



Russian Satellite
Communications Company

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Russian Satellite
Communications Company



New Satellites for New Generation: 9 spacecraft till 2015

The World is United via Satellite Communications

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Contents

| | |
|--|-----------|
| Satellites for Russia at discount | .4 |
| MTS launched pilot BBA in Kiev (Ukraine) | .4 |
| New peering of Rostelecom and TTK | .4 |
| Satellite hunger to increase | .5 |
| Yota runs away from Peru | .5 |
| Rostelecom deploys FOCL in mountainous Buryatia | .5 |
| AKADO enters Smart home | .6 |
| 96% of the Russian Internet traffic runs via common PCs | .6 |
| Rostelecom will entertain the subscribers | .6 |
| Beeline expanded network in the Leningrad region | .7 |
| Kazan became a stumbling rock. | .7 |
| Iridium and Thuraya obtained a legal status in Russia | .7 |
| Moscow BBA is to be developed | .8 |
| FAS put up with Minsvyaz | .8 |
| Affair d'Amur of convenience | .8 |
| ER-telecom obeyed the authorities of Tatarstan | .9 |
| Rostelecom upgraded the backbone network in Siberia | .9 |
| Explosive growth of BBA in the Central Russia | .9 |
| 4G mobile networks in Moscow under threat. | 10 |
| Voentelecom increases its wants | 10 |
| MegaFon unfreezes its Internet TV project | 10 |
| About Us. Contacts | 11 |

❖ Satellites for Russia at discount

FSUE “Satellite Communications” (RSCC) is to sign contracts for the manufacture of two satellites – “Express-AM4R” and “Express-AM7” by the end of the year, says Yuri Prokhorov, CEO of RSCC. The first vehicle will be a copy of “Express-AM4” lost in August 2011. Both satellites will be produced by EADS Astrium, the double order will enable RSCC to save 1 billion rubles (about \$94 mln). “Express-AM4R”

and “Express-AM7” will be installed at orbital positions 80 and 40 degrees E respectively.

Market experts believe that savings of up to \$100 mln are quite likely due to the fact that “Express-AM4” was created on the standard EuroStar3000 platform and all necessary documentation has already been developed and the vendors have been determined. ❖

❖ MTS launched pilot BBA in Kiev (Ukraine)

MTS Ukraine launched pilot fixed broadband access network in Kiev in December. The service is provided in cooperation with Comstar-Ukraine, a part of MTS Group. Currently BBA is available to the residents of the Left Bank districts of Kiev. The operator will provide service under the brand “Home MTS Connect”. FTTB (Fiber-to-the-

building) technology is used to provide services. The subscribers are offered several tariff plans at speeds of 10 Mb/s and 100 Mb/sec. IPTV with over 60 channels and film library are also available to the subscribers. The operator intends to launch broadband access network in Donetsk. ❖

❖ New peering of Rostelecom and TTK

The Russian national operator “Rostelecom” and the largest Russian departmental telecom operator “TransTeleKom” (TTK), which control about 70% of the IP-transit of Russia, signed an agreement on network attachment and mutual peering in four major Russian cities: Moscow, St. Petersburg, Novosibirsk and Irkutsk. Earlier the operators had no direct connections and peering passed through the third parties, including

international operators. POIs are planned to be organized in dozens of major Russian cities. The new connections will enable both operators to optimize communication between users and the Internet resources, including the regions as well as increase communication networks efficiency operation. ❖

❖ Satellite hunger to increase

The needs of the Russian cellular operators in the satellite resources will increase by 524% by 2015, says Director of Business Development of FSUE “Satellite Communications” (RSCC) Ksenia Drozdova. The operators of the Russian “Big Three” confirm this in general. Thus, according to Mobile TeleSystems (MTS), if the current rates remain the operator’s demand for capacity

in traditional C and Ku-bands will treble in the next two years. VimpelCom estimates that its demand for satellite capacity in the next few years will increase by half. MagaFon also confirms the need to increase satellite capacity. In addition, Russia’s largest operators intend to develop ambitious solutions in Ka-band, especially in remote regions of the country. ❖

❖ Yota runs away from Peru

ICT Group belonging to businessman Alexander Nesis and investment company A&NN owned by Alexander Mamut, on parity basis acquired the controlling stake of the Russian Yota del Peru. The transaction amount is not disclosed. Now the operator intends to provide services under the brand Ollo and in the next three years plans to connect more than 300,000 subscribers, regarding the availability of frequencies, technological neutrality and absence of major competitors in the Peruvian market. As ComNews previously reported, in January

2010, “Scartel” (TM Yota) received the license for 20 years in the frequency range of 2.5-2.7 GHz for deployment of mobile WiMAX networks in Peru. The company was the only tenderer and paid \$3.9 million plus \$1. Within five years the operator promised to invest \$100 million and cover 12 regions of the country with mobile BBA. Since then nothing had been heard about Yota’s activities in Peru. According to the analysts, acquisition of Yota Del Peru is needed by ICT Group and A&NN as an asset in the emerging market for the further resale. ❖

❖ Rostelecom deploys FOCL in mountainous Buryatia

The national operator “Rostelecom” completed construction of FOCL in the remote south-western part of the Republic of Buryatia – in the Eastern Sayan Mountains at an altitude of 700 – 1300 m above sea level. The project was launched in January 2010. The operator

laid 184 km of fiber-optic communication lines (FOCL). The capacity of the local data network will be up to 2 Gbit/s and will provide broadband access to individuals and companies operating in this agricultural region, inhabited by about 30 thousand people. ❖

AKADO enters Smart home

The largest Moscow TV and BBA operator “Akado” is to sign an agreement with the French company Bouygues Telecom for the use and sale of its new client set-top boxes. The equipment will not only provide users with digital TV and BBA, but will also provide “smart

home” functions such as climate control, power consumption control, etc., and even remotely-via the web-interface. In the future the income from this business can grow up to 10% of the total operator’s revenue, experts say.

96% of the Russian Internet traffic runs via common PCs

Sales of smartphones and tablet computers are gaining on PCs sales in Russia, but mobile devices cover only 4% of all Internet traffic, conclude the analysts of the British Comscore from the recent surveys. The major part of these 4% goes through Apple and Google Android devices. About 2.46% of the traffic come from mobile phones, 1.16% – from tablet PCs, and 0.32% – from other portable gadgets (e.g. iPod Touch or Nintendo). The market share of mobile traffic in Russia

is similar to the leading European countries: according to Comscore, in August 2011 PCs provided 95.4% of the traffic in the UK, Germany, France, Italy and Spain. Comscore estimated the market share of smartphones and tablets in the mobile traffic: in October the iOS devices (iPhone, iPad, iPod by Apple) provided 43.7% of all Russian mobile traffic. Android devices – 15,7%, Symbian devices – 2,9%. Another 37.7% of the traffic were provided by other devices.

Rostelecom will entertain the subscribers

The national operator Rostelecom plans to launch a multimedia portal Zabava.ru in January 2012. The project will include an online store, applications and licensed content store. This was announced by Alexander Rogozin, Director of Wireless Networks Commercial Department at Rostelecom.

Rogozin thinks that in 2012 the money flow will move from the mobile market to the operators’ sites – both physical and virtual

where besides mobile devices the customers will be offered a range of additional services, including connection to various telecom services – mobile communication, BBA, CTV, e-government, etc. The boxed solutions for IPTV and BBA Rostelecom will primarily promote via its own retail chain. A similar project Omlet.ru is implemented by one of the largest Russian mobile operators, Mobile TeleSystems (MTS).

❖ Beeline expanded network in the Leningrad region

In 2011 VimpelCom (TM Beeline) significantly increased the network capacity in the Leningrad region regarding the further growth of both voice and Internet traffic. In 2011, the number of 3G base stations in the Leningrad region increased by more than 1.5

times, enabling the operator to expand 3G network coverage by 40%. Compared to the end of 2010 the traffic volume in 3G Beeline network in St. Petersburg and the Leningrad region more than tripled. ❖

❖ Kazan became a stumbling rock

Mikhail Shamolin, President of JSFC “Sistema” claimed that 4G frequencies in Kazan, the capital of Tatarstan, where Scartel (Yota brand) intends to launch LTE network in the range of 2,5 – 2,7 GHz, were distributed unfairly. Sistema claims for 20MHz in the same range against 10 MHz recently received with the acquisition the local operator TVT. In this case, Skartel in Kazan depends on the compliancy of Sistema: Yota cannot lunch LTE until TVT vacates the frequencies pool.

Mikhail Shamolin says that MTS and Scartel should be on an equal footing.

“Under the existing solution by GRFC, Scartel can launch LTE right now, though other operators are just waiting for the frequencies tenders, – he explained. – Negotiations are in the process and we hope that the issue will be resolved quickly”. Mikhail Shamolin maintains that MTS can deploy 4G network in a very short time. According to Shamolin, MTS 3G base stations are absolutely ready for 4G – a change of software is required on the ones and antennas to be changed on the others. ❖

❖ Iridium and Thuraya obtained a legal status in Russia

Foreign mobile satellite communication systems Iridium and Thuraya found positions for public communications networks gateways. Iridium chose Gelendzhik and Astrakhan, Thuraya chose Medvezhji Ozera (Bear Lakes) in the Moscow region. One companies plan to start legal business activity in Russia in Q2 2012. Another foreign operator of mobile satellite communications, Orbcomm, cannot accommodate the use of frequencies 148-150MHz with the FSO and the Ministry of the Interior of Russia. The governmental

commission on federal communications claimed for additional expertise on these frequencies.

As ComNews previously reported, Iridium, Orbcomm and Thuraya can operate in Russia under certain conditions. They should not interfere with the technical equipment operations of the System for Operational-Investigative Activities, observe the rules of the radio spectrum use, as well as organize earth public communications networks gateway in Russia. ❖

❖ Moscow BBA is to be developed

The largest fixed network operator of Moscow “Moscow city telephone network” (MGTS, a part of MTS) will increase the number of BBA users by 17% up to 400,000 subscribers by the end of 2011.

“It is significantly associated with an active introduction of GPON (Gigabit-capable Passive Optical Networks) technology in the new apartment buildings in Moscow that started in 2011 as well as switching Moscow subscribers to individual MGTS lines. The growth

factors also included a wide range tariff plans and a variety of the Internet access speeds, the triple-play service and pro-active marketing policy of the company, – said Oleg Popov, Commercial Director of MGTS. By the end of 2011 MGTS will complete the digitization of the fixed network and will switch its subscribers to the ten-digit telephone number format in 2012. ❖

❖ FAS put up with Minsvyaz

The Ministry of Communications and the Federal Antimonopoly Service made a resolution to organize a working group to discuss LTE frequencies assignment in Russia. Earlier the FAS defiantly refused to participate in development of the tender conditions, considering the results to be pre-determined.

On December 6 the officials of the Ministry of Communications and the FAS met in the Radio Research Institute (NIIR) to discuss the issues

of the new BBA technologies implementation in Russia at the highest level. The participants considered the issues the new BBA technologies implementation regarding the international experience, the conversion of the radio spectrum, technology neutrality, and service quality. As a result the FAS and the Ministry of Communications decided to create a working group to provide regulatory solutions in order to accelerate BBA networks introduction in Russia. ❖

❖ Affair d’Amur of convenience

The Russian operators of the Big Three plan to introduce the proposals on the application of the public-private partnership mechanism in the networks construction in sparsely populated regions of Russia to the Ministry of Communications in December 2011. MegaFon, VimpelCom and MTS are to provide solutions based on the experience of the Amur project that involved network deployment along the federal highway M58 Chita – Khabarovsk. In particular,

it is referred to the simplified approval procedures of the construction documents optimization of energy costs.

The head of the Ministry of Communications, Igor Shchyogolev, repeatedly noted the successful experience of the authorities and operators’ cooperation within the frames of the Amur project and offered to extend this successful cooperation practice to provide telecommunication services along the federal highways and in the remote regions of the country. ❖

ER-telecom obeyed the authorities of Tatarstan

The major regional provider of broadband and cable TV in Russia “ER-Telecom” signed a tripartite agreement with the municipalities and the Ministry of Information and Communication of the Republic of Tatarstan on the transfer of overhead communication lines in the cable channels. Meanwhile, industry associations AKTR and NADIKS made a joint claim on this issue. As ComNews previously reported, in August 2011, the government of Tatarstan ordered to move the overhead communication lines and air passages in the major cities to the cable channels by December 31, 2011

The requirement of local authorities to remove the overhead cables and to build infrastructure in the cable channels are regularly met by major Russian telecom operators in different regions. At the same time, Naum Marder, Deputy Minister of Communications, expressed concern about the strict requirements towards this issue. “The operators in the US and Europe use overhead communication lines without any problems. And it is not prohibited by the Russian law”.

Rostelecom upgraded the backbone network in Siberia

The national operator Rostelecom completed the expansion project of backbone transport network in the Siberian Federal District (SFD). The operator upgraded the communication system by introduction of

DWDM equipment. This enabled the company to increase the capacity of the backbone channels from 2,5 Gbit/s to 10Gbit/s in most directions and from 60 Gbit/s to 100 Gbit/s on the site Novosibirsk-Krasnoyarsk.

Explosive growth of BBA in the Central Russia

Mobile TeleSystems (MTS) carried out large-scale program of mobile networks modernization and FOCL development in the Central Federal District in 2011. Within the project framework MTS deployed 1,000 km of backbone line and tripled the number of 3G base stations in the Central Federal District. Implementation of HSPA (High Speed Packet Access) technology enabled the operator to provide Internet access at speed of

up to 14,4 Mbit/s in all the regions of the District, and even up to 21 Mbit/sec in some of them.

From the beginning of 2011, the voice traffic of MTS subscribers increased by an average of 16% in the Central Russia, the Internet traffic has grown 5 fold, and the number of unique 3G Internet users increased by 3.5 times since October 2010.

❖ 4G mobile networks in Moscow under threat

The Moscow operator of digital pay TV in MMDS standard “Cosmos TV” tries to put in issue the GRFC decision to permit Scartel (Yota brand) and four other tenderers to render 4G services in the frequencies of “Cosmos TV” in the range 2,5-2,7 GHz. According to the GRFC decision these frequencies are to be used for LTE deployment. The GRFC stated that MMDS-based broadcasting may not cause interference and cannot claim on the LTE networks interference.

Therefore, as soon as the LTE networks are launched “Cosmos TV” will not be able to serve its customers. The company brought a complaint against the Ministry of Communications and the GRFC on December 7 in the Moscow Arbitration Court. The preliminary interview is scheduled for January 24, 2012. In addition, the Arbitration Court refused to satisfy the claim of “Cosmos TV” on suspension of the GRFC decision by the interlocutory injunction. ❖

❖ Voentelecom increases its wants

Voentelecom joined the working group initiated by Roscomnadzor to develop the LTE frequencies assigning tender conditions. The operator intended to participate in the working group together with its affiliated company “Osnova Telecom” but it did not receive frequency assignments in the range of 2,3-2,4 GHz required for TDD-LTE network deployment. According to the GRFC solution

the company has to obtain the status of the unique service provider for the Ministry of Defense. Yuri Dombrovskiy, President of the Association of Regional Telecom Operators (ARTO), believes that in case the affiliated companies claim for the frequencies, this should be taken into consideration by the tender commission when making decisions. ❖

❖ MegaFon unfreezes its Internet TV project

In 2012 MegaFon revives its project to develop the OTT-based Internet TV, which was frozen in 2011, told Digit.ru Denis Nochevov, New technologies and services Director at MegaFon.

The Russian developer Netris deployed a trial zone based on IPTV solution for MegaFon in 2010, but in the spring 2011 the project was

frozen up. At the moment test OTT broadcasting is available to the staff of the holding “Metalloinvest” belonging to Alisher Usmanov, the owner of 31.1% share of MegaFon. According to the analysts, OTT TV services do not bring a return yet, but they have great prospects. ❖

About Us

ComNews is the major Russian publisher of business periodicals in the ICT industry and the main worldwide supplier of unbiased accurate information about the Russian ICT business.

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