Starlink’s Path to India Through Telecom Giant Partnerships

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The Unexpected Alliance

In mid-March, India’s two largest telecom operators—Reliance Jio and Bharti Airtel—signed back-to-back deals with Elon Musk’s SpaceX to distribute its Starlink satcom services within the country. Both agreements mark a stark ‘U-turn’ from October 2024, when Jio and Airtel publicly opposed the administrative allocations of satellite spectrum—favored by Musk and aligned with global norms—by the Indian government. Instead, they advocated for auctions and lobbied to deny Starlink’s quick entry into the Indian market.

At the time, their stance seemed driven by concerns over Starlink’s substantial technological lead and the resulting competitive advantage over their own satcom service investments (JioSpaceFiber and OneWeb), as well as fears of

disrupting their duopoly in the Indian internet market through telecom services. In contrast, analysts and industry insiders now expect Starlink's regulatory approval process to accelerate, partly due to its newfound partnerships.

The deals also come less than a month after PM Modi met Musk in Washington, where they discussed "space, mobility, technology and innovation," and amidst the latter's dramatic and controversial political ascendancy in American politics. Given his key role in the Trump administration, Congress has alleged that "it is abundantly clear that these partnerships have been orchestrated by none other than the PM himself to buy goodwill with President Trump through Starlink's owner, Mr. Elon Musk."

On the other hand, a prominent analyst argued that Starlink's India entry (and market access for the US more broadly) can give New Delhi "a bargaining chip in negotiations with Musk's buddy US President Trump," ahead of reciprocal tariffs expected to be imposed upon India by Washington in April.

Regulatory Implications and Market Dynamics

By October 2024, the Telecom Minister had made it clear that the GoI favors administrative allocation over the auctions for distribution of satellite spectrum. While sensible techno-political imperatives drove this decision at the time, potential legal and regulatory challenges could have still stalled the satcom sector and dragged the issue back into the realm of policy uncertainty.

In this context, recent developments do indicate a significant positive shift for Starlink. In particular, the new partnerships make it unlikely that the Indian telecom giants will mount legal challenges against the administrative allocation policy while also mitigating the GoI's

protectionist instinct. Moreover, Starlink has reportedly agreed to major provisions stipulated by the DoT to secure a GMPCS license and is in the final stages of obtaining necessary approvals from the government.

Nevertheless, key questions and policy challenges over the future of the Indian satcom market, and Starlink's entry in particular, remain unresolved and suggest that contentious issues may continue to arise.

To begin with, TRAI is yet to submit its official recommendations to the Telecom Ministry. Consequently, there remains a considerable lack of clarity over the modalities of administrative allocation (for which it had sought industry inputs last year) on frequency bands/ranges for assignment towards efficient spectrum usage, rollout obligations, timelines for applications, and so on. These are important technical details that can have a substantial impact on the nascent satcom sector in the long term.

For instance, *Reuters* recently reported that Starlink seeks a 20-year license to access satellite spectrum, but the telecom regulator instead plans to limit satcom permits to five years, so that the GoI may revise allocation prices as the market evolves. Such a move would make sense for at least two reasons.

First, despite the deals, both Jio and Airtel will also compete with Starlink through their own satcom ventures. Therefore, a shorter timeframe for licenses and appropriate cost-revisions could allow the GoI to limit Starlink's first-mover advantage and prevent a kind of monopoly. Second, and relatedly, Indian space start-ups have a critical stake in the satcom sector, and shorter permit timeframes will allow them to eventually join the race, as and when they are ready. While they have received scant media attention in the satellite spectrum debate, the GoI has a significant imperative to ensure that India's space economy reaches USD 44 billion by

2033 (as estimated by IN-SPACe), and the same will play a role in TRAI's final calculations.

Meanwhile, the dynamics of the most contentious issue in the satcom debate—a cost model that can balance the divergent interests of all stakeholders—have altered. In the short term, Jio and Airtel may have narrow financial incentives to align with Starlink's position for cheap administration charges. Over the long term, however, they will remain highly wary of any future attempts by satcom players to focus services in urban areas for the sake of larger revenues and consequently eat into the Jio-Airtel duopoly. In this context, a middle-path approach that imposes differentiated allocation costs for urban and rural areas has been suggested by Airtel and others, but at present, it is entirely unclear what TRAI's final math will be.

Meanwhile, fresh and sensitive security concerns have entered the satcom debate after Starlink devices were seized from drug smugglers in Andamans and insurgents in Manipur at the end of last year. Consequently, Indian authorities have launched probes into the two incidents, but Musk has completely denied that Starlink is operational in India. Newfound national security concerns may add a new element of complication for Starlink's entry, especially since it needs a security clearance from the MHA, along with regulatory approval.

Navigation Through Challenges: Security, Pricing, and Political Complexities

However, given the financial logic of entry into the world's second-largest internet market, Starlink is very likely to provide necessary assurances to the GoI and help address the aforementioned regulatory and security challenges through compliance. Reportedly, Starlink has already met several key

demands. For instance, it has agreed to establish a network control and monitoring center in India and to avoid routing data through gateways in countries that share land borders with India. The former will help the GoI suspend or shut down its communications services (to an extent) in sensitive and disturbed areas, if needed, and the latter guards against unwanted cross-border data flows—a highly sensitive issue for India.

On the other hand, however, Musk also recently decided to take the Indian government to court over its content regulation norms. X has alleged in the Karnataka High Court that the Indian government's arbitrary and erratic takedown notices do not comply with Indian laws. This reveals a potential fault-line, and the lawsuit—at a time when Musk is seeking market access in India for both Starlink and Tesla—has puzzled many analysts.

Nevertheless, Starlink is more likely than not to receive authorization to operate in India—not only for the political reasons mentioned earlier but also due to India's need to expand satellite internet services in rural areas and bridge the 'digital divide'. After all, the primary advantage of satcoms is the geographical expanse they can reach; in particular, areas (such as mountain regions) where construction of telecom infrastructure is commercially or physically infeasible.

Yet, whether or not Starlink and its partners can actually help bridge the internet accessibility gap will completely depend on the future prices of their services in India. For instance, a Starlink connection costs USD 35 per month in Bhutan—a comparable price benchmark for India. Even as this price is relatively low compared to Starlink costs globally, it would be a hard sell to Indian villagers, given the average rural wage (in 2022) is roughly USD 148 a month in the country. Additionally, a required Starlink kit comes at a one-time cost of USD 200 (in Bhutan).

Therefore, in the long run, the Indian government may need to subsidize satellite communication services in some form to make them affordable—particularly the necessary equipment—in the interest of inclusivity. This also suggests that TRAI's cost model will need to impose minimal administrative charges.

At the same time, Musk may also have a strong incentive to set reasonable market prices in India and support this initiative to gain goodwill from the Indian government, to facilitate Tesla's entry into the country. This is especially crucial given the far larger financial stakes and fierce competition from Chinese EV manufacturers. His recent partnerships with rival Indian billionaires may already indicate such complex political and business dynamics at play.