



Broadcasting Decision CRTC 2014-562

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Erin Community Radio

Erin and Orangeville, Ontario

Application 2013-1714-9

CHES-FM Erin – New transmitter in Orangeville

*The Commission **denies** an application by Erin Community Radio to add a transmitter in Orangeville, Ontario, to rebroadcast the programming of the English-language community radio station CHES-FM Erin.*

Application

1. Erin Community Radio (Erin Radio) filed an application to add a transmitter in Orangeville, Ontario, to rebroadcast the programming of the English-language community FM radio station CHES-FM Erin. The transmitter would operate on frequency 89.1 MHz (channel 206LP) with an effective radiated power (ERP) of 50 watts (non-directional antenna with an effective height of antenna above average terrain of 29 metres).
2. Erin Radio submitted that the new transmitter would allow it to improve reception within Orangeville. It added that the station's mandate consists in providing service to residents living in the Hills of Headwaters area, a region that encompasses Erin and Orangeville, as well as Caledon, Dufferin, Mono and Shelburne, Ontario.
3. Noting that CHES-FM has lost money over the last six years, Erin Radio stated that the centre of commerce in Erin and its associated advertising base are insufficient to cover the station's operating costs, due to a lack of infrastructure to support businesses that traditionally buy radio advertising. It argued that should the application be denied, the station would continue operating at a loss, with an even greater decrease in revenues, particularly advertising revenues. The licensee submitted that the proposed transmitter would bring financial stability to the station given the support that Orangeville's sustainable business would provide. It added that access to the town's larger population base would expand CHES-FM's listener and advertising reach and create new fundraising opportunities.

Background

4. In Broadcasting Decision 2006-160, the Commission approved an application by Erin Radio for a broadcasting licence to operate a low-power, English-language community FM radio station to serve Erin, on frequency 101.5 MHz (channel 268LP) and with an ERP of 50 watts. This station launched as CHES-FM in October 2006.
5. In Broadcasting Decision 2010-383, the Commission approved an application by Erin Radio to amend the broadcasting licence for CHES-FM in order to change the frequency from 101.5 MHz to 88.1 MHz (channel 201A1), and to increase the station's average ERP from 50 to 125 watts (maximum ERP from 50 to 250 watts). As noted in that decision, the station's status changed from that of a low-power unprotected service to that of a regular, Class A1 protected service. According to the licensee, the increase in power would allow the station to cover much more of the town of Erin and create a stronger audience base, thereby helping it to fulfil its original mandate and ensuring the station's future economic health.
6. In Broadcasting Decision 2013-588, the Commission approved an application by Erin Radio to increase CHES-FM's average ERP from 125 to 570 watts (maximum ERP from 250 to 1,250 watts). Noting that CHES-FM's technical parameters were limited, the Commission found that the technical changes would improve the station's service to the town of Erin, the area that it is licensed to serve, and mitigate the increased interference that would result from a proposal by Rock 95 Broadcasting Ltd. for a power increase for CIND-FM Toronto, also approved in that decision. It further found that the technical changes would improve the station's financial viability and maintain a consistent level of service to listeners.

Interventions

7. The Commission received an intervention in support of the application from the National Campus and Community Radio Association (NCRA). It also received interventions in opposition to the application from Dufferin Communications Inc. (Dufferin), licensee of CIDC-FM Orangeville, My Broadcasting Corporation (MBC),¹ and Bayshore Broadcasting Corporation (Bayshore).² The public record for this application can be found on the Commission's website at www.crtc.gc.ca or by using the application number provided above.

¹ In Broadcasting Decision 2014-378, the Commission approved an application by MBC to operate an English-language commercial FM radio station in Orangeville. As of the date of this decision, that station has not commenced operation.

² In Broadcasting Decision 2012-123, the Commission approved an application by Bayshore to operate an English-language commercial FM radio station in Shelburne, which is located about 25 kilometres north of Orangeville. In Broadcasting Information Bulletin 2013-662, the Commission granted Bayshore a final extension, until 1 March 2016, to commence operation of the new station.

Commission's analysis

8. After examining the public record for this application in light of applicable regulations and policies, the Commission considers that the issues it must address are the following:
 - whether the applicant has demonstrated a compelling technical or economic need for the proposed transmitter; and
 - whether the proposal makes appropriate use of radio spectrum.

Compelling technical or economic need for the proposed transmitter

9. When a licensee of a radio station files an application for a technical change, including the addition of a transmitter, the Commission expects the licensee to present compelling technical or economic evidence that the existing technical parameters are not adequate to provide the service as originally proposed. Accordingly, the Commission has examined both the technical and economic need for the proposed transmitter.

Technical need

Interventions

10. According to Dufferin, MBC and Bayshore, Erin Radio did not indicate in its original application for a broadcasting licence to operate CHES-FM, or in any subsequent applications requesting technical changes, a desire to serve Orangeville, or the Hills of Headwaters. In regard to the station's power increase approved in Broadcasting Decision 2013-588, both Dufferin and MBC noted that the currently proposed secondary service contour would in fact reach the skirt of Orangeville, but that the town is not included in CHES-FM's interference-free zone. They expressed the view that Erin Radio is therefore seeking to increase its coverage area outside the area it was originally licensed to serve.
11. Similarly, MBC noted that CHES-FM's originally proposed service contours, as well as modifications to those contours, did not allow its signal to reach Orangeville. It stated that Erin Radio has never demonstrated an intention to serve the town and submitted that the licensee is now attempting a "back-door" entry into the Orangeville radio market.

Reply

12. Erin Radio stated that CHES-FM has been providing Orangeville-related programming despite not reaching the town with its signal (outside of its primary (i.e., 3mV/m) service contour). It further stated that the station has grown since its launch and that interest for the service has expanded beyond Erin. The licensee argued that CHES-FM would not be effective if it decided to ignore Orangeville, which it described as an extension of Erin.

13. According to Erin Radio, the power increase approved in Broadcasting Decision 2013-588 has not resulted in a marked improvement to CHES-FM's signal coverage. It noted that although the station's signal improved within the town of Erin, the topography of the region keeps the signal from extending far outside its primary service contour. It further noted that although the station's signal enters part of Orangeville through its secondary service contour, the signal there is weak.

Commission's decision

14. In its original application for a broadcasting licence to operate CHES-FM, Erin Radio did not indicate that it wished to serve Orangeville, or the Hills of Headwaters in its entirety. Further, the power increase approved in Broadcasting Decision 2013-588 was not to improve the station's signal outside of its interference-free service area. Rather, it addressed potential interference resulting from a power increase approved for CIND-FM, and allowed better coverage of Erin.

15. CHES-FM's current service area, including its interference-free zone, does not extend to provide coverage over Orangeville. Although Erin Radio stated that the current proposal aims to address reception issues within Orangeville, the Commission is of the view that it would increase the station's coverage to encompass the town, which it was not licensed to serve.

16. In light of the above, the Commission finds that the licensee has not demonstrated a compelling technical need for the proposed transmitter.

Economic need

17. In Broadcasting Decision 2013-588, the Commission, noting the financial challenges facing CHES-FM, found that approval of Erin Radio's application to increase its ERP would improve the station's financial viability and permit it to maintain a consistent level of service to its listeners.

18. In recent years, CHES-FM has reported modest revenues and has faced challenges securing revenues. Its recent financial performance continues to suggest limited growth potential. In the Commission's view, approval of the proposed transmitter could help the station grow its revenue base by extending its coverage to Orangeville.

19. However, the station's most recent financial results, which were provided with the present application, do not take into account the technical changes approved in Broadcasting Decision 2013-588. In the Commission's view, and as argued by certain interveners, insufficient time has elapsed since the issuance of that decision to properly gauge the effects of the technical changes on the station's finances. Furthermore, the licensee submitted limited evidence as to why the market CHES-FM currently serves cannot support the station as previously anticipated.

20. Finally, the advertising revenues projected by Erin Radio in the application that led to the issuance of Broadcasting Decision 2013-588 in all likelihood took into account the level of business activity within the then proposed coverage area, which was

essentially limited to Erin and surrounding areas. The extent to which the economy of the area may have changed since that time is not yet clear. Moreover, whether the station is in a position to improve its financial situation as a result of having improved its signal remains to be seen.

21. In light of the above, the Commission finds that the licensee has not provided compelling evidence that the proposed transmitter would contribute to improving CHES-FM's financial viability.

Appropriate use of radio spectrum

22. The Commission considers that approval of the licensee's proposal would result in the underuse of the frequency 89.1 MHz, in a radio market characterized by a scarcity of available frequencies. This same concern was reflected in the intervention from MBC, who questioned whether it would be appropriate to use that frequency to operate a low-power, unprotected radio station. The frequency 89.1 MHz is the last known remaining frequency in the Orangeville radio market that could be used for the operation of a protected Class A radio station. Based on the low-power technical parameters proposed by Erin Radio, the transmitter would experience considerable interference from other radio stations. In the Commission's view, other technical parameters could be used to provide greater coverage over Orangeville.

23. Consequently, the Commission finds that Erin Radio's proposal does not constitute an optimal use of the frequency 89.1 MHz, and would not represent an appropriate use of radio spectrum.

Conclusion

24. In light of all of the above, the Commission **denies** the application by Erin Community Radio to amend the broadcasting licence for CHES-FM Erin in order to add a transmitter in Orangeville, Ontario, to rebroadcast the programming of the station.

Secretary General

Related documents

- *English-language FM radio station in Orangeville*, Broadcasting Decision CRTC 2014-378, 18 July 2014
- *Applications processed pursuant to streamlined procedures*, Broadcasting Information Bulletin CRTC 2013-662, 6 December 2013
- *CIND-FM Toronto, CHES-FM Erin and CFRH-FM Penetanguishene – Technical changes and new transmitter*, Broadcasting Decision CRTC 2013-588, 1 November 2013

- *Licensing of new radio stations to serve Shelburne and Collingwood, Ontario*, Broadcasting Decision CRTC 2012-123, 29 February 2012
- *CHES-FM Erin – Technical change*, Broadcasting Decision CRTC 2010-383, 16 June 2010
- *Community radio station in Erin*, Broadcasting Decision CRTC 2006-160, 21 April 2006