

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

UNSTARRED QUESTION NO:3851

ANSWERED ON:04.09.2012

AUCTION OF FM CHANNELS

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

- (a) whether the Government has any proposal based on the recommendations of the Telecom Regulatory Authority of India (TRAI) for e-auction of FM channels on the available radio spectrum under phase-III;
- (b) if so, the number of FM channels likely to come under this auction, State-wise and location-wise;
- (c) the estimated revenue likely to be earned through the auction of these FM channels;
- (d) the reasons for inordinate delay in e-auctioning of the FM channels and the step/action taken by the Government in this regard;
- (e) whether the Government proposes to reduce the minimum channel spacing for FM; and
- (f) if so, the details thereof and the cost of frequency for non-news FM channels?

Answer

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

(a) & (b): Based on the recommendation of the GOM on Licensing Methodology for FM Phase-III, Government proposes ascending e-auction, as followed by Department of Telecommunication (for the auction of 3G and BWA spectrum), for the e-auction of FM channels. Under the Phase-III policy, a total number of 839 channels in 294 cities shall be available for auction. State-wise and location-wise details are at Annexure.

(c): Government is likely to receive total revenue of about Rs.1531.92 crore from the auction of new channels.

(d): While implementing Phase III Policy, a few issues, like charging of migration fee from existing permission holders, specific departures in the Request For Proposal (RFP), reduction in inter channel spacing etc. have arisen, which are not covered under the Phase III policy. Required approvals on these issues are being taken and E-auction would be done thereafter.

(e) & (f): The Telecom Regulatory Authority of India (TRAI) has recommended reduction in the minimum channel spacing from 800KHz to 400KHz within a License Service Area in FM Radio Sector in India. The TRAI recommendation are under active consideration of the Government.

Under the Phase-III Policy, the permission for the channels would be granted on the basis of Non-Refundable One-Time Entry Fees (NOTEF) i.e. successful bid amount to be arrived at through an ascending e-auction process, on the lines followed by Department of Telecommunications in the auction of 3G and BWA spectrum, mutatis-mutandis as recommended by the GoM on Licensing Methodology for FM Phase-III. Cost would be determined through price discovery during the e-auction process.