

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

UNSTARRED QUESTION NO:5184

ANSWERED ON:08.05.2012

INCENTIVES FOR FM RADIO OPERATIONS

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

- (a) whether the Government provides any incentive for operating FM Radio services across the country;
- (b) if so, the details thereof;
- (c) the present policy of the FM Radio services, both in the private and public sectors to cover the cities across the country;
- (d) the details of the targets set and achievements made so far for the coverage of FM radio services, State-wise and location-wise; and
- (e) the time by which Bhavanagar FM radio station in Gujarat is likely to be functional/commence operations and the modernisation work of Sambalpur FM radio station in Odisha will be completed?

Answer

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

(a) & (b): 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)'. For promotion of private FM radio, policy proposes to enhance FDI+FII from 20% to 26%, news bulletins of All India Radio (AIR) in an unaltered form has been permitted, networking of channels within a broadcaster's channel has been allowed and multiple channels in a city has also been permitted. Policy also proposes special incentives for North Eastern States, Jammu and Kashmir and Island territories.

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

(c): Private Sector:

Presently, 245 FM channels are operational under existing Phase-II Policy guidelines on expansion of FM radio broadcasting services through private agencies. Further, as per approved policy guidelines on expansion of FM radio broadcasting services through private agencies in Phase-III, Government proposes to extend FM radio service to about 227 new cities, in addition to the present 86 cities, with a total of 839 new private FM radio channels in 294 cities. Phase-III policy will result in coverage of all cities with a population of one lakh and above except private FM radio channels in North Eastern States, Jammu & Kashmir (J&K) and Island territories, which are having a population of less than 1 lakh.

Public Sector :

Presently, All India Radio (AIR) FM services is provided from 218 places across the country and the coverage in FM mode is by 41.43% of population of the country. For covering the entire country by FM channels, huge funds are required. Therefore, FM expansion in the country is being taken up in the phased manner depending upon availability of funds, and inter-se priority.

(d): Private Sector:

As per time schedule for implementation of Policy Guidelines on expansion of FM radio broadcasting through private agencies, (Phase-III) , ascending e-auction process is to be initiated for issuing permissions for FM radio channels in batches over a period of 3 years with the approval of Hon'ble Minister in the Ministry of Information and Broadcasting. State -wise and location/city - wise list of private channels of Phase II and Phase III are at Annexure II and Annexure III respectively.

Public Sector: As regards AIR, during the 11th Plan, the target for setting up of 311 new FM Transmitters of various capacities in the country was made and their current status is as below :

S.No. 11th Plan No. of New FM Transmitters Transmitters Pending due to
Scheme Transmitters installed in Progress non-allotment
approved till March'2012 of Site from State
Govts.

1 Continuing	173	126	41	6
Scheme				
2 New Scheme	138	3	135	-
(Transmitters.				
ordered for				
115 places)				

The state-wise and location-wise details are given in Annexure IV & V.

(e): Private Sector:

As per the Policy Guidelines for expansion of FM Radio broadcasting services through private agencies (Phase-III), 4 private FM radio channels are proposed in Bhavanagar (Gujarat). As per the policy, all the channels in Phase-III in the country, including those of Bhavanagar would be auctioned through ascending e-auction process in batches over a period of 3 years, with the approval of Hon'ble Minister in the Ministry of Information & Broadcasting.

Public Sector:

The 100 watt FM (relay) at Bhavanagar in Gujarat is likely to be made functional by August 2012 and the 5 Kw FM Transmitter at Sambalpur in Odisha is likely to be completed by 2013.

ANNEXURE-I

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE LOK SABHA UNSTARRED QUESTION No.5184 FOR REPLY ON 08.05.2012.

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 Gross Revenue (GR) or 2.5% of bid price whichever is higher.

(v) FDI+FII 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 Common Transmission Infrastructure (CTI) within a period of 3 months of issuance of Letter of Intent (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 Eastern States, Jammu & Kashmir (J&K) and Island territories :

Private FM Radio broadcasters in North Eastern States, 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.