

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

STARRED QUESTION NO:326

ANSWERED ON:13.02.2014

FM RADIO

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

- (a) the existing policy on expansion of Frequency Modulation (FM) radio broadcasting services including the general and financial criteria for the purpose;
- (b) the names of cities in various States including Karnataka where FM radio broadcasts are on air, at present, State/UT-wise; (
- (c) whether the Government proposes to start FM radio broadcasts from the cities which are not yet covered by the FM radio; and
- (d) if so, the steps being taken by the Government in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF INFORMATION & BROADCASTING (SHRI MANISH TEWARI)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO.326 FOR ANSWER ON 13.02.2014.

The FM radio sector was opened to private participation in the year 1999 when the policy for FM Phase-I was announced. FM Phase-I Policy was a limited success as only 25% of the expected licenses could become operational. The deficiencies of Phase-I resulted in only 21 operational channels in 12 cities. Subsequently, the policy guidelines for expansion of FM Radio broadcasting services through private agencies (Phase-II) were announced in 2005. It provided a revenue sharing regime instead of a fixed fee regime alongwith other changes, resulting in a quantum jump in the growth of the sector. Cities/Towns with a population of 3 lakh and above, besides State Capitals were taken up for bidding during the first two Phases of FM radio broadcasting. Presently, a total of 243 channels are operational in 86 cities across the country including 13 channels in 4 cities in Karnataka. While only cities and towns were taken up in these two phases, the coverage area of the transmitters does spillover to nearby areas also.

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)". Under the Policy, 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.

The eligibility criteria inter alia, include companies registered under the Companies Act, 1956, net worth requirement ranging from Rs.50 lakh to Rs.10 crore depending upon category of the city and Foreign Direct Investment/ Foreign Indirect Investment limit of 26%. Disqualification clause of the guidelines includes a company controlled by or associated with a religious/political body.

The experience in Phase II suggested that there is considerable untapped potential for future growth in the FM radio sector. Accordingly in Phase-III, besides vacant channels of Phase-II cities/towns, all other cities/towns with a population of above one lakh as per 2001 census are proposed to be covered, unless they are getting covered by adjacent cities/towns. In addition, 11 cities in border areas of Jammu& Kashmir (J&K) and NE States (even though they are having the population of less than one lakh) are also included in the list. Under the Policy Guidelines for expansion of FM Radio broadcasting services through private agencies (Phase-III), Government proposes to e-auction 839 such channels in 294 cities/towns as per laid down guidelines. Details of existing and proposed private FM channels are at Annexure-I & Annexure-II respectively.

According to the information received from Prasar Bharati, presently, All India Radio (AIR) FM service is provided from 364 places across the country including 19 places in Karnataka. The State-wise details are at Annexure-III. The coverage in FM mode is by 44.50% of population of the country. FM expansion in the country is being taken up in a phased manner under plan schemes depending upon availability of funds, and inter-se priority.