

Information note to the Press (Press Release No. 55 / 2008)

For Immediate release

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TRAI clears its final comments on draft Satellite Radio policy guidelines

New Delhi, 04th June, 2008 - The Telecom Regulatory Authority of India (TRAI) has today sent the final comments on draft Satellite Radio policy as proposed by the Ministry of Information and Broadcasting, Government of India. Satellite Radio Service refers to distribution of single or multi channel radio programmes by using a satellite system which provides encrypted digital radio signals direct to subscribers' receiver sets. Earlier, TRAI had brought out a consultation paper on issues relating to Satellite Radio Services on December 29, 2004. TRAI also held an Open House Discussion on 11th February 2005 in Delhi. Based on the responses received from various stakeholders on the consultation paper and in the Open House Discussion, the Authority had sent its recommendations on "Issues relating to Satellite Radio Service" to the Government on June 27, 2005.

2. The Ministry of Information and Broadcasting has informed that the recommendations made by TRAI have been accepted with some modifications by the Government of India. Accordingly, the Ministry has framed the draft Satellite Radio Policy Guidelines. The Ministry vide its letter No. 09/01/2005-BP&L-Vol. II dated March 11, 2008 has requested the comments of the Authority on the draft Satellite Radio Policy Guidelines and on the representation of present incumbent.

4. The draft Satellite Radio policy guidelines forwarded by the Ministry is an exhaustive document. The draft policy guidelines make a distinction between provision of satellite radio service (i.e., carriage of radio channels) and provision of content (radio channels) to such satellite radio service providers. Accordingly, two different types of license/permission are envisaged in the draft Satellite Radio policy. One type of license is for providing the satellite radio service for carriage & broadcasting of channels and the other permission entitles the permission holder to get registration for satellite radio channels which he will in turn provide to satellite radio service operator for broadcasting. The draft Satellite Radio policy

guidelines permit a satellite radio service provider to hold the permission for registration of satellite radio channels also.

5. Some of the major issues covered in the draft policy guidelines are eligibility criteria, period of license, entry fee & annual license fee, bank guarantee, basic conditions & obligations, technical standards, monitoring, inspection, value added services, terrestrial repeaters, termination of license, WPC wing's license, procedure for application, disputes and jurisdiction. Given its significance, the Authority had carried out public consultation on its tentative comments on the draft policy guidelines on May 19, 2008 by inviting comments from the stakeholders.

6. The views of the stakeholders were examined by the Authority and the final comments have been sent to the Ministry with some modification in a few clauses relating to eligibility, procedure of application and grant of license and migration path for existing service provider to the licensing regime. The Authority has recommended for auctioning the license if the number of eligible applicants exceeds the number of licenses being offered depending upon the availability of spectrum and satellite. Initially, the Government may consider offering two licenses in addition to existing service provider. The restrictions on news and advertisements in satellite radio service proposed by the Government in the draft policy have been found acceptable. TRAI has also agreed with the Ministry's proposal to permit terrestrial repeaters for satellite radio service so as to provide for high quality widespread coverage. The license will be for a period of ten years initially, with provision for further extension for ten years. The licensee will have to pay an annual license fee of 4% of the gross revenue. The draft guidelines also provide for appropriate obligation on the licensee to roll out the service within one year of getting the license.

7. It is expected that the draft guidelines with suggested modification would encourage the growth of satellite radio service with sufficient competition.

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