

Name of the Paper :

ECONOMIC TIMES

Published at :

Delhi

Date :

13 NOV 2009

THE ECONOMIC TIMES NEW DELHI FRIDAY 13 NOVEMBER 2009

FM phase III expansion in works

Multiple Frequencies Among Proposals Mooted

Our Bureau
NEW DELHI

THE Information & Broadcasting (I&B) ministry has proposed that FM radio players be allowed to operate multiple frequencies in the same city, I & B secretary Raghu Menon said on Thursday while addressing a roundtable meet organised by the Association of Radio Operators for India (AROI) in Delhi. Outlining the various proposals recommended in the draft note on FM radio expansion, Mr Menon said his ministry had proposed that multi-city networking be allowed for FM radio operators provided a certain percentage of the content remains local. At present, this facility is not permitted. The ministry has also recommended that the lock-in period for FM players be reduced from the current period of 5 years.

According to Mr Menon, the ministry may also allow FM radio players to carry limited news and non-news items like traffic and local events. But the news would be allowed to be sourced only from All India Radio relays. On Foreign Direct Investment limit in FM radio, he said that I & B ministry favoured increasing the cap to 26%. FM radio players have been demanding that the present 10 years license period be extended to 15 years as the radio industry is in a bad financial state. But Mr Menon said that the ministry will take a decision on license extension after some time. He added that the 15% cap on ownership of frequencies across the country will continue (no company can own more than 15% of all stations in India) but added that this did not include border areas. A final decision on all these proposals will be taken by the Union Cabinet and an announcement is expected to be made in January next year, said Mr Menon.

The third phase of the FM Radio expansion proposes adding 790 new channels in 290 towns which have a population of over 1 lakh.

But FM players don't want auctions to begin before the music royalty row is sorted out. In the last phase, at least 90 stations were not picked up. Analysts also say for Phase-III bids to be successful, the royalty issue must be sorted out first.

Name of the Paper :

ECONOMIC TIMES

Published at :

Delhi

Date :

13 NOV 2009

I&B allowed to formulate HITS policy

Our Bureau

NEW DELHI

ET

THE Union Cabinet on Thursday approved an information & broadcasting ministry proposal seeking to issue policy guidelines for putting up Headend-in-the-Sky (HITS), a system for multi-system operators (MSOs) to distribute television broadcast signals. Encrypted signals are bounced off a satellite transponder, just like in direct-to-home (DTH) but, instead of placing a satellite receiver at customer premises, cable operators receive the encrypted signal from the satellite, and then distribute it to its customers as a digital signal to be processed at the customer end with a set-top box.

"HITS would help a subscriber with a wider choice of digital channels, better picture quality and value added services at affordable price," as per a statement issued by the ministry of information & broadcasting. It added that HITS would also allow a cable TV viewer to receive more channels than what they get through the current system.

The new policy allows HITS operators to uplink signals only from India, and has permitted total direct and indirect foreign investment up to a controversial 74%. Neither in cable nor in DTH is such a high level of FDI permitted. But a prior approval of the Foreign Investment Promotion Board (FIPB) will be required if FDI crosses 49% limit.

Cable operators are still allowed foreign investment up to 49% only. The Cable Operators Federation of India (COFI) sees the hike in FDI limit as a strong negative for the industry. "The FDI cap of 74% for HITS as against 49% for cable operators will encourage the cash-rich foreign conglomerates to capture the Indian cable market." COFI added that there have been no incentives announced for the local cable operators to upgrade their infrastructure to receive HITS signals.