

AROI Response to TRAI paper on CRS

Q 1. What should be the period of permission for CRS to be prescribed in the CRS Guidelines? Is the present 5 year period adequate?

Yes license period of 5 years is adequate.

Q 2. What should be the period of extension on the expiry of the initial period of permission for CRS?

The extension should be for a period up to 5 years. Thereafter, at the end of 10 years of continuous operation, the license should be "freed up", so that other parties interested in launching other CRS operations may get a chance. If no other interested party exists, then the current operator should be allowed to re-apply for a fresh 5 year (+5 years) license (extension).

Q 3. Should there be any additional terms and conditions of extension/renewal of the permission for CRS?

Yes.

Since the government gives scarce spectrum at no costs (except for nominal spectrum fees) to CRS operators, it should be mandatory that the operators fulfill *all* their obligations. An independent audit must be done to establish this. The audit must also measure the usefulness of the content put out by the CRS in the last 5 years. A survey should be done amongst the community by the auditor to establish whether the service provided by the operators was of any value to the community or not. The government must also ensure that all applicable policies were strictly followed by the operator, and nothing objectionable was carried out during the previous period. A close study of the Profit & Loss A/c must be made, since CRS operators are supposed to be non-profit organizations. The study must look at the sources of revenues, as well as the advertising time actually consummated, to ensure that the CRS stayed within prescribed limits.

Q 4. Should CRS permission holders be permitted to carry the news bulletins of All India Radio (AIR) in unaltered format and community based non-news and current affairs programs for the categories permitted to FM radio stations?

The whole purpose of CRS is to provide content to their own communities. The content must be of relevance to the community. For example, a radio station aimed at farmers should make content that is beneficial to them - including for example, programs on

raising farm productivity, improving methods of using fertilizers etc. For this station, providing weather "news" is relevant content and must be permitted. But providing political news, or news about cricket matches, or the stock markets, or cultural events is not relevant. These should not be permitted. Hence, in general, news & current affairs must not be permitted to CRS, unless the subject is of direct relevance to the core community for which the CRS was sanctioned.

The point to note is that CRS is not the same as FM. In FM, broadcasters pay market determined rates to provide *all types of content to all audiences available*. News must therefore be allowed without restrictions to FM broadcasters, but not to CRS operators.

Q 5. In view of the availability of alternative revenue/ funding options, is there any reason to increase the duration of advertisement beyond the 5 minutes per hour limitation? If yes, please explain with full justification.

No, ad duration must NOT be increased. Any increase in ad duration for CRS operators will pose a threat to FM operators who survive *only* on advertising revenues. Hence nothing must be done that disturbs the viability of FM broadcasters who have bid market rates to acquire their licenses.

Equally, the whole objective of CRS is not to make profits, but to make enough revenues to cover costs. Through means identified in the TRAI paper, such sources of income are already available. CRS operators must operate within these parameters.

Q 6. Do you agree with the above proposal for utilization of CRS during natural calamities/ emergency situations?

Yes. At the time of a calamity/emergency, CRS operators must be allowed - in fact encouraged - to help with the relief work. The original mandate of producing content of a certain type must be set aside temporarily.

Q 7. What, in your opinion, are the measures required to ensure a faster growth in the number and spread of CRS in rural India?

The existence of nearly 170 operating CRS is a matter of pride. If pending applications are cleared off, there can be as many as 400-500 CRS in operation. This is a healthy number....and as need for more such stations arises, the numbers will grow on their own. That being said, the government may consider fiscal measures. Import duties on equipment may be reduced so that the capex required to set up a CRS reduces. Likewise, spectrum usage fees could be made lesser.

Q 8. Stakeholders may also provide their comments on any other issue relevant to the present consultation.

The key point to remember is that CRS operations must not hinder viability of commercial FM operations. Hence transmitter power (ERP) of CRS must be kept at <100 watts, unless the requirement is justifiable (like a radio meant for fishermen). Even in such cases, the current policy of keeping it <250 watts must be kept unchanged. Equally, the height of the transmitter must be kept <30 mts as in the current policy.

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