

August 11, 2004.

My dear

Sub: **TRAI Recommendations on Licensing Issues Relating to**  
**2<sup>nd</sup> Phase of Private FM Radio Broadcasting**

Please refer to the Ministry of Information & Broadcasting's D.O.No.212/94/2003-B(D)/FM dated February 12, 2004 forwarding a copy of the Report of the Radio Broadcast Policy Committee and requesting the TRAI, for recommendations to the Government on various issues involved therein especially the issues of revenue sharing, migration and attendant matters.

2. Meanwhile on February 24, 2004, Ministry of Information and Broadcasting forwarded a copy of the representation given by five Private FM Broadcasters requesting for deferment of the Annual FM License fee, till the Government takes a decision on implementation of the Report of the Radio Broadcast Policy Committee.

3. Since this issue was linked to the recommendation on phase II licensing and TRAI was in the process of preparing a consultation paper on the same, which was likely to take time, TRAI provided its interim recommendation to the Government, on the representation of the FM broadcasters, on 5<sup>th</sup> April 2004. However, Government wrote to all the licensees to pay their next instalment by the due date.

4. Some of the existing operators approached TDSAT for deferment of license fees payable for the first quarter of the current year. The TDSAT directed them to pay one third of the license fees payable by them. The license fee for subsequent quarters would become due with the passage of time. Accordingly, an early decision would help to avoid further complications. In addition, since the Government had recognized the problems faced by this sector, over a year back by appointing the Mitra Committee, an urgent decision is required to be taken on these recommendations.

5. To formulate its recommendations on the issues, TRAI in line with its established practice, has completed a process of public consultations

to ensure transparency and due consultation in its decision making process. This process included preparation of a Consultation Paper on the matter, which made an attempt to analyse the various issues relating to entry fee, level playing field between existing players and new entrants. Open House discussions were held to obtain views of the general public and other stakeholders. In these Open House Sessions further submissions were also sought from the stakeholders based on the views expressed by different parties during these Sessions. TRAI received very useful inputs from the different stakeholders. All these inputs have been duly considered by TRAI, before finalising its recommendations on the subject.

6. We are forwarding with this letter the recommendations on the subject (**Annexure 'A'**) and Consultation Paper issued by us (**Annexure 'B'**).

7. A Press Note issued in this regard is also enclosed (**Annexure 'C'**).

8. The recommendations along with the text of this letter have been placed today on the TRAI website ([www.traigov.in](http://www.traigov.in)) for public information.

Yours sincerely,

(Pradip Baijal)

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