**WorldSpace India Comments on TRAI Consultation Paper on
Issues Relating to 3rd Phase of Private FM Radio Broadcasting**

1. WorldSpace India Pte. Ltd. welcomes the Telecom Regulatory Authority of India's (TRAI) invitation to interested parties to submit written comments to TRAI in response to its Consultation Paper on "Issues Relating to 3rd Phase of Private FM Radio Broadcasting," published on January 8, 2008 ("the Consultation Paper").

2. WorldSpace India limits its comments to the ninth regulatory issue presented for consultation – section 6.1.9 – which states:

   Do you feel the need to compare regulatory framework of FM radio broadcast with satellite radio? If so, Please give your views on the issue of non-level playing field as raised by FICCI in reference to FM radio broadcast with satellite radio with justification.

3. In its Recommendations on Licensing Issues Relating to 2nd Phase of Private FM Radio, sent on August 11, 2004, TRAI indicated that it would examine issues related to Satellite Radio services separately. On December 29, 2004, TRAI issued its consultation paper on Issues Relating to Satellite Radio Service. The Consultation Paper's objective was to "examine the various issues such as level playing field between Satellite Radio service and Private FM Radio, regulation of broadcast content, license fee, … and to obtain structured response from various stakeholders on these issues." A number of stakeholders submitted comments on the issues raised in the consultation paper, and TRAI also held an Open House Discussion with various stakeholders on February 11th, 2005 in Delhi.

4. On June 27th, 2005 TRAI issued its recommendations on Issues Relating to Satellite Radio Services. In framing these recommendations, TRAI drew a clear and accurate picture of the many differences between satellite radio and Private FM services. These differences are summarized in section 1.6.2 of the recommendations, which states:

   "Satellite Radio service is different from terrestrial FM Radio in many aspects. FM Radio broadly covers limited geographical area, addresses local issues, promotes local culture and carries local advertisements. The FM frequency assignment is also mainly a national affair and does not require any significant regional or international coordination. The FM Radio listening has a mass base since it is in free- to-air broadcasting mode and inexpensive receivers are freely available. The cost of putting up of FM Radio infrastructure is also low. The source of revenue for the broadcasters in the case of FM Radio is advertisements. The quality of Service in FM Radio is inferior due to analogue mode. On the other hand, Satellite Radio provides national or sub-continental service. Instead of carrying one program channel per transmitter as is the case with FM Radio, a satellite radio transponder provides large number of program channels of different genres including niche language programming.

The frequency assignment in the case of satellite radio requires intensive international coordination with the telecom networks of affected countries. The revenue model being followed in the case of satellite radio is subscription based. The listenership base in the case of satellite radio is very low as compared to that of FM Radio due to the high cost of receivers and subscription fee. Finally the capital cost of setting up a satellite radio service is large and this explains the limited number of players world wide."

5. The differences described above remain as valid today as they were when the TRAI recommendations were issues in June 2005.

6. TRAI concluded in its recommendations that satellite radio has to be regarded "as a unique mode of communication with some limited overlap in the market for both DTH Television and FM Radio."

7. In light of the significant differences between satellite radio and Private FM services, not least of which is the subscription revenue model that satellite radio has adopted, WorldSpace believes there is no need to compare the regulatory frameworks for these two distinct services.