

Telecom Regulatory Authority of India

**Consultation Paper
On
Licensing Issues Relating to
Community Radio Stations**

New Delhi

AUGUST 25, 2004

Table of Contents

Chapters		Page No.
	Preface	i
Chapter - 1	Introduction	1-2
Chapter - 2	Rationale of Community Radio	3-5
Chapter - 3	Existing Framework	6-8
Chapter - 4	Eligibility	9-14
Chapter - 5	Licensing Process	15-20
Chapter - 6	Funding	21-25
Chapter - 7	Regulation & Monitoring	26-30
Chapter - 8	Issues for consultation	31-32

PREFACE

In December 2002, Government had announced a policy for the grant of licence for Radio Stations to educational institutions with certain guidelines. There has been a demand for expanding the scope of radio as a medium of communication for meeting the needs of local communities. For this the existing policy on community radio needs to be reviewed.

During the course of the consultation process on the licensing conditions for the Second Phase of Private FM Radio Broadcasting a number of persons had requested for changes in the policy on community radio. In response to this request this Consultation Paper has been prepared.

The Consultation Paper has benefited from the inputs given during the consultation process of private FM radio. Apart from this the Paper has also drawn on the issues raised during the workshop organised on a new framework for community radio organised by the Ministry of Information and Broadcasting and supported by UNDP and UNESCO.

The objective of this Consultation Paper is to obtain structured inputs on the various issues involved in a revision of the policy of community radio. Based on these inputs, TRAI would give its recommendations to the Ministry of Information & Broadcasting on the issues involved in expanding the scope of community radio.

Written comments on this Paper may be furnished to Secretary, TRAI by 15th September, 2004. For any further clarification on the matter, Secretary, TRAI or Advisor (B&CS) may be contacted at trai07@bol.net.in (Ph. No.26167448) and rkacker@trai.gov.in (Ph. No.26713291) respectively.

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Chapter - 1: Introduction

- 1.1 **Background:** In India radio is one of the most popular and affordable means of mass communication mainly due to its large coverage, mobility and low cost. With appropriate strategies Radio can be a vehicle of social change particularly for the rural, sparsely populated and remote corners of the country.

Radio was the monopoly of All India Radio – the public service broadcaster till a couple of years back. During the last 4 years, the country has moved from having only public service broadcasting to a new four tier broadcasting system which allows for public, private, education and community broadcasting.

- 1.2 **Public Service Broadcasting:** The mandate of All India Radio, is to inform, educate and entertain with the broad objective to encompass the concerns of a large and varied group of listeners. Presently All India Radio is able to cover 98.02 percentage of the population of the country and 88.92 percentage of the geographical area. The FM broadcasts of All India Radio cover only about 33 per cent of the population and 21 per cent of the geographical area. Presently All India Radio has a network of 213 broadcasting centers supported by 143 medium wave, 54 short wave and 140 FM transmitters.

All India Radio provides three tier broadcasting. National channel targets the audience throughout the country. The Regional service satisfies regional needs. The objective of the local radio station is to satisfy the local aspirations as well as to become the vehicle of social change. Out of 78 local radio stations of All India Radio, 70 stations are using FM transmission. All India Radio has also experimented with Community Radio Stations by putting up 5 Nos. of 1 KW Medium Wave transmitters in the North East.

- 1.3 Private FM Broadcasting:** The commercial radio stations are market driven and therefore try to gain as much market share as possible. They accord higher priority to commercial considerations. Government opened the radio sector for participation by the private FM broadcasters in May 2000 and offered 108 frequencies in 40 cities for open tender bidding. At present, 21 private FM stations are on the air in 12 cities.
- 1.4 Education Broadcasting:** In 2000, the Government allowed IGNOU to set up FM radio stations in 40 cities to carry out education broadcast. Presently, there are 10 radio stations of IGNOU which have been operationalised.
- 1.5 Community Radio:** Community Radio can serve as a platform for the local community and can help focus on the day to day concerns of citizens and help in realizing the local aspirations. The community radio is seen as the radio of the people, for the people and by the people. In December 2002, Government announced the policy for the grant of license to educational institutions with certain guidelines. Presently only one community radio station is in operation.
- 1.6** There is a need to expand the scope of the Radio as a medium of communication for meeting the needs of local communities. This consultation paper is intended to focus discussion on the various issues related to Community Radio including expanding the ownership of Community Radio beyond educational institutions. The larger objective is to provide a cost effective means of empowering local communities and enabling them to play a more meaningful role in the course of economic and social development.

Chapter - 2: Rationale of Community Radio

Radio frequencies have been internationally recognized as the common heritage of humanity by the Torremolinos Treaty of the International Telecommunication Union and by Article 33 of the International Telecommunication Convention. The administration of this limited resource is the responsibility of states, which have a duty to treat the various sections of the society equitably.

2.1 Freedom of Expression: The basic rationale of Community Radio is freedom of expression.

Article 19 of the Universal Declaration of Human Rights guarantees freedom of opinion and expression and the freedom to receive and impart information and ideas through any media and regardless of frontiers.

Radio broadcasting, as a means of public expression, is an exercise of freedom of expression. Freedom of airwaves is a natural corollary of the freedom of expression.

The Milan Declaration on Communication and Human Rights of 24th August, 1998 calls for international recognition of the community broadcasting sector as an essential public service and an important contributor to media pluralism and freedom of expression and information.

2.2 Exchange of Information: A Community Radio Station is a radio service by the people, close to the people and for the people. The Community Radio serves the interest of the community by dissemination and exchange of the most relevant information- including educational

and developmental. The members of the community get an opportunity to express themselves socially, politically and culturally.

- 2.3 Participation:** Community Radio gives voice to people from marginalized sections of society to express their views on Community Development. It promotes participatory decision making through healthy discussion on local issues.
- 2.4 Community Development:** Community Radio encourages participatory community development, harnessing locally available resources and innovation in Community Development.
- 2.5 Local Issues:** Community Radio takes up local issues affecting the community members. Community Radio improves people's access to information in local languages/dialects. While public Service Broadcasters cater to the needs of majority of audience, it is not possible for them to take up issues affecting small communities. The mainstream Radio has centralized program production which is unable to cater to the specific requirements of small communities in terms of language, program content and concerns of masses. Community Radio can very well fill this vacuum.
- 2.6 Culture:** Community Radio provides a forum for local culture expression. It enhances artistic and intellectual culture and showcases local talent. It gives opportunity to local artists to get wider exposure, training & experience.
- 2.7 Catalyst of Change:** Community Radio speeds up the process of informing the community and therefore acts as a catalyst of change. It serves as a watchdog on civic authorities/ power holders, providing a forum for active relationship between leaders and citizens.

Community Radio can change the behavior of its communities for the good. Research in South Africa has shown that effective educational radio programs can change listeners' behavior and lead to the growth of knowledge in the community especially in areas such as HIV / AIDS.

2.8 Education: Community Radio can have very high educational success rate. The educational programs based on characters with which members of the community can identify are the most effective. The audience is willing to trust the presenters they know. The station is accessible and people can either phone or just walk in if they need more information about any program. Community Radio stations adapt programs to local needs and language requirements.

2.9 Low Cost: Lack of access to information in remote and inaccessible regions can be tackled with the Community Radio. Print media cannot be used due to prevalence of large scale illiteracy and remoteness of such regions. Television and video are ruled out due to absence/unstable supply of electricity coupled with high cost of receiver sets. Radio receiver sets are inexpensive and rugged and can operate on batteries.

Chapter - 3: Existing Framework

3.1 Introduction: In December 2002, the Government announced the policy for the grant of Community Radio Licenses to educational institutions/organizations.

Under this policy, Community Radio Licenses can be granted to educational institutions/organizations which are recognized by the Central Government or the State Government. These will include the Universities and institutes of technology/management and residential schools.

Community Radio is expected to focus on issues relating to education, health, environment, agriculture, rural & community development. The contents are to be confined to social, cultural and local issues and the format, subject, presentation and language must reflect and exude the local flavour and fragrance.

3.2 Objectives: The scheme was introduced with the following broad objectives:

- (i) Enhancing participation of the people in the development process.
- (ii) Capacity building in rural areas, through education.
- (iii) Providing opportunities to the people to upgrade their skills and enhance their creative talents.
- (iv) Preserving and promoting the traditional wisdom, knowledge and skills, thereby helping to promote and project the local language, arts, craft, culture and traditions.
- (v) Bring within easy reach of the rural population, topical information in areas of agriculture, social welfare, education, health and environment.
- (vi) Help in creating rural networks for the rural cottage and village industry.

- 3.3 Selection Procedure:** The intending educational institutions/ organisations need to apply for license, in the prescribed application form, in accordance with the guidelines for grant of licenses for Community Radio Stations. In the event of more than one claimant for a single frequency at a given place, the licensee is selected by a Committee constituted by the Ministry of Information & Broadcasting on the basis of standing, commitment, objectives and resources of applicant organization.
- 3.4 Technical Parameters:** Maximum 50 watt transmitter power was permitted with an antenna height of 30 meters above ground.
- 3.5 Allocation of Spectrum:** License is issued in the shared frequency band from 87.5 to 100 MHz. However, in the event of frequency not being available in this band, the exclusive broadcast band of 104 to 108 MHz may also be considered, as in case of private FM broadcasters.
- 3.6 Period of License:** License is granted for a period of three years.
- 3.7 License Fee:** Since community radio broadcasting has to operate on non-commercial basis, no license fee is being charged. The licensee will be required to furnish a Bank Guarantee for a sum of Rs.50,000 only, to ensure performance of the license agreement. The licensee will, however, be required to pay spectrum usage fee, as determined by the Wireless Advisor in WPC Wing Ministry of Communications.
- 3.8 Regulations**
1. Adherence to programme code of All India Radio. News and Current Affairs, election and political broadcasts are prohibited.
 2. Government can revoke/terminate/suspend license, in case of violation of the terms and conditions of license.
 3. Bank Guarantee of Rs.50,000/- to ensure timely performance

4. To prevent overlap with private FM, the community radio stations will be non-commercial ventures-advertisements or sponsored programmes are prohibited.
5. Preservation of records for 6 months, by the licensee.

3.9 Progress of the Scheme

- (i) a public notice, inviting applications for grant of licences for setting up Community Radio Stations has been issued, which has appeared in various daily newspapers, in the first fortnight of February, 2003.
- (ii) The Government has received 55 applications from various educational institutions including universities.
- (iii) WPC, Ministry of Communications & IT has earmarked frequencies to 17 applicants and accordingly letter of intent has been issued to 12 applicants.
- (iv) The Country's first Community Radio Station has become operational since **1st February, 2004** at Anna University, Chennai, after grant of license by Ministry of Information and Broadcasting.

Chapter - 4: Eligibility

The Ministry of Information & Broadcasting issued guidelines for grant of licenses for setting up Community Radio Stations after the Government decided to allow Community Radio Stations. As per these guidelines, well established educational institutions/organizations recognized by the Central Government or the State Government could apply for grant of these licenses. The Universities and Institutes of Technology/Management and residential schools are also eligible to apply for such licenses under these guidelines.

4.1 Present Status: As indicated above, since the present guidelines permit grant of licenses for setting up Community Radio Stations only to educational institutions, community radio licenses are not available to Community Cooperatives, Local self help Groups, NGOs, Social Organisations, Trade Unions, Associations and other non Commercial Groups.

4.2 Criteria: A Community Radio Station serves a particular community. The community can be of two types – (1) a geographically based community and (2) a community of interests (such as cultural, institutional). The applicant must be a part and parcel of the community it intends to serve. The applicant must be in a position to establish that it represents the community.

The concept of Community Radio Stations is in a nascent stage in India. Eligibility criteria should therefore not be overly exclusive, as this may hamper growth of the Community Radio stations in the country. Rather than defining eligibility, it may be more logical to define who is not eligible for a Community Radio License. There may be divergent opinions in drawing up such a list.

- 4.3 Legal Entity:** A corollary of the legal requirement of signing a license agreement is that the licensee has to be a legal entity. In case of infringement of terms and conditions of license/program code by a licensee, it may not be possible to fix responsibility if the licensee is not a legal entity.
- 4.4 Local Bodies:** Gram Panchayat and other local bodies could claim to be representing the community while applying for a Community Radio License. The claim is supported by the fact that these bodies are democratically elected. However, a Community Radio Station owned by a Panchayat/Local Body would not be able to assess and report on the achievements and failures of the local administration in an impartial manner.
- 4.5 Cooperatives:** Cooperative movement has been very successful in many rural communities in the country. Such cooperatives may be interested in setting up Community Radio Stations. However, many of such cooperatives are engaged in commercial activities (dairying, handloom, food processing etc.) and granting license to them may violate the condition that Community Radio Stations have to be non-commercial.
- 4.6 Sustainability:** The experience of country's first Campus Community Radio at Anna University, Chennai has shown that the capital cost of operationalising the Campus Community Radio is around Rs.12-15 lakhs and a similar amount is needed per annum for running a three hour transmission every day. The financial condition of an applicant is therefore a very important factor which will determine the sustainability of the station. However, it can also be argued that those who apply should satisfy themselves about the financial sustainability and the Government need not look into this issue.
- 4.7 Objectives:** An applicant organization may be having objectives which do not merit encouragement from State. For example an organization for promotion

and welfare of a caste based or a sect based community or an organization of followers of a godman to whom supernatural powers/ miracle healing powers are attributed. While these objectives may not exactly be illegal it is debatable whether such applicants should be eligible to set up Community Radio Stations.

During the first phase of Licensing of private FM Radio broadcasting religious and political bodies along with their affiliates and associates were disqualified from holding of license.

4.8 Nationality: In most of the countries the control over mass media is required by law to remain in the hands of their citizens. In our country also there is an upper limit on Foreign Direct Investment in Print and Electronic Media. It is also worth consideration that there are many foreign organizations/ agencies/ NGOs which provide financial and technical support to communities for setting up Community Radio Stations.

4.9 Broadcast Bill, 1997: Section 12 of the Broadcast Bill, 1997 lays down that no person specified in part-I of the Schedule shall be eligible for grant of a broadcasting license. These disqualifications are listed as under:-

1. General disqualification:

- (a) An individual who is not an Indian national.
- (b) A partnership firm all of whose partners are not citizens of India.
- (c) Companies not incorporated in India.
- (d) Companies incorporated in India but with foreign equity in case of terrestrial broadcasting services
- (e) Governments and local authorities.
- (f) Any person convicted of an offence under this act or convicted under the Representation of the Peoples Act or declared as insolvent.
- (g) A body, which is controlled by a person, referred to in any of clause (a) to (e) above.

(h) A body corporate, in which a body referred to in clause (g) above, is a participant with more than five per cent interest.

2. Disqualification of religious bodies
3. Disqualification of political bodies
4. Disqualification of publicly funded bodies
5. Disqualification of advertising agencies

4.10 International Experience: There are different eligibility criteria for grant of Community Radio License in different countries. These criteria are summarized in Table 4.1.

Table 4.1

Country	The entities that are eligible for License	The entities that are not eligible for License
Australia	Duly incorporated associations or companies that represent a community interest.	
Canada	A registered non-profit community group.	1. A business, or 2. An individual
Colombia	1. An organized community having legal personality. 2. Their social objective must be the promotion of mass communication as an instrument of development & community participation. 3. They must be domiciled in the municipality in which the station is set up.	
Ghana	1. Corporations of Ghanaian citizens 2. Associations registered in Ghana.	1. Political parties. 2. Religious organizations.
Poland	1. Persons of Polish nationality who reside permanently in Poland. 2. Legal persons permanently domiciled in Poland. (Shares held by foreign investors in the capital of Broadcasting Companies is limited to 33%.)	

South Africa		Any party, movement, organization or alliance of a political nature.
Spain	1. Legal entities. 2. Individuals who are nationals of a member state of European Union or nationals of other states if so provided in international agreement.	
UK	Only bodies corporate (i.e. not individuals) can apply for Community radio licenses.	Holders of other broadcasting licenses.

4.11 Selection Procedure: Sometimes it may not be possible or desirable to award licenses to set up Community Radio Stations to all the applicants who may otherwise be eligible due to technical or other reasons. The modalities of selecting the applicants to whom licenses may be granted should be clearly laid down.

As per the existing guidelines, in the event of more than one claimant for a single frequency at a given place, the licensee is selected by a Committee constituted by the Ministry of Information & Broadcasting on the basis of standing, commitment, objectives and resources of applicant organization.

Different selection procedures are adopted by different countries. Frequencies are allocated on demand to Radio Stations with a power less than 1 KW in Argentina and more powerful radio stations are subject to a competitive bidding regime. While a low power station may get a frequency on request, it is not protected from interference from a higher powered station.

El Salvador's Telecommunications Law establishes bidding process as the only procedure for settling disputes about grant of licenses. The purely

financial approach to settlement of conflict is at variance with the principle of free and equal access of the population to the mass media.

In Ghana, a license application is granted unless there are grounds preventing it. These grounds must be based on technical considerations, public security or some other reasonable justification, which must be communicated to the applicant.

4.12 Issues: The issues for consultation are as under:-

- What should be the eligibility criteria or would it be better to lay down non-eligibility criteria?
- Whether Gram Panchayats and other local bodies should be eligible?
- Whether nationality of persons controlling the applicant organization should be an eligibility criterion?
- Whether financial condition of the applicant organization, its ability to raise resources and overall financial sustainability should be an eligibility criterion?
- Whether the applicant should be a legal entity?
- Whether Co-operatives engaged in commercial activities should be eligible?

Chapter - 5: Licensing Process

5.1 Present process: The process of issue of license for setting up Community Radio Station under the current regime involves a number of steps. There are briefly listed as under:-

1. The institution/organization makes an application to the Ministry of Information & Broadcasting in the prescribed Performa.
2. The Ministry of Information & Broadcasting consults wireless Advisor in WPC wing of Ministry of communications and also Prasar Bharati to determine the availability of frequency at the place requested by the applicant.
3. The Ministry of information & Broadcasting refers the eligible cases to the Ministries of Home Affairs, Defence, Human Resource Development and External Affairs for clearance.
4. Letter of Intent is issued to the applicant on receipt of clearance from the ministries concerned. The applicant has to sign a detailed License Agreement with the Ministry of Information and Broadcasting.
5. The applicant has to obtain SACFA clearance, set up broadcast facilities and obtain a Wireless Operating license from the Wireless Advisor in the WPC wing of the Ministry of Communications and Information Technology within one year from the date of signing of License Agreement.

The need for simplification of licensing process for Community Radio stations is apparent from the fact that out of 55 applicants, frequencies have been earmarked to 17 applicants and letters of intent have been issued to 12 applicants. As such only 1 Community Radio station has become operational so far.

5.2 Workshop on Community Radio: A workshop was organized on a new framework for Community Radio in India by the Ministry of Information &

Broadcasting and supported by UNDP and UNESCO in New Delhi. On May 5-6, 2004. The recommendations of the Workshop regarding Licensing Process are summarized as under:-

“A simplified licensing process needs to be set in place for community radio. It was noted that the present process of seeking clearance from at least 6 ministries and departments was cumbersome and time consuming. Remote and rural communities, in particular, would not have the resources or time necessary to liaise on a continuous basis with Central Ministries and Departments. In the interest of expediting the process, it was recommended that there should be a single window clearance system and that the procedure should be time bound.

It is understood that a clear time-frame has been proposed for frequency allocation and SACFA clearance, but time limits also need to be set for obtaining other clearances – including security clearance. This could be achieved by initiating dialogue with the concerned Ministries and Departments.”

5.3 International Experience: The Licensing Process for the setting up Radio Stations in different countries is tabulated below:-

Table 5.1

Country	Licensing Process
Australia	<ol style="list-style-type: none"> 1. The Australian Broadcasting Authority advertises for applications for Broadcasting Service Band (BSB) Community Broadcasting licenses giving the last date, applicable conditions, license area and priorities to be observed as per directions of the Minister under law. 2. For deciding on whether to allocate a BSB community broadcasting license the ABA considers extent of fulfillment of existing/ future needs of community, nature and diversity of interests of the community, nature and diversity of other broadcasting services available, capacity of applicant to provide service, one person having control of more than one community BSB license in same area and a state/ territory/ political party having control over a community broadcasting license. 3. ABA is not required to allocate a license to any applicant. 4. ABA may allocate a community broadcasting license that is not a BSB license to a person on application.

Ghana	<ol style="list-style-type: none"> 1. The National Communications Authority (NCA) regulates wire, cable, radio, television, satellite and related technological communications. The NCA is composed of a seven member Board appointed by the President. 2. A license application is granted unless there are grounds preventing it. These grounds must be based on technical considerations, public security or some other reasonable justification, which must be communicated to the applicant.
Lebanon	<ol style="list-style-type: none"> 1. License applicants are granted a temporary permit to operate for one year, after which they are given a license for 16 years if they meet all the conditions. 2. The Cabinet is the only body authorized to grant radio and television licenses, without oversight by an independent authority. 3. A 10 member National Audio-Visual Council (NAC) examines license applications (within a maximum of 45 days) and advises the Cabinet. Of the 10 members of NAC, half are elected and half designated.
Poland	<ol style="list-style-type: none"> 1. The National Broadcasting Council, a nine member independent body grants the licenses. Four of its members are appointed by the Chambers of Deputies, two by the Senate and three by the President of Poland. 2. The process begins with an announcement in the printed press specifying the requirements for filing license applications, the number of licenses available, the deadline for applications etc. 3. The Chairman of the National Broadcasting Council is required to publish the list of applicants participating in licensing procedure. 4. Licenses are granted to persons of Polish nationality who reside permanently in Poland to local persons permanently domiciled in Poland.
South Africa	<p>The licensing procedure begins with the publication in the Governments official gazette of an invitation to participate, is followed by public hearings and ends with the announcement of the Independent Broadcasting Authority (IBA). The IBA is governed by a Council of seven members appointed by the President of the Republic. They have expertise in broadcasting policy, media law, journalism, entertainment, education and other fields.</p>

UK	Applications for licenses are invited annually with a twelve week period between the invitation to apply and the closing date. There are eight criteria for deciding whether, or to whom, to award a community license. These are – sustainability, relevance to community, distinctiveness from existing services, local demand, social gain, accountability to community, provision for access by members of community to the facilities/ training and effect on economic viability of existing commercial radio service. The decision is taken by Ofcom, the independent regulator for the UK communications industries. The licenses are for a maximum period of five years.
Uruguay	The executive decides, without recourse to tenders or competitions, on the time and expediency of inviting interested parties to apply for the allocation of “vacant” frequencies. The applicants have to pay non-refundable US \$ 4500 for the right to apply along with a considerable deposit. The applicants are also requested to declare their commitment to democracy and demonstrate their good character. On this basis the National Executive Authority evaluates the applications and takes a decision.

5.4 Technical Parameters: The Technical parameters laid down for Licensing of community radio stations vary widely from country to country. As per the current guidelines on licensing of Community Radio stations in India, maximum 50 watt transmitter power has been permitted with an antenna height of 30 meters above the ground.

A draft law to regulate low-power radio broadcasting (to be provided by not-for-profit civil associations) and university broadcasting made available by the media regulatory body in Uruguay also defines low-power as power limited to a maximum of 50 watts ERP and average antenna height of 30 m.

In Argentina allocation of frequencies for stations with a power of less than 1 kilowatt is done on demand, whereas for higher powers a competitive bidding regime is followed. Thus community radio stations in Argentina are effectively restricted to 1 kW of transmitter power.

The Canadian Radio-television and Telecommunications Commission issues developmental community or campus radio licenses for 4 years. If a developmental station licensee wishes to pursue its operations as a community or campus station after the end of its developmental station license term, it has to apply for a regular community or campus radio license at least nine (9) months prior to the end of its license term as a developmental station. Developmental community or campus radio licenses are only granted to stations having a transmitter power of 5 watts or less (AM) or an effective radiated power (ERP) of 5 watts or less (FM).

The Australian Broadcasting Authority determined in December 1999 that three additional wide coverage community radio services be made available in Sydney. The services operate on 92.1 MHz with a maximum ERP of 15 kW, 93.7 MHz with a maximum ERP of 50 kW and 94.5 MHz with a maximum ERP of 150 kW.

The FCC of USA have proposed to create two classes of low power radio service, both of which would operate in the existing FM radio band: a 1000-watt primary service and a 100-watt secondary service to address unmet needs for community-oriented radio broadcasting, foster opportunities for new radio broadcast ownership, and promote additional diversity in radio voices and program services

5.5 Low Power Commercial Radio: One of the suggestions that were made during the consultation process on Licensing Issues Relating to 2nd Phase of Private FM Radio Broadcasting was that low power transmitters can also be licensed on a commercial basis. In the TRAI Recommendations on Private FM Radio Broadcasting, it was mentioned that the suggestion of using very low power transmitters for commercial purposes would be examined along with recommendations on Community Radio. The main issue for consultation is whether the Low Power FM Commercial Radio should be regulated as if it

were any other commercial station irrespective of transmitter power or whether we should have separate regulations in place for such radio stations.

5.6 Issues: The issues that arise for consultation are:-

- Whether the applicants may be given temporary permits to operate for the time taken to grant a regular license?
- Whether an Independent Licensing Body should be set up to examine, evaluate and decide on the applications for Community Radio License?
- Whether the requirement of furnishing a Bank Guarantee be done away with?
- Whether any of the clearances required today can be dispensed with?
- Whether time limits for individual clearances should be laid down, beyond which the department may be deemed to have given consent?
- What should be the period of license?
- What should be the maximum permitted transmitter power and antenna height?
- Should separate frequencies be earmarked for Low Power Commercial Radio or should they be part of the same licensing process of community radio?
- If frequencies are to be earmarked, then should the licensing framework follow the parameters of larger commercial services of phase-II?

Chapter - 6: Funding

Community Radio Stations are run as non profit operations. Many community radios are launched with support from outside donors. But fund raising and income generating mechanisms are critical if the operations are to be sustained in the long run.

6.1 Viability: The viability of community radio stations is determined through internal fund raising mechanisms rather than external funding. Contrary to popular assumption, community radio need not be an expensive operation to maintain for the following reasons:-

- The operating cost is very low, mostly related to electrical consumption, spare parts, maintenance and office supplies.
- Volunteers run the operations and dependence on salaried staff is minimal.
- The management raises funds through various fund raising activities.

6.2 Resources: The resources needed for operating the Community Radio can come from individuals, institutions and organizations within the community. There are a number of potential sources and their combinations to raise funds to cover running costs, such as local advertising on topics like local work opportunities, local events or local services; donations; grants; membership fees; sponsorship; hire of facilities; provision of training to other organisations; raffle draws; benefit dances; selling FM receiver sets; Fees for private announcements over their radio etc. A diversity of funding provides Community Radio Stations with the strongest possible financial support.

6.3 Government Funding: In the Indian context, the possibility of Government funding to Community Radio Stations could be explored. Such a move would give a boost to the Community Radio movement in India. Community Radio Stations funded by the Government could concentrate on programming rather than being bogged down by problems of funding. This would sustain and nurture the Community Radio stations and help them to become self sustaining in the long run.

To ensure proper utilization of funds given by the Government, the recipient Radio stations may be asked to maintain accounts and get them audited.

On the other hand Government funding could raise the issues of freedom of the Radio station to air views which are critical of Government. Again it would not be easy for Government to choose who requires funding and to what extent. This process could further complicate a procedure that is perhaps already too cumbersome.

It may be more helpful, if the applicants desirous of setting up Community Radio Stations get technical guidance from the Government Departments regarding type of equipment to be used, setting up of studio, power levels of broadcast etc. Rather than giving funds to such stations, it maybe more advisable to give relaxation in customs/excise duties for import/purchase of broadcast equipments and waiver of Spectrum Usage Fees.

6.4 NGOs: Apart from Government, the other major source of funds for Community Radio Stations could be NGOs. Alternative for India Development (AID), an NGO working in Palamau and Garwah regions of Jharkhad started a Community Radio initiative with a program called “Chala Ho Gaon Mein”. The program is broadcast through the FM band of All India Radio from Daltonganj, Palamau every Sunday since 5th August 2001. A second episode is being broadcast every Wednesday since 1st May 2003. Similarly, KMVS initiative in Bhuj, Gujarat reaches out to 150 villages in

Kutch District of Gujarat, In both there initiatives, the NGOs buy time from All India Radio and broadcast their program. Given a favourable set of guidelines for setting up Community Radio Stations, many NGOs may come forward to establish/support/fund Community Radio Stations.

6.5 Other Organizations: Charitable/Social organizations could also be a major source of funds for Community Radio Stations. Many social organizations give away prizes every year to journalists to promote the cause of freedom of expression. Such organizations may support Community Radio Stations.

6.6 Advertising: The issue of funding of Community Radio stations from advertising revenues is a debatable issue. While a Community Radio station is a non-commercial venture by definition, limited advertising on community radio channels is permitted in many countries. Legislation allows four to six minutes of advertising time per hour of programming in Australia, Canada, Ireland and South Africa.

A draft legislation in Colombia provides for a minimum of 10% of the value of the Government advertisements to be distributed equitably among the community radio stations. This is somewhat similar to award of a certain share of Government advertisement to small newspapers in India.

The Community Radio Stations use innovative methods to ensure that advertising on Radio does not lead to over commercialisation. The Kuai Community Radio (KKCR) of Hanalei, Hawaii broadcasts announcements/statements, with 15 words or less from local business. The North East Access Radio (NEAR) of Dublin permits sponsorship announcements giving name & address of sponsor with general description of products and services. However, no reference to convenience, durability or desirability is permitted.

6.7 International Practices: The British Government announced a £500,000 grant in March 2004 for community radio for the Year 2004-05 and a similar amount has been allocated for 2005-06. The allocation of grants is to be administered by Ofcom. The Communications Act 2003 states that Ofcom can give grants only to licensed providers of community radio services.

The British Government has also set some limits on funding, and introduced the following rules into The Community Radio Order 2004:

- Where advertising and programme sponsorship is permitted there will be an upper limit of 50% of income that may be generated from these sources (Ofcom has the power to vary this limit downwards only).
- A community radio license holder should not receive more than 50% of its funding each year from any one source (i.e. from a company, organisation or person).

The Australian Government provides funding to community broadcasters through the Community Broadcasting Foundation Ltd, an industry-based company established to allocate the funds. The sector is represented by various associations, including the Community Broadcasting Association of Australia.

6.8 Fund Raising Mechanisms: Many innovative fund raising mechanisms are adopted by Community Radio Stations.

The KPFA - Listener sponsored radio of Berkeley, CA gives away Thank You gifts for donors. These gifts include Books/ Videos/ CDs/ KPFA gear.

The Kuai Community Radio (KKCR) of Hanalei, Hawaii gives away sponsored gifts to donors. The station also organizes auction of gifts to raise funds.

The Community Radio Stations launch fund raising drives from time to time.

6.9 Associations: In many countries, the associations of community radio stations give guidance to the communities who want to set up community radio stations. These associations give detailed information about possible sources of funds along with addresses of various government and Non Government Organisations which grant funds for community Radio Stations. A few such associations offering information on internet are-

- A. Community Broadcasting Foundation, Australia;
- B. Community Media Association of UK; and
- C. The National Federation of Community Broadcasters, Oakland, CA.

6.10 Issues: The following issues arise for consultation:-

- Whether Community Radio Stations should be given grants by the Government? If so, whether this should be given by the Government of India or State Governments? If not, what possible arrangements could be allowed funding the operations?
- Whether commercial advertising should be permitted? If yes, then with what restrictions, if any?
- Whether Community Radio Stations should be permitted to accept funds from foreign donors?
- Whether any license fee and spectrum use charges should be levied by the Government?
- Whether any relaxation should be given in customs duty for import of equipment?

Chapter - 7: Regulation & Monitoring

World over Community Radio Stations, being means of mass communication, enjoy freedom of expression as available to other media. However, this freedom carries a lot of responsibility along with it as the Community Radio can influence and mould public opinion to a large extent. This necessitates having a code of conduct for Community Radio stations along with a formal regulatory mechanism.

7.1 Current Status: The present guidelines for Community Radio in the country lay down the following terms and conditions on the contents of programs:-

- The programmes on the community radio service will focus on issues relating to education, health, environment, agriculture rural and community development. The content must be confined to social, cultural and local issues and the format, subject, presentation and language must reflect and exude the local flavour and fragrance.
- The licensee shall not be permitted to broadcast any news and current affairs programmes and shall not air election and political broadcasts.
- The licensee shall not air any advertisement or sponsored programmes.
- The licensee shall ensure that nothing is included in the programme of the licensee which:-
 - a. Offends against good taste or decency;
 - b. Contains criticism of friendly countries;

- c. Contains attack on religions or communities or visuals or words contemptuous of religious groups or which promote communal attitudes;
 - d. Contains anything obscene, defamatory, deliberate, false and suggestive innuendos and half truths;
 - e. Is likely to encourage or incite violence or contains anything against maintenance of law and order or which promote-anti-national attitudes;
 - f. Contains anything amounting to contempt of court;
 - g. Contains anything affecting the integrity of the President and Judiciary;
 - h. Contains anything affecting the integrity of the Nation;
 - i. Criticizes, maligns or slanders any individual in person or certain groups, segments of social, public and moral life of the country;
 - j. Encourages superstition or blind belief;
 - k. Denigrates women;
 - l. May present/depict/suggest as desirable the misuse of drugs including alcohol, narcotics and tobacco or which may stereotype, incite, vilify or perpetuate hatred against or attempt to demean any person or group on the basis of ethnicity, nationality, race, gender, sexual preference, religion, age or physical or mental disability.
- The licensee shall ensure that due care is taken with respect to religious programmes with a view to avoiding:-

- a. improper exploitation of religious susceptibilities; and
 - b. offence to the religious views and beliefs of those belonging to a particular religion or religious denominations.
- That the licensee shall ensure that due emphasis is given in the programmes to promote values of national integration, religious harmony, scientific temper and Indian culture.
 - The licensee shall follow the Programme Code of All India Radio.
 - Though the licensees will operate the service under the Ministry of Information and Broadcasting, Govt. of India, the licensing will be subject to the condition that as and when any regulatory authority to regulate and monitor the broadcast services in the country is constituted, the licensees will have to adhere to the norms, rules and regulations prescribed by such authority.
 - Government may revoke the license at any time in public interest or for breach of any terms and conditions of the license by giving a notice of 15 days.

7.2 International Practices: Community radio stations are also regulated like other broadcast media in different countries. Either specific code of conduct is laid down for community radio stations or they are required to follow the common code of conduct for radio broadcasters.

Ofcom, the independent regulator for the UK communication industries has proposed in its consultation paper on community radio that the Ofcom 'News and Current Affairs Code and Programme Code' and the 'Advertising and Sponsorship Code' will apply to community radio broadcasters, Complaints

will be dealt with along broadly similar lines as for other licensed radio services. All radio stations licensed by Ofcom are required to record their output and keep recordings for a period of six weeks.

The Community Broadcasting Code of Practice of Australia was registered by the Australian Broadcasting Authority on October 24, 2002.

The Code covers:-

- The responsibilities associated with broadcasting to the community;
- Complaint handling;
- General programming guidelines;
- Guidelines for news and current affairs; and
- Australian music content.

Recognizing the particular requirements of community broadcasting the codes also cover:-

- Sponsorship
- Volunteers; and
- Conflict resolution

Philippines follows the system of self-regulation of the broadcast industry. The Association of Broadcasters of the Philippines (KBP) was organized in 1973. It provides the framework for self-regulation through its radio and television codes. The Government recognizes the self regulatory principle of the KBP “to police its members on matters relating to the enforcement of broadcast media rules and regulations.”

The rules are imposed through a system of warnings and sanctions. KBP continually updates and strengthens the code of conduct. The radio code gives detailed guidelines regarding Program Standards. Penalties imposable for violation of the rules are laid down in the code.

7.3 Issues: The issues that arise for consultation are:-

- Whether there should be a separate programme code for community radio?
- Whether the ban on broadcast of news and current affairs programmes should continue?
- Whether Community radio stations should be required to keep recordings of their transmission? If yes, then what should be the specified period?
- Whether the existing guidelines need to be revised, especially with regard to religious programmes?

Chapter - 8: Issues for consultation

8.1 Eligibility:

- a) What should be the eligibility criteria or would it be better to lay down non-eligibility criteria?
- b) Whether Gram Panchayats and other local bodies should be eligible?
- c) Whether nationality of persons controlling the applicant organization should be an eligibility criterion?
- d) Whether financial condition of the applicant organization, its ability to raise resources and overall financial sustainability should be an eligibility criterion?
- e) Whether the applicant should be a legal entity?
- f) Whether Co-operatives engaged in commercial activities should be eligible?

8.2 Licensing Process:

- a) Whether the applicants may be given temporary permits to operate for the time taken to grant a regular license?
- b) Whether an Independent Licensing Body should be set up to examine, evaluate and decide on the applications for Community Radio License?
- c) Whether the requirement of furnishing a Bank Guarantee be done away with?
- d) Whether any of the clearances required today can be dispensed with?
- e) Whether time limits for individual clearances should be laid down, beyond which the department may be deemed to have given consent?
- f) What should be the period of license?
- g) What should be the maximum permitted transmitter power and antenna height?
- h) Should separate frequencies be earmarked for Low Power Commercial Radio or should they be part of the same licensing process of community radio?

- i) If frequencies are to be earmarked, then should the licensing framework follow the parameters of larger commercial services of phase-II?

8.3 Funding:

- a) Whether Community Radio Stations should be given grants by the Government? If so, whether this should be given by the Government of India or State Governments? If not, what possible arrangements could be allowed funding the operations?
- b) Whether commercial advertising should be permitted? If yes, then with what restrictions, if any?
- c) Whether Community Radio Stations should be permitted to accept funds from foreign donors?
- d) Whether any license fee and spectrum use charges should be levied by the Government?
- e) Whether any relaxation should be given in customs duty for import of equipment?

8.4 Regulation & Monitoring:

- a) Whether there should be a separate programme code for community radio?
- b) Whether the ban on broadcast of news and current affairs programmes should continue?
- c) Whether Community radio stations should be required to keep recordings of their transmission? If yes, then what should be the specified period?
- d) Whether the existing guidelines need to be revised, especially with regard to religious programmes?