

TRAI Consultation Paper dated 10th July, 2017 on issues related to Digital Radio Broadcasting in India

Issues for consultation

(To be Submitted by 4th September 2017)

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

Yes.

If radio is to remain analogue it wouldn't have a future in an increasingly digital world. Just as televisions, mobile phones and cameras have all gone digital, it does not make sense to leave radio out.

Suggestions:

- a) Since the digital radio technologies such as DAB, DRM, DRM+, HD IBOC (In-band on-channel) etc. are still under trial in many countries and are not yet proven like FM, it should be sufficiently experimented in our country before putting into large scale use/complete switch-over.
- b) In the absence of good quality receivers that are affordable and widely available, there are no incentives for broadcasters to broadcast in digital format, which in turn discourages the investments by receiver manufacturers.
- c) Permit the private broadcasters to share the DRM setup of AIR in the MW band at the payment of carriage fee after selection through auctioning with minimum reserve fee
- d) Permit carriage of news by these private players
- e) Allow Tax holidays for these players, i.e. no revenue sharing for a period of 5 years (only for digital broadcasting)
- f) Introduction of DRM+ / HD IBOC in FM band in category A+, A & B cities to increase the channel capacity for niche radio channels including community radio, campus radio etc. through separate auctioning (delinked from existing FM channels) with minimum reserve fee and with the benefits listed under b), c) & e) above.

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

Yes. There is need to frame a roadmap for migration to digital radio broadcasting for private FM broadcasters

“Market-based approach” should be adopted

Suggestions:

- a) Since the digital radio technology “DRM+”, “HD IBOC” etc. that is being experimented to replace FM is still under trial in many countries and is not yet a proven one like the FM. Hence it should be sufficiently experimented in our country before putting into large scale use/complete switch-over from FM
- b) Regulation should be limited to spectrum management only
- c) Allow Tax holidays for digital radio for a period of 5 years (only for digital services)

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

Yes, It is ideal to specify deadline for switch over otherwise the spectrum will continue to be occupied by both analog & digital channels indefinitely making the spectrum utilization inefficient and defeating the purpose of digitization

Suggestions for switch over date:

- a) While new digital broadcasting systems are being developed and introduced, low cost and easy to use digital receivers are still not widely available even in the developed markets.
- b) Switch over should be in phases, i.e. start with Category A+ & A, cities in phase-1 and category B & C cities in phase-2 and category D cities in phase-3. Phase-2 should start only if it is proven under phase-1. Hence prediction of a complete switch over date from FM to digital broadcasting at this stage is not feasible.
- c) The criteria for switch over to next phase should be that at least 90% of the existing FM listeners in each of the phases should possess a digital radio (DRM+/IBOC) receiver
- d) Once 90% cut-off is reached, switch over could be done after providing the remaining 10% listeners with subsidized or free digital radio receivers which could be financed from the auctioned amount (digital dividend) of the spectrum released by existing analogue (FM) channels.

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

Yes.

- a) Existing Reserve fee for auctioning is very high, which may not be an attractive proposition for digital channels whose listener base will be very small initially till the switch over is accomplished

- b) Content such as news etc. are not permitted to be carried to pave way for more niche radio channels
- c) Channels should be allowed to carry data along with regular content
- d) Revenue sharing model would burden the digital channels, whose listener base would be very small initially. A tax holiday of at least 5 years (only for digital services) would be needed to encourage digital switch over.

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

Single digital radio technology should be adopted for the entire country, in consultation with private FM broadcasters, based on the market dynamics and wide-scale availability of cost effective digital radio receivers.

Justifications:

- (i) Increasing numbers of available digital standards may lead to a long term segmentation of the digital radio market.
- (ii) Interoperability between different platforms is increasingly becoming important both for the consumers and broadcasters.
- (iii) Compatibility of a single receiver receiving all digital radio services broadcast by different radio broadcasters, anywhere in the country, i.e. just like the current FM receivers
- (iv) Single standard/technology will lead to more volume of receivers, thus bringing down the receiver cost.

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

Adequate experimentation/evaluation of DRM+ & HD IBOC technology should be carried out with the active participation of existing private FM radio broadcasters before adopting a single digital radio broadcast technology for the entire country. Besides, recommendations of Public broadcaster (AIR) and Ministry of Communications should be sought for adopting a single digital radio technology/standard.

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

This option of “choice of technology is left to radio broadcasters” is not recommended due to the need for multi-standard receivers which are bound to be costlier than a single standard receiver. However private radio broadcasters could be involved in the evaluation and adoption of suitable technology.

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

Yes.

Justification:

- a) Operation of FM channel is a proven one, attracting the broadcasters as well as maximum listeners due to the availability of cost effective portable receivers in the market and most of the millions of mobile/smart phones have built-in FM receiver
- b) If FM channel operation is linked to digital technology, millions of existing FM receivers including those millions of mobile/smart phones will become redundant and listeners will not like to re-invest in new and costly digital receiver, however sophisticated it will be. Hence the listener base would be lost until the digital platform gains widespread receiver penetration before complete switch over
- c) The existing FM radio broadcasters, who paid huge bid amount in anticipation of return on investment over a period of 15 years, will incur loss.

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

Yes.

- a) The charges should be for the entire frequency based on the number channels it can carry, keeping in view the suggestions at 5.2 above.

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

Yes.

Suggestions:

- a) Future auction of remaining FM channels of Phase-III should be delinked from digital technology and carried out as was done in Batches 1 and 2 mainly to tap the huge potential of a large number of existing FM receivers and mobile/smart phones in the category C & D cities
- b) The listeners in these smaller cities could be first time FM listeners and would like to use their existing devices/FM receiver to receive the service rather than investing in an unproven, new technology/receiver.

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

Yes, the present auction process for FM channels should be continued

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

Not applicable at this stage until Govt. accepts the TRAI recommendations, without modifications, after which TRAI could formulate the required modifications in consultation with private FM broadcasters.

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

- a) Govt. should offer subsidies to local receiver manufactures in terms of tax holidays, liberal licensing etc. (only for digital services)
- b) Mobile phone manufacturers may be coordinated offering subsidies to integrate the digital radio receiver chips in their phones
- c) As volumes build up over time, the relative cost of production will be reduced.

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

- a) Since the digital radio technologies such as DRM, DRM+, HD IBOC, DAB etc. are still under trial in many countries and are not yet proven like FM, it should be sufficiently experimented in our country before putting into large scale use or planning for digital switch-over.
- b) Even in countries like UK digital radio is being experimented over 20 years and the switch-over has still not happened. Hence we need to be cautious in planning for digital radio switch over.
- c) But for the better usage of spectrum that could offer more radio channels in each city, digital radio does not offer major benefits to common listeners who are happy with the current FM.