

**GOVERNMENT OF INDIA  
INFORMATION AND BROADCASTING  
LOK SABHA**

UNSTARRED QUESTION NO:1551

ANSWERED ON:09.08.2011

EXPANSION OF FM RADIO PHASE-III

Bali Ram Dr. ;Dhurve Jyoti;J Helen Davidson;Ponnam Shri Prabhakar;Rani Killi Krupa;Sugumar Shri K.

**Will the Minister of INFORMATION AND BROADCASTING be pleased to state:**

- (a) whether the Government has approved new policy guidelines pertaining to the expansion of FM radio in phase-III in the country;
- (b) if so, the major issues taken up in the new policy;
- (c) whether the Government proposes to permit broadcasting of news and current affairs through private FM radio;
- (d) if so, the details thereof; and
- (e) the funds allocated to implement the expansion of FM radio in phase-III?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF INFORMATION & BROADCASTING ( SHRI C.M. JATUA )

(a) & (b) Yes, Sir. Cabinet, in its meeting held on 7.7.2011, has approved the 'Policy Guidelines on Expansion of FM radio broadcasting services through private agencies (Phase-III)'. Permission for FM radio channels will be awarded through ascending e-auction, as followed by Department of Telecommunication for the auction of 3G and BWA spectrum, mutatis-mutandis, as recommended by the GoM on Licensing Methodology for FM Phase-III.

FM Phase-III Policy extends FM radio services to about 227 new cities, in addition to the present 86 cities, with a total of 839 new FM radio Channels in 294 cities. Phase-III policy will result in coverage of all cities with a population of one lakh and above with private FM radio channels.

Salient features of the approved policy for Phase-III as against Phase-II are enclosed at Annexure.

(c) & (d) Under Phase-III policy radio operators have been allowed to carry the news bulletins of All India Radio in unaltered format on such terms and conditions as may be mutually agreed with Prasar Bharati. No other news and current affairs programs are permitted under the policy.

(e) So far as private FM radio is concerned, the entire expenditure for establishment/operation of the radio station is borne by the private FM operators.

**ANNEXURE**

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) AND (b) OF THE LOK SABHA UNSTARRED QUESTION No.1551 FOR REPLY ON 09.08.2011.

Salient features of the approved policy for Phase-III as against Phase-II are:-

- i) Radio operators have been permitted carriage of news bulletins of All India Radio only in an unaltered form.
- ii) Broadcast pertaining to the certain categories like information pertaining to sporting events, traffic and weather, coverage of cultural events, festivals, coverage of topics pertaining to examinations, results, admissions, career counseling, availability of employment opportunities, public announcements pertaining to civic amenities like electricity, water supply, natural calamities, health alerts etc. as provided by the local administration will be treated as non-news and current affairs broadcast and will therefore be permissible :
- iii) Private operators have been allowed to own more than one channel but not more than 40% of the total channels in a city subject to a minimum of three different operators in the city.
- iv) License fee will be determined as 4% of GR or 2.5% of bid price whichever is higher.
- v) FDI+FIJ limit in a private FM radio broadcasting company has been increased from 20% to 26%;

(vi) Networking of channels will be permissible within a private FM broadcaster's own network across the country instead of in 'C' and 'D' category cities only of a region allowed at present.

(vii) A choice is proposed to be given to the private FM broadcasters to choose any agency other than BECIL for construction of CTI within a period of 3 months of issuance of LOI failing which BECIL will automatically become the system integrator and set up co-location facilities and CTI.

(viii) A license period of 15 years has been specified for licenses proposed to be granted under FM Phase –III policy.

(ix) Special Incentives for North East (NE) Region and Jammu & Kashmir (J&K) and Island territories :

# Private FM Radio broadcasters in North East (NE) Region and Jammu & Kashmir (J&K) and Island territories will be required to pay half the rate of annual license fee for an initial period of three years from the date from which the annual license fee becomes payable and the permission period of fifteen (15) years begins.

# The revised fee structure has also been made applicable for a period of three years, from the date of issuance of Guidelines, to the existing operators in these States to enable them to effectively compete with the new operators.

# Apart from the fee relaxation, it is further proposed that Prasar Bharati infrastructure would be made available at half the lease rentals for similar category cities in such areas.

# The limit on the ownership of Channels, at the national level, allocated to an entity has been retained at 15%. However channels allotted in Jammu & Kashmir, North Eastern States and island territories will be allowed over and above the 15% national limit to incentivise the bidding for channels in such areas;