

Russian Satellite
Communications Company

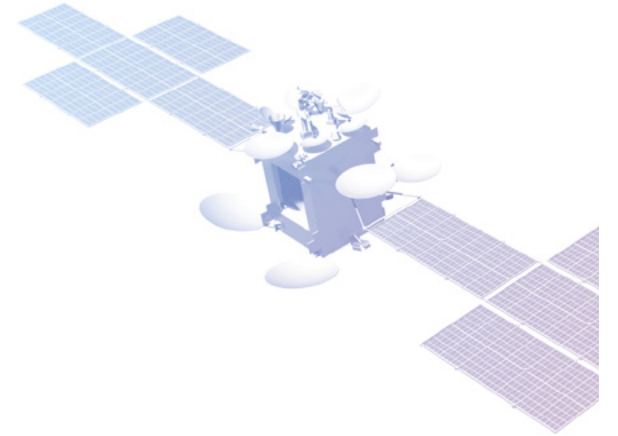
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e-mail: sales@rsc.ru

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❖ SATRUS anniversary

The 17th annual Conference SATRUS' 2012 organized by ComNews in partnership with the Russian Satellite Communications Company (RSCC) and endorsement of the industry leaders will take place on October 31- November 1 and will gradually turn to RSCC's 45th anniversary celebrations. The 17th Annual Conference and Exhibition of Operators and Users of the Russian Federation Satellite Telecommunications Network – SATRUS-2012 will take place just on the threshold of RSCC's anniversary. The company was established in the first dates of November 1967. Last year about 400 attendees joined the Conference. Traditionally the Conference will be attended by executives of the Ministry of Communications and Mass Media of

the Russian Federation, the Federal Communication Agency and other state bodies, heads of Russian and foreign satellite operators, representatives of broadcasting companies and broadcast networks operators, telecommunication equipment manufacturers, consumers of satellite services, system integrators, investment and insurance companies, consultants, industry experts and industry media representatives. To register your place please visit <http://www.comnews-conferences.ru/satrus2012reg>

For any questions please contact ComNews Conferences Producer Alexandra Zhirnovskaya: tel. +7 495 933 5483; e-mail: Zhirnovskaya@comnews.ru

❖ Rostelecom unites with England

BT (British Telecommunications) announced the expansion of its presence in Russia by selecting the national operator Rostelecom as a partner. BT already serves about 400 large organizations in Russia. The Russian and foreign financial service providers use BT network to connect to the world's largest cloud-based platform that meets the needs of the financial sector – BT Radianz Shared Market Infrastructure.

Rostelecom's network's length of about 500 thousand km serves approximately 43 million individual and corporate customers. The agreement will increase the opportunities of BT's customer services across Russia using a package of intelligent network services BT Connect. This package includes a BT support of mission-critical applications for companies in the financial, industrial, pharmaceutical and other fields.

❖ Vimpelcom plays for safety

VimpelCom is ready to give up the potential operation on Scartel's (Yota brand) LTE network (brand Yota) as an MVNO if the companies do not reach an agreement in the coming months. Meanwhile, VimpelCom is preparing to launch LTE network in Moscow: the

operator has applied for frequency assignments in Roskomnadzor. "The launch terms depend on the frequency assignments receiving, we hope that this will happen at the beginning of 2013", – the company said.

❖ Premium 4G

4G communication services will cost dearly to the subscribers of the Russian cellular companies – not less than 1000 rubles (about \$32) per month. The Big Three intends to maintain high prices for the first year or two after launch of the new technology to offset their costs of networks building.

Representatives of VimpelCom reported that following the results of Q2 2012 the company was technically almost ready for launching LTE network. Tentatively the launch is scheduled for the first half of 2013. The tariff policy of rendering LTE services is still developing. But in this

matter VimpelCom will rely on their overall approach to 4G services. It means that 4G is still a premium product. VimpelCom will not have strict restrictions on LTE traffic, but it may be limited by the data rate in such networks – 5-10 Mb/s.

Similar principles are shared by MegaFon, which launched commercial LTE services in Moscow in August (the operator uses the networks of its partner – Yota). MTS plans to offer LTE tariffs in several price categories – depending on the demand, network coverage in a particular region and the competitive situation. ❖

❖ Nesterov left the orbit

General Director of the Khrunichev State Research and Production Space Center Vladimir Nesterov resigned a week after emergency launch of spacecrafts “Express – MD2” and “Telkom 3” – they did not come into orbit due to a malfunction of the booster “Breeze-M” by the Khrunichev Space Center. The potential successors of Nesterov are called his deputies Vasily Sychev and Alexander Seliverstov.

The latest failure with spacecraft is not the first to Khrunichev Space Center. Last year bet the record for the number of space accidents, a significant percentage of defects belonged to Khrunichev Space

Center. In particular, due to problems with the upper stage produced by the Khrunichev Space Center the most expensive Russian communications satellite “Express-AM4” was lost.

Recently the Khrunichev Space Center released a report with a “real statistics of spacecrafts’ launch over the past five years”. According to the Center, in the last five years out of 61 carrier rockets’ launches five were unsuccessful. At that out of 28 launches of carrier rocket “Proton” four were unsuccessful (including three due to the upper stage Breeze-M malfunction), according to the website of Khrunichev. ❖

❖ MegaFon revs up

According to the quarterly network monitoring MegaFon shows the growth of data-flow rate in Moscow. The average mobile internet speed in 3G in August rose by 40% to around 5 Mbit/s, the 4G network

is stable – more than 20 Mbit/s. The operator’s Press Service reported that speed measurements in 3G network was carried out with TEMS certified equipment, and with LTE modems in 4G network. ❖

❖ Russians hooked on pay TV

The Russian pay TV market has 28.6 million households connected to the technologies of cable, satellite and IP-TV. According to the analysts at J'son & Partners by 2016, the subscriber base will increase to 37,6 million households, pay TV penetration will reach 69%. At the end of 2011 the subscriber base of pay TV in Russia amounted to 28,6 million households, which is 22,2% higher than in 2010, the penetration was 52%.

Experts at J'son & Partners Consulting say that for 2010-2011 the largest subscribers increase occurred in the segments of satellite TV and IPTV. "The growth of satellite TV is mainly determined by low-cost services compared to other pay TV technologies, as well as

independence from the fixed network and availability throughout the country – they explain. – Rapid growth of IPTV in turn contributed to the development of broadband services; in early 2012 broadband penetration in Russia reached 38%".

The growth of satellite TV subscribers is mainly provided by Tricolor TV. In 2011 out of 2,7 million subscribers of satellite TV 2,1 million purchased services from Tricolor TV, the expert said. The IPTV market leaders are Rostelecom, Beeline and MTS.

"In 2011 cable TV accounted more than a half of the pay TV market (63%) – the share decreased by 7% compared to 2010. The share of satellite TV was 32%. The share of IPTV rose to 5%", – the expert said. ❖

❖ Horizons-2 cools heels

Horizons-2, in which the operator of direct satellite TV broadcasting Orion Express bought a part of the resource a year ago, still cannot be put into operation – the State Commission for Radio Frequencies (SCRF) has twice rejected the operator's application for permission to use the satellite. Now Orion Express is waiting for the results of the third attempt.

A year ago, the U.S. satellite operator Intelsat and the Russian provider of satellite TV Orion Express agreed on the transfer of the spacecraft Horizons-2 to the point of 85 degrees East longitude. The co-owner of Orion Express Euro Khitrov then informed that the amount of the contract with Intelsat was "a little over \$100 million" –

it will last for the entire lifespan of Horizons-2 (it is expected that the device working lifespan is up to 2023 or more).

According to New Projects Development Director at Orion Express Kirill Makhno, the problems with Horizons –2 are almost settled: "We conducted a coordination of Horizons-2 (the orbital position – 85 degrees East longitude) with Kazakh spacecraft KazSat-2, located in the orbital position of 86,5 degrees East longitude. It remains to wait for the permission of SCFR and licensing procedures defined by the regulator. Sales Director of the American satellite operator Intelsat in Russia Mario Ivanov told ComNews that authorization to operate a spacecraft would be obtained soon. ❖

❖ Gazprom builds a plant

The satellite operator Gazprom Space Systems (GSS) with the support of the Moscow Region Governor Sergei Shoigu will build a plant for satellites and payloads production in Shchelkovo by 2015. GSS is going to produce two satellites every year during the next 15 years. “We would like not only accommodate such production of satellites, but also provide comfortable environment for work”- said the Governor of the Moscow region, Sergei Shoigu.

GSS’s General Designer Nikolai Sevastyanov said that the company planned to build the plant in 2013-2015. One thousand highly skilled employees will work there. According to him, the company plans to produce two satellites every year during 15 years, and there will be up to six satellites in progress every year. Spacecrafts will be used for development of Yamal communication systems and space monitoring systems Smotr. ❖

❖ GLONASS advances Russian Post

In August NIS GLONASS and the national postal operator Federal State Unitary Enterprise Russian Post signed an additional agreement, in which the operator is obliged to supply four thousand telematic terminals for cars and 500 terminals for postal wagons. The contract between the two companies to create an automated system for monitoring postal vehicles is under execution since 2010. Now over 10 thousand of postal cars feature GLONASS/GPS terminals. The automated system for transport monitoring is introduced in the dispatcher control services of all 84 branches of Russian Post.

The satellite equipment installed on boards of the vehicles enables to monitor and control the transport. According to the estimations of the leading expert at Finam Management Dmitry Baranov, considering the cost of the first contract – 530 million rubles (about \$16.6 million), the additional agreement could cost 200-230 mln rubles (\$6,3-7,2 million). According to NIS GLONASS by the end of 2012 navigation equipment will be installed in all mailing cars and wagons of Russian Post to provide the company with automated management system of mail traffic in real-time. ❖

❖ MegaFon completes LTE in Moscow

By the beginning of autumn MegaFon and MTS plan to launch 4G cellular networks over LTE TDD (time division duplex) technology in Moscow. To take advantage of them will only be possible by using modems – for the first time at least. A source close to MegaFon’s shareholders knows that the network should operate by September 1. At the end of 2011 NegaFon agreed on use of LTE network built by

another operator – Scartel (Yota brand), which received the required frequencies across the country out of turn. Moscow LTE network by Scartel was launched in May 2012, at the same time MegaFon started to provide services on its base. And in July, MegaFon and Scartel related by entering the Garsdale Services holding owned by Alisher Usmanov. ❖

❖ Virgin Mobile is going to Russia again

The British businessman Richard Branson is going to launch its mobile business Virgin Mobile in Russia. This was reported by Agence France-Presse in August with a reference to the statement of the operator's Head in Central and Eastern Europe Christian Mirapa. According to some reports, the company is considering to launch LTE in the frequency 3.5 GHz. This is not the first attempt of Virgin Mobile to enter Russia. Four years ago, it became known that the Russian company Trivon Networks that manages the brand Virgin, got frequencies in the range of 5.6 GHz. The company was going to provide WiMax services on these frequencies. But in the end the launch took place only in some regions.

A statement on a possible launch of Virgin Mobile in Russia was made at the opening of the Polish division of the operator. Virgin

Mobile subscriber base around the world counts about 20 million people. The operator has business units in Australia, USA, South Africa and Canada. In April, the operator started to provide services in South America.

Experts say that there is a possibility of an alliance between Virgin and the Russian "daughter" of the Swedish operator Tele2, which is looking for a partner at the moment. Tele2 refused to comment on "rumors about the negotiations with Virgin". The company only said only "the Russian market has already reached saturation: the cellular penetration (159%) exceeds the average European level (128%). Launch and development of a new operator is only possible through redistribution of the existing subscriber base. ❖

❖ Succeed in twice with the Ministry

At the end of August Scartel (Yota brand) re-launched LTE in Kazan, with the participation of its former CEO, now deputy head of the Ministry of Communications, Dennis Sverdlov. Two years ago, the company launched LTE in Kazan, but Roskomnadzor disabled the network the next day. As MVNOs on the Kazan network operate MegaFon, a sister of Scartel, and – temporarily – MTS, but other major operators call the cooperation conditions unaffordable. Yota installed 118 base stations operating on Huawei's equipment in Kazan. At the opening Deputy Minister Denis Sverdlov said that he attempted to launch LTE network in Kazan in 2010. Now the "injustice is redressed", said Sverdlov.

Kazan became the eighth city in Russia, where Yota provides LTE. At that there is no roaming between the cities. By the end of 2012, according to the operator's estimates, the Kazan subscriber base will exceed 10 thousand users. By the end of the year Yota plans to expand 4G to the suburbs and in the first half of 2013 – to launch LTE in Naberezhnye Chelny and Almetyevsk.

During the first five months of commercial LTE operation in Novosibirsk Yota got about 600 thousand active users. The second largest cellular operator of Russia MegaFon has an order less 4G subscribers. ❖

International Conference

Professional & critical communication 2012

Professional corporate communications

Organizer:



Supported by:



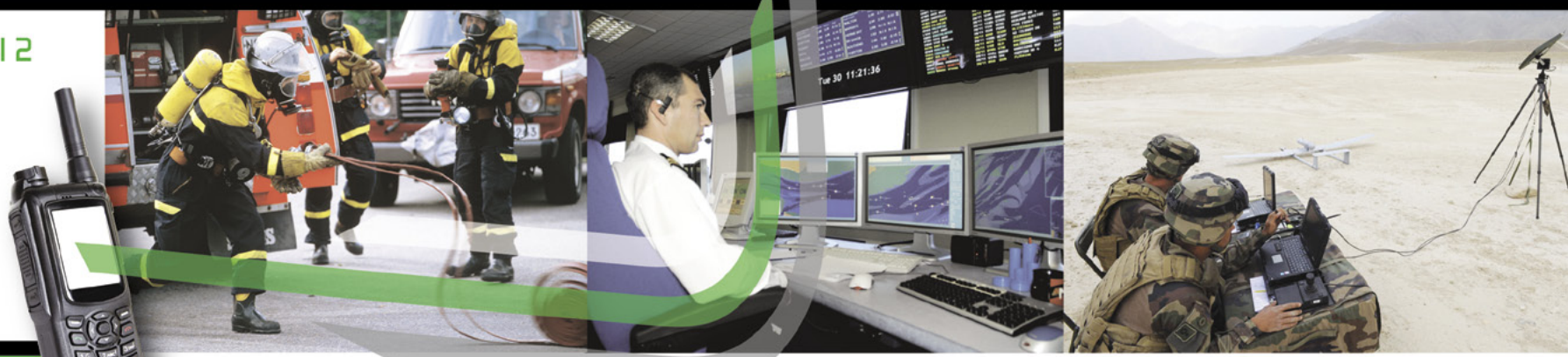
Media Partners:



September 26-27, 2012

Holiday Inn Moscow
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Sushevsky Val, 74



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

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.

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.

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

Contacts

ComNews Moscow
2/1 Verkhnyaya Krasnoselskaya Ulitsa, Building 1, Office 428
107140 Moscow, Russia
Tel.: +7 495 933 5483

ComNews Saint Petersburg
22 Moskovsky Prospect, Litera L, Office 36N
190013 St. Petersburg, Russia
Tel.: +7 812 600 2030

<http://www.comnews.ru>