

World at a
different angle

Broadband & Satellite Russia Newsletter

No 85

November 17-28, 2014

 COMNEWS

| MOSCOW | RUSSIA |

Contents

TTK Company – “The Best In Russia”	3
Femtocells In Moscow Metroo	3
Broadband ‘Honesty Coefficient’	4
Moscow Metro Will Choose Telecom Operator	4
Public Wi-Fi Ramping Up	5
Tele2 Breaks Into 3G	5
MTS Launches LTE-1800 In Moscow	6
Ministry of Economy Proposed Changing Auction Format	6
About Us. Contacts	7

Sources: ComNews.ru, Vedomosti.ru and Kommersant.ru

◆ **TTK Company – “The Best In Russia”**

TTK Company, one of Russia’s largest telecom operators, received the Best in Russia award for public activity in the IT and Telecom category. The award ceremony was held on November 25th in Moscow Gostinniy Dvor. “We are happy to get the prize, which is an acknowledgement of TTK’s business strategy and our accomplishments in propelling advanced telecommunication technologies”, commented Svetlana Shamzon, TTK’s Vice President and head of Access block, who received the award on behalf of the company. “As we develop telecom infrastructure in small towns, not only are we trying to meet

our business targets, but we are also addressing social problems, because we are making state-of-the-art telecommunications available for people in the regions. It is gratifying that these days the significance of such efforts is becoming increasingly more evident.” Annual public activity awards Best in Russia/Best.ru acknowledge companies and persons, along with the most significant events of the year in Russia. The winners of the award are selected by an expert jury, which includes high-profile economists, businessmen, political and public figures. ◆

◆ **Femtocells In Moscow Metro**

Maxima Telecom and engineers from MegaFon, one of Russia’s Big Three mobile operators, demonstrated a technology, which is capable to provide high quality voice services for passengers of the Circle line of the Moscow metro during the construction of infrastructure for the single mobile operator of the metro system. MegaFon Moscow’s Infrastructure Director Igor Akulinin: “Our specialists have developed a solution for equipping trains running on the Circle Line of the metro

with femtocells. The trial launch was conducted in the presence of Moscow’s Deputy Mayor and Head of Transport and Road Infrastructure Development Maxim Liksutov.” Other operators from the Big Three also seek to provide high quality voice services in the metro, but at this stage they have no plans for similar joint projects with Maxima Telecom. ◆

◆ Broadband 'Honesty Coefficient'

Until the end of 2014, a subsidiary of MTS – Moscow City Telephone Network (MGTS) will launch commercial IPTV services on a new converged TV platform under the brand of MTS. Following the adoption of a new interactive TV platform which enables access to operator's TV content on any device, the subscribers to MGTS will receive a whole new level of IPTV services. Earlier, MTS and MGTS launched a multi-service MVNO operator in Moscow. In September, MGTS customers were offered converged packages, marrying mobile

Internet and calls with fixed broadband and telephony, and home TV. Owing to the upgraded platform, converged packages from MGTS will soon be extended with mobile television, a logical development of the MVNO component.

Initially, MTS planned to launch a converged TV platform back in 2012, but it kept being postponed due to the difficulties with integration of the platform with the operator's service solutions for pay TV systems. ◆


◆ Moscow Metro Will Choose Telecom Operator

Tender for construction of mobile network in the Moscow metro will apparently be announced in December. According to the tender terms, the winner will have 2.5 years to roll out underground GSM/3G/4G network, which will be open to all mobile service providers, operating in Moscow. The starting price of the auction for the right to operate a network in the metro will be \$5 million per year. A representative for Moscow Government's IT Department Elena Novikova confirmed this information and reminded that the key parameters of the tender had been reconciled with all operators in a special memo. Under tender terms, bidders should be experienced with building data networks

designed to cater to at least 5 million subscribers and fiber optic network of at least 10,000 circuit-kilometers, along with construction and operation of telecommunications network infrastructure at railroad or metro systems. The possible contenders for the status of the single metro network operator are Russia's largest fixed-line providers, including Moscow City Telephone Network (MGTS), Rostelecom and TransTeleCom (TTK). However, tender terms don't reduce possible bidders to operators, so major investment companies and other telecom market players have shown interest for the tender, unveiled a source close to the Moscow Government. ◆


Public Wi-Fi Ramping Up

In 2013, total market of public Wi-Fi networks in Russia topped \$31.5 billion, where 70 percent was revenue from telecommunication and advertising services, and the remaining 30 came from sales, integration and lease of equipment. According to J'son & Partners Consulting think tank, the prevailing type of public Wi-Fi network in Russia is uncontrollable network run by a legal entity to provide free Internet service to its customers in the B2B segment. That said, controlled networks, comprising a big number of access points and operated from a single control center, and supporting operator projects in

the B2C and B2G segment, account for about 40 percent of total hotspots. "HoReCa (Hotel, Restaurant, Café) is a clear leader in Wi-Fi penetration in the B2B – at least 40-50 percent in large cities, and it is also the fastest growing segment in Russian regions. Overall, Wi-Fi penetration in the regions doesn't exceed 10 percent in the B2B segment, which shows that the regional Wi-Fi market has a high potential for growth", says a study released by J'son & Partners Consulting. The company predicts that in 2015-2018, public Wi-Fi market will be growing at 5 percent CAGR, surpassing 290 thousand hotspots by 2018. 

Tele2 Breaks Into 3G

T2 RTC Holding (Tele2 Russia brand) launched its first third-generation (3G) network in history in St. Petersburg. The company's ambition now is to become Russia's third largest operator in subscribers, its Deputy CEO Alexander Provotorov communicated at the end of November. The operator wouldn't disclose existing percentage of 3G coverage in St. Petersburg, but Provotorov also mentioned that wireless mobile broadband services were also available in the Leningrad region surrounding St. Petersburg.

Equipment was supplied by Swedish vendor Ericsson. Aside from St. Petersburg, until the year-end 3G service from Tele2 will be launched in Tambov, Chelyabinsk, and Novosibirsk, and in 2015-2016 the operator intends to roll out third-generation services in most of its operations areas. Following the merger of Rostelecom and Tele2 Russia into a joint venture – T2 RTC Holding in March 2014, such regions are more than 60. 

❖ MTS Launches LTE-1800 In Moscow

MTS, one of Russia's Big Three operators, intends to launch an LTE network in the 1,800 MHz range by the end of 2014, as soon as they get the required permits from regulators. At present, MTS' LTE-1800 network in Moscow is operating in the test mode. In 2015, MTS will launch LTE-1800 on several thousand base stations in Moscow, which will support data rates from base station to subscriber devices up to 100

Mbps. Up until this day, MTS, same as other mobile service providers, have been operating LTE networks on the 2,600 MHz range. Using a lower-frequency 1,800 MHz range will help improve the quality of LTE indoors and also reduce the number of base stations required to ensure radio coverage of the city territory. ❖

❖ Ministry of Economy Proposed Changing Auction Format

According to the calculations of Russian Ministry of Economy, the Government will be at least \$42 million short, should LTE frequencies in the 2,570-2,620 MHz range be auctioned off in two federal lots. The authority sent a letter to Nikolay Nikiforov, Minister of Communications and Mass Media, suggesting that frequencies should be distributed by regional principle. This idea was previously seconded by Federal Antimonopoly Service (FAS) and mass media and telecom watchdog Roskomnadzor. Ministry of Economy proposed Nikolay Nikiforov to

amend the resolution of State Commission for Radio Frequencies (SCRF) from July 22, and change the auction format for the 2,570-2,630 MHz frequencies. SCRF ordered Roskomnadzor to auction this spectrum off no later than fourth quarter 2014. Two lots will be put up for auction: 2,570-2,595 MHz and 2,595-2,620 MHz frequencies all around the country, excluding Moscow, St. Petersburg, Crimea and city of Sevastopol. ❖

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>