

Information note to the Press (Press Release No. 91/ 2008)

For Immediate release

TELECOM REGULATORY AUTHORITY OF INDIA

Tel No.:-011-23221509

Fax:-011-23220442

Email:-traicable@yahoo.co.in

Website:-www.trai.gov.in

**Recommendations on 3rd Phase of Private FM Radio Broadcasting –
response to observations made by Government**

New Delhi, 28th November, 2008: TRAI had sent its recommendations on 3rd Phase of Private FM Radio Broadcasting on February 22, 2008. Subsequently, the Ministry of Information & Broadcasting vide their D.O. letter No. 104/2/2008-FM dated 18.11.2008 had requested for TRAI's response on certain issues relating to TRAI's recommendations in terms of the provisions of Section 11 of TRAI Act. The main issues on which a response was sought from TRAI are as follows:

- Geographical basis for licensing – City vis-à-vis District
- Restriction on ownership of multiple channels
- Change in ownership of permission holder company
- News and Current Affairs
- Floor price of the bids
- Automatic renewal of permission

2. These issues have been considered by TRAI and a response sent to the Ministry of I & B today. The highlights of the response sent by the Authority are:-

- The Authority has conveyed its acceptance to continuation of city level licensing in the larger interest of expediting the process.
- The Authority has strongly reiterated its earlier recommendation for removal of ceiling limit of ownership of 15% of total permitted FM radio stations in the country by any permission holder.

- While accepting the Government's views on allowing restructuring before start of FM radio broadcasting, the Authority has reiterated its views on restrictions on change in ownership after start of FM radio broadcasting.
- The Authority has accepted the views of the Government on limiting the sources of News and Current Affairs for FM Radio and has recommended that a review for expansion of sources may be considered after three years.
- The categorization of content to be treated as non-news and current affairs broadcast is acceptable to the Authority. The scope of such content may be enlarged after a period of three years after reviewing the experience.
- The Authority has accepted the views of the Government for continuing with the current level of floor price of the bids.
- Automatic renewal of permission with higher of the "future value" of the One Time Entry Fee paid by a bidder or the latest One Time Entry Fee paid by any bidder for a similar category city in the same state has been recommended with the existing permission holder having the first right of refusal.

3. Further details may be seen at TRAI's website (www.traigov.in).

Contact Details in case of any clarifications:

R. N. Choubey,
Principal Advisor (B& CS)
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan,
Jawahar Lal Nehru Marg, New Delhi-110 002
Tel. No.011-23221509 Fax No.011-23220442
E-mail : traicable@yahoo.co.in

Authorised to issue: Principal Advisor (B&CS)