

# entertainment network (India) limited

Corporate Office: 14<sup>th</sup> Floor, Trade World, D-Wing, Kamala Mills Compound, Senapati Bapat Marg,  
Lower Parel (West), Mumbai – 400 013, India. Tel: 022 6753 6983.

## Via Email

To,

**Shri Anil Kumar Bhardwaj**

Advisor (B&CS)

**Telecom Regulatory Authority of India**

Mahanagar Doorsanchar Bhawan

Jawaharlal Nehru Marg,

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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, Entertainment Network (India) Limited (**‘We’/ ‘ENIL’**), thank TRAI for giving us this opportunity to for 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.

Following are our concerns, submissions, views regarding the aforesaid uses:

**1. 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 ‘Low Power Broadcasters’) and being free-to-air medium, its only stream of recovery of these expenses is commercial exploitation of the air time i.e. through ad-revenues.

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.

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This being the case, permission to commercialize low power FM transmission, which in fact would be almost similar to CRS, shall definitely adversely impact the 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 as it will lead to dilution of revenues of private FM broadcasters making it further difficult to sustain particularly in smaller town and cities which have a very limited advertisers and revenues.

## **2. Transmission interference:**

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.

## **3. 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 broadcaster. 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.

## **Recommendations:**

**In light of the aforementioned reasons and to address the concerns listed above, we recommend that low power FM broadcast licenses, if issued, should be routed only through existing private FM broadcasters i.e. existing private FM broadcasters be given the authority as 'service providers' to set-up and administer such low FM**

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**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.**

**Following are the reasons for this recommendation:**

**1. Efficient use of available infrastructures and technical know-how:**

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

This will also plug the loss of revenues for private broadcasters as apprehended above.

**2. Cost saving for the Government:**

The recommended provision can save crores of rupees for the Government which it would otherwise have to expend on creating regulatory and monitoring infrastructure for controlling transmissions by independent broadcasters. This is because the existing private FM broadcasters would do the same for the government as part of their regular compliances and reporting.

**3. Lowers compliance Risks:**

As service providers private FM broadcasters can maintain logs of transmissions and ensure that the risks of illegal transmissions/advertisement of banned products etc. as stated in foregoing paras is minimized and properly monitored as advertisements will be controlled by private FM broadcasters.

This will facilitate compliance of applicable laws and regulations, reducing administrative hassles for the government.

**4. No loss of revenue for the Government:**

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 thus paid out to Government as part of Annual License Fee paid by them.

**Hence in summary, we recommend that commercial use of low power broadcast should not be permitted by the Government and if permitted should be routed solely through existing private FM broadcasters.**

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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.

Sincerely,

**For Entertainment Network (India) Limited**



**Prashant Ramdas**

**Vice President & Head-Legal**