



**Canadian
Association of
Broadcasters**

**L'Association
canadienne des
radiodiffuseurs**

January 22, 2004

Ms. Diane Rhéaume
Secretary-General
Canadian Radio-television and
Telecommunications Commission
1, Promenade du Portage
Hull, Québec
K1A 0N2

Dear Ms. Rhéaume:

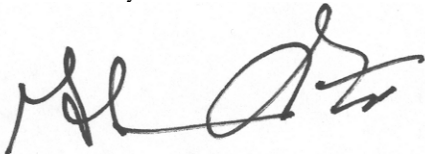
**Re: Broadcasting Notice of Public Hearing CRTC 2003-11 –
Application No. 2003-1073-0 by Dyracom Communications Inc.**

1. The Canadian Association of Broadcasters (CAB) – the national voice of Canada's private broadcasters, representing the vast majority of Canadian programming services, including private television and radio stations, networks and specialty, pay and pay-per-view televisions services – is pleased to submit this intervention to the above-noted application.
2. Dyracom Communications Inc.(Dyracom) has applied for a licence to operate an English-language low-power FM commercial radio programming undertaking in Estevan, Saskatchewan. The new station would operate on frequency 106.3 MHz (channel 266LP) with a maximum effective radiated power of 49.96 watts at a height of 34.78 meters. The applicant proposes a Hard Rock format, offering a blend of Hard Rock, Alternative Rock, Classic Rock and Punk Rock music.
3. The CAB **opposes the above-noted application** for the following reasons:
 - Dyracom's application does not meet the objectives identified in the licensing policy for low-power radio undertakings outlined in Broadcasting Public Notice CRTC 2002-61 *Policy Framework for Community-based Media* (PN 2002-61);

- Dyracom has failed to provide substantial evidence that demonstrates relevant community need for an additional service in the Estevan market; and
 - Dyracom's proposed service is commercial in nature, offering a mainstream music format under the form of a low power radio undertaking, and should therefore trigger a call for applications in the Estevan market.
4. As the CAB noted in its submission to the Commission respecting Public Notice CRTC 2001-19 *Review of Community Channel Policy and Low-Power Radio Broadcasting Policy*, low-power radio undertakings have emerged in numerous markets over the past several years. While their geographic coverage area may be limited, their market reach can be extensive. For example, Dyracom's proposed low-power radio service in Estevan would cover over 70% of the population that would be serviced by a full power Class A station, while offering a music format traditionally provided by mainstream conventional radio stations.
 5. It is the CAB's position that low-power radio undertakings should provide niche-focused services that provide true diversity of voices in the broadcasting system, for example tourist/weather information, ethnic or other services of direct and local relevance. Such services complement rather than compete with existing radio services in the market. Low-power radio services must not represent a new, low-cost competitive layer with few obligations for licensees and a lower threshold to market entry.
 6. In PN 2002-61, the Commission clearly states as a fundamental element of its licensing policy for low-power radio that "[l]ow-power radio undertakings should not replicate the programming offered by existing services." Accordingly, the Commission's licensing policy requires all applicants for low-power radio services to demonstrate how their proposed service will fulfill the following objectives:
 - The contribution of an additional, diverse voice to the markets served.
 - The presentation of programming that complements that of existing licensees in the market.
 - The fulfillment of demonstrated community needs.
 7. The CAB submits that Dyracom's application has failed to demonstrate how its proposed service will meet any of the above-noted licensing objectives. Contrary to offering a diverse voice in the market, Dyracom's proposed commercial service plans to offer a Hard Rock music format, which is traditionally provided by mainstream conventional radio stations. Dyracom confirms the competitive nature of its proposed service on page 32 of its application when it indicates it would be "...a full service FM radio station for our local audience."

8. Furthermore, Dyracom's application fails to provide any substantial or objective evidence that demonstrates there is a relevant community need for its proposed service or any additional service in the Estevan market.
9. The nature of the above-noted application underscores the CAB's serious concern that the Commission's licensing policy for low-power radio will be used as a "back door" entry into the system for applicants wishing to operate conventional radio undertakings but not willing to shoulder the regulatory obligations that accompany such a licence. In reviewing Dyracom's application the Commission must not underestimate the significant impact that the introduction of new, ostensibly "non-competitive" services can have on existing licensed radio undertakings, particularly in smaller markets where licensed local services are under constant pressure from all media sources.
10. For these reasons, the CAB urges the Commission to deny the application by Dyracom for a low power FM commercial radio station in Estevan, Saskatchewan.
11. The CAB further submits that, should the Commission determine in the context of the current public hearing that the Estevan market can sustain an additional competitive commercial service, and that there is a demonstrated need for such a service, an appropriate call for applications to provide such a service should be issued.
12. The CAB does not wish to appear at the February 16th, 2004 hearing in Quebec.

Yours truly,

A handwritten signature in black ink, appearing to read 'Glenn O'Farrell', written over a light grey rectangular background.

Glenn O'Farrell
President and CEO

cc: Darcy Vatamaniuck - President and CEO, Dyracom Communications Inc.
Marc O'Sullivan, CRTC