

Satcom Spectrum: TRAI Recommendations Released on 9 May 2025

Possibly a bit stiff on Fledgling Satcom but Fair & Equitable on the whole

After months of widespread as well as intensive consultations and deliberations, the TRAI has come out with its much-awaited spectrum recommendations for Satcom. The Recommendations assiduously adhere to the decree of the Telecommunications Act 2023 (Section 4 & the First Schedule) that various stipulated satellite-based communication services must have their spectrum requirements administratively assigned. Sticking to this dictum, the TRAI has meticulously analysed all relevant aspects to come out with its pricing recommendations.

The recommendations constitute a set of evidence-based and well-reasoned points which represent a rather tough but fair and balanced treatment of both terrestrial and satellite-based communication services. The Government had asked TRAI to examine critically the level playing field aspects while making its recommendations and the Authority appears to have done this most strictly and analytically. For example, when considering the level playing field issue between Internet Access thro' FWA and Internet Access thro' Satellite User Terminal, they have critically listed and compared as many as 12 or more aspects including the comparison of relative network capacities where they have *noted that the terrestrial FWA system has as much as 56 to 280 times the capacity of the satellite equivalent*. They have similarly analysed the MSS and other satellite services also. In fact, level playing field aspect appears to have coloured every recommendation of the Authority.

On the spectrum front, not only has Satcom been suggested to be 4 times higher Spectrum Usage Charge than TRAI's own earlier view of 1%, but the tenure has also been kept quite tight at 5 years. One could say this makes for a rather challenging business situation for the nascent satcom operators who are the de facto 'lender of last resort' for connecting the unconnected and underserved and tackling the sizable digital divide. However, here, the Authority has rightly recommended that the Government provide a subsidy per fixed satellite user terminal in the unconnected and underserved locations(it may be recalled that terrestrial operators have been provided over Rs 60,000 crores subsidy through USOF etc in past years) and stated that the subsidy could even be through a Direct Benefit Transfer (DBT). This is a very laudable recommendation of immediate benefit to the end consumer waiting to get into the connected mainstream.

While not making it a cakewalk for satcom, TRAI has ensured the healthy coexistence of both terrestrial and satellite-based players and made the end consumer the real winner. ***The great message delivered by them through these recommendations is that satcom and terrestrial are absolutely complementary - not competitive, and need to grow together to build a fully connected India.*** They had an unenviable task before them but the Authority appear to have come out lustrous and shining. Indeed, *one could veritably term them 'A Daniel come to Judgement!'*...

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