

TO: CITY MANAGER 1998 NOVEMBER 10  
FROM: DIRECTOR PLANNING AND BUILDING OUR FILE: 01.127.1  
SUBJECT: **GREATER VANCOUVER LOCAL CALLING AREA PLAN**  
PURPOSE: To provide Council with background information concerning the BC TEL's Local Calling Area Plan.

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**RECOMMENDATIONS:**

1. **THAT** copies of this report be sent to:
  - a) GVRD Board of Directors,  
4330 Kingsway  
Burnaby, B.C.  
V5H 4G8

and

  - b) Al Litynsky, Project Manager  
BC TEL Local Calling Area Project  
12 - 3777 Kingsway  
Burnaby, B.C. V5H 3Z7

**REPORT**

**1.0 INTRODUCTION**

At its meeting of 1998, Council received a letter from West Vancouver Mayor, Patricia Boname regarding BC TEL's Local Calling Area Plan. While not opposing the primary objective of the plan (i.e., establishing a uniform toll-free calling area within the GVRD), the letter expressed West Vancouver Council's concern with the rate structure being proposed (i.e., lower increases for core municipalities and higher increases for outlying municipalities).

Arising from discussion, it was noted that the GVRD Transportation and Strategic Planning Committee (TSPC) received a report on the Local Calling Area Plan at its 1998 October 14 meeting. Prior to Burnaby taking a position on the proposal, Council requested staff to prepare a report on the plan, including information provided to the TSPC.

This report responds to Council's request.

## 2.0 LOCAL CALLING AREA PLAN

### 2.1 Background

At present, a patchwork of toll-free calling areas and telephone rates exists within the GVRD. Residents of some municipalities, such as Burnaby, Vancouver, Richmond, and New Westminster (hereinafter called the “core municipalities”) can place calls on a toll-free basis to all locations in the region, except for Bowen Island. Those from other GVRD communities (hereinafter called the “suburban municipalities”) face long distance charges for placing calls to various parts of the region (see chart in Appendix 1, *attached*).

To address this disparity, in 1997 November, the GVRD Board authorized Regional District staff to work with BC TEL on a Local Calling Area Plan. The review follows a similar initiative undertaken in 1993, which was narrowly defeated in a plebiscite.

### 2.2 Essence of Proposal

The current Local Calling Area Plan calls for elimination of long distance charges for calls made within the region. As seen in Appendix 2, *attached* the increases in toll-free accessibility would vary throughout the region. For example, through implementation of the plan, customers in the core municipalities would gain access to fewer than 1% additional toll-free lines (i.e., the plan would enable them to call Bowen Island on a toll-free basis). Customers in Pitt Meadows and Maple Ridge, however, would have access to 49% more toll-free lines than they have at present.

BC TEL considered and rejected three options for funding the proposal:

- 1) *shifting the full costs to the municipalities receiving the greatest benefits (i.e., the suburban municipalities)* - rejected because i) it did not reflect the perceived broader regional benefits of the proposal and ii) it would have led to suburban rates increasing by \$2.44 per month, resulting in a monthly disparity in residential rates with core municipalities of \$5.29;
- 2) *dividing the costs equally amongst phone users in the region* - rejected because i) it did not reflect the disproportionate benefits that the suburban municipalities would receive and ii) it would not likely gain the necessary approval from the region’s core municipalities;

- 3) *equalizing phone rates throughout the region* - rejected because i) it would result in significant rate hikes for some subscribers and ii) it would exceed the scope of the GVRD Board's request to BC TEL (i.e., to review elimination of long distance charges in the region).

Given this assessment, BC TEL is proposing a relatively simple two-tier rate increase, assessing larger increases to the municipalities that would receive the greatest benefits and a lower increase to those that would experience a smaller benefit. Specifically, it is proposing an additional \$.50 per month for residential customers in the core municipalities and \$1.75 per month for customers in the rest of the region. No rate hikes are being proposed for BC TEL's business customers.

BC TEL officials acknowledge that the corporation would be pleased to remove what they regard as a "long standing irritant" of disparate toll-free accessibility throughout the region. Nonetheless, they stress that the proposal is revenue neutral (i.e., the corporation would seek to recover its additional costs, but would not gain financially from the proposal).

### 2.3 Current Status

Over the past year, representatives of BC TEL have been meeting with elected officials and/ or staff from GVRD member municipalities to review the proposal and respond to any questions or concerns that arose. To date, municipal councils in thirteen of the GVRD's twenty municipalities have passed resolutions in support of the proposal. Richmond and New Westminster expressed opposition, while West Vancouver indicated concern with the proposed rate structure. Burnaby, Vancouver, Surrey, and Langley Township have not yet commented on the proposal.

As indicated, the GVRD Transportation and Strategic Planning Committee received a report on the Local Calling Area Plan at its 1998 October 14 meeting. The TSPC requested GVRD staff to prepare a further report on the proposal, which will be considered at a meeting on 1998 November 18. Regional District staff will be recommending that the Committee request the GVRD Board to endorse the BC TEL proposal. Given the Committee's concurrence, the matter could be considered at the Board's 1998 November 27 meeting.

Subject to support from the GVRD Board, BC TEL would seek the CRTC's approval for the proposal - likely before the end of this year. As part of its review process, CRTC would require that a plebiscite be held in communities subject to the largest rate increases (set at \$1 or more per month in the 1993 plebiscite). If the requirements are

the same for the forthcoming plebiscite, Burnaby residents would not be invited to participate in the plebiscite.

### 3.0 DISCUSSION

From the perspective of direct benefits, the BC TEL proposal has little to offer Burnaby residents. Specifically, for an additional \$.50 per month on their phone bills, city residents would only gain toll-free access to Bowen Island.

Looking beyond local benefits, however, GVRD and BC TEL staff have identified the following regional benefits of the proposal:

- updating local calling area boundaries to reflect the dramatic growth that has occurred in the region over the past 20 years
- simplifying communications for all customers in the GVRD
- removing a major inequity of the existing rate structure
- improving access of businesses in suburban municipalities to the regional labour force and consumers
- enhancing economic development opportunities in suburban municipalities and, by extension, increasing the attractiveness and competitiveness of the overall regional economy
- reducing financial barriers for people wanting or needing to maintain contact with family or friends in municipalities outside their toll-free calling areas
- contributing to implementation of the GVRD Livable Region Strategic Plan - particularly with respect to its "complete communities" objectives.

In developing its proposed rate structure, BC TEL is seeking a balance - one that fairly reflects the regional benefits accruing to all GVRD municipalities, with the more localized benefits accruing to the suburban municipalities. Therefore, recognizing the greater localized benefits they will receive, residents in suburban municipalities are being asked to pay a 350% larger increase than their core municipality counterparts (i.e., \$1.75 per month vs. \$.50 per month).

Council did not ask for a staff recommendation on the BC TEL proposal. We would nonetheless note that, from our viewpoint, the \$.50 per month increase would be negligible and should generally not cause significant hardship for low income groups, pensioners, or other Burnaby phone subscribers. We would also note that, while local residents would receive little direct benefit in terms of increased toll-free calling, they would share in the proposal's regional benefits.

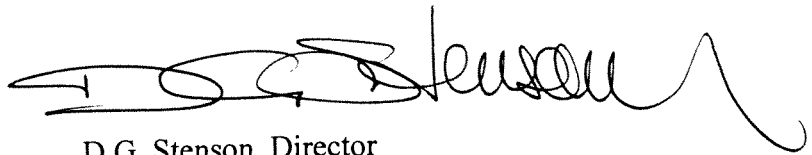
#### 4.0 CONCLUSION

This report has responded to Council's request for additional information regarding BC TEL's Local Calling Area Plan. In summary, it has indicated the following:

- the plan would extend toll-free calling access throughout the region
- residents of the region's suburban municipalities would receive the greatest direct benefits (in terms of expanded toll-free calling areas), while those from the core municipalities (Burnaby, Vancouver, Richmond, and New Westminster) would receive minimal direct benefit (i.e., toll-free calling to Bowen Island)
- BC TEL and GVRD staff stress that, in addition to its direct (or localized) benefits, the proposal offers important indirect (or regional) benefits - particularly with respect to implementation of the GVRD Livable Region Strategic Plan
- residents of Burnaby and the other core municipalities would see their monthly phone bills increase by \$.50, while those in suburban municipalities would see monthly increases of \$1.75
- the Councils of thirteen GVRD municipalities have given resolutions of support for the proposal; two have opposed the proposal; one has expressed concern with the recommended rate structure (but not the proposed expansion of toll-free calling areas); and Burnaby and three others have yet to formally respond to the proposal
- the GVRD Board is expected to be asked to endorse the proposal, and advise the CRTC accordingly, at its 1998 November 27 meeting
- as part of its review process, the CRTC is expected to require that a plebiscite be held for phone subscribers in communities subject to the largest rate hikes (i.e., the suburban municipalities); the plebiscite would likely be held in the spring or summer of 1999.

- pending CRTC approval and a successful plebiscite result, the new Local Calling Area Plan could be implemented in the second half of next year.

It is recommended that copies of this report be sent to the GVRD Board of Directors and Al Litynsky, Project Manager for the BC TEL Local Calling Area Project.



D.G. Stenson, Director  
PLANNING AND BUILDING

JF\sa

Attachments(2)

cc: Director Finance



# GREATER VANCOUVER LOCAL CALLING EXPANSION

*The GVRD requested BC TEL develop a plan to eliminate long distance charges within the Greater Vancouver area.*

## PROPOSAL

In response to customer demand and a request by the Greater Vancouver Regional District, BC TEL has developed a plan which would eliminate long-distance charges for all calls within the Greater Vancouver area.

Under the proposal, customers living in Vancouver, Burnaby, New Westminster and Richmond – communities which currently have the largest local calling areas – would see a 50 cent per month adjustment. The remaining communities in the region – Aldergrove, Anmore, Belcarra, Bowen Island, Coquitlam, Cloverdale, Delta, Fort Langley, Langley, Lion's Bay, Maple Ridge, City of North Vancouver, District of North Vancouver, Pitt Meadows, Port Coquitlam, Port Moody, Surrey, West Vancouver and White Rock – would see a \$1.75 per month charge because of the significant expansion in their local calling areas.

The proposal is "revenue neutral" for BC TEL. Costs to the company such as network expansion and lost long-distance revenue would be off-set by the local rate increases.

## BENEFITS

Under this proposal, all municipalities in the Greater Vancouver region would have the same local calling area. For most municipalities, this calling area would be significantly larger than their existing local calling area. Many individuals, families and communities would benefit from lower phone bills since there would be no long-distance charges for calls within the Greater Vancouver region.

- Customer confusion and irritation would be addressed
- Families could stay in touch more easily
- Telecommuting and home-based businesses would be encouraged
- The demand for growth in transportation infrastructure would be reduced
- Businesses in all parts of the Region would be able to expand their markets and keep in touch with their customers and suppliers more easily and inexpensively

This plan supports the GVRD's economic and community development objectives by removing a barrier to its *Livable Region* strategy.

*Most communities would benefit from significantly expanded local calling areas.*

## BACKGROUND

Inequities and anomalies in local calling areas in the Greater Vancouver region arose from historic, regulated methods of addressing changes in calling areas. The evolution of local calling areas did not anticipate the growth patterns in the region and has not kept pace with the changing needs of communities in the area.

The result is a patchwork of local, toll-free calling areas which causes considerable confusion and frustration. For example, some residents of Fort Langley cannot call across the Fraser River to Maple Ridge.

BC TEL has been attempting to address the inequities in local calling areas in the region for some time. An earlier proposal was narrowly rejected in a 1993 plebiscite, with 48 per cent of votes in favor and 52 per cent opposed.

In the summer of 1997, a Greater Vancouver Regional District (GVRD) mayor asked BC TEL to, once again, address this issue. On January 31, 1998, the GVRD Board of Directors formally requested BC TEL develop a new local calling plan which would eliminate long distance charges for calls within the Greater Vancouver region.

## NEXT STEPS

If the GVRD Board of Directors approves this proposal at their October 30th meeting, BC TEL will send the proposal to the Canadian Radio-television and Telecommunications Commission (CRTC) for approval. A plebiscite would likely take place by mid-1999 and, if a majority of people support it, the proposal would be implemented within six months.

## INFORMATION

For more information on the proposal to eliminate long distance charges for calls within the Greater Vancouver area contact project manager Al Litynsky at (604) 432-2730 or e-mail [al\\_litynsky@bctel.com](mailto:al_litynsky@bctel.com)

*Disparities in local calling areas in the Greater Vancouver region are a significant source of irritation for both residents and businesses.*





# GREATER VANCOUVER LOCAL CALLING EXPANSION

## CURRENT LOCAL CALLING AREAS

The following chart shows which communities can make local (toll-free) calls to which other communities in the Greater Vancouver region. Shading indicates that calls between the two communities are local calls, with no long distance charges. Please note that, because telephone exchanges do not exactly correspond to municipal boundaries, there are some anomalies in calling areas within municipalities.

The proposal to expand Greater Vancouver's local calling area would allow all communities listed in the chart to call all other communities listed without incurring long distance charges.

FROM:	TO:	Bowen Island	Vancouver	Burnaby	New Westminster	Richmond	North Vancouver	West Vancouver	Lions Bay	Belcarra	Anmore	Port Moody	Coquitlam West	Coquitlam East	Port Coquitlam	Pitt Meadows	Maple Ridge	Aldergrove	Langley	Fort Langley	Surrey - Cloverdale	Surrey - Whalley	Surrey - Newton	White Rock	North Delta	Delta West	
Bowen Island																											
Vancouver																											
Burnaby																											
New Westminster																											
Richmond																											
North Vancouver																											
West Vancouver																											
Lions Bay																											
Belcarra																											
Anmore																											
Port Moody																											
Coquitlam West																											
Coquitlam East																											
Port Coquitlam																											
Pitt Meadows																											
Maple Ridge																											
Aldergrove																											
Langley																											
Fort Langley																											
Surrey - Cloverdale																											
Surrey - Whalley																											
Surrey - Newton																											
White Rock																											
North Delta																											
Delta West																											

## APPENDIX 2

### INCREASE IN TOLL-FREE LINES AVAILABLE FOR VARIOUS TELEPHONE EXCHANGES THROUGH IMPLEMENTATION OF BC TEL'S PROPOSAL

Telephone Exchange	Municipalities Served	Increase in Toll Free Lines Available
Aldergrove	Portion of Langley Township	24%
Bowen Island	Portion of Electoral Area C	94%
Cloverdale	Portion of Surrey	28%
Fort Langley	Portions of Langley Township & Surrey	24%
Haney	Maple Ridge & portion of Pitt Meadows	49%
Ladner	Delta	33%
Langley	Langley City & portions of Langley Township & Surrey	24%
Newton	Surrey & portions of Delta	24%
New Westminster	New Westminster & portions of <i>Burnaby</i> & Richmond	below 1%
North Vancouver	North Vancouver City & District	46%
Pitt Meadows	Pitt Meadows & portion of Maple Ridge	49%
Port Coquitlam	Port Coquitlam & portion of Coquitlam	28%
Port Moody	Port Moody & portions of <i>Burnaby</i> & Richmond *	23%
Richmond	Richmond	23%
Vancouver	Vancouver, Electoral Area A & portions of <i>Burnaby</i>	Below 1%
West Vancouver	West Vancouver	46%
Whalley	Portions of Surrey & Delta	14%
White Rock	White Rock & portion of Surrey	24%
Whonnock	Portion of Maple Ridge	49%

\*Note: The number of Burnaby residential properties in the Port Moody telephone exchange is minimal.