1-1 services across the Province. A copy of the UBCM request for input, dated October 30, 2013, is attached to this report as Appendix "A".

BACKGROUND

UBCM has undertaken a review of the merits of a uniform province-wide Call Answer Levy (CAL) on communication devices for funding 9-1-1 services for the following reasons:

1. UBCM received a communication from the Province that indicates the Province's willingness to work toward finding a solution to the issue of funding 9-1-1 services by means of a call answering levy on communication devices;
2. UBCM members have endorsed resolutions requesting that the Province introduce legislation that would allow the implementation of a Province-wide levy on wireless services to help pay for the delivery of 9-1-1 services across the Province (2012-LR1; 2001-B13, 2009-B10 and 2004-SR-1); and

3. The Supreme Court of BC quashed in July of 2012 (*Canadian Wireless Telecommunications Association v. Nanaimo City*) a City of Nanaimo Bylaw that required wireless service providers to pay a Call Answer Levy; a decision that highlighted the need for a solution to the problem so as to avoid future conflict in this area.

The existing 9-1-1 system across the Province has developed organically since its inception in the 1980s. Responsibility for delivering the service lies with local government, even though typically it is provided at the regional district level. A number of municipalities in the Province either contract for or directly provide the service as well.

In Metro Vancouver, 9-1-1 service is the responsibility of the Region and is funded through property taxation. The 9-1-1 service is delivered by way of EComm. The current property taxation for 9-1-1 services funds the technology and personnel to answer the initial 9-1-1 call at ECOMM and to transfer the caller to the appropriate Fire, Police and/or Ambulance service through the telephony switch. Call answering and staffing at the local police, fire and ambulance service is not funded by this 9-1-1 property taxation levy.

9-1-1 services are provided by a variety of means across the Province and do not exist at all in some areas of the Province.

The 9-1-1 system in British Columbia currently manages between 1.5 and 1.6 million calls annually. The cost of operating the existing system across the Province is in the range of \$12 million to \$13 million per year.

With the Next Generation 9-1-1 (NG911) system under development, emergency communication centres will be required to accept emergency communications from a broader range of connections and data sources - including text messages, video and photographs. Moving to NG911 will involve a significant transformation of the existing communication systems used by emergency communication centres in the province, and will entail technological, operational, economic and institutional changes. Transitioning to these new systems will be a costly undertaking, in terms of capital investment as well as staffing and training.

Some of the existing 9-1-1 systems in use in the province are funded through landline levies. With the diminishing number of landlines in the province, these levies will need to increase significantly to maintain the needed level of funding to support the continued delivery of the services in the areas funded by these levies.

In January 2013, a Steering Committee was formed including representatives of local government, the Union of British Columbia Municipalities and the Province, to examine the issues surrounding the introduction of a uniform, province-wide Call Answer Levy to support and improve 9-1-1 services in British Columbia. A background report was commissioned by UBCM in support of the Steering Committee's work that examined how 9-1-1 services currently are delivered in the Province, reviewed call answer levy legislation, reviewed the operation of 9-1-1 services in other jurisdictions across Canada, and set out a framework of the options and issues facing the introduction of a call answer levy in British Columbia.

The report substantiated that there is diversification in funding methods and models of the existing 9-1-1 system across the Province including property taxation and a call answer levy based on land-lines. There is no existing levy for mobile devices that use the 9-1-1 system. It is noted that an increasing number of calls for 9-1-1 services are coming from cell phone users, a trend

which is expected to grow in the future as consumers expand their use of wireless services. It is noted that “dropped 9-1-1 calls”, which are increasing in number and are expensive to the system primarily originate from mobile devices.

The Committee has concluded that any new province-wide call answer levy (CAL) should be applicable to all devices, which can connect to 9-1-1 services including land lines, wireless devices and Voice over IP devices. The Committee also concluded that the CAL should be set at a uniform level province-wide. The principal function of the CAL will be to fund 9-1-1 services, though the introduction of the new system should not result in any local government losing any amount of existing revenue, which is currently raised from an existing landline CAL.

DISCUSSION

There are a number of questions that need to be addressed in relation to this matter from staff's perspective as follows:

1. Should 9-1-1 services be expanded to cover the entire Province?
2. Should the funding model for 9-1-1 services be shifted to a device levy from property taxation in Metro Vancouver?
3. How should the amount of the device levy be set and adjusted when adjustments are necessary?
4. Should the device levy/funding model be uniform across the Province or should it reflect the varying costs of 9-1-1 service delivery across the different regions of the Province?

These questions are discussed in the following sections.

1. *Should 9-1-1 services be expanded to cover the entire Province?*

The fundamental objective of 9-1-1 services is to assist in ensuring an expedient response to emergencies when they occur within the geography covered by the service. In principle, this objective appears reasonable to pursue for all inhabited areas across the Province.

2. *Should the funding model for 9-1-1 services be shifted to a device levy from property taxation in Metro Vancouver?*

Currently 9-1-1 services in the lower mainland are funded by a property tax levy (e.g., this levy amounts to approximately \$3.27 per year for the average single family home in Surrey). As such, property owners in the lower mainland are burdened with paying the costs of the 9-1-1 services for the population of Metro Vancouver. Other users (i.e., service users who don't pay property taxes) of the service in Metro Vancouver are not paying an equitable share of the costs of the service. Given that the 9-1-1 service is accessed by way of communication devices a levy on communication devices appears to be a more equitable means by which to share the cost of the services across the benefitting population. As such, a device levy is considered reasonable to displace the current property tax levy that funds 9-1-1 services in Metro Vancouver.

It is noted that if a device levy is introduced as the means by which to fund 9-1-1 services, the device levy would be collected by the telephone companies (telcos) and remitted to the 9-1-1 service provider. There is a concern that the administration costs charged by the telcos associated with the collection of the device levy could create a windfall to the telcos if it is not

managed properly. As such, it is critical that the administration amount that is paid to the telcos for collecting the levy be limited to the reasonable costs that they incur in collecting the levy and no more.

3. *How should the amount of the device levy be set and adjusted when adjustments are appropriate?*

Regardless of the source of funding, it is important that the 9-1-1 services be delivered efficiently. There needs to be a rigorous process established to set the budget for the delivery of 9-1-1 services and to set the related levy on communication devices. In Metro Vancouver, EComm provides 9-1-1 services and its budget and related member charges are approved by a Board of Directors that includes, among others, representatives of local governments and of the police, fire and ambulance services in the Region. Currently, the cost of delivering 9-1-1 services in Metro Vancouver is very low in comparison to other parts of the Province and other Provinces in Canada. The current process of establishing the budget for 9-1-1 services and for the related 9-1-1 property tax levy in Metro Vancouver appears reasonable to use as the basis for establishing a device levy should such a switch in the funding model be implemented.

4. *If a device levy is established as the means to fund 9-1-1 services across the Province, should such a device levy/funding model be uniform across the Province or reflect the varying costs of 9-1-1 service delivery in the different regions of the Province?*

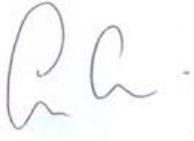
As referenced above, the cost of delivering 9-1-1 services in Metro Vancouver is low in comparison to other areas of the Province and in comparison to the costs incurred per 9-1-1 call in other areas of Canada. As such, if a uniform device levy is established across the Province it would likely mean that Metro Vancouver device users would be paying a higher device levy than would be necessary to support the delivery of 9-1-1 services in Metro Vancouver with part of the MV device levy being directed to 9-1-1 services in other areas of the Province where the costs of delivering the services are higher. The cost efficiencies in the lower mainland are primarily driven by the density of the population in the geographic area and by virtue of the efficiencies associated with the consolidation of emergency communication services through EComm. Preliminary estimates of a uniform device levy suggest a range of \$0.25 per month to \$0.50 per month or \$3.00 to \$6.00 per year. At this time, there is insufficient information available with respect to the merits of applying a uniform levy across the Province for a strong position to be taken in favour of a uniform device levy. Staff will report further on this matter as additional information becomes available.

CONCLUSION

Based on the above discussion, it is recommended that Council

1. Resolve to support in principle, subject to the other comments contained in this report, the implementation of a Call Answer Levy to fund 9-1-1 services in British Columbia, which would be applicable to all devices that can generate a 9-1-1 call; and

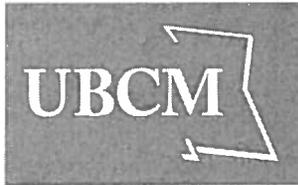
2. Instruct the City Clerk to forward a copy of this report and Council's resolution related to this report, to the UBCM as the City of Surrey's response to the UBCM request for input related to the possible introduction of a Province-wide Call Answer Levy related to 9-1-1 services.

A handwritten signature in blue ink, appearing to read "L. Garis".

Len Garis
Fire Chief

Attachment:

Appendix "A": Member Release, dated October 30, 2013, from the UBCM Re: 9-1-1 Services in BC



MEMBER RELEASE

October 30, 2013

TO: Mayor & Council | Chair & Board | Senior Staff
FROM: UBCM Secretariat
RE: **911 Services in British Columbia – Introduction of a Province Wide Call Answer Levy**

The purpose of this member release is to obtain further input from local government and to inform the members about a report that UBCM has prepared examining the issues surrounding the introduction of a uniform province wide Call Answer Levy (CAL) on wireless services to support and improve 911 services in British Columbia.

UBCM would request that you review the report and provide it with any comments or suggestions that you may have. The report provides a framework for introducing a province wide levy that would capture landlines and other electronic devices (i.e. cell phones, VOIP etc.) to support 911 services. We are using this opportunity to check in with the local government to ensure that is supportive of moving in this direction and would appreciate your views on this issue.

Attached is a copy of the report "*911 Services in British Columbia: Background Review in Relation to a Province-Wide Call Answer Levy*". The report points out that the current 911 system in the Province was developed on a regional basis to meet local needs. The 911 emergency system is paid for by either a levy on landlines or by local property taxes.

The report examines three key issues:

1. How the 12 Public Safety Answering Points (PSAP) responsible for delivering the 911 system on a regional basis manage the 1.5 to 1.6 million calls it receives annually, the cost of the system, and some of the challenges it faces, such as gaps in coverage and abandoned calls.
2. How 911 systems operate in other jurisdictions when a CAL is in place and their legislative framework (Alberta, Saskatchewan, Quebec, New Brunswick, Prince Edward Island and Nova Scotia).

3. What factors would need to be considered if a CAL was introduced for all wireless devices that connect to 911 services in British Columbia, such as the type of legislation required, the scope of services that the 911 funding could be used for, and how the funds would be managed.

A number of service gaps and technological changes in the delivery of 911 services are identified in the paper. These changes will require new revenue sources to meet public demand (i.e. video, pictures, text etc.). An increasing number of calls for 911 emergency services are coming from cell phone users, a trend which is expected to grow in the future as consumers expand their use of wireless services. Cell phone and other wireless users presently do not directly contribute, like users of landlines, to the provision of 911 services in British Columbia.

UBCM has undertaken a review of this policy for three reasons. The first reason is that UBCM members have endorsed a number of resolutions requesting that the Province introduce legislation that would allow the implementation of a Province wide levy on wireless services to help pay for the delivery of 911 emergency services (2012-LR 1; 2011-B13; 2009-B10 and 2004-SR 1). The second reason is a Supreme Court of BC decision in July of 2012 (Canadian Wireless Telecommunications Association v. Nanaimo City) that quashed a City of Nanaimo Bylaw that required wireless service providers to pay a Call Answer Levy, a decision that highlighted the need for a solution to the problem so as to avoid future conflict in this area. Finally, UBCM received a letter from the Province that indicated that it was willing to work toward finding a solution to this issue.

UBCM has established a 911 Steering Committee made up of local government and provincial representatives to consider the issue. Ian MacDonald was hired to prepare a report on 911 services and to suggest a legislative framework to ensure that the resources are in place to improve the delivery of 911 services and to implement the next generation of 911 services (i.e. video, text messages etc.). Mr. MacDonald surveyed local governments that provide 911 services and prepared the background report that was sent out.

A workshop was held at the 2013 UBCM Convention to inform local government about the report that had been prepared and to discuss the future delivery and financing of 911 services in British Columbia.

UBCM would request that you provide any comments on the paper and your views on this issue by **November 29, 2013**.

Please forward your comments to Ken Vance at the UBCM Offices in Richmond at 604-270-8226 (ext. 114) or at kvance@ubcm.ca.