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**TELECOM REGULATORY AUTHORITY OF INDIA**

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**TRAI releases draft recommendations on issues relating to mobile television service**

New Delhi, 3<sup>rd</sup> January, 2008. The Telecom Regulatory Authority of India today released its draft recommendations on issues relating to mobile television service to the Ministry of Information & Broadcasting. The Ministry had sought the Authority's recommendations vide its letter dated June 21, 2007 on various issues relating to proposed licensing policy for mobile television service. The Authority had issued a Consultation Paper on these issues on September 18, 2007. This was followed up with an Open House Discussion in Delhi on 26<sup>th</sup> October, 2007. The draft recommendations have been released today for a second round of consultation as the subject matter of recommendations is new and the technologies for mobile television are still in an evolutionary phase.

2. There are broadly two routes for providing mobile television services, viz, one using the telecom network with spectrum already allotted, and the other using broadcasting method. The Authority is of the view that telecom operators having CMTS license or UASL license will not require any further license or permission for offering mobile television services on their own network using spectrum already allotted to them. The draft recommendations provide for creating a new class of mobile television operators using broadcast method. The draft recommended licensing framework for such mobile

television services covers technology, spectrum and licensing issues. The major points of draft recommendations are as follows

### **Technology**

- The chosen technology should be digital.
- The choice of technology should be left to the service provider with the condition that the technology to be deployed for providing mobile television should be based on standards issued by International Telecommunication Union (ITU), Telecom Engineering Centre of India (TEC) or any other International Standards Organization/ body or any other standardization organization/ body specified by the Government of India.
- The licensee should ensure that the technology used is such that its subscribers are generally able to migrate to any other licensee using the same standards without changing the handsets if the handset has been provided by the licensee.
- Two separate types of licenses for the two transmission routes, namely terrestrial and satellite based should be offered.

### **Allocation of Spectrum**

- Allocation of carriers in the UHF Band V (from 585 MHz – 806 MHz) for terrestrial mode of mobile television transmission, and S-Band for satellite mode of mobile television transmission has been recommended.
- Apart from Doordarshan, private operators may be assigned at least 1 slot of 8 MHz each for mobile TV operation using terrestrial systems. For satellite based systems also, apart from Doordarshan, private operators may be allocated spectrum such that a bandwidth of at least 8 MHz is available to them for mobile television services.
- Sharing of terrestrial transmission infrastructure of Doordarshan should be permitted on mutual agreement basis in a non-discriminatory manner.
- Wherever a mobile television service provider has installed its own infrastructure, it must be shared with other such service providers.

- The licenses for mobile television services (for terrestrial systems and satellite based systems) should be granted through a Closed Tender System on the basis of One Time Entry Fees (OTEF) quoted by the bidders.
- Allocation of spectrum to mobile television licensees should be automatic for successful bidders and should not require any further selection process.
- A mobile TV license may be made mandatory for UASL/ CMTS licensees, if such licensees wish to use broadcasting technologies for offering mobile television services. For this purpose, they would be permitted to participate in the bidding process.

### **Licensing Issues**

- Interested parties may be permitted to participate in bidding for both types of licenses. However, on being successful, such parties should be granted only one type of license, namely terrestrial (for the service areas in which such party has been a successful bidder) or satellite based, at the choice of the party.
- The general disqualifications which have been adopted for Private FM Radio may be used for mobile television service also.
- Minimum net worth requirements of Rs. 40 Crores for satellite based mobile television licenses and Rs. 3 Crores for each service area in terrestrial mobile television licenses should be laid down for being eligible to participate in the licensing process.
- The FDI limit for mobile television service providers should be 74%.
- A state should be the license area for a mobile television terrestrial service license. Some of the smaller states can be combined to form an appropriate license area in order to enable financially and operationally viable model. For satellite based systems, the license area for mobile television service license should be the entire country.
- The tenure of both types of mobile television licenses (terrestrial and satellite based) should be for 10 years.

- The licensee fee should be charged @ 6% of Gross Revenue for each year or @ 10% of the Reserve One Time Entry Fee limit for the concerned license area, whichever is higher.
- One year is a sufficient and reasonable time for rolling out of services by a licensee in case of satellite based transmission route.
- In cases of terrestrial transmission mode, the licensee should be required to discharge the roll out obligations at the most in two phases. In the first phase, the licensee must commence the mobile television transmission in at least one city having a population of more than one million or the city with the largest population (as per 2001 census) within the license area within one year from the date of grant of license. Further, the second phase of roll out obligations would require all the cities having a population of more than one million within the license area to be covered within a period of four years from the date of grant of license.
- The licensees, both through the satellite route and the terrestrial route, should be required to pay liquidated damages @ 1% of the Performance Bank Guarantee for delay of each week or part of the week in commencement of the mobile television service beyond the first year, but within a period of two years after the date of grant of mobile television license.
- Where a mobile television licensee is unable to meet the roll out obligation even in two years from the date of grant of mobile television license, the entire Performance Bank Guarantee should be forfeited. Simultaneously, the Government should proceed to cancel the mobile television service license issued to such a licensee including surrender of spectrum and begin the process of fresh allocation of license.
- The mobile television licensees having all India licenses (for satellite based systems) should be required to furnish a Performance Bank Guarantee of Rs. 20 Crores and the mobile television licensees having statewide licenses (for terrestrial systems) should be required to furnish a Performance Bank Guarantee of Rs. 2 Crores for each license area.
- Any mobile television licensee should not allow any broadcasting company or group of broadcasting companies to collectively hold or own more than 20% of the total paid up equity in its company at any time during the License period. Simultaneously,

the mobile television licensee should not hold or own more than 20% equity share in a broadcasting company.

3. The Authority has invited all stakeholders to give their comments on the draft recommendations by 10<sup>th</sup> January, 2008. The comments received will be posted on TRAI's website. The full text of the draft recommendations is available on TRAI's website: [www.traigov.in](http://www.traigov.in).

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