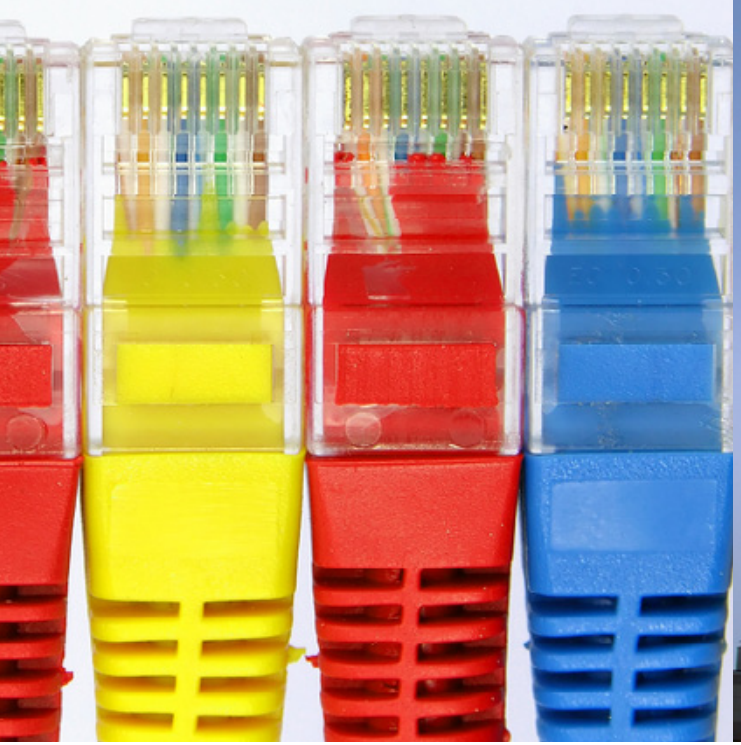

Russian Satellite Communications Company

Broadband & Satellite Russia Newsletter

№ 56

June 15–28, 2013

COMNEWS

| MOSCOW | RUSSIA |

Russian Satellite
Communications Company

The World is United
via Satellite Communications

e-mail: sales@rscc.ru

www.rscc.ru

Contents

Completion of another phase of training of Russian specialists from NIIR FSUE and RSC Energia under agreement between RSCC and Astrium SAS 4

Moscow underground offers new terms 4

‘Rostelecom’ and Tele2 are coming close. 5

4G from the military 5

Frequency – through auctions only 5

Mute communications 6

LTE network covering half-Russia. 6

Tele2 still hoping for LTE 6

TTC to launch 100G. 7

VSAT on icebreaker ships 7

Double Wi-Fi 7

About Us. Contacts 8

Completion of another phase of training of Russian specialists from NIIR FSUE and RSC Energia under agreement between RSCC and Astrium SAS

Participants of the training session received certificates of successful completion. The joint training program and transfer of technologies for the manufacture of state-of-the-art communications and broadcasting satellites to Russian enterprises are expected to continue in 2013-2014.

The training program for specialists from Russian enterprises NIIR FSUE and RSC Energia, as well as the transfer of technologies, were enabled by a joint decision of the Russian Federal Space Agency (Roscosmos) and the Ministry of Communications and Media of the Russian Federation. Russian Satellite Communications Company is working on these matters in association with EADS Astrium under respective contracts for the development of new satellites Express-AM4R and Express AM7 that were signed in late 2011.

Another phase of training for specialists from Russian enterprises completed on June 19, 2013. Thirty-eight participants of the training program received certificates of successful completion at RSCC Headquarters. Since the beginning of 2013, there have been a total of six training sessions with theory and skill building classes at Astrium facilities in Toulouse and Portsmouth.

The training courses arranged by Astrium included applied practical exercises directly related to continued discharge of contractual obligations for the development of Express-AM4R and Express-AM7 satellites.

A total of 40 specialists from RSC Energia and NIIR FSUE have taken part in the training program. Theoretical portion of the training course has been completed to this date. The next step is to send Russian specialists to practice their new skills at specific workplaces at Astrium facilities.

Moscow underground offers new terms

Moscow metro authority will make a new attempt to persuade operators to build wireless network in the underground. State enterprise “Moscow metro” had already announced one auction this year, but operators found the proposed terms unacceptable and ignored the bid. The plan was that operators would upgrade the underground communications network at their own expense and then transfer its ownership to the metro operator.

Terms of the new auction for the right to build and operate a wireless network for metro cars were made available on torgi-mosmetro.ru website. The auction will be held on July 26, and if there is a winner, according to the schedule, free wireless network may be launched in Kakhovskaya, Kalininskaya and Ring lines 21 weeks from the date of signing the contract with the operator. The entire underground network will have broadband Internet access 58 weeks from the date the most successful bidder is selected. The metro authority will conclude a 15-year contract with the auction winner.

‘Rostelecom’ and Tele2 are coming close

National operator ‘Rostelecom’ and regional mobile provider ‘Tele2 Russia’ purchased by VTB in the beginning of the year, have made a first step towards a possible merger: the companies are negotiating about using each other’s networks through MVNO (virtual network operator) scheme, communicated general director of ‘Rostelecom’ OJSC Sergey Kalugin at the company’s shareholders’ meeting in the end of June. When asked by the press whether ‘Rostelecom’ has plans of merging with ‘Tele2 Russia’ (recently acquired from the Swedish Tele2 AB by VTB bank for $3.4 bln), the top manager said they could start from sharing an MVNO. According to him, companies’ managers recently had two meetings to discuss this project. Sergey Kalugin explained that if they implement an MVNO, ‘Rostelecom’ will provide ‘Tele2 Russia’, which only holds licenses for GSM, access to its 3G network, and in return it will be able to use ‘Tele2 Russia’ infrastructure in locations where the federal operator lacks presence.

“It would make sense for us to employ the MVNO model in regions where we complement each other,” Sergey Kalugin said. He added that this would also resolve ‘Tele2 Russia’s difficulties with coming into the Moscow market. Tele2 has been desperately trying to find way to the capital for many years, meanwhile, ‘Rostelecom’ is planning to launch a cellular network in Moscow by the end of 2013.

4G from the military

IcomInvest and Ministry of Defense haven’t yet found grounds concerning the 4G ‘Osnova telecom’ project, communicated Vitaliy Yusufov, owner of IcomInvest, partner of Ministry of Defense in the ‘Osnova telecom’ LTE project. “We made advances to reboot collaboration, but there hasn’t been any response yet’, he said. “Soon, we will hold the annual shareholders’ meeting, and I hope we will be able to resume dialogue.” According to Yusufov, his company hasn’t received any official notification from the Ministry of Defense concerning their intention to withdraw from ‘Osnova telecom’.

‘Osnova telecom’ cannot deploy the network because it hasn’t been granted formal permission to use the spectrum. The company is contesting the actions of State Commission for Radio Frequency (SCRF) in Moscow City Arbitration Court and has filed a complaint to Federal Anti-monopoly Service.

Frequency – through auctions only

At the next meeting in July, State Commission for Radio Frequency (SCRF) is going to declare the radio frequency spectrum limited, which will mean that frequency to be used for communication services will be allocated through auctions only, except for the frequency used by space systems and for research and scientific purposes.

The draft resolution of the SCRF says that the Commission plans to declare the whole radio frequency spectrum limited “in order to predominantly conduct bidding for license to render communication services”. Until now, only particular bandwidths were declared limited, and in this case frequency was allocated through bidding only.

Mute communications

Lately, voice communications have been going extinct in the mobile networks", declared Vasil Latsanych, VP for marketing of the largest Russian mobile operator MTS at the "Media of the Future" forum in Moscow in the end of June.

"People no longer need to make phone calls. They have a need to communicate through completely different means of communications. All around the world, operators' earnings from voice services are dropping", said Latsanych. He mentioned that MTS was diverging from charging subscribers per 1 minute or 1 MB uploaded from the Internet. He called this model "freemium". Also, he recognized that increasingly more people go online using 3G or 4G networks, rather than wireless services. Latsanych assures that among MTS subscribers alone, 25 million people have permanent connection to the Internet.

LTE network covering half-Russia

Russia's largest mobile operator MTS and Ericsson Corporation entered into an agreement to build 4G networks in Volga, Siberia, Ural and Southern federal districts. The deal implies procurement of equipment and LTE network deployment. Ericsson will be the largest 4G equipment supplier for MTS, and within three years from the 2nd quarter of 2013 it will build 4G networks for MTS in the four federal districts listed above. Altogether, they make up more than a half of Russia's territory. In the North-Western region, the vendor will also supply LTE network equipment. At the first stage of the project, Ericsson will supply at least 10 thousand base stations. The partners also agreed to extend their cooperation on 2G and 3G networks in several regions of Russia. A spokesperson for MTS explained that in 2013-2014, the company will invest about 40 bln rubles ($1.25 bln) into the construction of LTE networks in Russia. "By the end of 2013, we will have 4G networks in more than 600 municipalities", communicated the company's press service.

Tele2 still hoping for LTE

Mobile operator 'Tele2 Russia' has resumed testing LTE in the 1800 MHz band. Earlier, similar studies of technology neutrality didn't help the operator to obtain a license for LTE. This time, apart from the Radio Research and Development Institute (RRDI), 'Tele2' also engaged Russia's mobile 'Big 3'.

The press service of 'Tele2Russia' communicated that tests of LTE in the 1800 MHz band will be conducted in accordance with the methodology developed by the RRDI and are designed to prove the efficiency of using LTE and GSM in one band with no loss in the quality of communication.

'Tele2 Russia' and RRDI intend to complete tests at the end of June. A comprehensive test report on LTE in 1800 MHz band will be drafted by experts of the RRDI and submitted to the State Commission for Radio Frequency (SCRF), which authorized these tests at the end of last year.

TTC to launch 100G

Russian railways communications operator 'TransTeleCom' (TTC) launched the trial of a 100G (100 Gb/s) data transfer system on two sections of its backbone network – linking Saint Petersburg and Moscow (650 km) and linking Moscow and Yekaterinburg (over 2,600 km). These routes make up about 20% of TTC backbone network. The company plans to deploy 100G in the backbone network by the end of the year.

According to TTC President Artyom Kudryavtsev, within a year they will deploy commercial 100G services in the entire 20 thous. km network stretching from Russia's Western border to the Far East. Kudryavtsev also said to ComNews, that as a result of a tendering process, the equipment for the project will be supplied by Cisco Systems.

VSAT on icebreaker ships

Russian Satellite Communications Company (RSCC) and STEC.COM have installed maritime VSAT-stations on two scientific research polar icebreakers operated by Russia's Hydrometeorology and Environmental Monitoring Agency – "Professor Molchanov" and "Ivan Petrov". The project started in 2012, when a maritime VSAT station was installed on "Mikhail Somov" ship to evaluate availability of VSAT broadband satellite services in high northern latitudes. In 2013, as a next stage of the project STEC.COM supplied and installed maritime VSAT on another two vessels. Most of the Northern Sea Route is covered by the RSCC satellites.

"In the course of their navigation in 2013, the ships will carry out scientific research in the Northern latitudes of Russia's territorial waters, where they have burning need for getting real-time weather data and ice situation and transmitting bulks of scientific and operation information for delivery ashore. VSAT will make seamen's and researchers' work more efficient, comfortable and safe", said the RSCC.

Double Wi-Fi

New Wi-Fi standard is ready to hit the mass market. Wi-Fi Alliance consortium has kicked off certification program for equipment based on Wi-Fi 802.11ac standard. The new standard has been ratified and is ready for commercial distribution. Wi-Fi technology has been taken to a new level which is meant to meet increasing demands to wireless data transfer, communicated the Alliance.

Ensuring broader coverage throughout the home, Wi-Fi 802.11ac provides Wi-Fi with speeds up to 1.3 Gb/s, which is about the double of what Wi-Fi 802.11n can do. It will enable streaming an HD movie in less than 4 seconds, exchanging photo albums within seconds, or playing 3 real-time streaming HD movies simultaneously on mobile devices. Besides, the new standard will allow to stream UltraHD (4K) films around the house too.

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.

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.

120,000	unique visitors on ***ComNews.ru*** portal a month
10,000	readers of the monthly magazine's circulation ***Standard***
10,000	copies of the ***Communications and Broadcasting Encyclopedia*** annually
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
15	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.: +7 812 670 2030

http://www.comnews.ru