

A CASE FOR SUPPORTING
(and contributing to)



A Coalition of the Four North American Major
Alarm Industry Associations

Canadian Security Association
Central Station Alarm Association
National Burglar & Fire Alarm Association
Security Industry Association
(CANASA, CSAA, NBFAA, & SIA)



2009

Prepared by the
Security Industry Alarm Coalition, Inc.

I. OVERVIEW

A. Synopsis

Unnecessary alarm dispatches are costly to both the public & private sectors. Recent law enforcement initiatives in several cities would curtail nearly all response to alarm systems. Historically, multiple groups have attempted to manage different segments of this problem. SIAC was formed by the four North American Alarm Industry Associations to offer one highly focused entity with one voice to deal exclusively with this issue.

B. Why Should We Be Threatened By Non-Response Of A Few Cities?

1. Citizens install alarm systems to protect their property, families, and to provide peace of mind. Police response is an essential element that produces that “peace of mind” for our customers.
2. Police departments have a history of following programs that appear “progressive or solution oriented”. Once a couple of major agencies stop responding, many others will rapidly move to initiate similar programs even though the long-term effects of non-response are still unknown.
3. Private response is not economically feasible in all areas of the country. Large geographic areas with low population density are unlikely to enable successful implementation of private guard services.
4. Most private guards have minimal training. In ten states there are no standards, and many states do not have requirements for criminal background checks.
5. Unlike local law enforcement, private guard companies have no obligation to service all areas of the community. High-risk areas with high crime rates may have to pay a premium or possibly not receive any service at all.
6. A percentage of consumers will not consider purchasing systems where police do not respond.
7. Negative press combined with non-response reduces sales an average of 20% for six months or more, and affects customer retention.

C. Why SIAC Is The Right Approach?

The alarm industry has worked with law enforcement for many years on solutions to the unnecessary alarm dispatch issue. **We have viable options that will work for any city; we are reducing dispatches and have the support of the International Association of Chiefs of Police and National Sheriffs Association!** The challenge is getting the information out to law enforcement and alarm dealers alike, and then getting them to communicate on a regular basis to avoid and/or work to resolve alarm dispatch issues before a negative ordinance is generated. The Law Enforcement Liaison program is designed to educate all parties through literature distribution; active seminars around the country; organization of local teams that include the police & alarm dealers; field personnel to respond to requests from both public and private sectors and can also coordinate and fund initiatives to defeat ordinances that are proposed that unduly restrict or eliminate police response.

It's not hard to understand that losing professional law enforcement response not only reduces the quality of life and safety of our families but also significantly impacts our ability to sell systems to the largest possible market. This loss will diminish the overall value of home & business alarms, electronic access, CCTV and related security products and systems.

We must expand our current efforts to include more field personnel, professional marketing and massive public relations campaigns to educate the city managers, city councils, business owners and the general public. ***We need your support to make this happen!***

II THE CONTINUING NEED FOR FUNDING

A. BACKGROUND

Despite all of the good efforts of the police and alarm companies, the sheer magnitude of new alarm systems installed during the past 10 years has tended to make the rate of alarm dispatch reduction flatten out in many cities. The decreasing price of alarm systems, and mass marketing efforts, has led to accelerating sales growth. Since this sales growth shows no signs of lessening, much additional work is needed to keep alarm dispatch rates from rising, even in cities which are doing all the right things.

Some cities, that have not tried a cooperative approach with the alarm industry, are moving toward a “private response” solution. Las Vegas, Salt Lake City, and a handful of others have taken this approach – refusing to send the police to the site of a suspected break-in until a private responder has gone to verify that a break-in has occurred or is in progress.

With the current economic conditions, many police departments have found themselves under new pressure due to decreasing resources and the ever-increasing demand for services. Municipalities which did not have a problem with alarm dispatches before have started re-evaluating their priorities. These communities are ripe for “private response” initiatives.

The “private response” initiatives can be averted because they go against the grain of most police chiefs’ sense of service to their community. But it will require grassroots political efforts by the alarm industry in each of these communities, led by SIAC representatives who can provide instant assistance, when needed.

Efforts that are directed toward building cooperative programs with local police will benefit both the traditional alarm monitoring companies, and those who sell and operate proprietary security systems. Increasing the effectiveness of all alarm systems, by reducing unnecessary dispatches, will increase their value. Investment in proprietary systems is often justified by reducing the number of private guards, but if private response is still required before calling the police (or fire) department, it will be more difficult to justify these expenditures.

B. A PROPOSAL FOR FUNDING THE ONGOING EFFORT

A number of potential arrangements for establishing stable long-term funding have been discussed within the industry, and the approach that seems to be most attractive is described below.

A 501(c)(6) Not-for-Profit Corporation, the *Security Industry Alarm Coalition, Inc.*, would be established to receive contributions from members of the alarm industry. The Coalition would be governed by a board of directors, made up from representatives of the four North American industry associations (NBFAA CSAA, SIA and CANASA).

The Coalition would continue the full-time effort of Stan Martin as executive director to manage its day-to-day operations. The executive director would employ a small, focused staff to handle all field operations.

Future direction of the CARE program, and any further alarm industry efforts to reduce alarm dispatches, would then be the sole responsibility of this Coalition.

SIAC would not compete with its sister associations; therefore there would be no membership requirements or dues; no solicitation for members.

1. Key advantages of this approach:
 - a. By obtaining funding from all members of the alarm industry, it can be assured that all participants in the alarm industry will be contributing to this effort, either directly or indirectly.
 - b. This funding approach insures that resources for reducing alarm dispatches can grow at the same pace as the security industry grows.
 - c. Local alarm associations have proven that they are key players in establishing good relationships with their local alarm administrators, and rallying grass roots support for responsible alarm ordinances. The Coalition representatives could provide the direct assistance of their expertise, and financial resources for legislative relations, public relations and legal services promptly, when needed.
 - d. The police chiefs and alarm administrators, who have shown their concern about reducing alarm dispatches through their participation in IACP and NSA, would be given a more direct voice in steering the industry's efforts through their participation in committees of the Coalition
 - e. Establishment of the Coalition would allow AIREF to return to its original role of research and education, as is desired by NBFAA.

C. IMPROVING AND POSITIVE NATIONAL PUBLIC RELATIONS

One of the growing advantages of your contribution to SIAC is the public relations (PR) undertaken by our current firm, Margulies Communications, Dallas, Texas. In their first year (2006), the visibility of our organization grew in the security trade press, and we began to make inroads in the general media. While the major expertise our PR firm offers is in the area of media coverage, their ability to rapidly process information requests and help us get out critical information in ordinance campaigns is extremely important as we educate local elected officials around the country.

We invest approximately \$75,000 in public relations. What does this get us? Over the past year, numerous targeted press releases have gone out to the media, ranging in areas from the growing trend of Enhanced Call Verification (ECV) to successful new alarm ordinances. In addition to this media outreach centered on successes in alarm reduction driven by SIAC, our PR firm directly targets city council members, mayors, city managers and police officials with materials to inform them on alarm reduction techniques. Included in these packages are news clips on examples of the model ordinance (or similar provisions) that have been successful.

Our PR goal is to further educate local officials and members of the alarm industry about SIAC's value in reducing alarms, as well as drive home the message of steps companies and associations can take to manage alarm systems more effectively. We continue to get more and more proactive with our approach, but most of this work remains reactive based on the quick-arising nature of the verified response campaigns.

Margulies Communications is critical to our professional strategic effort to place SIAC as the leading expert on alarm management issues.

D. FULL-TIME EDUCATIONAL OUTREACH TO REDUCE DISPATCHES

In addition to keeping police responding to alarms and abating ordinances harmful to industry, SIAC embraces an educational outreach role. Throughout the country, in forums large and small, SIAC officials present new and proven alarm reduction techniques to member companies and state associations. Presentations are not limited to audiences of alarm industry members. SIAC officials join with members of the International Association of Chiefs of Police, and National Sheriffs Association to share information on best practices, as well as work

cooperatively towards solutions on a national level. As part of this outreach, SIAC staff promotes proven techniques like ECV, CP-01 control panels, permits for alarm users, escalating fines for alarm dispatches and suspended response for chronic abusers.

The national dispatch rate has been reduced 70 percent the past eight years to less than 1.0. That means less than one dispatch per alarm system per year on an annual basis. SIAC's involvement in alarm reduction issues has significantly contributed to this positive trend over the past several years. Lower alarm dispatch rates combined with continued police response mean higher customer satisfaction, lower fines and increased value to customers, installation companies, monitoring centers and equipment manufacturers.

E. NEW NON-RESPONSE THREAT FOR FIRE!

In October 2007, the City of Henderson, NV passed the first ordinance in the country that prohibited alarm companies from calling their 911 center with a dispatch request for a fire response based on fire sensor activation, except for water-flow. Though they exempted municipal buildings, hospitals and schools, ALL other commercial facilities and residential properties were included. Eyewitness verification of an actual fire was required for a dispatch. A few months later Las Vegas started to enforce a virtually identical program by policy. Neither city informed the public, thus there was no public response or input prior to the change.

In December 2007, the SIAC Board of Directors adjusted SIAC's Mission Statement to engage in the fire issue. In early 2008 SIAC hired Fire Chief Luther Fincher, recently retired from Charlotte FD, past president of the International Fire Chiefs Association and NFPA board member. Luther has acted as our fire liaison to the national associations. He has been our "eyes and ears" on this fire response issue and reports that though false alarms are a growing concern he does not see a huge shift towards non-response by the majority; though the risk remains high some others will follow Henderson.

SIAC has prepared PR materials and gathered statistics in preparation for the next agency that proposes non-response to fire. Additionally, we expect to produce a video in the first quarter of 2009 that would emphasize professional fire system installation/monitoring benefits and highlight prominent fire officials that support the use and response to our systems.

F. SOME 2008 ACCOMPLISHMENTS...

1. Pre-emptive efforts – Law Enforcement: Glen Mowrey (retired Deputy Chief Charlotte) continues to lead the Alarm Management Committee program for SIAC. We are asking targeted state chiefs associations to form this special committee that includes three or more members from the state alarm association. Under Glen's guidance and facilitation, the members are hand-picked, agenda is set and initial dialogue closely supervised. Generally, non-response inquiries from any chiefs are quickly offset by proven alternative solutions supported by the chiefs state association. State laws, state model ordinances and best practices favorable to the alarm industry and the public are passed along as "endorsed" recommendations to all police chiefs in a given state.
2. Ordinance Activity – SIAC has engaged in many ordinances with onerous provisions not limited to non-response, here are just a few examples:
 - a. Detroit, MI – Initially proposed non-response, now working toward a pro-consumer alarm ordinance with non-response off the table.
 - b. Columbus, OH - Initially proposed non-response, now working toward a pro-consumer alarm ordinance with non-response off the table.
 - c. Santa Fe, NM - Initially proposed non-response, now formed a "task force" per our recommendation to look at all alternatives – always results in pro-consumer provisions

- d. Seattle, WA – Multiple year effort that has turned a strongly negative police attitude into a positive, fruitful working relationship with softened provisions.
 - e. Olympia, WA – Multiple year effort that moved a city considering non-response to a “Model” example of what can be done with a cooperative effort that has yielded better than a 70% reduction in dispatches in under two years.
 - f. Fontana, CA – Assisted the California Association in its effort to reverse a policy decision that unlawfully over-rode an ordinance to the detriment of the citizens, though ultimately the city council did vote in favor of non-response. The industry’s aggressive effort stalled or eliminated other surrounding cities from following a similar path.
3. Dealer training – Standards: SIAC continues to attend local, state and national events and present material that promotes industry best-practices to reduce false alarms and the resulting alarm dispatches. Additionally, we are heavily involved in the national standard process to ensure these best practices are integrated into meaningful standards.
 4. Other Initiatives:
 - a. ICMA – International City Managers Association – SIAC is about to enter its second year as a Strategic Partner with ICMA. We will be publishing articles and conducting state & national seminars to key city leaders in the next year. We expect to influence their perception of the industry and provide them significant insight that will allow cities to develop ordinances that generate enough revenue to offset police response costs, a key initiative for keeping non-response from being a viable option.
 - b. Hiring of part-time consultants – SIAC selectively hires or participates in co-sponsoring the hiring of key individuals in areas where alarm ordinance activity is high, like in California and Colorado. We find it is more cost-efficient to fund local professionals to represent our interests in lieu of sending our personnel into the state 12-15 times or more per year. Additionally SIAC has hired a part-time career law enforcement representative (FBI) to target the group known as “Major City Chiefs”. Bud McKinney has a working knowledge and is intimately involved in the monthly activities of this group, based on professional relationships and consulting services he has provided.

One final note... In all these efforts, SIAC continues to be the sole point of coordination and a communication for the entire industry. National companies listed that include ADT, Brinks, Diebold, regional companies and national monitoring centers are in constant contact with us, exchanging critical information on potential issues... Most national and even local media inquires are routinely referred to SIAC for handling by these companies to allow for professional representation of our industry. It is a relationship that benefits all parties because this one issue transcends all traditional boundaries and all information is shared equally. We look forward to having your support as well.

SIAC
13541 Stanmere Dr
Frisco, TX 75035
972-377-9401
www.siacinc.org

Contact: Stan Martin, Executive Director
stan@siacinc.org