

GREATER LOS ANGELES SECURITY ALARM ASSOCIATION - 310-822-1411
(FEBRUARY 20, 2003)

Good afternoon. My name is George DeMarco and I have been president of an electronic security and fire alarm company for 21 years. In addition, I also serve on the board of the California Alarm Association (CCA) as vice-president of the southern region.

Today, I have been assigned the responsibility of presenting to this community task force, an overview of how the electronic security and fire alarm industry functions in the City of Los Angeles.

The alarm industry in Los Angeles is represented by professional trade associations Greater Los Angeles Security Alarm Association (GLASAA), Southern California Security Association and California Automatic Fire Alarm Association. GLASAA is committed to participating fully in this open and public forum on a very important public safety issue.

At the state level, the CAA is the umbrella organization for the electronic security and fire alarm industry, which includes GLASAA as one of its 10 regional associations. In addition CAA is a charter state association of the National Burglar and Fire Alarm Association.

While the Los Angeles Police Department has been developing its recently adopted policy for two years, and appear to be committed to implementing it, we have not been provided an opportunity to participate in a full and cooperative manner. That's why we support the concept of the task force and believe it is a welcome and necessary forum with an opportunity to ensure that public safety of the community is not impacted in a negative way by an unrealistic and unproven public safety policy.

We were asked to provide an overview of the general practices of the electronic security and fire alarm industry, explaining what our products and services offer, and then illustrate how we interact with the City of Los Angeles and its citizens, our customers.

We prepared written material for your review, which provided detailed information on our industry, our equipment, our customers and our interaction with the LAPD. We encourage you to review this material, and should more information be requested of us, we will gladly provide the Task Force with further information.

For this limited time, we will just tell you about our general operations as an industry as it applies in the City of Los Angeles.

The alarm industry is regulated in the State of California under the legal purview of the Alarm Company Act, enacted in the early 1980's. Each company is required to obtain an alarm company operator license (ACE) under the Department of Consumer Affairs, Bureau of Security and Investigative Services (BASIS). Each company must have one person designated with an alarm qualified manager license (AM) and each employee of an alarm company must have an alarm company employee license (ACE).

The oversight and regulation of our industry is important because we are involved in public safety, serving as private sector partners to public law enforcement agencies. We are required, by law, to provide these licenses to the public any time we offer our services, whether in print, advertising or in sales materials.

We work closely with the BASIS in policing the electronic security alarm industry, and we have been successful in supporting the prosecution of companies who are operating unethically in the alarm industry.

In addition, installation of electronic fire alarm equipment requires additional licensing from the California State Contractors License Board. Recently, our industry received approval for the first statewide apprenticeship and training program for fire/life safety technicians, a program that will encourage young men and women to pursue a career in the alarm industry. The three-year training program, involving over 500 hours of classroom instruction and 6000 hours of on-the-job-training, will further serve to ensure the safety and security of the citizens of California as well as this City.

Concurrent to the state licenses, in the City of Los Angeles, we are required to obtain a business tax registration certificate.

As outlined in the alarm ordinance, each alarm system user served by the LAPD, must obtain an alarm permit with an annual fee of \$31 for the first year, and a recurring \$30 fee thereafter.

As a general practice, our members are encouraged to secure the first permit. This is important for the alarm user, and for the LAPD, because it creates an administrative record of an alarm system in operation. This information can, in some circumstances, assist the LAPD in responding to alarm activation by providing pertinent information about the home or business including contacts that would not be available from non-alarmed premises.

The products installed and serviced by our industry are listed with Underwriters Laboratories (UL) and in the case of fire detection equipment; it carries Factory Mutual and California State Fire Marshal approvals.

Our systems are monitored 24/7 by our Communication Centers known as central stations, similar in design to the call centers at most police departments. When alarm activation is received, we have established protocols for verification of the alarm activation. These protocols are customized to the security needs of the alarm user, and may include telephone verification, multiple call verification or other means of verification, again depending on the situation for each property. Our Communication Centers serving Los Angeles receive approximately 800,000 alarm signals per year. Through current verification practices, over 600,000 signals or 75% are canceled or aborted. With a 2-call enhanced verification process, an additional 120,000 signals or 15% are canceled or aborted. An effectively managed alarm ordinance enforced by the City can reduce an additional 20,000 to 40,000 signals. We believe our Communication Centers do an incredible job of filtering and disseminating thousands of alarm signals every day. Through this public safety partnership, we enhance the ability of the LAPD to police a geographically challenged city with limited police resources. In effect, the alarm industry should be embraced

as a partner in helping to deter crime, enhancing Lad's ability in fighting crime. In fact, the insurance industry strongly believes a monitored alarm system with police response is effective in reducing property loss by offering discounts on insurance policies to their customers.

For those alarm signals requiring additional interaction after being processed by our Communication Centers, a call is placed on behalf of the alarm user to one of the designated telephone numbers provided by LAPD to receive information on alarm activations. Once the call is placed, a central station operator may be placed on hold by LAPD from ten to 45 minutes before they are allowed to provide the information on the alarm location.

Alarm system technology is proven to enhance public safety, but the effectiveness of the technology is directly related to the alarm response policy of law enforcement agencies. This is why law enforcement professionals pursue an ongoing cooperative relationship involving law enforcement, the alarm user, and the alarm industry and this has been the basis of our work for decades with public agencies and with the International Association of Chiefs of Police. Some in law enforcement refer to this as a three-legged stool, and if any leg fails, the entire program fails.

LAPD continues to say they have worked with the industry on reducing false dispatches, and then publicly stating the alarm industry has been uncooperative and unwilling to provide solutions. We know this statement is not true - we are - and have been very cooperative.

We also know that when the LAPD lowered the priority response to alarm activations in 1999, the result was a significant increase in burglaries. While there are many factors involving the occurrence of crime, we must at least review the alarm response policy and see if, in fact, the result of the 1999 policy increased the rate of burglaries.

Our industry has been questioned throughout the past few months with unsupported statements and misrepresentations. We are disappointed that anyone in a leadership position in this city would make statements suggesting otherwise, without considering the real facts. Our industry has a predominant concern for public safety, and has always been responsive to law enforcement, working diligently on reducing false dispatches. We are willing and able to provide you with full information showing that effective alarm management significantly reduces false dispatches.

The Police Commission has adopted a policy, which many in the community, including the Alarm Industry, strongly believe is legally incorrect.

Implementation of the policy would require the Alarm Companies to not only modify hundreds of thousands of contracts with their customers, but would require the alarm companies and the users of alarm services to engage new response services which are not currently available at an additional cost many will not be able to afford and by current estimates, would take anywhere from six (6) months to one (1) year to implement.

The persons involved and the Industry are in the process of preparing legal proceedings to challenge the policy adopted by the Police Commission.

In the spirit of cooperation and the hope of working out a mutually beneficial solution, the Industry and those other Plaintiffs potentially involved in the legal proceedings are ready to participate in this task force and to defer the filing of the legal proceedings pending the conclusion and ultimate findings of this body, provided:

The Police Commission agrees to defer the implementation of a verified response policy for a period of 90 days following the findings of this task force.

The Commission must realize that the industry and the users of alarm systems cannot be put in a position whereby the Commission does not modify its ruling at the termination of these proceedings and there is not sufficient time to make the necessary contractual changes between the Alarm Companies and their customers as well as the necessary arrangements for response or installation of equipment that provides visual verification to comply with the policy.

Although the Alarm Industry will continue its good faith participation in these proceedings no matter what position the Commission takes, the Industry urges the Police Commission to agree to a moratorium before the implementation of the findings of this Task Force, so that the concerned parties may evaluate results before commencing any legal action or compliance with a policy that has not been modified by the Task Force or with a policy that has been modified and agreed to in principle by the concerned parties affected.

The alarm industry is thrilled that after two years we have been invited to sit at the table with representatives of the LAPD and the community to discuss this issue in full, and with the seriousness it deserves. We must now do the serious work for the citizens of Los Angeles, and provide them with the very best that we can offer, working together with a common goal of public safety. They are the ultimate judges of our actions.

We are committed to the process and look forward to working with the task force. We are committed to effective alarm management among law enforcement, alarm owners and the alarm industry. We are committed because we know that alarm systems, properly managed as part of a sound public safety policy, make a positive contribution to public safety. Thank you very much for your time.