

Consultation Paper No.: 8/2022



TELECOM REGULATORY AUTHORITY OF INDIA



Consultation Paper

on

Issues related to Community Radio Stations

21st July 2022

Mahanagar Doorsanchar Bhawan

Jawahar Lal Nehru Marg

New Delhi-110002

Website: www.trai.gov.in

Written comments on the consultation paper are invited from the stakeholders by 17th August 2022. Counter comments, if any, may be submitted by 31st August 2022.

The comments and counter comments may be sent, preferably in electronic form to Shri Anil Kumar Bhardwaj, Advisor (B & CS), Telecom Regulatory Authority of India, on the e-mail: advbcs-2@traigov.in and jtadvbcs-1@traigov.in . Comments and counter comments will be posted on TRAI's website www.traigov.in

For any clarification/ information, please contact Shri Anil Kumar Bhardwaj, Advisor (B & CS) at Tel. No.: +91-11-23237922.

Contents

| Chapter | Title | Page No. |
|-----------------|--|-----------------|
| I. | Introduction | 1 |
| II. | Issues related to Community Radio Stations | 4 |
| III. | Summary of Consultation Issues | 22 |
| | Glossary | 24 |
| Appendix | International Experience on Community Radio Stations | 25 |
| Annexure | | |
| I. | Reference dated 11.11.2021 from MIB | 30 |
| II. | Reference dated 17.01.2022 from MIB | 33 |

Chapter I

Introduction

- 1.1 Radio is a popular and affordable medium of mass communication in India. The reasons for its popularity include wide coverage, variety of programs, mobility and low cost. Along with the public broadcaster - private commercial radio stations (FM Radio) and Community Radio Stations (CRS) are present in India, each serving as a platform for a variety of program in this sphere. CRS serve a local and well-defined community focusing on the day to day concerns of its audience and satisfy their specific information and entertainment needs. The world over, community radio is seen as an important instrument for empowerment and social development. Therefore, it is also referred to as the radio of the people, for the people and by the people.
- 1.2 The Government announced its policy for the grant of permission for setting up of CRS in December 2002. Initially, policy targeted well established educational institutions, including IITs/IIMs, with certain conditions. The objectives of the policy inter-alia included promoting local culture and sharing of socially relevant information. The first CRS in the country became operational on 1st February 2004 at Anna University, Chennai. The permission period was three years, under this policy.
- 1.3 In December 2006, the CRS policy was revamped and expanded. The Government announced a revised policy for CRS, bringing non-profit community-based organizations, apart from educational institutes, under its ambit. This included civil society and voluntary organisations, State Agriculture Universities (SAU), Indian Council of Agricultural Research (ICAR) institutions, Krishi Vigyan Kendras, registered societies and autonomous bodies and public trusts registered under Societies Act or any other such act relevant for the purpose. The validity period of permission was also enhanced from three years to five years.

1.4 In response to reference dated 08.01.2014 from MIB, the Telecom Regulatory Authority of India sent its Recommendations on Issues related to Community Radio Stations (CRS) to MIB on 29th August 2014. The salient features of the recommendations were:

- (i) Initial permission for operating a CRS to remain five (5) years as per extant policy;
- (ii) Extension of permission for five (5) years at a time, to be allowed following performance evaluation;
- (iii) CRS to be allowed to broadcast locally relevant news and current affairs content, sourced exclusively from AIR, in its original form or translated into the local language/ dialect.
- (iv) National Disaster Management Authority to draw up detailed guidelines, in consultation with the MIB and the Wireless Planning and Coordination Wing of the DoT, for fully utilizing CRSs in disaster mitigation and relief work.
- (v) MIB to set-up an online 'single window' system, integrating the entire application/ approval process for establishing a community radio station. The online system is to be based on a seamless e-governance platform integrating the different government departments involved in the approval process.

1.5 Based on these recommendations MIB amended the CRS Policy guidelines in 2017. More details of the revised guidelines are available in subsequent chapter.

1.6 At present, 356 CRS are operational. These CRS provide developmental, agricultural, health, educational, environmental, social welfare, community development and cultural programs for meeting the special interests and needs of the local communities.

1.7 MIB vide its references dated 11.11.2021 (**Annexure I**) and 17.01.2022 (**Annexure II**) requested the Authority to provide its recommendations, under section 11(1)(a)(ii) and 11(1) (d) of the TRAI Act, 1997 on the following issues:

- (i) Inclusion of not-for-profit companies, registered under Section 8 of Companies Act 2013, in the list of eligible organizations
- (ii) Increasing of permission period from existing period of 5 years to 10 years
- (iii) Maximum duration of advertisement per hour of broadcast on CRS
- (iv) Number of CR Stations operated in each district of operation by Not-for-profit organizations, operating in multiple districts

1.8 Accordingly, this Consultation Paper has been prepared to seek the comments/views of the stakeholders on the issues related to CRS. Chapter II discuss various issues related to CRS. A summary of issues for consultation is provided in Chapter III.

1.9 Community Radio Stations are present in several international markets. The provisions related to Community Radio Stations in Australia, Brazil, South Africa, UK and USA, which are relevant to this consultation paper, have been studied and are given in Appendix to this paper.

Chapter II

Issues related to Community Radio Stations

CRS Policy guidelines of 2006 (as amended from time to time)

2.1 In order to allow greater participation by the civil society on issues relating to development and social change, the Government on 4th December 2006 announced a revised policy for CRS that has been duly amended in 2017. The salient features of latest policy guidelines for CRS are as under:

- Educational institutes and community based organizations including civil society and voluntary organisations, State Agriculture Universities (SAU), Indian Council of Agricultural Research (ICAR) institutions, Krishi Vigyan Kendras, registered societies and autonomous bodies and public trusts registered under Societies Act or any other such Act relevant for the purpose are eligible for seeking permissions for CRS.
- Individuals, political parties and their affiliate organizations (including students, women's, trade unions and such other wings affiliated to these parties), organisations operating with a motive to earn profit, and organisations expressly banned by the Union and State Governments are not eligible to run a CRS.
- Period of permission is five years from date of operationalisation.
- First extension of five years to be granted on the basis of an application and verification of adherence to the terms and conditions of the permission.
- Second extension i.e., extension beyond 10 years is granted on the continuous operation of CRS by the permission holder for 10 years.
- No fee for seeking permission.

- Performance Bank Guarantee for a sum of Rs. 25,000/- for ensuring timely establishment of CRS within 3 months of signing Grant of Permission Agreement (GOPA).
- Annual charges to be paid to WPC:
 - (a) Spectrum usage fee of Rs.22,500/-
 - (b) License fee of Rs. 500/- per station
 - (c) License fee of Rs. 500/- per stand by set
- A transmitter having maximum Effective Radiated Power (ERP) of 100 W is permitted.
- Higher transmitter wattage with maximum ERP up to 250 Watts can be considered on a case-to-case basis, in case of a proven need where the applicant organisation is able to establish that it needs to serve a larger area or the terrain so warrants, subject to availability of frequency and such other clearances as may be necessary from the Ministry of Communication & IT.
- Permitted maximum antenna height is 30 meters above ground and minimum antenna height is 15 meters above ground.
- The maximum duration of limited advertising restricted to 7 minutes per hour of broadcast.
- The programs should be of immediate relevance to the community and at least 50% of content should be generated with the participation of the local community, for which the station has been set up.
- Broadcast of any program, which relates to news and current affairs and is otherwise political in nature, is not permitted.

- Adhere to the provisions of the Program and Advertising Code as prescribed for All India Radio.
- The permission holders are eligible to seek funding from multilateral aid agencies after obtaining FCRA clearance under Foreign Contribution Regulation Act, 1976.

2.2 The permissions granted for operating CRS are governed by the provisions of the Indian Telegraph Act, 1885 and Indian Wireless Telegraphy Act, 1933 as amended from time to time and any other law as may be applicable or may come into force.

2.3 The issues raised in the reference from MIB, are discussed below:

A. Eligibility criteria

2.4 The clause 1 of the existing Policy Guidelines for setting up Community Radio Stations in India provides the following basic principles to be followed by an organization who intend to operate a CRS:

“1. Basic Principles

An organisation desirous of operating a Community Radio Station (CRS) must be able to satisfy and adhere to the following principles:

- a) It should be explicitly constituted as a ‘non-profit’ organisation and should have a proven record of at least three years of service to the local community.*
- b) The CRS to be operated by it should be designed to serve a specific well-defined local community.*
- c) It should have an ownership and management structure that is reflective of the community that the CRS seeks to serve.*
- d) Programmes for broadcast should be relevant to the educational, developmental, social and cultural needs of the community.*
- e) It must be a Legal Entity i.e. it should be registered (under the registration of Societies Act or any other such act relevant to the purpose).*

2.5 The clause 2 of the existing Policy Guidelines for setting up Community Radio Stations in India related to eligibility criteria is as under:

“2 Eligibility Criteria

(i) The following types of organizations shall be eligible to apply for Community Radio licences:

- a) Community based organisations, which satisfy the basic principles listed at para 1 above. These would include civil society and voluntary organisations, State Agriculture Universities (SAUs), ICAR institutions, Krishi Vigyan Kendras, Registered Societies and Autonomous Bodies and Public Charitable Trusts (to be self-certified by trustee(s) that they are not blood relatives/members of family (wife or husband, son or daughter, parents, siblings)) registered under Societies Act or any other such act relevant for the purpose. Registration at the time of application should at least be three years old.*
- b) Educational institutions*

(ii) The following shall not be eligible to run a CRS:

- a) Individuals;*
- b) Political Parties and their affiliate organisations; [including students, women’s, trade unions and such other wings affiliated to these parties.]*
- c) Organisations operating with a motive to earn profit;*
- d) Organisations expressly banned by the Union and State Governments.”*

2.6 MIB in its reference dated 11th November 2021 has mentioned the following:

“...the companies registered u/s 8 of the Companies Act 2013 are not recognized in the Policy Guidelines as eligible entities for setting up of Community Radio Stations. These companies are set up with objectives for promotion of commerce, art, science, sports, education, research, social welfare, religion, charity, protection of environment or any such other object; and intends to use its profits (if any) or other income for promoting these objectives.

The number and nature of applicants who can derive the best results out of a community radio station needs to widen, with parties who have

discovered newer and more effective means of making inroads into communities or who are naturally well placed within communities to leverage the voice of the community. However, at the same time, this should not blur the lines between commercial FM radio and community radio. Therefore, inclusion of not-for-profit companies, registered under section 8 of the Company Act 2013, among the eligible organisation may be considered for establishment of Community Radio Stations.”

2.7 In this regard, section 8 of the Companies Act 2013 is reproduced below:

Section 8 of Companies Act 2013

“8. Formulation of companies with charitable objects, etc.— (1) *Where it is proved to the satisfaction of the Central Government that a person or an association of persons proposed to be registered under this Act as a limited company—*

(a) *has in its objects the promotion of commerce, art, science, sports, education, research, social welfare, religion, charity, protection of environment or any such other object;*

(b) *intends to apply its profits, if any, or other income in promoting its objects; and*

(c) *intends to prohibit the payment of any dividend to its members,*

.....”

2.8 In the existing guidelines for CRS not-for-profit companies, registered under section 8 of the Company Act 2013, are not included in the eligible organisations considered for establishment of CRS.

2.9 In UK, CRS licences are granted to registered companies (or equivalent bodies such as those created by statute). Individuals are not entitled to hold a licence. In Australia, only companies formed in Australia or an Australian territory and those who represent a community interest can only apply for community broadcasting. Companies include incorporated associations and companies

limited by guarantee¹. In United States (US), nonprofit educational organizations who demonstrate that the proposed station will be used for the advancement of an educational program and Tribal Applicants are eligible to operate a CRS. In Brazil, only non-profit foundations and community organizations or NGOs based in the place where the service is provided are permitted to operate a CRS². In South Africa, a registered non-profit entity which is able to demonstrate community development and empowerment with respect to the community located within the coverage area is able operate a CRS.

- 2.10 Keeping in view the basic principles to be followed by an organization desirous to operate a CRS, stakeholders may provide their comments whether not-for-profit companies, registered under section 8 of the Company Act 2013, should be made eligible for setting up CRS.

Issue for consultation:

- Q 1. Should the not-for-profit companies, registered under section 8 of the Companies Act 2013, be permitted to establish Community Radio Stations (CRS)? Should the existing terms and conditions for establishment of Community Radio Stations and Government's supporting scheme be made applicable to such not-for-profit companies? Please provide justification for your response.**

B. Term of Permission

- 2.11 The clause 4 of the existing policy guidelines related to period of permission is as under:

“4. Grant of Permission Agreement conditions

¹ Companies limited by guarantee are widely used for charities, community projects, clubs, societies and other similar bodies. Most guarantee companies are not-for-profit companies - that is, they do not distribute their profits to their members. See <https://www.companylawclub.co.uk/companies-limited-by-guarantee> for more details

² UNESCO- The Regulatory environment for broadcasting: an international best practice survey for Brazilian stakeholders, Available at: <https://unesdoc.unesco.org/ark:/48223/pf0000191622>

i) The Grant of Permission Agreement period shall be for five years.

.....

(viii) Grant of Permission Agreement shall be extended for a period of five (5) years at a time. First extension shall be granted on the basis of an application and verification of adherence to the terms and conditions of the permission. The application for extension shall be submitted in the fourth year of operation

(ix) For second extension i.e extension beyond ten (10) years, the continuous operation of CRS by the permission holder for 10 years will be treated as ground for extension. CRS should submit their application for extension of permission one year before end of the permission period.

2.12 MIB in its reference dated 11th November 2021 has mentioned the following regarding period of permission:

“As per the extant Policy Guidelines, the initial Grant of Permission Agreement (GOPA) remains valid for a period of five years. Thereafter, GOPA is extended for a period of five (5) years at a time. To facilitate ease of doing business, the initial permission period may be extended from existing five years to ten years and period of subsequent extensions may be kept same i.e., for a period of five years at a time.”

2.13 Since CRS are constituted as a ‘non-profit’ organization and operate for non-commercial activities, there will be a need to ensure that the terms and conditions for renewal of CRS permissions are kept simple and should not cast additional financial burden on them. Also, a sizable investment is required in setting up a CRS and revenue generation streams are limited due to non-commercial nature of operations of CRS. While a short period of permission may create uncertainty in the CRS operators’ sustainability and may deter further growth of CRS, too long a period may inhibit innovations and timely course-correction in policy framework. So there is a need to strike a balance in determining the period of permission for CRS.

- 2.14 In UK, CRS licences are issued for an initial period of five years and the licence holders can apply for an extension of their licences for a further period of five years³. In Australia, Community Radio broadcasting licences are issued by Australian Communications and Media Authority (ACMA) for five years⁴. The ACMA may renew a community broadcasting licence for a further period of five years, if the licensee makes an application for renewal of the licence. In South Africa, Community radio licence is a renewable class licence with a maximum period of 10 years⁵.
- 2.15 Apropos the above discussions, stakeholders are requested to provide their comments on the period of initial permission and subsequent renewal/extension for CRS.

Issues for consultation:

- Q 2. What should be the prescribed license period for CRS in the Guidelines?**
- Q 3. What should be the period of extension/renewal on the expiry of the initial permission?**
- Q 4. What should be the terms & conditions for renewal/ extension of license period? Please provide list of compliances to be submitted by the organization operating a CRS for making an application of renewal.**

C. Duration of Advertisements

2.16 Provisions mentioned in the existing CRS policy guidelines, regarding duration of advertisements, are as under:

“8. Funding & Sustenance

- i)
- ii) *Transmission of sponsored programmes shall not be permitted except programmes sponsored by Central & State Governments and other organisations to broadcast public interest information. In addition, limited*

³ https://licensing.ofcom.org.uk/binaries/radio/community/extension_app.pdf
⁴ http://www.comlaw.gov.au/Details/C2013C00630/Html/Volume_1#_Toc369006445
⁵ <http://www.doc.gov.za/a-to-z-of-establishing-a-community-radio.html>

advertising and announcements relating to local events, local businesses and services and employment opportunities shall be allowed. The maximum duration of such limited advertising will be restricted to 7 (Seven) minutes per hour of broadcast.

iii) Revenue generated from advertisement and announcements as per Para 8 (ii) shall be utilized only for the operational expenses and capital expenditure of the CRS. After meeting the full financial needs of the CRS, surplus may, with prior written permission of the Ministry of Information & Broadcasting, be ploughed into the primary activity of the organization i.e. for education in case of educational institutions and for furthering the primary objectives for which the NGO concerned was established.”

2.17 TRAI in its “Recommendations on Licensing issues relating to Community Radio Stations” dated 9th December 2004, had recommended the maximum duration of advertisements of 5 minutes per hour of broadcast that can be carried by CRS and also recommended that no sponsored programs should be allowed. In making this recommendation the main consideration was the possible impact of permitting advertisements to CRS on private FM radio stations and the need that the impact should be minimal. TRAI had then noted that private FM radio stations had to pay license fees for their broadcasting operations and, therefore, was of the view that it would be reasonable to ensure that the duration of advertisements that could be carried by CRS should be much less than what could be carried by private FM radio stations.

2.18 TRAI in its “Recommendations on issues related to Community Radio Stations” dated 29th August 2014, while recommending to continue with the maximum duration of advertisements of 5 minutes per hour of broadcast had noted the following:

“Adequate revenue generation is important for financial sustainability and improving the quality of the programming of a CRS. Given the non-commercial nature and the limited footprint of CRS, the Authority was of the view that options such as empaneling of more CRSs by DAVP; higher DAVP advertisement rates; allowing CRSs to offer local small businesses lower rates than DAVP fixed

rates; channeling Corporate Social Responsibility funds of local companies to CRSs; etc. existed and would go a long way in augmenting their financial wherewithal...”

2.19 However, MIB vide its letter dated 6th June 2022 conveyed that it had observed that advertisement duration of 5 minutes would not generate enough revenue for financial viability of CR Stations and decided to go for 7 minutes per hour of broadcast for advertisement.

2.20 MIB in its reference dated 11th November 2021 has mentioned the following regarding period of permission:

“The financial sustainability of the CR Stations has been an issue. The CR Stations face hardship to meet their recurring operational expenses and therefore, increasing permitted advertisement duration from existing 7 min/hour to 12 min/hour, in line with TV Channels, may be considered, as it may help in financial viability and sustainability of CR Stations. It may be noted that at present, there is no limit on advertisements for the Private FM Radio.”

2.21 The revenue of CRS is mainly generated by advertisements and programmes sponsored by Central & State Governments and other organizations to broadcast public interest information. At present permitted maximum duration of advertisement is 7 minutes per hour of broadcast.

2.22 As per data provided to TRAI by Fifty Two (52) CRS operators, sixteen (16) operators are not broadcasting any advertisements, whereas thirty two (32) operators are broadcasting advertisements for duration of 5 minutes or less per hour. Only three operators are broadcasting advertisements for a duration of more than 5 minutes (refer figure 1). Figure 2 depicts the total revenue of CRS from advertisements. Out of fifty two (52) CRS operators, thirty nine (39) operators have a total revenue of less than Rs. Ten lakh.

Figure 1: Duration of Advertisements per hour broadcasted by CRS

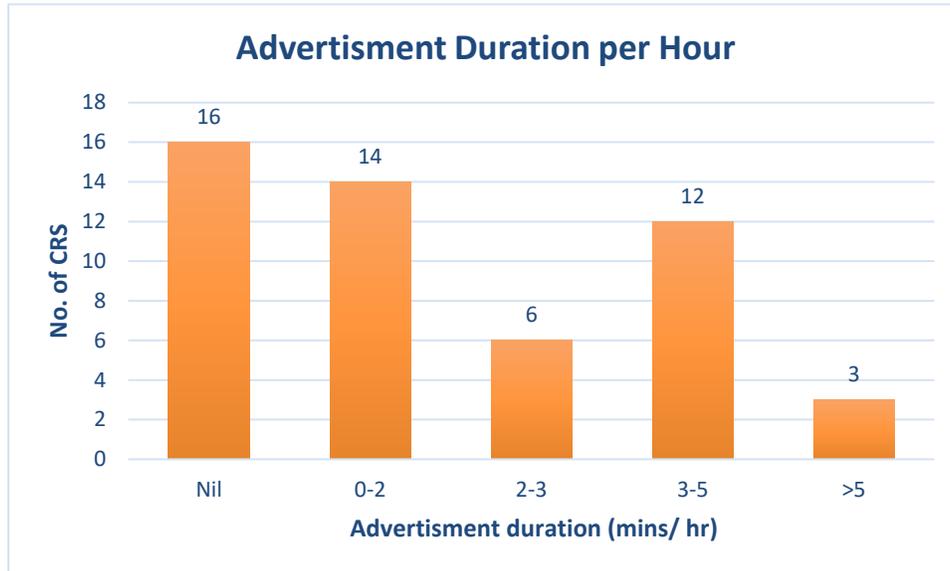
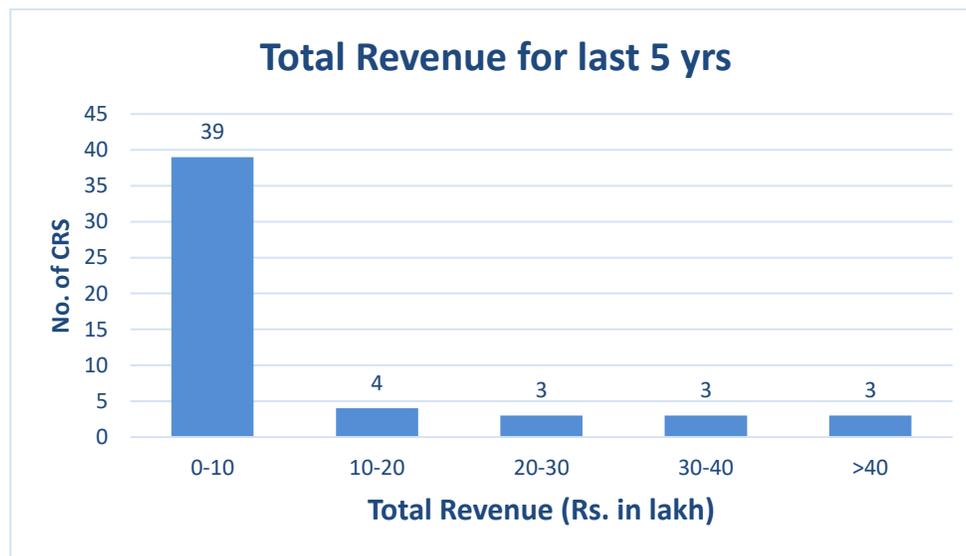


Figure 2: Total revenue of CRS in last 5 years



2.23 Government introduced a scheme in 2013 namely “Supporting Community Radio Movement in India” for providing financial assistance in order to strengthen new and existing CR Stations. The scheme envisions to support CRS with resources, capacity and technology, to promote growth, especially in remote and rural areas to enable socio-economic and cultural development of communities. The scheme has been revised from time-to-time. The latest

guidelines have been revised on 30th November 2021 and notified as the scheme for “Supporting Community Radio Movement in India⁶”.

- 2.24 Under this scheme, grants are provided to new CRSs as one time financial assistance. Support is also provided to existing CRSs for renewal/ replacement of equipment or for damage caused to CR stations due to any natural calamities such as floods, cyclone and for content creation.
- 2.25 Any CR station which has become operational since 1st April 2021 and completed three months of its operations, is eligible for a one-time financial assistance for Rs. 10.00 Lakh. For CRSs located in North-Eastern Regions, the amount of onetime financial assistance is Rs. 12.00 Lakh. The grant is released by MIB based on the certificate issued by the Head of Station of local All India Radio Station/ Doordarshan Kendra or any officer deputed by the MIB, regarding operationalization of the CRS.
- 2.26 For renewal/replacement of equipment for existing CRSs a grant of 75 % of the purchase cost of equipment up-to Rs. 7.50 lakh is provided. For North-East region, the amount of grant is 90 % of the purchase of equipment up-to Rs. 7.50 lakh. A CRS is eligible for grant for renewal/ replacement of equipment once in a period of 5 years. The grant is provided based on the report submitted to MIB after field visit of the CR station by local All India Radio/Doordarshan or a person/officer deputed by the MIB.
- 2.27 In case of damage of a CR station due to emergency situations only like natural calamities, lightning, cyclone, etc., emergency grants upto 100 % of the capital cost of equipment subject to a ceiling of Rs. 10.00 Lakhs per CRS are provided. CR Station are required send the proposal in the prescribed proforma along

⁶ Supporting Community Radio Movement in India -

https://mib.gov.in/sites/default/files/Guidelines%20for%20the%20Scheme%20Supporting%20Community%20Radio%20Movement%20in%20India_30.11.2021_signed.pdf

with requisite documents. The damages are certified by nearest All India Radio/Doordarshan station, or any organization/person authorized by the Ministry to do so.

2.28 In addition, a grant of maximum Rs. 4,000/- per half an hour of programme is provided to a CR station for content creation. Any operational CRS which has completed 3 months of operation and is broadcasting at least 2 hours of fresh programmes everyday can apply for these grants. Each year, 100 CRSs are to be selected for providing this grant. Priority is given to newly operational stations and stations operational in North-East regions. A CRS will be eligible for a grant once in three years. Stations which have already received grants from any other Ministry/ Government Department in the same financial year for the same purpose shall not be eligible for grant.

2.29 Any CR station applying for grant(s) must be registered on the NGO Darpan Portal of NITI Aayog and have obtained unique ID Number.

International Scenario of CRS

2.30 In Australia, community radio stations are not allowed to broadcast advertisements. However, they are permitted to broadcast sponsorship announcements, within hourly limits of five minutes⁷. In Brazil also CRS have restrictions to transmit commercial advertisements⁸ and may accept sponsorship of their programmes (i.e. by presenting general information about the sponsor at the beginning and/or end of the programme)⁹. In South Africa, there are no restrictions or caps on the number of minutes per hour for advertising by community sound broadcasting licensees.¹⁰

⁷ <https://www.acma.gov.au/theACMA/About/Corporate/Responsibilities/advertising-on-radio-and-tv>

⁸ https://www.wipo.int/edocs/mdocs/mdocs/en/wipo_ip_grtkf_bra_12/wipo_ip_grtkf_bra_12_topic_9_presentation_pieranti.pdf

⁹ UNESCO- The Regulatory environment for broadcasting: an international best practice survey for Brazilian stakeholders, Available at: <https://unesdoc.unesco.org/ark:/48223/pf0000191622>

¹⁰ Position Paper on Community Sound Broadcasting Policy, Independent Communications Authority of South Africa, Available at: https://www.gov.za/sites/default/files/gcis_document/201409/28917.pdf

- 2.31 At present, no cap has been prescribed on the duration of advertisements broadcasted on private FM Radio stations. It may be noted that private FM Radio operators are required to participate in auction process for obtaining frequencies and pay license fees on the revenue earned from advertisements. At present the license fee¹¹ of private FM radio is either 4% of Gross Revenue (GR) or 2.5% of spectrum bid price of a FM Radio channel for a city, whichever is higher.
- 2.32 In UK, OFCOM does not regulate the amount of airtime that radio stations can offer to advertisers. However, as per standard industry practice in UK, 9-12 minutes per hour is standard across the industry¹². In USA, except for the requirements concerning political advertisements, the limits on the number of commercials that can be aired during children's programming and the prohibition of advertisements over non-commercial educational stations, FCC does not regulate a licensee's business practices, such as its advertising rates or its profits¹³. Under the Brazilian Telecommunications Code, the time dedicated to broadcast of commercial advertisements of broadcasting cannot exceed 25 per cent of daily programming¹⁴.
- 2.33 Apropos the above discussions, stakeholders are requested to provide their comments whether there is need to review the permitted maximum duration of advertisement in order to ensure financial viability and sustainability of CR Stations.

Issue for consultation:

Q 5. Should the existing limit of 7 minutes per hour on duration of advertisement on CRS need to be revised? If yes, please suggest the limit on duration of advertisement on CRS with justification.

¹¹ https://mib.gov.in/sites/default/files/faq_10052013a.pdf

¹² https://www.ofcom.org.uk/_data/assets/pdf_file/0013/24070/research.pdf

¹³ <https://www.fcc.gov/media/radio/public-and-broadcasting#LOUD>

¹⁴ <https://www.lexology.com/library/detail.aspx?g=06c8c8b7-141f-45e7-bbc8-840cf2e6c09f>

D. Number of Community Radio Stations operated in each district of operation by Not-for-profit organizations, operating in multiple districts

2.34 The clause 4(v) of the Policy Guidelines for setting up Community Radio Stations in India, reads as under:

"An applicant / organization shall not be granted more than one permission for CRS operations at one or more places. However, Central / State Universities, including autonomous bodies and Agricultural Universities set up under them, having more than one campus, may be allowed to operate CRS at more than one place, provided, the distance between two CR Stations established by same organization should not be less than 25 Kms."

2.35 MIB in its reference dated 17th January 2022 has mentioned the following:

“Representations have been received from not-for-profit organizations requesting the Ministry to grant permissions for setting up of more than one Community Radio Stations. The Ministry is of the view that the not-for-profit organizations, operating in multiple districts, may be allowed to setup CR Stations in each district of operation.”

2.36 As per existing guidelines, only Central / State Universities, including autonomous bodies and Agricultural Universities set up under them, having more than one campus, are permitted to operate CRS at more than one place with a condition that the distance between two CRS established by same organization should not be less than 25 Kms. Other eligible organizations are not permitted to operate more than one CRS.

2.37 In United Kingdom (UK) no company or organisation is permitted to hold more than one community radio license. There are also restrictions on ownership between commercial radio and community radio. In US, Tribal Applicants may

hold an attributable interest in up to two Community radio stations. Further, not-for-profit organizations and governmental entities with a public safety purpose may be granted multiple licenses if:

- (i) One of the multiple applications is submitted as a priority application; and
- (ii) The remaining non-priority applications do not face a mutually exclusive challenge.

2.38 Apropos the above discussions, stakeholders are requested to provide their comments whether not-for-profit organizations, operating in multiple districts, may be allowed to setup CR Stations in each district of operation.

Issue for consultation:

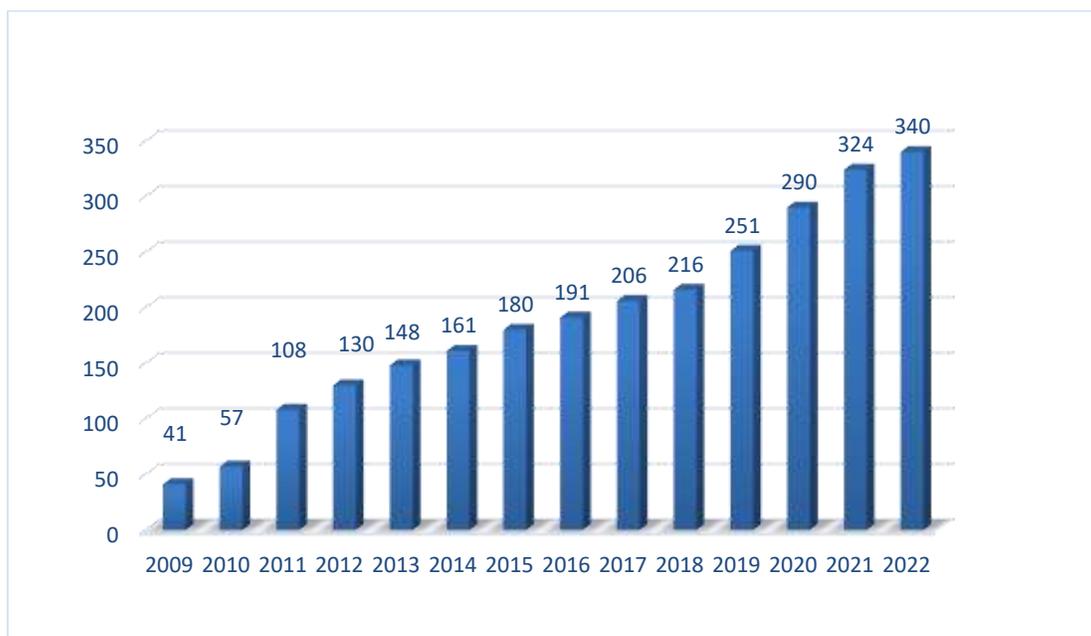
Q 6. Should the not-for-profit organizations, operating in multiple districts, may be allowed to setup multiple CRS in their area of operation? If yes, should there be any additional terms and conditions governing such permissions? Should there be any cap on number of permissions granted to such not-for-profit organizations?

E. Measures for Growth of CRS in India

2.39 The role of CRS in community development internationally is well recognized and documented. While in developed countries CRS assists small minority groups by giving them a voice and thereby retain their cultural moorings, in developing countries they have a much wider role. Apart from empowering marginalized groups and communities, they have an important role in the developmental work by broadcasting programs on a wide range of local issues, such as agricultural issues, education, women's empowerment, health, sanitation and local culture etc. in the local language /dialect. Thereby also filling in a big void in the programming content of the commercial radio stations.

2.40 In India, recognising the importance of this development tool, the community radio movement was established in 2002. Initially, CRS permissions were granted only to well-established educational institutions. This changed with the CRS Policy Guidelines announced by the Government in 2006, wherein non-profit civil society and voluntary organizations were also brought into the ambit of the policy to enable use of CRS for development and social change.

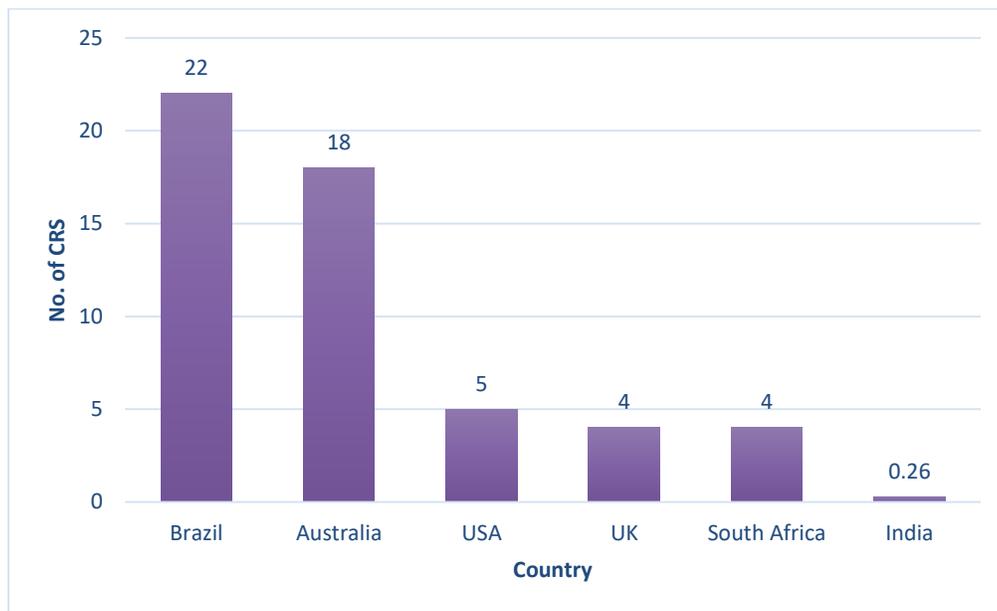
Figure 3: Growth of Community Radio Stations



Source: Ministry of Information & Broadcasting

2.41 Figure 4 provides the number of CRS per million population in different countries. In India there are only 0.26 CRS per million people which is very low as compared to other countries.

Figure 4: Number of Community Radio Stations per million population



2.42 The above figures indicate that the growth of operational CRS in India is far lower in comparison to other countries. There is a clear case to review current policy guidelines. Some other methods can be suggested to promote CRS to achieve their potential, including in the remote and rural areas of India. Stakeholders may consider and provide appropriate comments for enabling growth of CRS.

Issue for consultation:

Q 7. What are the factors responsible for slow growth of CRS in India? Whether the current scheme for 'Supporting Community Radio Movement in India' is adequate to promote the CRS in India? What other measures can be undertaken to promote faster growth of CRS in India?

F. Other issues

Q 8. Stakeholders may also provide their comments on any other issue relevant to the present consultation.

Chapter III

Summary of Issues for Consultation

- Q 1. Should the not-for-profit companies, registered under section 8 of the Companies Act 2013, be permitted to establish Community Radio Stations (CRS)? Should the existing terms and conditions for establishment of Community Radio Stations and Government's supporting scheme be made applicable to such not-for-profit companies? Please provide justification for your response.**
- Q 2. What should be the prescribed license period for CRS in the Guidelines?**
- Q 3. What should be the period of extension/renewal on the expiry of the initial permission?**
- Q 4. What should be the terms & conditions for renewal/ extension of license period? Please provide list of compliances to be submitted by the organization operating a CRS for making an application of renewal.**
- Q 5. Should the existing limit of 7 minutes per hour on duration of advertisement on CRS need to be revised? If yes, please suggest the limit on duration of advertisement on CRS with justification.**
- Q 6. Should the not-for-profit organizations, operating in multiple districts, may be allowed to setup multiple CRS in their area of operation? If yes, should there be any additional terms and conditions governing such permissions? Should there be any cap on number of permissions granted to such not-for-profit organizations?**

- Q 7. What are the factors responsible for slow growth of CRS in India? Whether the current scheme for 'Supporting Community Radio Movement in India' is adequate to promote the CRS in India? What other measures can be undertaken to promote faster growth of CRS in India?**
- Q 8. Stakeholders may also provide their comments on any other issue relevant to the present consultation.**

List of Acronyms

| Abbreviation | Description |
|--------------|---|
| AIR | All India Radio |
| ACMA | Australian Communications and Media Authority |
| BBC | British Broadcasting Corporation |
| CRS | Community Radio Station |
| DAVP | Directorate of Advertising and Visual Publicity |
| DoT | Department of Telecommunication |
| ERP | Effective Radiated Power |
| FCC | Federal Communications Commission |
| FCRA | Foreign Contribution Regulation Act |
| FM | Frequency Modulation |
| GOPA | Grant of Permission Agreement |
| GR | Gross Revenue |
| ICAR | Indian Council for Agricultural Research |
| IIM | Indian Institute of Management |
| IIT | Indian Institute of Technology |
| KVK | Krishi Vigyan Kendra |
| LoI | Letter of Intent |
| LPFM | Low Power Frequency Modulation |
| MIB | Ministry of Information and Broadcasting |
| NGO | Non-Governmental Organization |
| NITI | National Institution for Transforming India |
| OFCOM | Office of Communications |
| SAU | State Agriculture University |
| TCBL | Temporary Community Broadcasting Licence |
| TRAI | Telecom Regulatory Authority of India |
| UK | United Kingdom |
| USA | United States of America |
| WPC | Wireless Planning and Coordination |

International Experience on Community Radio Stations

The provisions related to Community Radio Stations in some international markets have been studied and are given below:

A. Eligibility conditions for Community Radio Stations

1. UK

- Ofcom only grants licences to registered companies (or equivalent bodies such as those created by statute). Individuals are not entitled to hold a licence.
- Following disqualifications prevent individuals or bodies from becoming, or continuing as, licence holders or from participating in a community radio licence¹⁵:
 - i. Local authorities may not hold licences except where the radio service is exclusively for the purposes of carrying out the functions of a local authority and providing information relating to their activities. In all other cases they are limited to a 5% interest in any company which holds a radio licence (this refers to holding shares, and would not apply to grants from a local authority to a community radio licensee).
 - ii. Political bodies may not hold licences and are limited to participating with a 5% interest in any company that does. However, an officer of a political body may participate in a community radio licence.
 - iii. The BBC and The Welsh Authority may not hold a community radio licence.
 - iv. Advertising agencies and their associates (including directors) may not hold licences and are limited to participating with a 5% interest in any company that does.
 - v. Anyone who has been convicted of any offence for unauthorised broadcasting ('pirate' broadcasting) under the Wireless Telegraphy Act 2006 or Marine & Broadcasting (Offences) Act 1967 or of an offence under section 97 of the Broadcasting Act 1990 for five years after the date of conviction.

¹⁵ https://www.ofcom.org.uk/_data/assets/pdf_file/0016/101860/Community-radio-guidance.pdf

- vi. Religious bodies and their associates may only hold licences if they have prior approval from Ofcom

2. **Brazil**

- Only non-profit foundations and community organizations or NGOs based in the place where the service is provided are permitted to operate a community radio station.¹⁶

3. **South Africa**

- Must be registered as a non-profit entity at least two (2) years prior to lodging an application
- Must demonstrate community development and empowerment with respect to the community located within the coverage area it would like to render community broadcasting services

4. **US**

- Nonprofit educational organizations and upon a showing that the proposed station will be used for the advancement of an educational program
- State and local governments and non-government entities that will provide non-commercial public safety radio services.
- Tribal Applicants.

5. **Australia**

- Companies formed in Australia or an Australian territory and represent a community interest can only apply for community broadcasting. they
- As per the Broadcasting Services Act 1992 Companies includes:
 - i. incorporated associations
 - ii. companies limited by guarantee.
- It is not appropriate for other companies to hold a community licence.

B. Permission Period for Community Radio Stations

1. **UK**

- In UK, CRS licences are issued for an initial period of five years and the licence holders can apply for an extension of their licences for a further

¹⁶ UNESCO- The Regulatory environment for broadcasting: an international best practice survey for Brazilian stakeholders, Available at: <https://unesdoc.unesco.org/ark:/48223/pf0000191622>

period of five years¹⁷. The process of licence extension commences 18 months prior to the expiry date of the existing licence, and ends six months before the expiry date. OFCOM normally extends licences for a period of five years. However, in exceptional circumstances a licence may be extended for less than five years. In these circumstances the licensee will be given a reasonable opportunity to make representations before the extension is issued. According to the Community Radio (Amendment) Order 2010¹⁸, OFCOM, on receipt of an application for the extension of a community radio licence, has to extend the licence for such a period (not exceeding five years) as it thinks fit, provided following conditions are satisfied:

- a) the ability of the licence holder to maintain the service for the period of the extension; and
- b) the likelihood of a contravention by the licence holder of a requirement imposed by a condition included in the licence¹⁹.

2. **Australia**

- In Australia, Community Radio broadcasting licences are issued by Australian Communications and Media Authority (ACMA) for five years²⁰. The ACMA may renew a community broadcasting licence for a further period of five years, if the licensee makes an application for renewal of the licence..
- Before undertaking any merit-based allocation of a long-term licence, the ACMA may allocate non-renewable temporary community radio licences to eligible broadcasters for up to 12 months. These Temporary Community Broadcasting Licences (TCBLs) provide access to available spectrum ahead of, but without affecting the outcome of, the allocation of long-term broadcasting service licences. If the new community broadcaster is allocated a temporary licence, they may need to share the broadcast time if more than one group has been allocated a temporary licence in the same area.²¹

¹⁷ https://licensing.ofcom.org.uk/binaries/radio/community/extension_app.pdf

¹⁸ http://www.opsi.gov.uk/si/si2010/uksi_20100118_en_1

¹⁹ <http://www.legislation.gov.uk/ukpga/1990/42/section/106>

²⁰ http://www.comlaw.gov.au/Details/C2013C00630/Html/Volume_1#_Toc369006445

²¹ <https://www.cbaa.org.au/broadcasters/get-community-radio-broadcasting-info-and-advice/starting-community-radio-station>

3. **Brazil**

- CRS Licenses are valid for ten years²²

4. **South Africa**

- In South Africa, community broadcasting license is granted for a maximum of four years. It is renewable on condition that the licensee have complied with the conditions set out by the licensing authority.²³

C. Advertisements by Community Radio Stations

1. **Australia**

- Community radio stations are not allowed to broadcast advertisements. They may broadcast sponsorship announcements, within hourly limits of five minutes.²⁴

2. **Brazil**

- Community Radio do not aim profit and have restrictions to transmit commercial advertisements²⁵
- community broadcasters may accept sponsorship of their programmes (i.e. by presenting general information about the sponsor at the beginning and/or end of the programme).²⁶

3. **South Africa**

- There are no restrictions or caps on the number of minutes per hour for advertising by community sound broadcasting licensees.²⁷

²² <https://www.oecd-ilibrary.org/sites/2227ecde-en/index.html?itemId=/content/component/2227ecde-en>

²³ <https://www.gov.za/services/communication/community-broadcasting#:~:text=The%20community%20broadcasting%20licence%20allows,out%20by%20the%20licensing%20authority.>

²⁴ <https://www.acma.gov.au/theACMA/About/Corporate/Responsibilities/advertising-on-radio-and-tv>

²⁵ https://www.wipo.int/edocs/mdocs/mdocs/en/wipo_ip_grtkf_bra_12/wipo_ip_grtkf_bra_12_topic_9_presentation_pieranti.pdf

²⁶ UNESCO- The Regulatory environment for broadcasting: an international best practice survey for Brazilian stakeholders, Available at: <https://unesdoc.unesco.org/ark:/48223/pf0000191622>

²⁷ Position Paper on Community Sound Broadcasting Policy, Independent Communications Authority of South Africa, Available at: https://www.gov.za/sites/default/files/gcis_document/201409/28917.pdf

- A community broadcasting service may be funded by donations, grants, sponsorships or advertising or membership fees or combination of these.²⁸

D. Ownership of multiple Community Radio Stations

1. UK

- No company or organisation can hold more than one community radio licence.
- The restriction also applies to a body-corporate which is connected with another such body which holds such a licence. For example, the connection can be via overlapping directorships and/or ownership of companies.
- There are also restrictions on ownership between commercial radio and community radio.

2. US

- (a) No authorization for an LPFM station shall be granted to any party if the grant of that authorization will result in any such party holding an attributable interest in two or more LPFM stations.
- (b) Notwithstanding the general prohibition set forth in paragraph (a) of this section, Tribal Applicants may hold an attributable interest in up to two LPFM stations.
- (c) Notwithstanding the general prohibition set forth in paragraph (a) of this section, not-for-profit organizations and governmental entities with a public safety purpose may be granted multiple licenses if:
 - (iii) One of the multiple applications is submitted as a priority application; and
 - (iv) The remaining non-priority applications do not face a mutually exclusive challenge.

²⁸ Section 1 (xix)(d), Broadcasting Act, Act No. 4 of 1999, available at:
https://www.gov.za/sites/default/files/gcis_document/201409/20042gon584.pdf

Reference dated 11.11.2021 from MIB

**No.35016/1/2021-O/o DDCRS
Government of India
Ministry of Information and Broadcasting
'A' Wing, Shastri Bhawan, New Delhi 110001**

Dated : 11th November, 2021

To

The Secretary
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan
J. L. Nehru Marg
New Delhi – 110 002

Subject: Seeking recommendations of Telecom Regulatory Authority of India (TRAI) in respect of proposed amendment in 'Policy Guidelines for setting up of Community Radio Stations in India'.

Sir,

In December 2002, the Government of India approved a policy for the grant of licenses for setting up of Community Radio Stations (CRS) to well-established educational institutions including IITs/IIMs. The policy was broad-based, in 2006, by bringing 'Non-profit' organizations like civil society and voluntary organizations etc. under its ambit, in order to allow greater participation by the civil society on issues relating to development & social change.

2. In the last few years, this sector has been growing effectively but gradually in India. Since 2002, 791 Letters of Intent (LOIs) have been issued to various organizations, however only 337 organizations have commissioned the CRS. Considering that 19 years have passed since the Guidelines have been put in place, the number of commissioned Community Radio Stations is relatively low. The primary reason, for low number of CRS, appears to be the lengthy process of getting clearances from various Ministries/Departments and low financial capability of 'Non-profit' organizations.

3. The Community Radio Stations have proven to help communities in their overall development and in meeting their information needs. In view of this, there is a need to provide impetus so that large number of organizations come forward and set up CRS. The Ministry believes that for facilitation of the same, further amendment is required in existing Policy Guidelines.

Contd..2/-

4. Apropos to above, the Ministry has identified some points for amendment in the Policy Guidelines. The relevant points are mentioned below:

a) Inclusion of not-for-profit companies, registered under Section 8 of Companies Act 2013, in the list of eligible organizations

As per the extant Policy Guidelines, educational institutions; civil society and voluntary organizations; state agriculture universities (SAUs); ICAR institutions; Krishi Vigyan Kendras (KVKs); registered societies; autonomous bodies; and public charitable trusts are eligible to apply for Community Radio licenses. The Policy Guidelines also, *inter-alia*, provides that the applicant organization must be a legal entity i.e., it should be registered (under the registration of Societies Act or any other such act relevant to the purpose).

However, the companies registered u/s 8 of the Companies Act 2013 are not recognized in the Policy Guidelines as eligible entities for setting up of Community Radio Stations. These companies are set up with objectives for promotion of commerce, art, science, sports, education, research, social welfare, religion, charity, protection of environment or any such other object; and intends to use its profits (if any) or other income for promoting these objectives.

The number and nature of applicants who can derive the best results out of a community radio station needs to widen, with parties who have discovered newer and more effective means of making inroads into communities or who are naturally well placed within communities to leverage the voice of the community. However, at the same time, this should not blur the lines between commercial FM radio and community radio. Therefore, inclusion of not-for-profit companies, registered under section 8 of the Company Act 2013, among the eligible organisation may be considered for establishment of Community Radio Stations.

b) Increasing of permission period from existing period of 5 years to 10 years

As per the extant Policy Guidelines, the initial Grant of Permission Agreement (GOPA) remains valid for a period of five years. Thereafter, GOPA is extended for a period of five (5) years at a time. To facilitate ease of doing business, the initial permission period may be extended from existing five years to ten years and period of subsequent extensions may be kept same i.e., for a period of five years at a time.

Contd..3/-

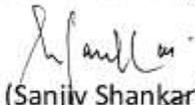
c) Increasing allowable advertisement duration from 7 min/hour to 12 min/hour

At present, Community Radio Stations are permitted for transmission of limited advertising and announcements relating to local events, local businesses and services and employment opportunities. However, the maximum duration of such limited advertising is restricted to 7 (seven) minutes per hour of broadcast.

The financial sustainability of the CR Stations has been an issue. The CR Stations face hardship to meet their recurring operational expenses and therefore, increasing permitted advertisement duration from existing 7 min/hour to 12 min/hour, in line with TV Channels, may be considered, as it may help in financial viability and sustainability of CR Stations. It may be noted that at present, there is no limit on advertisements for the Private FM Radio.

5. The Telecom Regulatory Authority of India is requested make recommendations on the issues raised above under section 11(1)(a)(ii) and 11(1)(d) of the TRAI Act.

Yours faithfully,


(Sanjiv Shankar)

Joint Secretary to the Government of India
Tel. No.: 011-2338 4453

Reference dated 17.01.2022 from MIB

No. N-35016/1/2021-O/o DD(CRS)
Government of India
Ministry of Information and Broadcasting
'A' Wing, Shastri Bhawan, New Delhi 110001

Dated 17th January, 2022

To
The Secretary
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan
J. L. Nehru Marg
New Delhi

Subject: Seeking recommendations of Telecom Regulatory Authority of India (TRAI) in respect of proposed amendment in 'Policy Guidelines for setting up of Community Radio Stations in India'.

Sir,

This is with reference to this Ministry's letter of even no. dated 11.11.2021, wherein the Authority was requested to make recommendations on certain issues relating to Community Radio Stations. A copy of the said letter is enclosed herewith for ready reference.

2. As per the Policy Guidelines, not-for-private private organizations can be granted only one permission for CRS operations, however, the Government institutions are allowed to operate at more than one place. The clause 4(v) of the Policy Guidelines for setting up Community Radio Stations in India, reads as under:

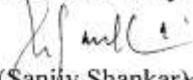
"An applicant / organization shall not be granted more than one permission for CRS operations at one or more places. However, Central / State Universities, including autonomous bodies and Agricultural Universities set up under them, having more than one campus, may be allowed to operate CRS at more than one place, provided, the distance between two CR Stations established by same organization should not be less than 25 Kms."

3. Representations have been received from not-for-profit organizations requesting the Ministry to grant permissions for setting up of more than one Community Radio Stations. The Ministry is of the view that the not-for-profit organizations, operating in multiple districts, may be allowed to setup CR Stations in each district of operation.

4. The Authority is requested to consider the above issue while making their recommendations on issues relating to Community Radio Stations in India as referred in the letter dated 11.11.2021.

5. This issues with the approval of ^{the} competent authority.

Yours faithfully,


(Sanjiv Shankar)

Joint Secretary to the Government of India
Tel. No.: 011-2338 4453

