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ANTITRUST SHADOW ON THE CURRENT STAR OF SPACE INDUSTRY

Abstract

By 3D-printing its engines and reusing the main booster for future launches, Falcon 9 has drastically reduced launch costs. This reduction in launch costs has made SpaceX a dominant player in the launch industry. This launch ability has also accelerated SpaceX's quest to create a new global communications infrastructure by allowing them to send fleets of Low Earth Orbit ("LEO") satellites for their project 'Starlink'. This business endeavour undoubtedly brings many benefits to consumers. By enabling Starlink, they have made it possible for all areas of the world to have high-speed internet connectivity and challenged fibre optic cable providers and traditional telecom monopolies like ATT and Verizon.

Falcon 9 gives SpaceX a dominant position in the launch rocket market. The reduced launch costs benefit the launch of hundreds of Starlink's satellites. Whilst discussing the ability of SpaceX to use its pole position in the launch market to benefit itself in the satellite market, the paper explores antitrust concerns in both the launch and satellite markets. In addition, limited spaces in the LEO as well as limited spectrum blocks for radio transmission, lead us to discuss the current regulatory framework for licensing satellites in LEO and how SpaceX's approval to put 12,000 satellites in orbit will further create barriers to entry for new players.

The paper goes on to discuss how SpaceX's dominant position is not illegal, but SpaceX's conduct, like supplying Starlink kits to customers at a loss, is an abuse of this dominant position and amounts to predatory pricing.

Lastly, the paper scrutinises Space X's recent acquisition of Swarm Technologies and how it gives significant benefits such as control of the spectrum licensing which Swarm technology obtained from the Federal Communications Commission. Suggestions are made for how regulators must be wary of the acquisitions as the space industry consolidates to prevent the post-fact scrutiny that is now happening in the tech industry.