

Telecom Regulatory Authority of India
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Telecom Regulatory Authority of India (TRAI) issues Interim Recommendation on Private FM Radio Broadcasting

The TRAI today provided its interim recommendations to the Government on Private FM Radio Broadcasting.

The Government of India constituted a Committee on 24.7.2003 to make recommendations for radio broadcasting for phase – II. The Committee was headed by Shri Amit Mitra, Secretary General, FICCI. The terms of reference, inter alia, included the following:

“Study the desirability and legal implications of making modifications in licensing regime of phase-I licensees should a different licensing regime be proposed for phase-II”.

Subsequently the Ministry of Information and Broadcasting, Government of India had on February 12, 2004 sent the report of the Committee headed by Shri Amit Mitra to TRAI for making appropriate recommendations.

On 11th February, 2004, five private FM broadcasters had met the Deputy Prime Minister and submitted a representation requesting for deferment of the Annual FM License fee, till the Government takes a decision on implementation of the FM Radio Task Force recommendations. This representation had been referred to TRAI, for its recommendations, by the Government on February 24, 2004.

The Government had in its letter pointed out that in respect of Mumbai, the next license fee for the third year is due in April 2004. In respect of Delhi, Calcutta and Chennai, licensees have not paid the license fee for the 2nd year due in August 2003 requesting the Government to charge the license fee from the date of actual operation. This matter is under consideration of the

Government and if approved these license fees will also become due in April 2004. It has been pointed out that the request of private broadcasters involves the relaxation of terms and condition of the license.

For making appropriate recommendations on Radio Broadcast Policy Committee Report, TRAI has been in the process of preparing a consultation paper on which it would seek the comments of all the stakeholders. In this connection Dr. Amit Mitra gave a presentation on his report to the Authority and will be submitting additional information to the Authority. TRAI has called for the accounts of the Phase I licensee and these are being scrutinized. It is also in the process of holding meetings with various stakeholders in this regard. This process is likely to take time and in the meanwhile the license fees of some of the operators is likely to fall due. As such, an interim recommendation has been given to the government on its second request dated February 24, 2004 since this issue overlaps with and is linked to the first request for recommendations.

TRAI has given an interim recommendation that the licensees may be given the option of deferring the payments which may fall due till a final decision is taken. This would be subject to the condition that the dues as finally decided by the Government, after taking into account the recommendation of TRAI would be collected from the licensees with interest from the due date, on the quantum of license fees found to be payable. The final recommendations of TRAI would address the issue of license fee payable as well as the relevant interest rate.

Accordingly all licensees could be given the option of deferring their next installment of dues subject to the condition that they would pay this amount, after the issue is decided by Government, with interest as may be decided finally.

For more details please visit TRAI's website at: www.traigov.in.