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different angle

# Broadband & Satellite Russia Newsletter

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Sources: ComNews.ru, Kommersant, Vedomosti.ru

## ◆ TTK - Fourth in Broadband Access

At year-end 2014, one of the largest communications operators in Russia, Company TTK, took the fourth place in the subscriber base volume regarding the broadband internet access services in the regions of Russia (excluding Moscow). During the 12 months of 2014, TTK enlarged the broadband access subscriber base by

14.2%, and the volume of its organic growth accounted for its second place among the 5 top Russian operators. TTK currently covers 5% of the Russian broadband access market. TTK's total subscriber base across the country exceeds 1.7 million subscribers. ◆

## ◆ Running out of Ku-band Transponders

OJSC "Satellite Television" (STV) rented the remaining free Ku-band transponders on satellites "Ekspress-AT1" and "Ekspress-AT2" from the Federal State Unitary Enterprise "Satellite Communications" which owns both space crafts. Apart from STV, storages on AT1 are already being rented by satellite television operators "Tricolor TV" and "NTV-Plus", as well as a French company "Eutelsat". The latter also

uses transponders from AT2. "Ekspress-AT1" and "Ekspress-AT2" have no free storage; this information was provided by Deputy General Director for Business Development at "Satellite Television" Ksenia Drozdova. As she said, STV rents one-tenth percent of storage on each satellite. She did not specify what number of transponders is involved. ◆

## ◆ Olympic Frequencies – for Olympians

The largest telecommunications companies – the telecommunications sponsors of the Sochi Olympics – "MegaFon" and "Rostelecom" retained the exclusive right to provide mobile services using LTE (4G) technology in the Krasnodar region until the end of 2016. MTS insisted on shortening the moratorium term up to the end of 2014, but the arbitration court of Moscow agreed with the arguments supplied by "MegaFon". In the end of January the arbitration court of Moscow held invalid

and denied item 23 of the decision by the State Commission for Radio Frequencies from 16 April 2014 No. 14-23-09, as MegaFon reported. With this decision, the commission shortened the term during which the general partners of the Sochi Olympics – "MegaFon" and "Rostelecom" – had an exclusive right to submit services using LTE technology in the Krasnodar region from 31 December 2016 to 31 December 2014. ◆

## ❖ Operators Attack Crimea

This year the new Russian communications operators will appear in the Crimea. The “big three” mobile operators (VimpelCom, MegaFon, MTS) are not rushing into this region, but internet providers from the whole country have already supplied not less than 20 applications to Roskomnadzor, waiting for licenses to operate on the peninsula. The analysts consider that, despite the risks, the Crimean market is attractive for the development of commercial broadband access and TV, as well as mobile 3G and LTE networks. The fact that new communications operators were coming to the Crimea was

mentioned by the participants of the meeting chaired by Head of the Ministry of Communications and Mass Media Nikolay Nikiforov, dedicated to the development of the communications branch on the peninsula. The spokesman of Roskomnadzor conformed that more than 20 internet providers claimed they wished to operate in the Crimea and submitted applications to get licenses in order to render telematics services on the territory of the peninsula. He clarified that the agency was addressed both by big and small players from different regions of Russia. ❖

## ❖ Broadband Access on Russian Border

The second largest Russian mobile provider “MegaFon” won the competition to render communication services to State Unitary Enterprise “Mosgortrans”, and became the official broadband access services provider for the Federal Agency for the Development of the State Border Facilities of the Russian Federation (Rosgranitsa).

“MegaFon” generated special conditions of voice communication and mobile data transfer for the employees of “Mosgortrans”, offering communications services that were two times more available than the ones offered by its competitors. In terms of the contract, the Moscow

branch of “MegaFon” will submit tariffs for more than 3 thousand employees of “Mosgortrans”, and supply telematics systems to 40 motor pools in Moscow. “MegaFon” SIM-cards will be used in transport logistics, transportation management systems and automatized motor pool management systems.

The Directorate for Construction and Facilities Management at Rosgranitsa also chose “MegaFon” to be the supplier of broadband access services, and the agreements for three checkpoints were concluded. ❖

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## ❖ Virgin Connect Enters Apartments

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Private clients in Russia are starting to be serviced by “Trivon Networks” communications operator, whose co-owners include Virgin Group headed by Richard Branson, the European Bank for Reconstruction and Development and the Investment Division of the World Bank. In order to do this, the company working under the brand of Virgin Connect bought “Speedyline” – internet, telephony and digital TV provider with more than 50 thousand subscribers near Moscow

and in the Kaluga region. The “Trivon” group claimed it had bought 75% of the “Speedyline” group of companies and was planning to buy the remaining 25%. The terms of the deal are not disclosed. “Speedyline” renders Triple Play services (broadband access, telephony and TV) in b2b segment in more than 40 cities in the Moscow and Kaluga regions, where this operator has its own optical fibre network. ❖

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## ❖ “Rostelecom” Pays for Quality

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“Rostelecom” is planning to spend \$ 1.4 million on the creation and implementation of the System for Service Quality Management (SQM), in order to lower the subscriber churn. Information regarding the tender appeared on the government procurement portal in the end of December. The company will decide on the results of the competition until 19 February. The maximum price of the contract is \$1.4 million. The contract will be valid until 30 June 2017.

According to the tender documents, the main goal of creating the system is the automation of the complex quality control process over such “Rostelecom” services as “Interactive TV”, OTT, VoD, single broadband internet access, and VoIP. When the system is implemented, the effect will be shown in the lower level of subscriber churn in these services due to technical reasons, as stated in the documents. ❖

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## About Us

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