

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON, D. C.

In the Matter of THORNE DONNELLEY, LAKE BLUFF, ILLINOIS, For Construction Permit (Coastal Har- bor Station, Public Coastal Service).	}	DOCKET No. 4573.
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Decided April 6, 1938

Ben S. Fisher and *Charles V. Wayland* on behalf of the applicant;
Frank C. Dunbar on behalf of Lorain County Radio Corporation;
Alfred L. Geiger on behalf of United States Independent Telephone
Association; *Basil P. Cooper* on behalf of the Commission.

REPORT OF THE COMMISSION

BY THE COMMISSION (Commissioner Payne dissenting):

This proceeding arises upon the application of Thorne Donnelley for a license to construct a coastal harbor station at Lake Bluff, Illinois, to be operated in the public coastal service with power of 700 watts. The Commission being unable to determine that public interest, convenience or necessity would be served by the granting of the application the matter was set for hearing. Hearing was held before an Examiner on June 8, 1937, and on September 2, 1937, the Examiner released his report recommending that the application be granted. The Lorain County Radio Corporation appeared at the hearing and opposed the granting of the application. No exceptions were filed to the Examiner's report.

The applicant herein, Thorne Donnelley, is a citizen of the United States, residing at Lake Bluff, Illinois. He has had considerable experience with the construction and operation of radio equipment over a number of years. He is at present the licensee of a radio ship station and has had experience as an amateur operator. He is also the licensee of a portable station which is operated for the pur-

pose of supplying service, free of charge, to communities when other means of communication have failed. The applicant also owns an amateur radio station at Lake Bluff, Illinois, which is operated by the Lakeside Radio Club, of which the applicant is president. This amateur station, which has been operated for a number of years, is housed in a separate building and has an extensive antenna and ground system and a separate emergency power supply. Should the present application be granted, the greater part of the equipment now used in this amateur station would be available for the proposed coastal harbor station and amateur operations would be discontinued.

The applicant has a net worth of approximately \$1,000,000 and is in a position financially to construct and operate the proposed station. He is vice president and general manager of the Reuben H. Donnelley Corporation, Inc., a publishing concern doing a gross annual volume of business of \$9,000,000. The applicant was formerly associated with Station WDAP, Chicago, now known as Station WGN. Qualified personnel will be employed to operate the station if the application is granted.

The equipment proposed to be utilized by the applicant is described as Bendix Radio Corporation Type S-150, with crystal control of the carrier frequency, and capable of 100 percent modulation. It has a maximum obtainable carrier power output of 700 watts, appears to be easily capable of operating in conformity with rules and regulations of the Commission, and will represent an investment of five thousand dollars. The applicant has installed, in connection with his amateur station, a very extensive ground system consisting of two miles of No. 10 copper wire buried in charcoal which will be utilized by the proposed station. A one-half wave either horizontal or vertical Hertzian antenna, energized by a concentric transmission line, will be employed. A qualified radio engineer has been retained by the applicant to supervise the installation to insure that the station complies with the Commission's regulations and with good engineering practice.

In October 1933, representatives of the appropriate administrative agencies of the United States and the Canadian governments entered into an agreement designed to reduce interference between stations of Canada and stations of the United States using high frequencies. Under this agreement, which has been approved by the respective administrative agencies, the frequency 2514 kc. is allocated for the joint use of Canada and the United States for short distance maritime telephony on Lake Michigan and Lake Ontario. There is at present no station operating on this frequency and no

objectionable interference will result from the operation of the proposed station, nor will the operation of the proposed station be subject to objectionable interference. However, should the Canadian government establish a station using this frequency, there is a possibility that objectionable interference would result to such station from the operation of the proposed station. In licensing other coastal harbor stations it has been the uniform practice of this Commission to limit the power to 400 watts and authorization should be so limited. It might also be necessary, in the future, for this proposed station to share time with others on the same frequency in order to make the most efficient use of frequencies available for service on the Great Lakes. In this connection, this Commission is directed, by the terms of Section 602 (e) of the Communications Act of 1934, as amended (Public No. 97, 75th Congress, effective May 20, 1937), "to make a special study of the radio requirements necessary or desirable for safety purposes for ships navigating the Great Lakes and the inland waters of the United States, and to report its recommendations, and the reasons therefor, to the Congress not later than December 31, 1939." It follows from this mandate of Congress that this authorization should be subject to any restrictions that may be necessary for effecting any recommendations this Commission may make to Congress pursuant to said mandate for the safety of craft operating on the Great Lakes.

The applicant has an informal understanding with Illinois Bell Telephone Company to connect his proposed station with the land-line system of Illinois Bell Telephone Company and its connections which will make available public telephone communication service between any land wire telephone station and suitably equipped vessels on Lake Michigan within the service area of the proposed station. The rates which applicant proposes to charge for service rendered by the proposed station are the same as those in effect at the public coastal harbor telephone station WMI operated by the Lorain County Radio Corporation at Lorain, Ohio. These rates are 75 cents for the first three minutes with 25 cents for each additional minute on a station-to-station call and 90 cents for the first three minutes with 30 cents for each additional minute on a person-to-person call between the proposed station and any suitably equipped vessel in the service area of the proposed station. In the event a call requires the use of land wire circuits extending beyond Lake Bluff, Illinois, there would be added to the radio charges the land line charges incurred.

The applicant is primarily interested in rendering a local radio-telephone communication service to ships in the lower end of Lake Michigan. It is estimated that from Lake Bluff the proposed station

should be able to render satisfactory service to ships in the lower end of Lake Michigan within a distance of approximately 100 miles north of the City of Chicago. Within this service area, there are approximately 1,300 yachts as well as a number of commercial vessels. A witness for the applicant testified that he had contacted a large number of prospective users and they had expressed an interest in the proposed station. This witness testified also that he was primarily interested in the proposed station "from a safety point of view." No testimony was offered from any other prospective users which would indicate the necessity for additional radio facilities to handle the commercial needs in the service area of the proposed station, although there is a considerable volume of traffic of small fishing craft with headquarters in the vicinity of Chicago and a substantial tonnage between ports on lower Lake Michigan and the other Great Lakes. The applicant estimates that the cost of operating the proposed station (including interest on the investment) would be approximately \$1,845 per month. No revenue estimate was prepared, but the applicant testified that he expected the proposed station to operate at a loss for a period of from two to three years and that he was willing and able to operate the station at a loss for as much as five years.

The Lorain County Radio Corporation operates Station WMI, located at Lorain, Ohio, which furnishes commercial service to all of the Great Lakes. At the present time this station is licensed to use the frequencies 2158, 6660, 8820, and 13245, and the frequency 2738 kc. is available for communication between ships. Through the use of the appropriate frequency satisfactory radiotelephone communication service may be maintained from any point on the Great Lakes between any of the vessels suitably equipped and Station WMI at Lorain. There is some conflict in the testimony with respect to the availability of Station WMI to a vessel in the lower end of Lake Michigan. However, the equipment necessary to assure satisfactory communication with Station WMI at Lorain is costly when viewed in the light of being installed primarily from the standpoint of safety and for only occasional use. Small pleasure craft and commercial vessels could hardly be expected to make the investment in radiotelephone equipment necessary for satisfactory communication with Station WMI if their operations were confined to the lower end of Lake Michigan. This is especially true when it is considered that the charge for a telephone call from a vessel in the lower end of Lake Michigan via Station WMI to a point near Chicago would include the land wire charges from Lorain to Chicago, which are \$1.40 for a three-minute call.

The service of Station WMI is primarily with commercial vessels operating on the Great Lakes. This is indicated by the fact that in 1935 they served no tugs or small commercial craft and only one yacht. The major portion of the water-borne commercial traffic on the Great Lakes moves between Lake Superior and Lake Erie, although a substantial portion moves into Lake Michigan. The fifty-four vessels now equipped for communication with the Lorain station could not communicate with the proposed station without a change in their equipment. There is no evidence to the effect that any of these vessels would make the necessary change in their equipment to enable them to communicate with the proposed station. It is apparent that the primary use of the Lorain station is for handling the heavy commercial traffic between the Great Lakes and, in this connection, the Lorain County Radio Corporation has in contemplation the construction of two additional stations, one on Lake Superior and one on Lake Michigan.

FINDINGS

1. From the record we find that there is a need for the operation of a coastal harbor radiotelephone station to serve the lower end of Lake Michigan, particularly in the vicinity of Chicago, but that the operation of such a station should be subject to further restriction of power if the operation of the station results in interference to the established coastal harbor service on the Great Lakes or any that may be established in the future. The authorization for the operation of the station should also be subject to such time-sharing arrangement with other stations which may be authorized to operate on the same frequency as this Commission may find necessary to effect the most efficient use of frequencies available for service in the Great Lakes area.

2. Since the application is for a coastal harbor station, 400 watts power will be sufficient for the needs of such a service.

3. The applicant is legally, financially, and technically qualified to construct and operate the proposed station at Lake Bluff, Illinois.

An appropriate Order will be entered.

5 F. C. C.