

Russian Satellite  
Communications Company

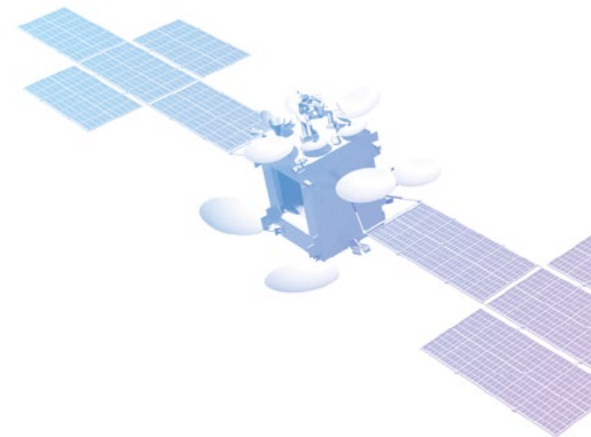
# Broadband & Satellite Russia Newsletter

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Russian Satellite  
Communications Company



45  
*years*



e-mail: [sales@rsc.ru](mailto:sales@rsc.ru)

[www.rsc.ru](http://www.rsc.ru)

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## Contents

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<b>Five-year plan in three years . . . . .</b>	<b>.4</b>
<b>Minister issued a trip voucher to Norilsk . . . . .</b>	<b>.4</b>
<b>Medvedev refused Roscosmos . . . . .</b>	<b>.4</b>
<b>SCRF stands neuter . . . . .</b>	<b>.5</b>
<b>Court dismissed Rostelecom from MVNO . . . . .</b>	<b>.5</b>
<b>Rise of the Machines . . . . .</b>	<b>.5</b>
<b>Operators' Olympic competitors . . . . .</b>	<b>.6</b>
<b>Rostelecom launches 3G in Moscow . . . . .</b>	<b>.6</b>
<b>Traffic in St. Pete's Metro grew five fold . . . . .</b>	<b>.7</b>
<b>Launch of Yamal-300 is postponed again. . . . .</b>	<b>.7</b>
<b>MegaFon on rails . . . . .</b>	<b>.7</b>
<b>End of state-financed satellite Internet . . . . .</b>	<b>.8</b>
<b>TTK plans LTE on the Big Four's networks . . . . .</b>	<b>.8</b>
<b>St. Petersburg finally gets LTE. . . . .</b>	<b>.8</b>
<b>Interactive stops in Moscow . . . . .</b>	<b>.9</b>
<b>Roscosmos calls off all Breeze-M upper stages . . . . .</b>	<b>.9</b>
<b>About Us. Contacts . . . . .</b>	<b>12</b>

## ❖ Five-year plan in three years

In 2011 RSCC prepaid the credit taken in 2008 in Sberbank under the state guarantees in 2008 for construction of seven spacecrafts for the borrowed \$480 million. RSCC' PR Department reports that these loans were invested in construction of Express-AM1, AM2, AM3, AM11, AM22, AM33, AM44 (seven satellites). Partial state funding of a new series of seven Express-AM satellites was processed in the form of RF Government

Decree № 626 from August 25, 2001 “On measures to ensure the establishment and operation of civil satellite communications and public broadcasting purpose”. In particular, the decree provides financing of seven Express-M spacecraft s construction from the budget funds. The credit under the state guarantees was provided by Sberbank, which invested manufacture of earlier spacecrafts for RSCC. ❖

## ❖ Minister issued a trip voucher to Norilsk

The Ministry of Telecom and Mass Communications of Russia has come up with how to encourage operators to provide Internet access in the remote regions, the mechanism will be tested in Norilsk. An auction for providing high-speed Internet during 5 years in a local school will be held among the operators. The winner will lay the optics to Norilsk for 2 billion rubles, Minister Nikiforov posted on his Twitter and added that after school all households will get connected. Either backbone or local operator will be in charge of connection. “If a non-discriminatory access to the backbone network is provided, even two or three operators will be

able to compete in the city” – Nikiforov says. – Thus, we purposefully stimulate demand, and operators will lay optics in the city themselves”.

Ministry of Communications to arrange a public auction to the state is not overpaid for any of them. The largest operators of Russia in an interview with reporters ComNews expressed willingness to consider specific proposals auction as soon as they arrive. An open auction will be held not to overpay to any of the operators. The major Russian operators expressed willingness to consider the auction conditions as soon as they are announced. ❖

## ❖ Medvedev refused Roscosmos

Vladimir Popovkin, Head of the Federal Space Agency (Roscosmos) presented Prime Minister Dmitry Medvedev a space industry development plan up to 2030. Popovkin proposed to establish a state corporation on the basis of the Agency including all the enterprises of the sector. Consequently, the concept has been sent back for revision, and the leaders of industrial research institutes and enterprises were asked to suggest alternative reforming scenarios.

“If the state decides to create a single organization – the state corporation uniting the functions of the government customer and manufacturer, we run the risk of losing qualified order and acceptance from the side of the state, to create uncontrolled financial flows within the structure, and thus aggravate our technological gap – said Sergey Zhukov, Director of Space Cluster at Skolkovo Fund. ❖

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## ❖ SCRF stands neuter

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The State Commission for Radio Frequencies (SCRF) is ready to reconsider the issue of LTE in GSM-1800 MHz. At the meeting on October 2 the officials will discuss the frequency spectrum conversion previously issued to the Big Four on a competitive basis.

In addition the Ministry of Communications plans to discuss the minimum width of LTE and UMTS frequency channels. As previously noted by the Minister Nikolay Nikiforov, regional operators

such as Tele2, would like to deploy 4G on their frequencies 1800 MHz, but are limited by regulatory restrictions. Technological neutrality (the ability to use the frequency spectrum for different technologies at the discretion of the operator) could solve this problem. The Ministry of Communications is ready to take this step, if the operators provide adequate quality of the selected technologies and will allocate sufficient bandwidth to it. ❖

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## ❖ Court dismissed Rostelecom from MVNO

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Moscow Arbitration Court dismissed Rostelecom, which required to force Skartel to sign an agreement on running an MVNO on its LTE network forbidding access of other federal players to Skartel's network.

This requirement contained in the interim measures at the suit of OAO "Rostelecom" to OAO "Skartel" (brand Yota). The basis of

the lawsuit was a preliminary agreement signed by companies on April 5, 2012, which stated that Rostelecom may provide services as an MVNO on LTE infrastructure of Skartel. However, the final approval of the terms was delayed. Rostelecom was forced to postpone the launch of LTE services in Moscow, scheduled for September 1. ❖

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## ❖ Rise of the Machines

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In the first half of 2012, the volume of mobile M2M services market in Russia reached 3 million SIM-cards. At that the number of SIM-cards involved in telematics has grown by 1, 6 times (from 1, 8 million at the end of the first half of 2011). These are the findings of the research conducted by the largest Russian mobile services provider Mobile TeleSystems (MTS). According to the operator, the most

promising and fast growing fields of M2M systems application are telemedicine, e-government services and vending. "Thus, the number of SIM-cards used in telemedicine projects in Russia, increased in the first half of 2012 by 80%, in the field of electronic public services by 75%, in vending by 65%, compared to the same period last year" - as said in the operator's press-release. ❖

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## ❖ Operators' Olympic competitors

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MegaFon and Rostelecom, which paid \$130 million for the status of general telecommunications partners of the Olympic Games in Sochi, have competitors in the region. They challenge the exclusive right of operators to provide communication services in LTE networks for the Olympic guests. The solution stands for the State Commission for Radio Frequencies (SCRF).

SCRF meeting will be held on October 2. One of the issues on the agenda is termination of the SCRF's solution of 16 March 2012 "On the use of the radio spectrum at the period of preparation and organization of XXII Olympic Winter Games and XI Paralympic Winter Games 2014 in Sochi" regarding the use of LTE frequencies by MegaFon and Rostelecom. The question was raised on the claim of an unnamed company.

MegaFon and Rostelecom became general partners of the Olympic Games in Sochi in 2009, MegaFon will provide mobile communications

and Rostelecom is in charge of fixed communications. The contract cost each company \$130 million. These funds must be paid in cash and by communications services in equal shares. Bt SCRF's solution of 16 March 2012, the two companies were given the frequency bands in the range of 791-862 MHz, 2, 3-2, 4 GHz, 2, 5-2, 7 GHz for LTE and subsequent modifications use in the Krasnodar region. Meanwhile SCRF's solution contains an express prohibition on the assignment of radio frequencies in the Krasnodar region until the end of 2016 by MTS, VimpelCom and other market participants. In addition, those companies that got LTE frequencies at the July contest of Roskomnadzor but do not sponsor the Olympics, are to stop providing LTE communication services in the Krasnodar region from October 1, 2012 to December 31, 2016. These particular restrictions caused a claim for annulment of SCRF's solution, state several sources on the market. ❖

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## ❖ Rostelecom launches 3G in Moscow

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Rostelecom plans to start commercial operation of its 3G network in the second half of 2013, said Dmitry Bragin, VP of Rostelecom – Director of Moscow macro-regional branch. 2500 base stations, which are already purchased from Ericsson, will be mounted in Moscow and the Moscow region by that time, he says, and

the locations for 250 of them have already been chosen. 3G base station can cost about \$ 20,000, with assembly including – about \$ 65,000, estimates the top manager of one of the operators. It means that Rostelecom can spend a little over \$ 160 million for 3G launch in Moscow. ❖

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## ❖ Traffic in St. Pete's Metro grew five fold

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The volume of mobile Internet traffic consumed by subscribers of MegaFon in the St. Petersburg metro has grown more than 4.5 times. The operator's press-service said that in summer GPRS-traffic in the St. Petersburg metro had grown by more than 360% compared to the same period last year, SMS-messages traffic increased by

25% during the summer period, the volume of voice traffic increased by 12%.

Such results have become a reality after MegaFon equipped not only the station, but also all the underground tunnels by special radiating cable, base stations and additional signal amplifiers. ❖

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## ❖ Launch of Yamal-300 is postponed again

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The launch of GSS's Yamal-300 spacecraft was postponed again for November 1-2, as a source in the satellite communications market reported to ComNews. Information was confirmed by GSS. The launch was delayed due to the problems in Breeze-M upper stage, which had caused emergency starts of two Russian satellites.

Sergei Pekhterev, CEO of the Russian terrestrial satellite communications operator Altegrosky, believes that the spacecraft launch schedule has no high priority: "The main thing is not that

the launch is moved, but the fact that it takes place". "Yamal-300" – a commercial medium-scale geostationary telecommunications satellite owned by the Russian satellite operator GSS. The spacecraft is manufactured by JSC "ISS – Reshetnev Company" and will contribute to the existing Yamal telecommunications satellites constellation. The spacecraft will be launched to the point of 90 degrees East longitude to provide all kinds of modern communication services in C and Ku frequency ranges in Russia and the CIS. ❖

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## ❖ MegaFon on rails

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The second largest Russian mobile operator MegaFon has equipped four named long distance trains of the Russian Railways with free Wi-Fi and provided Internet access in a high-speed train Sapsan going between Moscow and St. Petersburg. At the moment the service is being tested, after the commercial launch a 30-minute session of Internet access will cost 70 rubles (about \$ 2.25). In test trials involve the following named trains: Nevsky Express train (Moscow – St. Petersburg), Burevestnik (Moscow – Nizhny Novgorod), Lev Tolstoy (Moscow – Helsinki) and Volga (St. Petersburg – Nizhny Novgorod). The project is implemented

on the basis of 3G networks of MegaFon. The Internet access in vans is provided by using 3G/Wi-Fi routers. The concrete testing ground of 1.3 thousand km long was chosen due to active development of 3G communication network of MegaFon, notes the Press Office of the Russian Railways.

582 base stations provide mobile network coverage on the route. The maximum Internet access speed on the move comes to 8 Mbit/s, and each router supports up to 32 active sessions. 3G technologies enable to transfer data at object speeds of about 300 km/h. ❖

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## ❖ End of state-financed satellite Internet

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The project on providing budget satellite Internet to subscribers in remote areas was considered unprofitable and is currently frozen. Originally at the suggestion of Dmitry Medvedev it was decided to spend about 37 billion rubles for this purpose, including 5 billion – from

the federal budget. The fact that the project is frozen was announced by the Minister of Communications Nikolay Nikiforov. According to him, the providers do not see how to make the service profitable, and state will not co-invest the project without a clear plan for its commercialization. ❖

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## ❖ TTK plans LTE on the Big Four's networks

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Not only Skartel but also the winners of LTE competition are to provide equal access to LTE networks. The railways operator TTK intends to use this rule. The winners of the July competition for frequencies 761-862 MHz and 2, 5-2, 7 GHz obligated to provide competitors with nondiscriminatory access to deployed LTE networks.

They agreed to run MVNOs on their networks to get extra points in the competition: for each region where the operator promised to cooperate with MVNO it was awarded by 2 points, but for a maximum of 10. Competitive conditions required operators to start such cooperation not later than 2016. ❖

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## ❖ St. Petersburg finally gets LTE

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Skartel (Yota brand) launched 4G services in St. Petersburg. MegaFon also deployed LTE as an MVNO on Skartel's network. Two LTE networks are available in St. Petersburg, the Leningrad region and a number of cities from 31 August. 4G modems with two tariff plans are available in stores. Subscribers will receive two weeks of 4G Internet for free. There are already 540 4G base stations in St. Petersburg and

the region. It is planned to increase the number of base stations to 800-1000 by the end of the year, comments the Press Service of MegaFon. The data transfer speed in a test mode was 65-100 Mbit/s, but in a commercial environment 4G will not reach such figures as it depends on many factors, including the network load, terrain, density and etc. The average 4G speed exceeds 3G a few times. ❖



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## ❖ Interactive stops in Moscow

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The pilot project of interactive public transport stops in the central part of the capital will start by the end of the year. This was announced by the Department of Information Technology (DIT) of Moscow at the presentation of the prototype stops at the first festival of urban technology Infocity. 46-inch touch screen in a vandal-resistant and cold-resistant housing connected to a single content management system will provide passengers with information about

public transport routes and schedule will help to find facilities on the map, plan trips, read news and use the city electronic services, as told by the DIT. Multifunctional pavilion equipped with a reading device, a device for printing and camera for video calling emergency sessions could also serve as a public Wi-Fi hot spot and cellular signal amplifier; it will have sockets for mobile devices charging. ❖

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## ❖ Roscosmos calls off all Breeze-M upper stages

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Roscosmos will withdraw the whole lot of Breeze-M upper stages, a defect in one of which caused the failure of Proton-M launch in August 2012 reported RIA Novosti on September 10 with reference to Vladimir Popovkin, Head of Roscosmos.

According to him, each upper stage will be checked thoroughly, and rocket launches resume in mid-October. He added that after the unsuccessful launch of Proton-M over 20 recommendations relating to the organization of technological processes and product testing were developed by the commission.

The carrier rocket Proton-M with the upper stage Breeze-M was launched from the Baikonur Cosmodrome on August 6, 2012. The rocket was to bring spacecrafts Telcom-3 and Express-MD2 36 000 km to the orbit. During the second turn the booster engines worked only seven seconds instead of 18 minutes. As a result, the satellites were brought to the irregular orbit. Communication with Telcom-3 was found but its use was impossible. ❖

International Conference

# Professional & critical communication 2012

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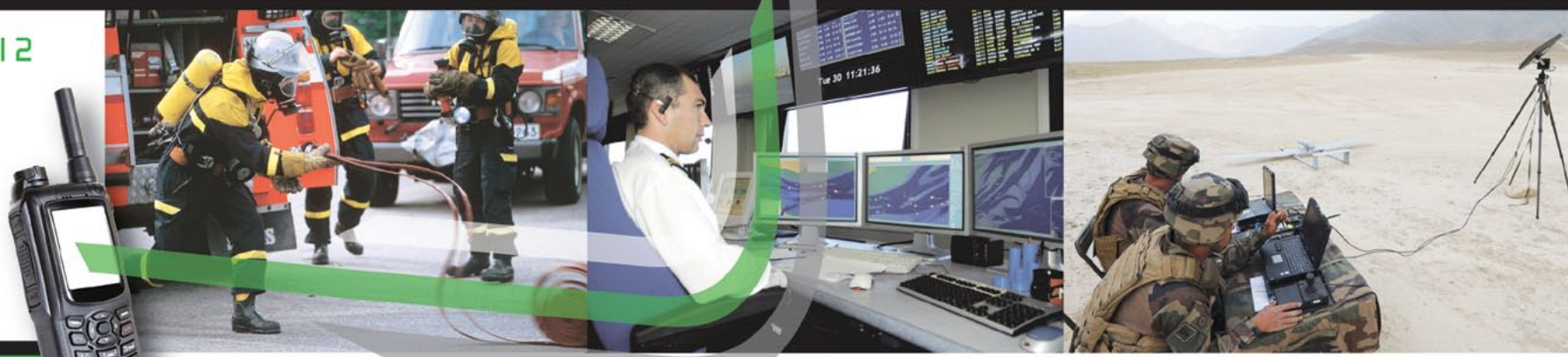
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## Key topics of the Conference:

Professional mobile & critical communication market in Russia. Current state and prospects

The role and influence of the State on the PMR market as a service consumer

Production of PMR equipment in the Russian Federation

Use of GLONASS satellite navigation technologies in PCS for control and coordination.

Wireless broadband technologies and cognitive radio systems development for effective supply of social security and network in emergency situations.

Migration strategies from current analogue radio systems to semi-digital and fully-digital solutions

Offering PMR services to corporate and departmental clients in existing cellular networks

PMR, LTE and WiMax combining possibilities to guarantee the best communication solutions

Is it possible to replace TETRA with LTE? What are the obstacles?

Next generation situational centers

Modern cloud technologies for situational centers and control points

Interaction of network operators with unified alert and control services on the passage of calls to the unified number "112"

Construction and control of the distributed call centers

Municipal, regional and federal support of decision making information systems of special reaction

Network services organizations and offers to government and security structures at the Winter Olympics 2014 in Sochi.

Radio communication basic development trends for emergency operating services of fast response and public safety

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## About Us

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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.

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500 clients including major Russian and international ICT companies

over 20 [Industry Conferences](#) hosted by ComNews

14 years in the market, offices in Moscow and St. Petersburg

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## Contacts

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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.: +7 812 600 2030

<http://www.comnews.ru>