

Russian Satellite  
Communications Company

# Broadband & Satellite Russia Newsletter

*No 35*

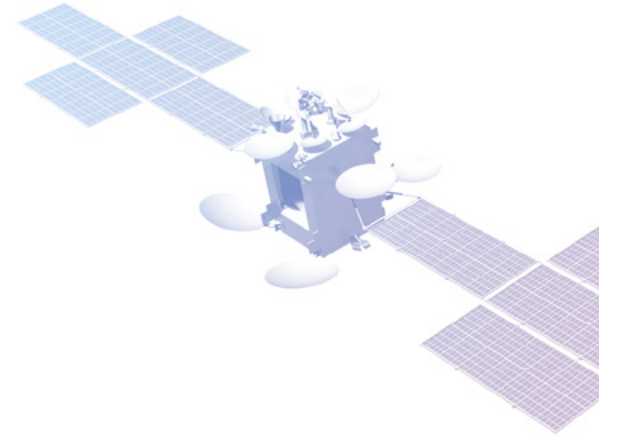
*July 1–14, 2012*

 **COMNEWS**

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45  
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## ❖ Churov's gratitude

The Chairman of the Central Election Commission Vladimir Churov officially thanked the staff of RSCC for the excellent work. The national satellite communications operator Russian Space Communications Company (RSCC) provided a reliable continuous operation of satellite communications to the benefit of the State Automated System «Elections» during preparation and conduct of the federal State Duma of the Russian Federal Assembly and the Sixth President of

the Russian Federation elections campaign. The resources of Express-AM3 providing coverage of the Far East and Siberia were involved to solve these tasks. In addition, during the Presidential election RSCC in cooperation with Rostelecom were actively participated in deployment of the surveillance system of voting and counting the results in the remote and inaccessible polling stations. To provide on-line video streaming RSCC used 5 satellite transponders. ❖

## ❖ LTE for Big Four

The companies of the Big Four (MTS, VimpelCom, MegaFon and Rostelecom) won the tender for the frequencies for deployment of federal LTE networks. Under the terms of the competition, each operator is required to invest not less than 15 billion rubles (about \$ 0.5 billion) annually within seven years in 4G infrastructure development. From 2013 to 2019 operators are to deploy networks and provide technical possibility for rendering telecommunication services based on their own LTE networks across the licensed territories in all settlements with a population of 50 thousand people or more. In addition, as it is spelled out in the decision of the State Commission for Radio Frequencies (SCRF) dated September 8, 2011, the winners are required to pay for the conversion of frequencies – its cost is estimated at 100 billion rubles. The dynamics of networks deployment and opportunities for investment

were laid out in the terms of the competition, and operators were awarded extra points for their willingness to commit.

In total, according to the terms published by Roskomnadzor on May 3, 2012, four lots on the 2×7,5 MHz in the lower frequency range 791-862 MHz (digital dividend) were offered for the tender. Of these four, item #1 (791-798,5 / 832-839,5 MHz) was received by Rostelecom, item #2 (798,5-806 / 839,5-847 MHz) – by Mobile TeleSystems, item #3 (806-813,5 / 847-854,5 MHz) – by MegaFon, item #4 (813,5-821 / 854,5-862 MHz) – by VimpelCom. In addition, the winners received a band of frequencies in the range of 2,5-2,69 GHz.

Besides the Big Four the competition was attended by two subsidiaries of Russia's Tele2 (Tele2-Voronezh and Tele2-Omsk), and two broadband operators – Summa Telecom and TTK. ❖

## ❖ SES-5 on orbit

The launch of the Dutch spacecraft SES-5, designed for broadband, VSAT networks and broadcasting in the countries of North Europe, the Baltic States, as well as sub-Saharan Africa, was successfully held the night of July 9 to 10. Previously, the start was postponed twice due to the failure of the carrier rocket Proton-M produced by Khrunichev State Research and Production Space Center.

SES-5 was created by Space Systems/Loral. The planned geostationary orbit of the spacecraft is 5 degrees East longitude. SES-5 has 36 transponders and two Ku-band beams, 24 transponders and two

C-band beam. In addition, the design of the satellite channel includes the «Earth – board» channel in the Ka-band. Additional payload of SES-5 includes L-band system for the European Geostationary Navigation Overlay Service EGNOS, developed by the European Space Agency and the European Commission.

«The new spacecraft will become the 51st in the global satellite constellation of SES, – said Romain Bausch, President and CEO of SES. – After extensive orbital testing we will be able to provide our customers with capacity across Europe, Africa and the Middle East».

## ❖ TDD in Moscow

In late summer 2012, the largest Russian mobile operator MTS plans to launch its TDD-LTE (time division duplex) network in Moscow. The operator plans to mount 2 thousand 4G base stations in the capital by the end of the year, one third of which (500-700 units) is ready for operation. This was stated by the President of MTS Andrey Dubovskov. The frequencies in the range of 2.5-2.7 GHz were received by MTS

under the decision of the SCRF dated September 8, 2011 instead of the frequencies occupied by its WiMAX network.

However, according to the President of MTS, the launch of LTE in Russia showed low demand for these services at the moment, those who want to enjoy high-speed Internet already use it over 3G technology, or fixed access, so MTS does not intend to speed up the construction of 4G networks in Russia.

## ❖ Autumn Qwerty mobile

Moscow operator Central Telegraph plans to launch mobile services under MVNO model by September 1, said Igor Zabolotny, CEO of Central Telegraph. The service will be deployed on CDMA networks of mobile operator Sky Link and promoted under the brand Qwerty mobile. First of all, it will be interesting to existing BBA users provided under the brand Qwerty.

Limiting numbering capacity of the project is 10 thousand subscribers, by the end of 2012, Central Telegraph expects to connect about 2,2 thousand users by offering them the universal modems of voice and data.

Investment in the project was estimated by Mr. Zabolotny at 70 million rubles (about \$ 2,2 million), and the payback period is about 5,5 years.

## ❖ Rostelecom chooses Ericsson

The national operator Rostelecom will open the first 3G network in Q3 2012 deployed on the equipment by the Swedish Ericsson, which signed the all-Russian agreement with the operator. LTE Ready 3G network will be deployed on the basis of GSM infrastructure, as well as from the ground up. In addition, Ericsson has become a supplier for CDN network, which Rostelecom is to deploy by the end of the year. The vendor will supply equipment and network solutions for development of 2G/3G networks of Rostelecom, including multi-standard base stations Ericsson RBS 6000

that support GSM, WCDMA/HSPA and LTE standards, as well as the core packet EPC switched network. By the end of 2012 Rostelecom plans to mount more than 4 thousand base stations. «Deployment of 2G/3G networks by Rostelecom is a milestone event for the Russian telecom, – commented President of Ericsson in Northern Europe and Central Asia Robert Pushkarich – According to our forecast for the next four years, the volume of data traffic in Russia will increase by 25 times, mainly due to the project of Rostelecom. The contract terms are not disclosed. ❖

## ❖ The Russian Railways on air

In the next two months the Russian Railways will launch Wi-Fi and TV services in the long-distance trains on eight popular routes. According to Valeria Friedman, a spokesperson of Federal Passenger Company, a subsidiary of the Russian Railways, the service will be provided by mobile and satellite operators, and in 2013, OAO «Federal Passenger Company» will choose a permanent provider. She notes that the start of commercial operation of the project in the pilot test

site is planned for late July – August 2012. The project will be implemented in eight destinations: from Moscow to St. Petersburg, Nizhny Novgorod, Murmansk, Astrakhan, Kazan, Samara, and Adler, and also from St. Petersburg to Nizhniy Novgorod. The willingness to participate in the pilot project was officially confirmed by three companies: one operator of the Big Three and two national satellite communications operators. ❖

## ❖ Yota replaced WiMAX with LTE

Scartel (brand Yota) managed to migrate from WiMAX to LTE with minimal financial losses when changing transmitters by agreeing with Huawei on passing the old equipment on the account of the new one. As a result, Scartel does not need to write off the losses of about \$100 million. When migrating to LTE Scartel had to dismantle WiMAX equipment from Samsung, which could not be upgraded in this way.

The first launch of LTE by Scartel under the Yota brand took place in Moscow on May 10 when 1,2 thousand base stations were switched on. The company spent about \$ 60 million for this. Scartel also launched LTE networks in Sochi and Samara. In September 2011 the State Commission for Radio Frequencies (SCRF) permitted Scartel to build a federal LTE network in the range of 2,5-2,7 GHz. All Russian WiMAX networks of Scartel will be switched off by September 1. ❖

## ❖ Operators of Russia unite!

The operators have all economic reasons to strive for common development of communications infrastructure. This opinion was expressed by ex-CEO of Yota, and today – Deputy Minister of Communications Denis Sverdlov. According to him, this also applies to LTE development and transfer of suspended lines underground.

«Yota has to open its infrastructure to other operators, this is the only proper way to LTE services development», – says Mr. Sverdlov. Currently the operator has agreements on shared use of infrastructure

for LTE development with MegaFon and Rostelecom, which have an opportunity to provide MVNO services based on Yota infrastructure.

Other operators of the Big Three continue to negotiate with the Yota.

In cooperation with MegaFon Scartel plans to create a holding company aimed to develop LTE. According to Denis Sverdlov, the share of the holding company will have at least 30% of the available LTE frequencies. Deputy Minister, as well as the Federal Antimonopoly Service, considers that this will not limit competition in the market. ❖

## ❖ MTS weaves nets

Russia's largest mobile operator MTS opened the united federal control center to manage its mobile and fixed networks. The operator invested 27 million rubles (about \$ 0,8 million) in the project and expects to save 80 million rubles (about \$ 2,5 million) per year. As a result, migration to the unified process of network control the operator expects to accelerate the timeframe of LTE deployment. Comarch, a global provider of

IT solutions, which also designed the IT infrastructure for Vodafone, became the provider of the united control center solution for MTS.

Deputy Director of Applied Solutions Department at Technoserv Kirill Kushnarev states that now all operators of the Big Four unite management of mobile and fixed networks into a single structure for effective integrated management and planning. ❖

## ❖ Wi-Fi for Christmas

The Moscow Department of Information Technologies has announced the completion of Wi-Fi-Zone testing on the circle line of the Moscow underground (Metro). The project was considered beneficial for the city and safe for the underground. Free Internet access did not cause human traffic jams in the transitions and the mass of citizens falling on the rail track – this initially feared the Metro. The cost of Wi-Fi

implementation could cost 400 million rubles (approximately \$ 12,5 million), experts say. To deploy Wi-Fi network IT department of Moscow will hold a competition for all operators. However, the terms are not announced yet. According to the source close to one of the mobile operators, it could take from six months to three years. To complete the project. ❖

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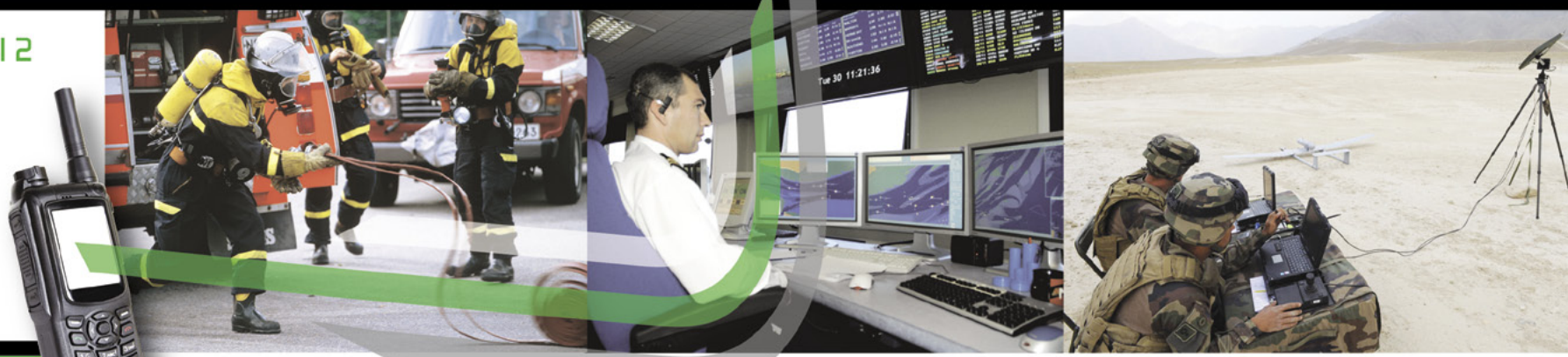
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## Key topics of the Conference:

Professional mobile & critical communication market in Russia. Current state and prospects

The role and influence of the State on the PMR market as a service consumer

Production of PMR equipment in the Russian Federation

Use of GLONASS satellite navigation technologies in PCS for control and coordination.

Wireless broadband technologies and cognitive radio systems development for effective supply of social security and network in emergency situations.

Migration strategies from current analogue radio systems to semi-digital and fully-digital solutions

Offering PMR services to corporate and departmental clients in existing cellular networks

PMR, LTE and WiMax combining possibilities to guarantee the best communication solutions

Is it possible to replace TETRA with LTE? What are the obstacles?

Next generation situational centers

Modern cloud technologies for situational centers and control points

Interaction of network operators with unified alert and control services on the passage of calls to the unified number "112"

Construction and control of the distributed call centers

Municipal, regional and federal support of decision making information systems of special reaction

Network services organizations and offers to government and security structures at the Winter Olympics 2014 in Sochi.

Radio communication basic development trends for emergency operating services of fast response and public safety



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## About Us

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500 clients including major Russian and international ICT companies

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

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