

Re: FEDERAL GOVERNMENT'S PROPOSED LEGISLATION TO
INCREASE FEES FOR RADIO LICENCES IN 1987

MUNICIPAL MANAGER'S RECOMMENDATIONS:

1. THAT the Honourable Flora MacDonald, Communications Minister, be informed that the Municipality of Burnaby is opposed to the Federal Government's proposal to increase fees for radio licences for the reasons as contained in this report;
2. THAT a copy of this report be sent to:
 - (a) Members of Parliament:
Mr. Svend J. Robinson
Mr. Chuck Cook;
 - (b) the UBCM;
 - (c) the FCM; and
 - (d) the GVRD and member municipalities of the GVRD.

SUMMARY

The Federal Government is proposing to make amendments to the Radio Act which would result in the imposition of unacceptable fee increases for radio licences. This report advises Council of the impact that this proposal would have on this Municipality.

REPORT

On 1986 June 26, the Federal Minister of Communications tabled legislation in the House of Commons which, if enacted, will result in an extraordinarily high and totally unreasonable increase to the fees that are paid by municipalities and regional districts for radio licences. The UBCM has expressed its intention to vigorously oppose the proposed increase, and as a first step toward this objective, unanimously endorsed the following resolution at its convention in September, 1986:

"INCREASE IN 1987 FEES FOR RADIO STATION LICENCES
(BASE AND MOBILE)

WHEREAS most municipal operations, ie. public works, utilities, parks, police, fire, etc., require to operate a communications system comprising of base stations and mobile units;

AND WHEREAS the operation of these systems are not utilized for any commercial purposes;

AND WHEREAS the amended licence fees being imposed for 1987 will result in an increase in excess of 1,000%:

THEREFORE BE IT RESOLVED that the Union of British Columbia Municipalities requests the Federal Government to continue to charge those licence fees that were in effect in 1986."

The financial impact of the legislation on this Municipality in 1987 would be a total fee increase in the amount of \$6,042, or 1,280%. Following is the breakdown by department:

<u>Department</u>	<u>Equipment</u>	1986 Fee (Actual)	1987 Fee (Proposed)	Increase
Engineering and Parks & Recreation	115 mobile radios in vehicles, 2 base stations and 1 repeater	\$236	\$4,502	1,807%
Fire	26 mobile radios in vehicles, 20 portable radios, 6 base stations and 1 repeater	\$236	\$2,012	752%
TOTAL - - - - -		\$472	\$6,514	1,280%

Another implication involves the fees which assumably will be applied to the RCMP's extensive radio communication system in Burnaby. At present the RCMP are exempt from licence fees, and therefore contract costs do not take this into account. If that exemption does not continue under future legislation, the Municipality faces a further indirect cost under the contract of over \$6,000.

One other implication involves the Regional Emergency Radio Communication system. This system, which became operational in September, 1986, enables Emergency Operation Centers in all municipalities in the Greater Vancouver Regional District to effectively communicate with one another should such a need ever arise in response to a major emergency. The licence fee for this system in 1986 is \$236. Under the proposed legislation, it would be \$8,300, or an increase of 3,417%. The payment of this fee is shared by the participating municipalities and the GVRD on a pro rata basis.

Incidentally, the GVRD's increase for payment of its own fees (which it would pass on to member municipalities) would be \$11,208, or 4,749% (\$236 - 1986, \$11,444 - 1987).

CONCLUSION

The inordinately large single increase that the Federal Government proposes for radio licence fees is, by any standard of reasonableness, totally unacceptable. It is too much, too soon, and in this period of continuing fiscal restraint, conflicts with this Municipality's efforts to prudently manage its budget.

The Federal Government's intention to have municipalities and regional districts pay for radio licences on the same basis as private users completely ignores the fact that utilization of radios by the private and public sectors is vastly different. Local governments and regional districts use radios to provide citizens with essential services such as police, fire and environmental protection, and for quick mobilization of resources whenever required in response to both minor and major emergencies. This distinct and vital use of radios is a primary reason why fees for governments should remain lower than they are for businesses and other users. Even if a case could be made for the rationale provided by the Federal Government, there is no justification for such a large single increase.

In conclusion, the proposed fee increase for municipalities and regional districts is totally unjustified, and strong opposition to it should be expressed accordingly. At the very least, there should be a substantial differentiation between the two schedules of fees, and any increase should be phased in over a period of time.