



**Via Email**

To,

**Shri Anil Kumar Bhardwaj**

Advisor (B&CS)

**Telecom Regulatory Authority of India**

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**Sub: Response to the Consultation Paper dated April 17, 2023 on “Issues Related to Low Power Small Range FM Radio Broadcasting” (hereinafter referred as ‘CP’ for brevity)**

Dear Mr. Bhardwaj,

At the outset, We, HT Media Ltd and Next Radio Ltd (step down subsidiary of HT Media Ltd) (**‘We’/‘HT’**), thank TRAI for giving us this opportunity to put forth our views on the captioned subject.

The CP mulls regulating and licensing low power FM broadcast for commercial purposes like drive-in theatres and other services also low-power short range FM Radio broadcasting which are intended for limited locations and reception area e.g., hospital radio services, amusement parks, business premises, closed communities such as residential complex, small habitations, commentary for local events such as air shows and sports events etc.

Our submission are as follows:

- 1) We would like to refer our earlier representation to MIB and reply to TRAI consultation paper on FM Radio issue, wherein in the consultation paper TRAI has acknowledged that that the FM radio industry is going through tough times and seeking Government relief for sustenance. Now this move – allowing others for local transmission – is going to have a significant negative impact on FM Radio Industry.
- 2) The CP ignores other business which already providing solutions with other technology like on-premise Radio which is catering services to Malls, Restaurant, Retail outlets, Hospitals etc for public announcement and advertisement services. We also operate Fabplay business catering services which will adversely affect our existing business.
- 3) **Adverse Revenue Impact:** As TRAI is aware, private FM broadcasters have expended multiple crores of monies on acquiring frequencies, Annual License Fees, infrastructure set ups, music royalties etc. (collectively referred to as ‘Spectrum regulatory cost’) and being free-to-air medium, its only stream of revenue and recovery of these Spectrum regulatory cost is through advertisement revenues.

The advertising on FM Radio today has a significant share from local players in retail section. The ad rates to cater such local players continue to be lower than what they were pre-covid. Allowing low Power Small Range FM Radio Broadcasting will create a parallel radio ecosystem that is hyper local, unviable for new players as well as further indenting the FM Radio industry.

TRAI has recently issued its recommendations on the consultation paper relating to Community Radio Stations (CRS) on March 22, 2023 wherein TRAI has recommended advertisement on a CRS should be increased from seven (7) minutes per hour to twelve (12) minutes per hour. The private FM broadcasters had opposed this increase apprehending over commercialization of CRS. In case this is implemented, it may potentially hamper the ad-revenues of private FM broadcasters especially in smaller cities where there is heavy overlap of transmission of CRS and private FM stations in such areas, resulting in loss of advertisers for private FM channels.

This being the case, permission to commercialize low power FM transmission, which in fact would be almost similar to CRS, can adversely impact private FM station's revenues in the relevant areas due to obvious competition and dilution of the already scarce retail advertisement market in smaller towns and cities.

Any permission granted to the Low Power Broadcasters would necessarily entail advertisements being broadcast by such broadcasters to monetize the same. Hence, we strongly object to independent licenses being granted to for low power broadcast.

In the event, Government desirous to allocate the lower spectrum, we submit that the existing FM Radio Broadcaster have appropriate infrastructure, set-up and technical expertise, and accordingly to boost the FM Radio Industry the license allocation should be given to existing FM Broadcaster without any extra regulatory cost under the exiting FM licensing regime.

**Any revenues earned by private FM broadcasters from the ad-revenues generated from such low power broadcast shall ultimately form part of the radio revenues of the concerned private FM broadcaster and will be reckon and paid in part to the Government as part of Annual License Fee.**

Existing private FM broadcasters can set-up and administer such low FM broadcasts within their respective areas of transmission and any person/institution/ theaters etc should approach and select from the available options of private FM broadcasters in their area.

The applicants for low power FM broadcasters will necessarily need to invest monies in setting up infrastructure for such broadcast, technical know-how etc. for starting such service. Whereas, all this is readily available with the private FM broadcasters operating in the concerned area and can be availed on rental basis from them creating a win-win situation from both. The private broadcaster may even provide the services free of charge in return of right to monetise the transmission through ad-revenues.

- 3. Conflict with FM Transmission:** Frequency allocation shouldn't happen in existing FM band i.e. 88 Mhz-108 MHz as it will create interference to other FM stations. Even if it's permitted in future, then the emission Power should be very minimal may be less than 50 Watt so that signal shouldn't spread beyond a certain earmarked area.

Any additional transmissions, though low-power and limited in range, can potentially interfere with private FM broadcast quality against majorly in small cities and towns due to limited area coverage. This may in turn dissuade advertisers to advertise on private FM channels in such areas.

#### 4. Risk of non-compliance with advertising codes and other regulations:

With increase in number of low power broadcasters, the Government will need to spend huge sums on regulating and monitoring these new broadcasters. Also, such monitoring would be extremely difficult given the short range of transmission, which may create huge risk of non-compliances with applicable law including violations of advertising codes such as AIR commercial code, ASCII codes, government advisories on prohibited advertising etc.

There is a huge possibility that producers of banned products like liquor, tobacco, owners of gambling websites/services and other illegal services may choose to advertise on such mediums due to low surveillance. Also, anti-social elements can use such service to drive their agenda of creating communal/religious disharmony, which again would be difficult to monitor and control.

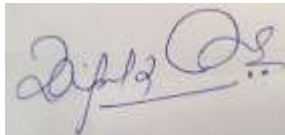
Thus, the possibility of misuse of this medium for aforesaid reasons is high and the same can prove to be a surveillance nightmare.

Hence in summary, we recommend:

- a) The draft consultation is premature and various important aspect surrounding the policy aspect still be deliberated with all interested stakeholders.
- b) Independent licenses should not be being granted for auction of Low Power Small Range FM Radio Broadcasting.
- c) In order to give boost to FM Radio, the commercial use of low power broadcast should be made part of FM Radio service and these services be routed through existing private FM broadcasters.

We once again thank you for the opportunity provided by your good offices to put forth our views and suggestions on the subject and hope that they shall be given due consideration.

For HT Media Ltd



(Authorized Signatory)

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