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different angle

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◆ TTK: High-Quality Content is a Must

Svetlana Shamzon, Vice President of one of the largest Russian communications providers TTK Company (TTK), took part in the conference “Telecom: 2015-2025. Perspective View” in Moscow, where she highlighted the following: “In 2025, 60% of the economically active population will be comprised of people who grew up in the internet era. Technologies and physical media are secondary to them:

what they value most is relevancy, as well as quality and availability of the content. Creating high-quality content is now becoming a top priority for it is the only thing the user will pay for in 2025. These factors will define the development of the market and the new formats of business interaction for media and communications industry players: telecom and media companies, service providers.” ◆

◆ Cosmic Optimism

According to the Federal Communications Agency (Rossvyaz), Russian communications satellites are produced using mostly domestic components (80%) and considerably less components from abroad (20%); if necessary, Russia can fully stop using imported goods in three-five years.

The industry players agree that Russian enterprises produce a significant amount of microelectronics for satellite manufacturing; however, the problem connected with hardware components for

satellite payloads is still present. Even though the production is currently more oriented on Russian innovations, there is ongoing cooperation with the Western colleagues, adopting foreign expertise and technologies. In the present social and economic conditions, the industry has to switch to local equipment and supplies completely, as stated by Head of Rossvyaz Oleg Dukhovnitsky. Being interviewed by a ComNews reporter, he highly praised the level of Russian spacecraft manufacturing. ◆

◆ One Step towards LTE Broadcast

MTS, one of the Russian “big three” mobile operators, claims to have carried out successful LTE Broadcast tests. This operator was the first in Russia to test the technology in the commercial network.

MTS and Ericsson successfully tested LTE Broadcast in the commercial network, as reported by the operator’s press office. HD video stream was broadcasted during the test. The receiving device was an LTE smartphone with a Qualcomm Snapdragon chipset supporting LTE Broadcast. The technology (evolved Multimedia Broadcast Multi-

cast Service, eMBMS) is bound to create abundant opportunities for mass content streaming in mobile networks. It can be used for broadcast/multicast content delivery to an unlimited number of users in one frequency band simultaneously.

The competitors of MTS also tested LTE Broadcast, but only in laboratories, and they are not going to develop these projects. According to several experts, in the next few years, the technology is very unlikely to have any commercial application. ◆

◆ Results of the First Private Auction

The Russian Federal Service for Supervision Roskomnadzor announced the official results of the electronic auction for frequencies in the 1800 MHz band in ten regions of Russia. Four participants of the auction obtained various assets for various prices. The experts admitted that the ultimate winner of the auction was, indeed, the government – the overall aggregate cost of all lots turned out to be six times bigger than the starting one.

The first private electronic auction in Russia offered 10 lots with a total starting price of \$16.6 million. The final aggregate price reached \$101.4 million. Curiously enough, the organizers of the bidding appraised regional frequencies in relation to local population differently. For the majority of lots, the price for one resident started approximately from \$1.08 (Karachay-Cherkessia and North Ossetia). In the Perm

region, a potential subscriber cost slightly more than \$1.13, in the Stavropol region – around \$1.21, in Dagestan – \$1.29. The most “expensive” locals, according to the organizers, were at the Far East: In Buryatia and the Amur region, the starting price of one lot was \$1.37 и \$1.39 per person accordingly. Eventually, the most valuable lots were in the three most populated regions. The Stavropol region proved to be the most costly (according to the Russian Federal State Statistics Service, the population is 2.8 million people) – VimpelCom will pay \$27.4 for it. The second place is taken by the Samara region (3.2 million) – \$17.4 million, the third – by Dagestan (around 3 million) – \$17.1 million. ◆

❖ Ka-Band is Spreading in Russia

Satellite operator Isatel, a subsidiary of the Intersputnik International Organization of Space Communications, became the third operator at the market to offer satellite broadband services in the internet over the Ka-band and the Express AM5 satellite.

Aleksandr Ganin, First Deputy General Director of the Russian Satellite Communications Company (RSCC), and Igor Zabolotny,

General Director of Isatel, met at the conference of Russian satellite communications and broadcasting network operators and users Satcomrus 2015, where they signed an agreement to start a pilot project and provide satellite broadband services over the Ka-band. As the representative of RSCC pointed out, the first connections in terms of the pilot project are planned for December 2015. ❖

❖ Cosmic Plans of RSCC

The national operator Russian Satellite Communications Company (RSCC), under the leadership of the Federal Communications Agency (Rossvyaz), made a draft for the Concept of a targeted program to develop the orbital constellation in 2017-2025, which is aimed at making satellite communications services more available and abundant. In the next 10 years, RSCC plans to order seven new satellites for the

geostationary orbit, and to launch four satellites at highly elliptical orbits, spending \$4.4 billion.

In 2009-2015, RSCC allocated \$1.1 billion for expanding the orbital constellation. ❖

Fridman will Buy Vimpelcom Ltd.

Most likely, 33% of shares in Vimpelcom Ltd., which Norwegian telecommunications holding Telenor Group plans to get rid of, will be bought by LetterOne Telecom holding (the former Altimio), which is a part of Alfa-Group, owned by Mikhail Fridman. In this case, as the analysts told ComNews, this company will become the controlling shareholder of Vimpelcom Ltd., having almost 90% of voting shares. Telenor's announcement that it was going to sell its shares in Vimpelcom Ltd. was made at the opening of the NASDAQ Stock Market, and the shares of Vimpelcom Ltd. subsequently grew by 4% (\$4.25 per share), but later they fell down to the previous day's level. Telenor's shares grew by 3%.

The Vimpelcom asset, "where Telenor holds a minority position without the possibility to fully control the company, has been challenging. Based on a strategic review by the board and the CEO, and after due considerations, Telenor Group has decided to divest its shares in VimpelCom Ltd.," claimed Telenor Chairman Svein Aaser.

Telenor Group has invested NOK 15 billion (\$1.8 billion with the exchange rate of 8.4 NOK = 1 USD) in Vimpelcom, and received a reimbursement of almost NOK 20 billion (\$2.4 billion) in dividends. The market value of the stake at Vimpelcom Ltd. amounts to approximately NOK 20 billion (\$2.4 billion), and nearly 8% of the Norwegian shareholder's capitalization. 

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