

Consultation paper no 7/2017

Telecom Regulatory Authority of India

Response to Consultation paper

On

Issues related to Digital Broadcasting in India

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Submitted by

Reliance Broadcast Network Limited

Summary of issues for consultation

1. Is there a need to encourage or facilitate introduction of digital radio transmission at present? If so, what measures do you suggest and in which market?

- **Yes, there is a need to encourage or facilitate introduction of digital radio transmission.**
- **At present, the penetration of affordable digital receivers in India is negligible. More so, the costs of the digital receivers are prohibitive in the market.**
- **FM Radio is the only free to air medium available with a huge reach to the large masses.**
- **Introduction of digital radio transmission at present should be encouraged by being cognizant of the high price of the digital receivers in Indian market and its penetration to the common masses.**
- **It should be in the interest of radio broadcasters as the radio broadcasters have paid exorbitant amount of Fee for the next 15 years.**
- **There is a need to develop an ecosystem first at ground level for the introduction of digital radio transmission.**

2. Is there a need to frame a roadmap for migration to digital radio broadcasting for private FM broadcasters? If yes, which approach, mentioned in para 4.7 should be adopted? Please give your suggestions with justification.

- **Yes, there is a need to frame a roadmap for migration to digital radio broadcasting for private FM broadcasters.**
- **A comprehensive analysis of the effect of migration to digital radio broadcasting on the current analogue radio business should be done.**
- **The analogue business should not be harmed as the radio broadcasters have paid exorbitant amount of Fee for the next 15 years.**
- **The introduction of digital broadcasting should not be independent and separate to analogue broadcast whereas it should be in parallel and simulcast to the analogue broadcast.**
- **In current environment when internet bandwidth connection is down, internet streaming is a substitute to internet streaming**
- **The cost of content in digital broadcasting is high. The statutory licensing provision under the Copyright Act should specifically apply to digital streaming of a radio broadcasters.**

3. Should the date for digital switch over for radio broadcasting in India need to be declared? If yes, please suggest the date with suitable justification. If no, please give reason to support your view.

- **Considering the current scenario, declaration of a digital switch over for radio broadcasting in India will be pre-mature to decide.**
- **A road map has to be developed for the introduction of the digital broadcast in simulcast with the analogue broadcast.**
- **The technology to be adopted for the introduction of digital transmission is to be decided.**
- **The FM radio Phase - 3 in itself is going through a growth phase.**
- **Considering that the Phase - 3 stations are not yet fully launched a switch over date for the digital broadcast would be too early to decide.**

4. Is present licensing framework or regulatory framework is restrictive for migration to digital radio broadcasting? Please explain with justification.

- **The licensing framework or regulatory framework should be in best interest of the radio broadcasters who have paid huge amount of money in terms of reserve price and migration fee.**
- **The interest of the radio broadcasters should be protected and compensated.**
- **FM Phase - 3 with huge investment and CAPEX have just started to become profitable, therefore, the licensing framework or regulatory framework should be sensitive towards broadcasters.**
- **The licensing framework should be inclusive of digital broadcasting so that it allows broadcasters to simulcast with the analogue broadcast.**
- **Accordingly, Government can continue to calculate the annual revenue of 4 percent at total advertising income of both analogue and radio stations.**

5. Should single digital radio technology be adopted for entire country or choice of technology should be left to radio broadcasters? Support your reply with justifications.

In order to achieve affordable digital receiver sets for all, a mass demand would need to be created, which can happen if single digital radio technology is used.

6. In case a single digital radio broadcast technology is to be adopted for entire country, which technology should be adopted for private FM radio broadcasting? Please give your suggestions with detailed justification.

The single digital radio broadcast technology should be decided post exhaustive comparative study, in consultation with all the Radio broadcasters.

7. How issue of interference and allocation of appropriate spectrum allocation can be settled in case the option to choose technology is left to radio broadcasters?

The choice of technology should be done in consultation with all the radio broadcasters considering the exhaustive comparative study and multiple stands taken in different countries' market.

8. Should the permission for operating FM channels be delinked from technology used for radio broadcasting? If yes, please provide a detailed framework with justification.

- **Yes, the permission for operating FM channels should be delinked from technology used for radio broadcasting.**
- **Analogue and digital broadcasting should co-exist. The current incumbent broadcasters may be given permission to simulcast to help migration to digital broadcasting without any additional spectrum fee.**

9. Should the existing operational FM radio channels be permitted to migrate to digital broadcasting within assigned radio frequency? If yes, should there be any additional charges as number of available channels in digital broadcasting will increase? Please provide a detailed framework for migration with justification.

- **The existing operational FM radio channels be permitted to migrate to digital broadcasting within assigned radio frequency in parallel and simulcast on digital.**
- **No, there should not be any additional charges as number of available channels in digital broadcasting will increase.**
- **Reserve Price was high and not successful in Phase- 3 auctions. Radio is a small segment it cannot be expected out of broadcasters to pay such high Reserve Price. It should be kept bare minimum.**
- **In digital broadcasting number of players will increase therefore reserve price should be revisited.**
- **We may continue to auction the radio channels for FM radio broadcasting as being done presently.**

10. Should the future auction of remaining FM channels of Phase-III to be done delinking it from technology adopted for radio broadcasting? Please give your suggestions with detailed justification.

- **The future auction of digital broadcasting should be done similar to analogue auctions and with no additional cost.**
- **The interest of radio broadcasters should not be put to any harm after paying huge fees in FM radio Phase - 3.**
- **It is pertinent to highlight that high reserve price in the phase 3 auctions has not been a great success.**
- **Ministry of Information and Broadcasting has to look into the Reserve Price Formula as a result of collective action brought by all the radio broadcasters.**

11. In case future auction of remaining FM channels of Phase-III is done delinking it from technology, should the present auction process be terminated? If no, what should be the alternate auction process? Please give your suggestions with detailed justification.

- **We may continue to auction the radio channels for FM radio broadcasting as being done presently. The Minimum reserve price need to be removed.**
- **Since digital would allow multiple increase in stations, the prices under auction or otherwise offered for these stations will be very low and best left to market rather than artificial reserve price.**
- **It is observed from auction results of batch 2 of phase - 3 that three fourths of frequencies were not taken consequent to the high reserve prices.**

12. What modifications need to be done in FM radio policy to use allocated FM radio channels in technology neutral manner for radio broadcasting?

Radio Broadcasters should be given right to simulcast digital and analogue broadcast.

13. What measures should be taken to reduce the prices of digital radio receivers and develop ecosystem for migration to digital radio broadcasting.

- **Both government and private broadcasters should start digital transmission by adopting a common technology.**
- **Both must adopt methods to educate the mass about digital transmission. This will gradually increase the demand and decrease the radio receivers' price in next three to five years.**
- **Currently, we must focus on supply of the radio receivers to increase the demand.**

14. Stakeholders may also provide their comments on any other issue relevant to present consultation.

- **The interest of stakeholders should not be compromised after paying exorbitant amount of License fee for next 15 years.**
- **Currently digital radio receivers are costly exercise. Radio is the only free to air medium with a reach to common mass therefore, listeners interest should not be compromised either.**
- **We suggest that in current situation digital broadcasting may not be a viable option. It would rather be viable where radio broadcasters are allowed to stream on the internet. As, it would not require any different receiver.**
- **Therefore, we are of the view that it will be prudent in the interest of radio broadcasters to simulcast or stream radio feed to the internet.**
- **There should be parity in the royalty as comes along with the content on internet streaming as equal to the analogue price.**
- **The revenue earned on the internet by the radio broadcasters will be shared with the Government.**
- **Any decision should be taken in consultation with all the radio broadcasters, keeping in mind best interest of radio broadcasters and listeners.**

Conclusion:-

We as a broadcasters foresee that digital radio broadcasting may not be a viable option in the medium run. Government should try to maximize its revenue by launching more analogue stations by placing appropriate channel spacing and reserve price.

Government should allow radio streaming on to the internet in parity with analogue radio broadcast and earn extra revenue from the royalty.

If radio has to become a viable option , Government has to allow content plurality by allowing sports and news on the radio without any restrictions.