

RE: FEDERAL GOVERNMENT'S PROPOSAL TO INCREASE FEES FOR RADIO LICENCES

ACTING MUNICIPAL MANAGER'S RECOMMENDATIONS:

1. THAT the Honourable Marcel Masse, Minister of Communications, the Honourable Michael Wilson, Finance Minister, and the Honourable Jim McDermid, Minister of State (Privatization and Regulatory Affairs), be informed that the Municipality of Burnaby is opposed to the Federal Government's intention 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:
Ms. Dawn Black
Mr. Svend J. Robinson;
 - (b) Members of the Legislative Assembly:
Mr. Barry Jones
Mr. David Mercier
Mr. Elwood N. Veitch;
 - (c) the UBCM;
 - (d) the FCM; and
 - (e) the GVRD and member municipalities of the GVRD.

SUMMARY

The Federal Government is planning to change the fee structure for radio licences. This report advises Council of the implications that this action would have on Burnaby.

Background Information

The Municipality has just recently been informed that the Federal Government intends to implement a new fee structure for radio licences to become effective on 1991 March 31. Fee increases for municipalities in the Greater Vancouver Regional District are shown on the attachment. The financial impact of this change for Burnaby would be an increase of \$6,873, from \$472 to \$7,345, or 1,556%.

The Federal Government in 1986 tabled legislation in the House of Commons which, if enacted, would have resulted in extraordinarily high increases for radio licences (at that time the impact on Burnaby would have been an increase of \$6,042, or 1,280%). Municipalities protested that proposal, individually and with a resolution that was unanimously endorsed at the UBCM Convention in September of that year. The FCM also intervened on behalf of municipalities across Canada. The final result was that the Federal Government reconsidered its position, imposed no increases and retained the fee structure that was in effect in 1986 through to the present day.

Implications and Financial Impact of Intended Increases on Burnaby

1. Burnaby's increase would be \$6,873, or 1,556%.
2. A major implication involves the fees which may 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. Should that exemption be discontinued, the Municipality faces a further indirect cost of several thousand dollars under our policing contract with the Federal Government.

3. Another implication involves the Intermunicipal 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 present licence fee for this system is \$236. We do not have the intended 1990 increase, but in 1986, the increase was to have been \$8,300, or 3,417%. Payment of a licence fee for this system is shared by the participating municipalities on a pro rata basis.
4. The GVRD's 1990 increase for payment of its own licence fees, which it would pass on to member municipalities, would be from the present rate of \$236 to \$24,673, or a 10,455% increase. In fairness, it needs to be pointed out that this may be significantly due to enhancements that the GVRD has made to its radio network in the past several years.
5. It is not now possible to forecast with certainty how much additional funding would have to be included in the Municipality's budget to accommodate the Federal Government's intended increases for licence fees, but it is estimated that the total cost could be in the neighbourhood of \$20,000 annually.

Conclusion

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

Municipalities and regional districts use radios to provide citizens with essential services such as police, fire, utilities and environmental protection, and for quick mobilization of resources whenever required in response to both minor and major emergencies. Fees for radio licences should therefore enhance, not penalize or detract from, the communication capabilities of these local bodies that are mandated to effectively deliver these essential services on a 24 hour, 365 days a year basis.

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 only a modest increase, phased in over a period of time, and implemented only after proper consultation with inputs from all governmental users has been achieved.

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Attachment

- c.c. Director Finance
Director Engineering
Director Recreation and Cultural Services
Director Administrative and Community Services
Fire Chief
Officer-In-Charge, RCMP, Burnaby Detachment
Chief Public Health Inspector

RADIO LICENCE FEES

GREATER VANCOUVER REGIONAL DISTRICT

	1989 (\$)	1990 (\$)
Vancouver	1,180	69,266
Burnaby	472	7,345
New Westminster	944	12,892
Richmond	590	17,797
North Vancouver City	472	11,220
North Vancouver District	590	7,036
West Vancouver	944	8,066
Port Moody	708	6,111
Delta	708	13,393
Langley City	472	2,724
Langley District	472	8,590
Surrey	472	14,798
Coquitlam	472	8,760
Port Coquitlam	590	3,877
White Rock	472	1,763
Lions Bay	<u>236</u>	<u>361</u>
TOTAL	39,794	\$193,999