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❖ TTK President Artem Kudryavtsev Held the First Meeting of the RSPF Telecommunications Commission

The first meeting of the Telecommunications and IT Commission of the high profile organization – Russian Union of Industrialists and Entrepreneurs (RSPF) chaired by TTK President Artem Kudryavtsev was held in the beginning of October. For the first time, the commission meeting was attended by Russian Minister of Communications and Mass Media Nikolay Nikiforov. Other participants of the discussion included the RSPF President Alexander Shokhin, Deputy Minister of Communications and Mass Media Dmitry Alkhozov, largest players of

the telecom market, industry associations, telecommunications scientific and education facilities. The gathering discussed the main legislative initiatives of the Ministry, outlined overriding challenges faced by the industry today, and shaped a plan for the Commission's further activities. Topics on the agenda included elimination of digital inequality, modification of rules for the use of radio frequency resource, safety issues in the Russian Internet segment, development of professional educational standards in ICT technologies, and etc. ❖

❖ Operators Will Get Spectrum in the 1,800 MHz Band

In the beginning of 2015, Russian operators will be offered an opportunity to get spectrum in the 1,800 MHz band for GSM and LTE mobile services through the auctions organized by the Federal Service for Supervision in the Sphere of Telecom, Information Technologies and Mass Communications (Roskomnadzor). State Commission for Radio Frequency (SCRF) ordered Roskomnadzor to complete the bidding process by Q1 2015. Spectrum will be allocated in 10 regions of Russia, including the republics of Dagestan, North Ossetia, Buryatia and

Karachaevo-Cherkessia, Stavropol and Perm territories, Orenburg and Amur regions. The SCRF commented that in some regions the available resource is less than 10 MHz, in this case the auction will be restricted to operators who already hold spectrum in the 1,800 MHz band, so the new resource will simply expand their existing capabilities. Minister of Communications and Mass Media Nikolay Nikiforov said the decision of the SCRF is a milestone for civilized and market-based relations between regulator and operators. ❖

❖ SCRF's Power Curbed

Moscow Directorate of the Federal Bailiff Service (UFSSP) prohibited the State Commission for Radio Frequency from disposing of spectrum in the 1,980-2,000 MHz range, which is claimed by Evgeny Roitman's Antares Group. The order to freeze registration activities with the resource was signed on Oct. 10th by a bailiff of the interdistrict department for non-property special enforcement proceedings. As previously reported, the SCRF wouldn't comply with the order of the Federal Court of Arbitration to grant LTE spectrum in the 1,980-2,000 MHz band to the

structures of Roitman's Antares Group. The bailiffs imposed enforcement of their order on the head of the SCRF – Minister of Communications and Mass Media Nikolay Nikiforov. He is compelled to submit a Notice of Execution of the Demands to the bailiff within a three-day timeframe. Failure to execute the demands in due course may incur administrative sanctions, and non-compliance with the court order may incur criminal charges. ❖

❖ Wi-Fi To Cover All Of Moscow

In the beginning of 2016, a municipal Wi-Fi network will be launched in Moscow by state enterprise Russian Broadcasting and Alert Networks (RSVO). By 2019, it will cover the whole territory of the Russian capital, including new administrative territories in the south west of the city. The project will need financing to the amount of \$44.5 million, communicated Aide to RSVO's CEO and PM of "City Wi-Fi" initiative Eldar Razroev. The project envisages free access to socially significant information resources of the city via a special portal.

Access to other websites will be fee-based, from \$0.25 per day, commented Head of RSVO's Department of Information and Corporate Communications Efrem Kozlov. Muscovites will use a special UIN tied to RSVO's wire communication device to authorize when going online (operator's subscriber base comprises about 2.5 million households in Moscow). Visitors to the Russian capital will be able to pay for Internet services via payment kiosks, by sending a text to a short code, or with a special payment card. ❖

◆ **MGTS Grows GPON**

In the first 9 months of 2014, the Moscow City Telephone Network JSC (MGTS) increased its GPON subscribers by 38 percent to more than 890,000. The company communicated that the number of its clients using GPON-based bundled services has doubled in the 3rd quarter 2014 compared with the same period last year. By the beginning of October, more than 50 percent of customers chose Double/Triple Play, and subscribed not only to broadband Internet, but also to interactive digital TV and fixed-line telephony. This growth was primarily driven

by MGTS' high-speed Internet tariffs, the company commented in a media statement, as more than 50 percent of all Double/Triple Play subscriptions feature broadband access with speeds of 40 Mbps and more. According to the operator, its GPON optical network already spans about 80 percent of Moscow's territory. Some 3 million households have technological capability to connect to the optical network today, which is almost twice as much compared with the same period a year ago.

◆ **Huawei Implements eLTE in Russia**

Chinese vendor Huawei is currently holding talks with several Russian customers on the implementation of eLTE solution (Enterprise Long Term Evolution) for professional communications. The main problem for this technology in Russia, according to the company, is shortage of spectrum.

The new solution designed for building professional broadband trunking systems was presented to the Russian audiences by Vladimir Konstantinov from Huawei's Wireless Solutions department in Russia at the 3rd International Conference "Critical Communications Russia 2014: Departmental and Corporate Communication Networks in Key Sectors of the Russian Economy", organized by ComNews. According

to him, the principal differences of eLTE from LTE is group call delay of less than 300 ms, dispatch services, data rates up to 100 Mbps, high-definition video surveillance, and availability of stand-alone mobile equipment set. He explained that all services are provided based on the same network, so the solution allows integration with public, mobile and TETRA networks. Huawei has already made 61 commercial contracts for eLTE all around the world, and 19 networks have been put into commercial operation. The solution works on 380-470 MHz, 1,447-1,467 MHz, 1,785-1,805 MHz, 832-862 MHz, 791-821 MHz, and 2,300-2,400 MHz. The company also has plans to enhance it to support other frequency ranges.

◆ **Mobile Internet Turns Fixed**

National provider Rostelecom which is about to acquire WiMAX operator Freshtel will use this company's frequencies exclusively for fixed-line wireless access. The Federal Antimonopoly Service (FAS) has approved Rostelecom's request to acquire Freshtel Group. Freshtel holds WiMax frequencies on the entire territory of Russia. The anchor investor in Freshtel was ICON Private Equity fund controlled by Ukrainian businessman Viktor Pinchuk, while Evgeny Roitman, whose subsidiaries are known for obtaining spectrum resource for further resale, also had a share in the company. In 2011, a blocking stake in Freshtel was acquired by tycoon Suleiman Kerimov. This July, the FAS approved another request: Vnesheconombank (VEB) requested a

permission to acquire offshore company Comenetti Investments, which owns Freshtel assets. VEB was a creditor to Freshtel, so it possibly was a forced sale. Anyhow, back then market players assumed that VEB would eventually resell Freshtel to Rostelecom. A source in Rostelecom confirmed their interest in Freshtel, but said that the final decision hasn't been made yet. Rostelecom intends to use Freshtel's spectrum for spot deployment of wireless Internet. WiMax access points can be set up in small settlements, and Rostelecom has committed to deploy fiber optic communications in all communities with population from 250 to 500 pers. The operator is also seeking to use the "last mile" technology in such communities. ◆

◆ **Rostelecom To Pay \$74.4 Million for Broadband**

Board of Directors of national fixed-line operator Rostelecom OJSC approved a framework contract with a subsidiary of Giprosvyaz OJSC for design, survey, and construction-assembly services to roll out a countrywide broadband network. The contract with Rostelecom is worth \$ 74.4 million, communicated Giprosvyaz's Marketing and External

Relations Director Lyudmila Starikova. Giprosvyaz will perform contractor services. The framework contract is designed to support projects all around Russia, confirmed a source in Rostelecom, and the projects in question are mainly related to broadband Internet access. The contract is currently awaiting signature from Rostelecom. ◆

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.

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