



# **Broadband & Satellite Russia Newsletter**

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# The World is United via Satellite Communications



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#### RSCC to Attend Satellite 2013

RSCC corporate website

On March 18-21 Washington D.C. will be hosting Satellite 2013, the industry's most important international conference and exhibition. RSCC, Russia's national satellite communications operator, will be attending the event for the fourth time. The main items at the RSCC exhibit will be Express AM7 and Express AM8 satellites. These new advanced satellites are currently in production. The Express AM7 capacity may be used to provide services to North and South America. RSCC views Satellite 2013

as an appropriate platform to promote the satellites and seek partners for joint activities in the Americas. On March 19 RSCC will be participating in the panel discussion to be organized in one of the major sections of the Conference. The subject: The Next Big Four: Extending the Footprint of Communications via Satellite. RSCC customers, partners and any interested parties are invited to visit our exhibit at Satellite 2013 at Walter Washington Convention Center (Stand 2097).

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ComNews

The insurance company SOGAZ and OAO "Gazprom satellite systems" (GSS) have estimated the damage from the Yamal-402 satellite launch at 74 mln euro (\$57 mln), reports SOGAZ representative to ComNews. "In February an insurance broker Aon-ISB held a presentation in Paris for the reinsurance companies involved in the Yamal-402 launch risks reinsurance. The sum announced at the presentation amounted to 3 bln rubles (74 mln euro) and was connected with the reduction of the spacecraft's life span", — commented a representative of the insurance company. However, he did not specify if the reduction of the spacecraft's life span had been acknowledged as an insured accident.

The emergency situation when launching Yamal-402 on December 8, 2012 was caused by an upper-stage rocket of Breeze-M that had not brought the spacecraft to the planned geostationary transfer orbit. As a result the spacecraft was brought to the orbit with the help of the activation of the apogee motor, which led to the additional petrol consumption and reduction of the spacecraft's life span. GSS and unofficial resources confirmed the spacecraft's life span was reduced by 4 years. According to SOGAZ press service, the spacecraft was insured for 309 mln euro. The experts estimate the income loss of GSS from 66 equivalent transponders considering the 4 years life span reduction at over \$250 million (over 190 mln euro).



# The State to supervise the foreign spacecrafts

ComNews

The Russian Government is to determine the order of foreign satellites systems (communication networks) operation in Russia under the terms of the law passed to the State Duma by the Cabinet of Ministers in March. Earlier this field was regulated by the State orders but since the federal law "On Communication" came into force on January 1, 2004 the Cabinet of Ministers lost its direct powers in the field of foreign satellites operators' regulation. The new law also determines the registration order of radio frequencies or radio frequencies channels and the related orbit positions. The law developers consider its application to "provide the respect of the

national interests when integration to the international information and telecommunication system".

According to Eutelsat's representative the "necessity of such initiative is an in-Russia issue". He commented that "arranging order and following the international regulation should be only with positive attitude" and added that Eutelsat's satellites operate within the ITU (International Telecommunication Union) coordinated orbital positions and all client-partners obtain "all the necessary licenses for operation on the territory of the Russian Federation".

# 

Vedomosti

The Ministry of Telecommunications plans to turn the frequencies of 1800 MHz into technologically neutral: the list of advanced technologies to be used at these frequencies includes LTE.

The Ministry is preparing a legislative base enabling to return to the issue of the minimal channel width for the LTE networks of 10 MHz and to introduce technological neutrality on the frequencies of 1800 MHz serving now for GSM networks only. This follows from the new edition of the "Plan on the use of the frequency range in the framework of the advanced radio technologies development" issued by the Ministry.

# **♦ Telecommunications in Moscow to improve in a year**

Interfa

The Moscow authorities are finalizing the development of the communication quality target parameters to be controlled by Roskomnadzor in the future. Apart from that, the IT department of Moscow (DIT) has conducted the sequent study of the communications quality in the capital, reported Artyom Ermolaev, Head of IT Department of Moscow.

Today the Ministry of Telecommunications, Roskomnadzor and IT Department of Moscow (DIT) are developing a program on cell

communications quality improvement in Moscow, but the notable results should be expected not less than in a year, Mr. Ermolaev commented. He says that now it is being discussed to include these criteria in the operators' licenses. Such plans were earlier announced by the Ministry of Telecommunications. DIT's suggestions on the quality parameters to be published next week, Mr. Ermolaev reports. These suggestions are not coordinated with the operators and are a subject for improvements, the representatives of the "Big Three" mark.



## VimpelCom outsourced BBA

ComNews

The second largest cell operator on Russia VimpelCom has outsourced its BBA networks in 6 regions of Russia, including Moscow, to NVision Group for the 5-year period. The outsourced regions are: the Urals, the Siberian, the North-Western, the Central, the Southern, and the Moscow regions. "Under the contract terms NVision Group will get the functions to connect new subscribers and render services in these 6 regions. About 2,500 VimpelCom's employees across the country will move to NVision", – operator declares.

VimpelCom sequentially outsources its networks since 2012. Thus, in February 2012 the operator outsourced its networks in the Central region to Nokia Siemens Networks. About 500 employees moved to NSN. Other 1,300 specialists moved to Huawei when the operator's

cell and fixed communication networks in the Volga region and the Far East regions were given Huawei for outsourcing.

In February 2013 an agreement with Ericsson on operation and emergency recovery of mobile and fixed networks in the Siberian and the Urals regions was concluded. The agreement terms involve operation of over 10,000 base stations and 10,000 km of optics, and 400 employees of VimpelCom will start their work at Ericsson on April 1, 2013.

It means 4,700 specialists of VimpelCom all around Russia are moved or are about to move to other companies.

According to Anton Kudryashov, CEO of VimpelCom, all earlier conducted projects proved their efficiency and positively affected both the services quality and the business processes enabling the company to focus on key business directions and improve figures.

### A hybrid from MGTS and MTS

ComNews

In 2013 OAO "Moscow city telephone network" (MGTS controlled by OAO "MTS") to launch a pilot hybrid television platform from MTS, including interactive TV opportunities, in Moscow. This was reported by Dmitry Kulakovskiy, Marketing and Business Development Director at MGTS. He notes that created by MGTS infrastructure of GPON network obtains the best facilities for introduction of additional services,

including TV. Currently the company is actively developing TV products on their BBA network following their strategy of moving from fixed telecommunication services provider to multiservice provider.

"We intend to launch the pilot project in Q3 2013 in Moscow, and then MTS will start providing hybrid TV all around the country", – Dmitry Kulakovskiy comments.



#### VimpelCom does not rush with LTE

ComNews

OAO "VimpelCom" will launch its first LTE networks in Q4 2013, declared Stanislav Oleynik, VP, Corporate strategy. "The year 2013 is not the year for LTE in Russia in the terms of subscriber devices", – he says. Nevertheless, operator's competitors launched LTE networks last year: MegaFon launched 4G network in the summer and MTS – in September 2012. "However, we will focus on 4G in 2014 and in 2015

moreover", – Mr.Oleynik said at the press conference on the financial results of the year.

He added that LTE will be launched in Moscow and other 6 regions of Russia, the list of which is not finalized, and the trial period will last until the launch. At this, VP of VimpelCom did not specify the number of base stations to be mounted in 2013.

#### LTE to get to smartphones

ComNews

The "Big Three" plans to release branded LTE smart phones. Comnews was reported by a representative of MTS that the company intends to release 4G smart phone soon and will announce a tender among the manufacturers. Press secretary at MegaFon said that the operator might develop own product supporting LTE standard and is interested in availability of LTE smartphones for various subscriber groups. A VimpelCom representative said that the company is testing different models of smartphones with various manufacturers.

Marketing Director of Huawei Device is negotiating with the Russian operators on LTE smartphones and tablets delivery. Fly also plans to release the first LTE smartphone in the summer 2013, but this will be the own project of the company. LTE technology is supported by Nokia smart phones released at the end of 2012. Product manager at Nokia Russia told ComNews that the company is actively cooperating with the Russian operators.

#### 

ComNews

Akado and Infinera have launched a high-speed optic city network in Moscow and the Moscow region with the total bandwidth capacity of 100Gb/s. The total costs amount to \$7 mln. This was announced by the companies' representatives in the middle of March. According to Vitaly Klishin, Business Development Director at Akado, on the base of the existing optic fiber Infinera DTN platform for organization of city trunk network and Infinera ATN solution for city access networks aggregation were introduced. Both platforms have the

unified control means providing fast and efficient deployment of new services.

"Now we have a flexible DWDM network with the speed of 100Gb/s and facilities for quick launch of additional resources, – Mr. Klishin explains. – We plan to continue backbone network modernization in 2013". According company's own estimates, owing to the modernization of its infrastructure Akado will earn 100 mln rubles from up to 50 new corporate clients in the capital (operators, data centers and a range of state institutions).





# Illegal LTE frequencies

Interfax

The State Commission for Radio Frequencies (SCRF) had to distribute the frequencies of 2,5-2,7 GHz granted to Scartel (Yota brand) in 2011 without the auction in three-years time via auctions, as stated the 9th Arbitration Court of Appeal in the frames of actionable trials of the Volgograd TV-operator "Electronic radio optic systems" (EROS). According to the motivation part of the judicial decision published on the Court's web-page, "allocation of the frequencies of 2,5-2,53 GHz and 2,62-2,65 GHz without holding an auction, set by the Article 31 of the law "On communications", is considered to be

illegal state preference breaking paragraph 7, part 1, article 15 of the law on the competition protection".

The conclusion on the limitation for use of the range 2,5-2,7 GHz was made on the basis of the SCRF's resolution. In 2011 the SCRF in parallel with granting the frequencies to Scartel signed the other band of this range to be distributed among the winners of the LTE auction. The Ministry of Communications acting as a defendant along with the SCRF in a case of EROS commented to Interfax queries that now they are "exploring the motivating part".

#### The major LTE hindrance

Kommersant

The claims of smaller companies prevent development of the large operators. When in the middle of 2012 Roskomnadzor distributed frequencies for LTE development it seemed that the operators, force structures and the state achieved balance even though unsteady. The market leaders – MTS, MegaFon, VimpelCom, Rostelecom as well as Scartel (Yota), owning infrastructure and resources, received the

required frequencies and started networks construction. Immediately the shared resource attracted new applicants with no required opportunities for LTE networks development compared to the major operators. They issue claims to the operators and the state Commission for Radio Frequencies (SCRF) that can delay the LTE technology development for several years in Russia.

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ComNews

Antares owned by businessman Evgeniy Roitman demounted LTE base stations in Moscow despite the received permissions on frequencies use in the range of 1900 – 1920 MHz. This was told ComNews by Roskomnadzor (The Federal Service for Supervision in the Sphere of Telecom, Information Technologies and Mass Communications).

According the source in the federal service, the terms for rendering services has passed – on the results of the inspection the fact

of services non-delivery was discovered, and the company was given an order to rectify the violation. However, about three months ago Antares turned out 5 experimental base stations in Moscow, decomposed into parts and took them abroad. Earlier Antares topmanagers declared that the company plans to launch in full mode LTE networks by the end of 2012 and estimates its investments in LTE at \$400-500 mln.





4th International Conference

«Digital Broadcasting and New Ways of Video Content Delivery. Interactive Services in Modern Networks - Digital & Connected TV Russia 2013»

March 26, 2013 • Holiday Inn Moscow Lesnaya • 15 Lesnaya Str., Moscow, Russia

#### **Key topics of the Conference:**

- "Development of broadcasting in the Russian Federation 2009—2015" Federal program: implementation progress.
- What changes should be expected in the relations between broadcasters, operators and telcos with the transition to digital broadcasting?
- Regulation prospects in developing media sector
- IPTV, OTT and other ways of video delivery in the digital environment
- New broadband and CDN technologies in the service of video content delivery services
- · OTT content monetization strategies
- Internet broadcasting strategies: successful realization examples
- Effective strategies of digital satellite TV broadcasting services delivery in Russia's pay TV market
- · Equipment for broadcasters and multi-service networks
- Effective content security solutions for multichannel pay television

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Speakers:

Yury Prokhorov, General Director. Russian Satellite Communications Company



Mark Krivosheev. Chief Scientist Officer, NIIR



Andrey Holodnij, Media assets management Director, Rostelecom



Vladimir Livshits, Head of Information and analytical Center, Advisor to the President of NAT



Alexander Belenov, CEO, TVzavr.ru



Konstantin Chumachenko, CEO, NGENIX



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