



Association of Municipalities of Ontario

March 12, 1996

To the head and members of council:

AMO Seeks Alternative Funding Source for 9-1-1 Answering Bureau Costs

As Ontario municipalities try to cope with reductions to provincial-municipal transfers without raising property taxes, they must seek alternate sources of revenue. AMO is currently seeking the Ministry of Municipal Affairs and Housing's cooperation to make the necessary legislative amendments which will enable municipalities to access revenues to finance 9-1-1 answering bureau services through a surcharge on telephone subscriber bills.

Background:

On August 31, 1993, the Canadian Radio-television and Telecommunications Commission (CRTC) approved a \$0.32 monthly surcharge on telephone subscribers to fund network facilities which deliver 9-1-1 calls to a municipality providing an answering bureau. Funding the answering bureau remains a municipal responsibility.

On July 18, 1994, Bell Canada, in cooperation with the two municipal associations in Quebec, asked the CRTC to approve an additional charge of \$0.47 per month per subscriber, to fund municipal 9-1-1 answering bureaus. Under the proposal, which was approved by the CRTC on March 9, 1995, Bell collects \$0.47 per month per primary exchange line from subscribers. Bell then forwards these amounts, less an administration fee of 12.77% and any charges the subscribers refused to pay, to the Union des Municipalites du Quebec (AMO's equivalent), which distributes the funds to participating municipalities.

As Ontario municipalities try to cope with reductions to provincial-municipal transfers without raising property taxes, they must seek alternate sources of revenue. If a charge similar to that implemented in Quebec were implemented in Ontario, the rate would be calculated based on the cost of providing 9-1-1 answering services in Ontario. However, using the same rates that apply in Quebec as an example, a \$0.47 charge would generate approximately \$28 million in annual revenue for Ontario municipalities (assuming a 95% participation rate).

This would enable many municipalities which are currently unable to afford 9-1-1 answering services to do so, and greatly assist those municipalities which already have an answering service to pay for that service. Introducing the charge in Ontario would require making an application to the CRTC. Preliminary contact has already been made with Bell to discuss what would be involved in making that application.

The Association determined that two legislative changes were needed in Ontario before being able to proceed with this initiative. The first amendment was achieved through Bill 26 and now enables municipalities to raise revenue via this type of tariff. The second amendment would enable Bell to collect the funds on municipalities' behalf. AMO continues to press the Minister of Municipal Affairs and Housing to introduce legislation to affect this change.

Information Previously Distributed
To be listed on 9-1-1 MB Agenda 10 May 96
and the 9-1-1 AC Agenda 31 May 96

Action Requested:

AMO needs your help. A show of support from our member municipalities would greatly assist AMO to convince the Minister to proceed with the legislative amendments necessary to collect these revenues from telephone subscribers. Please endorse the following motion at your next council meeting. Forward a copy to the Minister of Municipal Affairs and Housing and your local Member of Provincial Parliament. Make sure you carbon copy AMO. We will assemble the motions and we will, once again, make our case to the Minister.

MODEL RESOLUTION:

WHEREAS funding 9-1-1 answering bureaus remains a responsibility of Ontario's municipalities; and

WHEREAS the CRTC approved an additional charge per subscriber, to fund municipal 9-1-1 answering bureaus in Quebec; and

WHEREAS the levying of such a charge would permit many municipalities which are currently unable to afford 9-1-1 answering service to do so; and

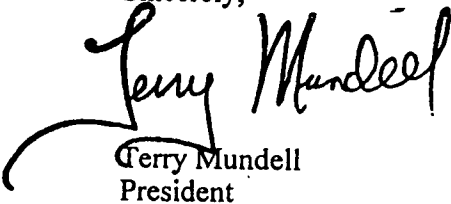
WHEREAS such a levy would greatly assist those municipalities which already have an answering service to pay for that service; and

WHEREAS the assistance of the Ministry of Municipal Affairs and Housing is necessary to make the necessary legislative amendments to enable municipalities to access this source of revenue;

THEREFORE BE IT RESOLVED that the Minister of Municipal Affairs and Housing be advised that the Council of the Municipality of _____ supports the initiative of the Association of Municipalities of Ontario in seeking legislative amendments to enable AMO to establish a new source of funding for 9-1-1 emergency reporting answering services through an additional charge per month on telephone subscriber bills.

For further information on this issue, please contact Claire Marchand, Coordinator of Sections and Membership Services at (416) 929-7573 ext. #315.

Sincerely,



Terry Mundell
President