



AROI Comments on TRAI consultation paper on Digital radio broadcasting.

Q1. Do you agree that single digital radio technology adoption is preferable for entire country? If not, support your reply with justification.

AROI Comments

Radio in India is a free to air media accessible at almost zero costs to common citizens. It is a poor citizens media, though also accessed by the very rich.

Analog digital receivers are extensively available in the country in all feature phones, car stereos and in standalone receivers. Currently radio reach is about 80 percent plus in the areas operated in, excluding AIR. Therefore till digital receivers penetrate to over 80 percent citizens, analog transmission should not be interrupted so that the common and poor citizens continue to access this most trusted traditional media in India.

The cost of digital receiver, as explained by the DRM., Xperi and ICEA , would depend on volumes. The more the volumes the less the cost. At 80 percent penetration, cost would be almost negligible in a phone. Current cost of a DRM car stereo with digital receiver is appx Rs 15000 in luxury car over Rs 15 lacs, and available in luxury segment. It is surprising why All India Radio, whose specific mandate is to provide infotainment to masses, implemented DRM decades back but took no steps to reach its transmissions to beyond luxury segment. The same mistake should not be repeated.

Therefore due to cost factor per citizen, it is better to have one single technology for digital radio in the country, specially in FM wave segment. AIR could separately comment for MW and SW segments, which are their exclusive domain.

Q2. In case a single digital radio broadcast technology is to be adopted for the entire country, which technology should be adopted for digital radio broadcasting? Please give your suggestions with detailed justification.



AROI Comments

The technology to be adopted should be factored on cost per unit and reach , as per following table –

Receiver Type	DRM		HD Radio	
	Cost per unit	Units in first 3 months/1 year	Cost per unit	Units in first 3 months /1 year
Feature phones				
Smart phones				
Car music system				
Standalone				

Based on cost and reach committed, a choice could be made, between the two as DAB is not feasible in India in available frequencies. HD Radio and DRM have both been tested and accepted by AIR, though the report has not been shared with private radio.

TRAI could ask DRM and HD to provide and commit to data as per table above.

Q3. In case multiple digital broadcasting technologies are to be adopted, please specify whether it should be left to the market forces to decide the appropriate technologies and what could be the potential problems due to adoption of multiple technologies? Please suggest probable solutions to the problems, with detailed justification.

Not applicable, as multiple technologies are not being recommended,

Q4. What should be the approach for migration of existing FM radio broadcasters to digital radio broadcasting?

Existing Radio broadcasters have been allotted 800 mhz frequency, that is being recommended to be used also for digital broadcast in 13 A+ and A cities.

AROI pointed out to the committee (MIB, DoT, Meity and AROI) that interference with existing analog transmission needs to be avoided at all cost.



Any new allotment may bring in players who may be just disrupters of analog frequency , as initially there will be minimal digital receivers and listeners. In such cases, allottees of the 800 mhz band may need to approach court to avoid waste of their investments, and it may all end up in litigations and in a destroyed digital technology implementation.

Therefore the approach should be to allow existing players to use their allotted frequency for digital transmission, as a first right.

The annual fees of 4 percent of revenue, already accepted by Government as standard for new auctions, should be charged for digital transmissions. Since the license period expires in 2030, the new auctions thereafter would cover both analog and digital frequencies and the price would be accordingly discovered.

The cost of migration to simulcast (analog and digital) would be huge and should be subsidized by Government in following ways –

- a. Increase the license period by five years from 2030 to 2035 at no extra cost
- b. Provide financial subsidy

The above is a practical way of implementation and migration as a 5 year trial in 13 major cities, will open up digital radio space and infrastructure in India.

Q5. What should be the timeframe for various activities related to the migration of existing FM radio broadcasters to digital radio broadcasting?

There has been no total migration in any region or country in world from analog to digital. Both operate in simulcast mode as analog receivers are much cheaper and widespread and no country, even in non democratic areas, would risk cutting off radio to beyond the 1 percent luxury segments.

So simulcast transmission (analog and digital) would need to be allowed in foreseeable future.

Q6. Please suggest measures that should be taken to encourage existing FM radio broadcasters to adopt digital radio broadcasting.

A five year extension of license period (analog plus digital) would be ideal, otherwise subsidy in digital common transmission infrastructure would be needed to be provided by Government.



Q7. What measures should be taken to facilitate the availability of affordable digital radio receivers?

Facilities and subsidies under make in India initiatives could be provided. Additionally, a subsidy on costs for citizens to shift to digital receiver may also be considered by Government. This was done during television migration to digital for customer set up boxes.

Q8. Should private radio broadcasters be permitted to simulcast their live terrestrial channels on the Internet? If yes, what should be the terms and conditions for such simulcast? Please provide your comments with detailed justification.

Simulcast in analog and digital is the only option till digital receivers reach and penetrate to 80 percent of citizens.

Terms and condition for analog transmission are already in place. Digital can be add on as per terms and conditions and suggestions that have been listed in answer to various questions with justifications in this comments paper.

Radio is freely allowed to broadcast through internet . There are no restrictions on internet. There is no permission required except for content copyright from copyright owners. So this question is not relevant.

Q9. (i) Should the provisions relating to eligibility criteria prescribed in FM Phase-III Policy guidelines be adopted for Digital Radio Broadcast Policy? (ii) If yes, is there any need to add or remove any criteria? (iii) If not, please suggest the plausible eligibility criteria for granting authorisation for digital radio broadcasting.

Same eligibility criteria could continue till 2030.

Q10. Should the financial eligibility criteria provided in existing policy guidelines be adopted for digital radio broadcasting policy? If not, what should be the financial eligibility criteria for different categories of cities for digital radio broadcasting? Provide your suggestions with detailed justification.

Same financial eligibility criteria could continue for digital as for current radio operators.

Q11. Should the provisions regarding the period of permission as per existing Policy Guidelines be adopted for the Digital Radio Broadcast Policy? If not, what should be the validity of the period of permission for Digital Radio Broadcasting? Provide your suggestions with detailed justification.



This initially needs to be till 2030 and should be extended by 5 years till 2035 across all operators in the country. Initially only 13 cities are being opened by Government, this could be phase wise extended to other cities till 2030, with 5 year extension as incentive to enter and invest in digital transmission.

Q12. Should the provisions regarding the Earnest Money Deposit provided in existing policy guidelines be adopted for the Digital Radio Broadcast policy? If not, what should be the Earnest Money Deposit for digital radio broadcasting services?

For new entrants in free frequencies (not for existing operators) EMD could be the same as in current FM phase 3 policy. Existing operators should have an option to migrate to additional digital transmission with incentives as explained above

Q13. What should be the amount of application processing fee for Digital Radio Broadcast services? Please provide your suggestions with justification.

Rs 25000 commended in TRAI CP is fine.

Q14. Should the provisions regarding the Performance Bank Guarantee provided in existing policy guidelines be adopted for the Digital 80 Radio Broadcasting services? If not, what should be the amount of Performance Bank Guarantee for digital radio broadcasting services?

Same provisions of FM phase 3 policy could apply to new entrants.

Q15. Should the provisions regarding the time schedule for signing of authorisation and operationalisation of radio channel as prescribed in existing policy guidelines be adopted for Digital Radio Broadcasting services? If not, please suggest with justification the changes required in the time schedule for signing of authorisation and operationalisation for channels for Digital Radio Broadcasting services.

Yes.



Q16. What should be the provisions relating to the annual fee including payment methodology be adopted for digital radio broadcasting services? Provide your suggestions with detailed justification.

Annual fees should be 4 percent of revenue (less taxes like GST) .

This standard has already been adopted by Government in batch 3 auctions under FM phase 3 policy.

Q17. Should there be a minimum amount of annual fee for digital radio broadcasting services? What should be the criteria for deciding such a minimum annual fee? Provide your suggestions with detailed justification.

Answered in Question 16.

Q18. Do you agree that the amended provisions of calculating annual fee as 4% of GR only and de-linking it from Non-Refundable One Time Entry Fee (NOTEF), be made applicable to existing operational FM radio channels, who migrate to digital radio broadcasting?

Yes.

Q19. What should be the definition of Gross Revenue (GR) to be adopted for digital radio broadcasting services? Provide your suggestions with detailed justification.

Gross Revenue should mean net revenue billed by radio operations, excluding GST .

Q20. Should the provisions regarding the restrictions on multiple permissions in a city be adopted for Digital Radio Broadcasting services? Please provide your suggestions with detailed justification.

The existing limit of maximum 40 percent of frequencies in each city per operator should continue to apply.



This ensures minimum of 3 operators in every city and avoids monopoly.

Q21. Should the frequency be considered, or multiple channels operated on single frequency be considered for the purpose of putting restriction on multiple channels in a city? Please provide your suggestions with detailed justification.

Both should be considered independently.

As there will be both current as well as maybe new operators in operation after auctions of available frequencies for digital, both need to be within the 40 percent rule of maximum per city.

Q22. Do you agree that the maximum number of channels that has been identified by MIB in category A+ and A cities as given in Table 3 should be put up for auction for digital radio broadcasting? If not, please give your suggestions with detailed justification and criteria for deciding the maximum number of channels in each of the cities mentioned in Table 3 above.

Initially digital could be adopted in A+, A cities. Existing operators get the option to transmit also digitally. In case any frequencies are still unused, they could be auctioned to new players. Otherwise, issues of overlaps and interference and rights over frequency could disrupt the process.

New cities can be added later for digital, after success in A + and A cities.

Q23. Should the provisions regarding the Programme Content provided in the existing policy guidelines be adopted for Digital Radio Broadcasting?

Both Analog and Digital should have the same program code. Government should accept TRAI recommendations as given in 'Issues related to FM radio broadcasting' and allow News and Current Affairs across the entire radio broadcasting spectrum.



Q24. Should digital radio broadcasters be allowed to broadcast self curated news and current affairs programs as recommended by TRAI in its recommendations dated 5th September 2023? If yes, what should be the duration of such programs. Please give your suggestions with detailed justifications.

Yes. TRAI recommendations should be implemented.

Duration and program structure should be left to individual operators.

Q25. Is there a need to prescribe the guidelines for genres of programmes that a broadcaster can provide on multiple channels available on a single frequency allocated to it for digital radio broadcasting? If yes, what should be the genres of channels permitted in digital broadcasting? Please give your suggestions with detailed justifications.

There is no need to define guidelines as All India Radio programming code is applicable to all operators under Phase 3 policy. Same should apply to all radio broadcasters.

Q26. Should the provisions regarding penalties prescribed in extant guidelines be adopted for digital radio broadcasting? If not, what are your suggestions for modifications? Please give your suggestions with detailed justification for each.

Yes. Same provision under Phase 3 policy, as amended from time to time, should apply to all.

Q27. What should be the methodology for examination and creation of new Common Transmission Infrastructure (CTI) setups required for new channels including their upkeep, given the fact that existing CTI setups and towers may not have vacant space and apertures, respectively, for accommodating additional new channels in category A+ and A cities?

Since this subject is under exclusive jurisdiction of AIR and Becil, (it being compulsory to use AIR space and also Becil as implementer) , they may be asked in to give in the methodology paper for the same along with costs.

Alternatively, exclusive jurisdiction could be removed, and operators allowed to set up transmission infrastructure independently.

Q28. What should be the methodology for examination and modifications to existing CTI setups or creation of new CTI setups required for transmission of digital components/ simulcast operation by



existing broadcasters including its upkeep given the fact that existing CTI setups, including towers, may not support the addition of digital components without modifications?

Same comments as on Question 27 apply

Q29. Are there any changes required in the format prescribed for reporting of Financial Accounting by radio broadcasters for the Digital Radio Broadcast Policy? If yes, please suggest changes with justification.

There is no need for change.

Q30. Whether any other provision of the existing policy guidelines that may require review for their adoption in Digital Radio Broadcast Policy? If yes, please provide your comments with reasons thereof for amendments (including any addition(s)) required in the existing policy guidelines for FM Radio, that the stakeholder considers necessary. The stakeholders may provide their comments in the format specified in Table 4 explicitly indicating the existing clause, suggested amendment and the reason/ full justification for the amendment in the existing policy guidelines for FM Radio for inclusion in Digital Radio Broadcast Policy. 83 Table 4: Format for stakeholders' response on amendments required in Policy guidelines for expansion of FM Radio Broadcasting services through private agencies (Phase III) for inclusion in Digital Radio Broadcast Policy S. No. Clause No. of Existing Policy Guidelines for FM Radio Provisions of the existing clause(2) Amendment/ new provision(s) suggested by the stakeholder (3) Reasons/ full justification for the proposed amendment (4)

Since Analog and Digital transmission will both done in simulcast mode, mostly by same operators, there should only be one policy to govern the same.

Digital transmission will take time to reach citizens, and the same will start happening only when price of receivers becomes affordable . Rs 15000 receiver cost in luxury cars of over Rs 15 lacs is affordable to less than 1 percent of India population while currently analog reaches over 80 percent .

TRAI has already given recommendations for change in policy. The same should be accepted and a common policy be applicable to all.

Q31. Do you agree that the methodology used in TRAI's recommendations dated 10th April 2020 for determining reserve prices of FM Radio channels should be used for determining reserve prices of digital



Radio channels? a. If yes, please provide detailed justification for your views. b. If not, please suggest an alternative approach/ methodology with details and justifications.

No.

Digital receivers need to penetrate the market first before any methodology used in analog radio transmission can be applied here. Analog receivers cover almost 80 to 90 percent of population while digital would be to near zero levels. Therefore methodology for both cannot be equated.

To implement digital radio in India, first both Government and Operators need to invest in both transmission and receiver infrastructure.

To put a high reserve price in such a scenario is self defeating.

In our view there is no way a reserve price can be put currently. Annual fees of 4 percent of revenue would be the only available criterion for Government earning.

TRAI should appreciate that under nil to very low listenership possibility, there is no financial feasibility currently, and this is only an investment of future.

After 2030 or 2035 as case may be, Government could have a combined auction to determine market rates, and the methodology applied by TRAI could be used to determine joint reserve price for simulcast broadcasting.

Q32. Do you agree that due to non-availability of updated radio listenership estimates data and Market Intensity Index, whether the same data, as used in 2020 recommendation, can be used in the present exercise as well? In case the answer is no, which alternative data/methodology can be used for the same purpose? Q33. Do you agree that a multiplication factor of 0.7 be used for estimating the reserve price from average valuation of FM Radio channels or otherwise? Please provide your suggestions with detailed justification. Q34. Stakeholders may also provide their comments/ suggestions along with detailed justification on any other issue that may be relevant to the present consultation. recommendations dated 10th April 2020 for determining reserve prices of FM Radio channels should be used for determining reserve prices of digital Radio channels? a. If yes, please provide detailed justification for your views. b. If not, please suggest an alternative approach/ methodology with details and justifications.



As of now the listenership of digital radio is Zero.

Please see our comments to Question 31.

Q33. Do you agree that a multiplication factor of 0.7 be used for estimating the reserve price from average valuation of FM Radio channels or otherwise? Please provide your suggestions with detailed justification. G. Any other issue

No. As of now,, under zero listenership, there is no reserve price possible.

However, new operators could be allowed in at rates determined by Government or TRAI. Our advise is that to ensure success in migration, following steps should be followed

- a. Initially existing operators in 13 A+, A cities should be given choice to start digital broadcast in simulcast mode on a trial basis. Since there will be high cost of setting up digital transmission and content etc, a subsidy either in a form of 5 year license extension and /or a financial subsidy be provided to the operators.
- b. In phases, more cities could be covered , say top 100 cities in India could be covered till 2030 .
- c. After license period is over, (2030 or 2035) the new auctions for simulcast be held as per TRAI reserve prices and guidelines etc.

In case frequencies are still available after existing operators exercise the option, the same could be auctioned to new players at reserve price which are say 0.3 times the reserve prices determined for analog auctions . This will determine that the new operators entering are serious business , otherwise there is no value as of now in digital transmission.

Q34. Stakeholders may also provide their comments/ suggestions along with detailed justification on any other issue that may be relevant to the present consultation.