



Broadcasting Decision CRTC 2005-365

Ottawa, 2 August 2005

Dyacom Communications Inc.
Estevan, Saskatchewan

Application 2004-0662-0
Public Hearing at Niagara Falls, Ontario
6 June 2005

English-language low-power FM radio station in Estevan

*The Commission **denies** the application by Dyacom Communications Inc. for a broadcasting licence to operate an English-language low-power FM radio station in Estevan.*

The application

1. The Commission received an application by Dyacom Communications Inc. (Dyacom) for a broadcasting licence to operate an English-language low-power FM commercial radio programming undertaking in Estevan, Saskatchewan at 106.3 MHz (channel 292LP) with an effective radiated power of 50 watts.
2. The applicant proposed to offer a progressive rock music format with an emphasis on the presentation of local musical talent.

Background

3. Currently there are two local commercial radio stations licensed to serve Estevan, namely, CJSL and CHSN-FM. Both of these stations are owned and operated by Golden West Broadcasting Ltd. CHSN-FM was licensed in 2001¹ and began operation on 6 November 2001.
4. In *English-language low-power FM radio station in Estevan*, Broadcasting Decision CRTC 2004-148, 16 April 2004 (Decision 2004-148), the Commission denied a similar application by Dyacom to operate a low-power radio station in Estevan. In that decision, the Commission noted that CHSN-FM had been in operation for less than three years and concluded that “the proposed low-power station would have an undue negative commercial impact upon the operations of the incumbent broadcaster and its abilities to discharge its programming obligations and commitments.”

Interventions

¹ *New FM radio programming undertaking at Estevan*, Decision CRTC 2001-232, 26 April 2001

5. The Commission received several interventions in connection with the present application, most of which were in support. In addition, the Canadian Association of Broadcasters (CAB), Rawlco Radio Ltd. (Rawlco), and Mrs. Barbara Gillies filed opposing interventions.
6. The CAB submitted that Dyracom's proposal is not consistent with the objectives of the licensing policy for low-power radio programming undertakings outlined in *Policy framework for community-based media*, Broadcasting Public Notice CRTC 2002-61, 10 October 2002. The CAB stated that low-power radio stations should provide niche focused services that complement, rather than compete with, existing commercial radio services. The CAB also asserted that the only difference between the current application and the previous application by Dyracom, which was denied in Decision 2004-148, is that the projected revenues in the current application are significantly lower.
7. Rawlco is the licensee or holds control of a number of radio stations serving medium and small markets in Saskatchewan. Rawlco contended that approval of the application would set a precedent, opening the door to similar applications for competitive low-power commercial stations in smaller communities across western Canada. In Rawlco's view, the licensing of low-power commercial radio stations, such as the one proposed by Dyracom, would have a negative impact on incumbent commercial licensees and weaken their role as a "communications focal point" in smaller communities.
8. Mrs. Barbara Gillies opposed the proposed music format because, in her view, it would not provide "positive, uplifting messages to people." She also expressed concern that the addition of another commercial radio station in Estevan would have a negative impact on the commercial viability of the existing radio stations in the market.

Applicant's reply

9. In reply, Dyracom stated that the CAB, in representing the interests of its members, is generally opposed to applications for low-power commercial stations. However, the applicant noted that the CAB has chosen not to intervene in the past when such applications were submitted by its own members. Dyracom also pointed out that, while its previous application had been denied in Decision 2004-148, the Commission stated in that decision that the proposed station "would add diversity to the market and complement the services provided by the two existing radio stations in Estevan."
10. Dyracom stated that, in the past, the Commission has approved applications for low-power commercial undertakings as long as the introduction of the proposed service would not create an undue negative financial impact on incumbent stations. According to Dyracom, the fact that the financial projections submitted in the present application are "considerably more modest" than those presented in its previous application eliminates the potential for undue negative impact upon the existing broadcaster in the market. The applicant also noted that, if the Commission were to approve the current application, the new station would not launch until the fifth year of operation of CHSN-FM, the station most recently licensed to serve Estevan.

11. In its response to Mrs. Barbara Gillies' intervention, Dyracom made a commitment to become a member of the Canadian Broadcast Standards Council and to abide by its guidelines. The applicant added that it will support community projects for youth.

Commission's analysis and determination

12. The Commission considers that Dyracom's proposed station would add diversity and complement the services currently available in the Estevan market. The Commission also notes that the present application proposes more modest financial projections than those filed in Dyracom's previous application denied in Decision 2004-148. Nevertheless, the Commission remains concerned about the potential for Dyracom's proposed station to have an undue negative impact on incumbent radio stations in Estevan, and the effect this impact might have on the ability of the incumbent broadcaster to carry out its programming obligations and commitments. Accordingly, the Commission **denies** the application by Dyracom Communications Inc. for a broadcasting licence to operate an English-language low-power FM radio programming undertaking in Estevan.

Secretary General

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