



Russian Satellite  
Communications Company

# Broadband & Satellite Russia Newsletter

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Russian Satellite  
Communications Company



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*years*



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## ❖ RSCC showed TV in Ka-band

At an international conference “Convergent services in satellite communication networks – SatNet-2012” held by ComNews in Dubna on April 26, 2012 the operator of the national satellite constellation Russian Satellite Communications Company (RSCC) demonstrated the technical solution of providing TV broadcasting with the use of satellite capacity in the Ka-band and the technology of video delivery over IP network with a non-guaranteed bandwidth. To minimize the deviation of the bandwidth in the satellite channel between

the broadcasting server and the audience – the participants of the conference – OTT TV technology was used. The demonstrated solution was based on the broadcasting standards of: Microsoft Silverlight Smooth Streaming, Apple HLS (HTTP Live Streaming), Adobe Dynamic Streaming for Flash. The participants could watch TV channel Sport HD (as a streaming video), download videos and watch live broadcasting of SatNet 2012 Conference organized by the television channel RBC-TV using their own mobile devices. ❖

## ❖ The Russian premium service trains equipped with Wi-Fi

The Russian Railways (RZD) intend to develop wireless Internet service in the long-distance named trains. The first Wi-Fi networks will appear on the trains of the following destinations: Moscow –Sochi, Moscow – Samara, Moscow – Kazan, Moscow – Murmansk, St. Petersburg – Nizhny Novgorod. The launch of the project is scheduled for summer 2012. The project executor is the affiliate of the Russian Railways – Federal Passenger Company. It is expected that

commercial telecom operators will invest into the project. The Press Office of the Federal Passenger Company explains that the operators to provide wireless Internet services on trains will be chosen on the tender results. It is also known that the service will be provided to the passengers on a paid basis: a passenger will be charged during his trip to connect the private device to Wi-Fi. ❖

## ❖ Russia earns on LTE

By 2016 data services over LTE networks will bring the Russian operators about \$2 billions. The share of VAS will amount to 15%, or about \$300 million. About one third of the total revenue will come from the most receptive segment of VAS market – mobile TV.

In Russia, the first commercial LTE network will appear in 2012. The forecast is provided by J’son & Partners Consulting that

extrapolated the data of the global markets. According to the global experience, the most common services in the LTE network are mobile TV and video. The experts mark high potential of the technology in video telephony and HD video conferencing, mobile network multiplayer games, remote monitoring facilities, M2M and in various vertical markets including financial, healthcare, education, etc. ❖

## ❖ Roskomnadzor liberalizes VSAT

Roskomnadzor intends to simplify the procedure of permit obtaining for the use of VSAT-stations installed on mobile objects. Previously, to obtain such permit partial solutions from GCRF for each user were required. A generalized solution was applicable to the Russian companies, working through the national satellite networks only. The draft document will be considered at the next

meeting of the GCRF. This was reported by Elena Zhivova, Head of the frequency assignments of satellite systems at FSUE “General Radio Frequency Centre” at SatNet 2012 Conference held by ComNews. “Simplification of the procedure also refers to the ships in the Russian territorial waters, and excludes only VSAT stations installed on boards the aircrafts”, – she explained. ❖

## ❖ MTS launched LTE in Moscow

The largest Russian mobile operator MTS launched the first official LTE network in test operation in mid-April in Moscow. The network coverage is very small now. It is known that in 2011-2012 MTS invests \$50 million in its networks modernization to LTE technology. According to the operator’s top management, if MTS receives the LTE license

in the planned competitions, it is ready to invest another \$100 million in LTE in Moscow. MTS does not sell LTE subscriber devices in the mass market but it already provides its corporate clients with MTS LTE modems for testing. ❖

## ❖ LTE frequencies tenders do not start in Russia until autumn

The publication of the competition conditions will be delayed again – this time approximately until September 2012. The main reason for the delay is that the tender documentation does not contain the compensation amount that the winners of the tenders will have to pay to the affiliates of JSFC Sistema – the operators MTS and Cosmos TV. The frequencies of these companies in the range of 2.5-2.7GHz were withdrawn for LTE deployment. Official representatives of MTS declined to comment, citing the fact that the company was not

represented the GCRF protocol. The official representative of Roskomnadzor said that the recent changes in its administration will not affect the competition. If the tenders are announced in September, then they will be held no earlier than November. The potential tender participants – the major Russian mobile operators are not scared by the time extension: they all say that the main thing is transparency of the tenders, real experience and resources of the participants should be taken into account. ❖



## ❖ MegaFon prepares two LTE networks in Moscow

MegaFon plans to start operating as a virtual operator on Yota LTE network in Moscow on May 14 and also intends to deploy its own 4G network in TDD standard. The operator plans to launch LTE TDD network as soon as the LTE competition on the distribution of frequencies for LTE is finished. Now MegaFon has over 300 TDD base stations ready, the company will turn them on when the regulator's permission is obtained. MegaFon already has frequencies for LTE network deployment in Moscow.

Its subsidiary Synterra got the band in the range of 2.57-2.62 GHz in return for the withdrawn frequencies of 2.5-2.7 GHz for LTE competition. A similar change has been made for the largest Russian mobile operator – MTS. Under the decision of GCRF, both operators can deploy LTE networks, but they can turn them on only after the competition (the market participants believe that it will be announced in September, and will take place by the end of 2012).

## ❖ Sistema adds TV

JSFC Sistema intends to use the frequencies of 470-694 MHz owned by its affiliate Intellect Telecom for digital terrestrial TV networks deployment. Intellect Telecom received them by the decision of the State Commission for Radio Frequencies (SCRF) for research on this segment of the spectrum. According to Mikhail Shamolin, President of JSFC Sistema, regarding the current level of technological development of communication systems, it is impossible to use the frequencies of 470-694 MHz for data

transmission. He did not comment on the possible costs of Intellect Telecom to carry out the conversion. The Lead Analyst of ComNews Research Marina Korobkova notes that Sistema already has an operator of mobile and fixed digital TV – Mobile TeleSystems (MTS). “The company's desire to add a terrestrial digital TV to its assets, taking into account deployment of the first multiplex in the DVB-T2 standard by FSUE “Russian Television and Radio Broadcasting Network”, looks strange” – she said.

## ❖ Beeline expands network in Moscow

The third largest operator of Russia's Big Three VimpelCom (Beeline brand) launched the first fragment of piece of HSPA + network in the Moscow region. The technology is a build-up on the existing 3G mobile network. It enables to increase the speed of mobile data transmission up to 21 Mbit/s. The launch of HSPA + is the result of technological development of the transport network: each base station with support of HSPA + is provided with 100 Mbit/s channel. The HSPA+

introduction will be implemented gradually, starting from the locations of the mass traffic generation in the direction from the center to the suburbs. By the end of 2012, VimpelCom plans to provide high-speed channels to the majority of base stations in Moscow and a half in the suburbs.

In the future, these channels can be expanded up to 1GB for LTE network deployment.

## ❖ CDN comes to Russia

The global CDN leaders enter the Russian market. In particular, the backbone operator Level 3 Communications, according to ComNews, gets prepared for nod construction in Moscow. The Russian operators and the regulator expect other foreign players to enter the market and deploy infrastructure required for their operation.

Konstantin Chumachenko, Director General of the Russian CDN operator Ngenix believes that exposure of interest to the Russian ICT

market from the Western players is expectable in the light of Russia's WTO accession. According to Rostelecom, the world's largest CDN providers such as Akamai, Edgecast, Limelight and Level3 will be trying to strengthen their positions in the Russian market. The main advantage of the world's CDN providers is the possibility of global content delivery, including Europe and the North America. ❖

## ❖ Telematics is waiting for LTE

M2M technology will enable LTE operators to earn extra revenue from data services, says Executive Director Consortium 4G Gulnara Khasyanova. According to her, by 2016 M2M services will bring operators up to 16% of the total revenue. "M2M market characteristics make it attractive to operators. M2M subscribers

should be of interest to operators as they are highly loyal, have no problems with roaming, etc." – said the Head of the Consortium.

According to some researchers, by the end of 2011 the volume of the global M2M-market totaled \$108 million, but in 2015 it could grow to \$359.3 million. In three years 6% of the operators' total mobile subscriber base will fall on M2M-market and count 18.4 million devices. ❖

## ❖ Rusnano invests in Wi-Fi

Within the frames of the next – the sixth – round of funding the Russian state corporation Rusnano invested \$40 million in the U.S. company Quantenna, specializing in developing solutions for transmission of multimedia data over Wi-Fi. Quantenna's chipsets enable wireless connection of TV sets and other home electronics to the Internet modems to watch 3D and HD video. Quantenna has all possibilities for rapid market entry, said Georgiy Kolpachev, Managing Director of Rusnano. – A joint venture will be organized in Russia,

the potential of the Russian science and engineering school is involved, local experts will have an opportunity to become full members of the team developing wireless world-class facilities".

The investments of the sixth round will, in particular, go to creation of the components and products design center for deployment of high-speed wireless networks on Quantenna's architecture in Russia. The project team mainly consists of the Russian engineers. ❖

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## ❖ GLONASS produced in India

Maria Petrova

19.04.2012

NIS GLONASS plans to start the serial assembly of GPS/GLONASS equipment in India in September 2012. The company chose three Indian to produce a trial batch of 100 terminals in early May. After testing NIS GLONASS will start cooperation with one or two of these plants.

NIS GLONASS selects the Indian manufacturers who already have experience of assembling high-quality equipment to order and fulfill

export orders to Europe and the USA. According to the top management of the company, only three manufacturers are left in the short-list: two plants in Bangalore and one in Mumbai. Currently the Indian plants will produce the terminals for the local market. In the future, if market conditions allow, the company will export equipment to other countries of the Asia-Pacific region and the world. ❖

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## ❖ MegaFon chose OTT TV provider

Digit.ru

19.04.2012

The second largest operator of the Russia's Big Three MegaFon acquired a technological platform to provide traditional Internet-TV and OTT TV services from the Russian developer BCC. In short term the operator starts testing of the platform, and subsequently all subscribers of Internet TV will be transferred to a single platform developed by BCC. Previously, the operator tested OTT solution of another Russian developer Netris, which was installed in the office

of Metalloinvest holding, one of the shareholders of MegaFon. However, the solution was not chosen by the operator. The operator has several IPTV platforms inherited with the acquisition of Microsoft Mediaroom by Synterra, and development of the Russian company CTI obtained with the acquisition of ISP NetByNet.

All operators of the Big Three are going to run OTT TV services in 2012. ❖

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## ❖ The Chamber of Commerce and Industry helps BBA

RBK

18.04.2012

The Russian Chamber of Commerce study the necessity of the state program on BBA development. Mikhail Leshchenko, Deputy Director of Svyazinvest, was appointed the chairman of the established subcommittee. Mr. Leshchenko cited data of Telegeography, according to which, Russia had 19,5 million of broadband Internet users by the end of 2011 compared to 1.6 million in 2005, and the penetration of broadband networks reached 39,1% versus 2,8% in 2005. In the more developed markets the figure exceeds 70%. The Russian market demonstrates the obvious digital gap: the penetration of broadband

in Moscow in 2011 reached 79%, in St. Petersburg – 69%, in the Russian regions on average – 32%.

According to Leshchenko, achieving 100% penetration in Russia by 2015 will require at least \$20 billion investments, which will require involvement of the state to stimulate the development of broadband access by: the regulation (tax breaks and subsidies to privileged services), direct financing of infrastructure construction and preferential lending, creation of new state operators and public-private partnerships founded to deploy broadband networks. ❖





4th International Business Forum

# «The Evolution of Mobile Networks – LTE Russia & CIS 2012»

May 16-17, 2012

Expocentre • 14 Krasnopresnenskaya Nab., Moscow



Organizer:



In Partnership:



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## Key Topics:

- LTE network deployment in the Russian Federation
- The distribution of the frequency spectrum for LTE, tender results
- Technological neutrality issues
- National and federal operators' strategies to deploy LTE
- Migration strategies from CDMA2000 EV-DO to LTE
- Interaction with regional and international standardization associations – prospects for the Russian market
- The modernization and development of mobile operators' transport infrastructure for 4G networks
- The migration from 2G/3G to LTE
- LTE networks convergence with fixed mobile networks
- Business models of rendering services in LTE networks

## Speakers:



**Adrian Scrase**,  
Head of 3GPP  
Mobile Competence Centre



**Takehiro Nakamura**,  
3GPP RAN  
Chairman,  
NTT Docomo



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## About Us

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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.

ComNews has launched numerous projects in order to deliver unbiased, up-to-date and complete information about the Russian ICT industry across the former USSR countries and worldwide.

ComNews publishes business periodicals, provides companies with exclusive content, studies the market, and holds business events.

ComNews caters for every need for business information and communications of the players in the market of telecoms, broadcasting and IT.

ComNews partners with the major companies and non-commercial associations of market participants. The Media Partner status enables ComNews to distribute its printed matter at the world's largest ICT forums worldwide.

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5,000 copies of [\*Who Is Who in Telecommunications and Broadcasting\*](#) annually

500 clients including major Russian and international ICT companies

over 20 [\*Industry Conferences\*](#) hosted by ComNews

14 years in the market, offices in Moscow and St. Petersburg

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