



सत्यमेव जयते

आर.के. आर्नोल्ड, भा.दू.से.

R.K. ARNOLD, I.T.S.

सचिव / Secretary

भारतीय दूरसंचार विनियामक प्राधिकरण

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TELECOM REGULATORY AUTHORITY OF INDIA

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D.O. No. 7-2/2008-B&CS

February 9, 2011

Dear *Shri Menon*,

Please refer to your D.O. No. 140/02/2008-FM (Vol. IV), dt. 27.01.2011 addressed to Chairman, TRAI, forwarding the recommendations of the GoM constituted by the Government for the FM Phase-III policy and requesting the Authority to furnish further recommendations on the same.

2. The Authority has accorded careful consideration to each of the issues raised in para 2(i) to 2(iv) of your letter and the responses of the Authority to these issues are as follows:

(i) Ascending e-auction methodology:

Keeping in view the experience of multiple round auction methodology that was followed in the first phase as well as the recommendations of a committee under Dr Amit Mitra, the then Secretary General, FICCI, TRAI had recommended in 2008 the 'closed tender process' for the award of licenses in the second phase of Private FM Radio Broadcasting.

However, in the context of the successful conduct of auctions for allocating 3G spectrum in 2010 and the recommendation of GoM mentioned in your letter, TRAI would have no objection regarding adoption of the 3G ascending e-auction methodology '*mutis mutandis*' for awarding licenses for FM Radio Phase III. It is also suggested that the Ministry of Information and Broadcasting may ensure that all related administrative issues are duly addressed while finalising the ecosystem and procedures for the e-auction process.

(ii) Reserve price for new channels:

The GoM has recommended reserve prices for new channels based on the actual prices received during the second Phase for comparable cities. The Authority has no objection to the proposed action.

(iii) Annual Licence fee:

This is in line with the Authority's earlier recommendations. The Authority agrees to the same.

(iv) Period of licence:

The Authority had earlier recommended issue of licenses for a period of ten years with a provision for its renewal for another ten years. Now the GoM has recommended a permission period of fifteen years. The Authority has no objection to this validity period of the licenses.

3. As per procedure, a copy of this letter is being placed on the TRAI website (www.trai.gov.in).

With kind regards,

Yours sincerely,



(R.K. Arnold)

Shri Raghu Menon,
Secretary,
Ministry of Information and Broadcasting,
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