

Russian Satellite
Communications Company

Broadband & Satellite Russia Newsletter

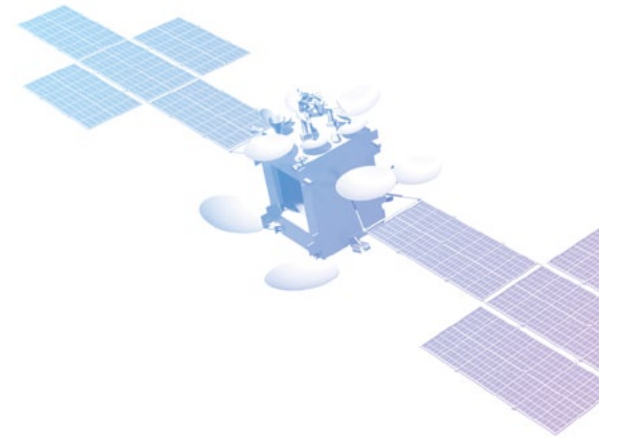
No 41

October 1-15, 2012



Russian Satellite
Communications Company

45
years



e-mail: sales@rsc.ru

www.rsc.ru

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❖ Astrium trained “Energia” and NIIR

Specialists of RSC “Energia” and FSUE “NIIR” took the second level of training at Astrium SAS enterprise in Toulouse (France). The study was a continuation of the theoretical intro-course organized in July 2012 in Moscow at the RSCC central office. 14 Russian specialists completed the last level of study at the French enterprise. The uniqueness of this course was not only to acquire knowledge of specific Astrium projects, but an opportunity to visit working places in the enterprise departments as well. Besides the theoretical part, the course contained practical tests, followed by the analysis of made decisions of all French and Russian specialists. All the main topics in project management were discussed, including market analysis, purchase of components, assemblies, price indicators of purchase,

reliable suppliers and procurement quality control. The course participants visited working places of all the chain of space craft’s production at Astrium.

Technology transfer and training of the Russian specialists became possible because of the joint decision of the RFSA and the Ministry of Communications, as well as agreements between the RSCC and EADS Astrium, fixed by contracts for the creation of advanced spacecrafts “Express AM4R” and “Express AM7”

Technology transfer and training will continue until the autumn of 2014 in the following areas: theoretical training, platform design, payload design, construction, integration and testing of payload and the spacecraft

❖

❖ MegaFon subscribers download 9 times more

The first autumn month’s results showed that each MegaFon subscriber, working in St. Petersburg with 4G, downloads 770 Mb a day on average, which is 9 times more than the average daily Internet traffic with the third generation networks (3G).

“The consumption volume of Internet traffic by subscribers in the new generation network exceeds the volume of downloaded

data with 3G by several times. Now, this dynamic can be observed with an average performance per person per day. A lot of our subscribers have already appreciated 4G opportunities, which enable to achieve speeds considerably exceeding 3G speeds”, – mentioned Mr. Sergey Protasov, the Head of Marketing of the North-West branch of Megafon.

❖

❖ Five years of LTE

20 million subscribers will use 4G services in Russia in 5 years (LTE technologies and LTE – Advanced), counted J’son & Partners analysts. LTE networks development prevents deficiency frequency spectrum, the lack of technological neutrality and lack of study of basic and mobile virtual network operator (MVNO) interaction mechanisms. Meanwhile the largest Russian LTE operator has only 600 thousand users, who changed WiMAX technology to this standard.

The J’son & Partners Consulting study indicated that the main objectives of 4G operators in next few years will be collaboration with third-party providers (OTT) and introduction of value added services (VAS).

However, in Russia, at least in the next two or three years, the data transfer in mobile networks will remain the main service that brings operators the fair share of income”, – say the experts of J’son & Partners.

Mr. Yuri Dombrovsky, the head of the Association of regional telecom operators (ARTO) agrees with the evaluation of J’son & Partners. “I believe that Russia may see 20 million of LTE subscribers by 2018, it is quite a feasible result. In the nearest future, there will be not so many 4G subscribers in Russia. Now, it’s a niche service, plus, there are no so many subscribers’ devices. – says Mr. Dombrovsky. – But to the end of this decade this service should move to mass-market.

The Ministry of Communications sets more ambitious objectives to operators. As Mr. Nikolay Nikiforov announced in the beginning of September, companies, who won licenses for 4G service providing, must annually cover territories with minimum 20 million people of inhabitants with 4G networks. “So, a year by year, during 5 years, the territory of the country will be covered with modern high speed technology, which, to our mind, is the only solution of the digital gap bridging, –says Mr. Nikolay Nikiforov.

❖ Rostelecom will cut BBA costs

The national operator Rostelecom, criticized by Deputy Prime Minister Mr. Arkady Dvorkovich for inefficient investment, decided to reduce the network construction cost. Rostelecom changes an expensive technology GPON to cheaper FTTc. The Committee on the company’s strategy will discuss what technology is better to use depending on the region – ADSL, FTTc or GPON.

“Historically, Rostelecom only used ADSL, but then the company began to move to GPON and FTTx. The preference was given to GPON as the most promising technology”, explains board member of

Rostelecom Sergei Azatyan. Now, the company faces the task to optimize the costs and to generate BBA into stable money income, adds Mr. Azatyan. There is a sense to use GPON in million-cities and to pave networks using FTTb and FTTc in small cities. This will help an operator to deploy networks faster, comment Rostelecom representatives. According to Mr. Azatyan, the Committee on the company’s strategy will define the technology for each region to find the golden mean in the geographical distribution of technologies.

❖ Yota is tempting virtuals

Scartel company (Yota brand) launches the first in Russia LTE Advanced (LTE-A) subnet in Moscow, and in 2013 all the companies network will be moved to LTE-A. This will help to provide the high quality of Mobile Virtual Network Operators (MVNO) operation at Yota's network, promises the company.

In the first half of 2013, Scartel plans to introduce LTE-A on the network and at the same time LTE-A will be available for users of all MVNO on the Skartel network – now only MegaFon subscribers. At this time the company launches sales of subscribers' devices supporting new technology.

Meanwhile, after the re-equipment, users won't get any benefits in comparison with LTE standard, but they will be able to connect to LTE-A. As Megafon announced, the operator is going to use possibilities

of collaboration with Scartel and plan to propose LTE-A service to clients along with subscribers' units' sale in the Russian market.

As representatives of Yota announce, the main LTE –A advantage is data transfer speed – up to 300 Mbit/s compared to 100 Mbt/s in LTE standard.

However, Skartel managing director, Mr. Yegor Ivanov noted that the company is launching LTE-A earlier than other operators in the world, because Yota, which network is used by subscribers of several MVNO, targets matching of network capacity with increasing volume of data consumption. Another advantage of the technology, according to Scartel representatives, is the possibility of unification – from one as well as from the different frequency ranges – into a single lane. ❖

❖ The Olympics 2012 Sponsors will save frequencies

SCRF at the meeting on 2nd of October 2 delegated to the Ministry of Communications in cooperation with the concerned authorities and operators to further develop the use of the radio spectrum for LTE in the Krasnodar region during the Olympics 2014.

The consideration of the applications of the legal entities and individuals, including one operator's application of termination of the Commission decision of 16 March regarding the use of Rostelecom and MegaFon (telecom partners of the Olympics) bands at 791-862 MHz, 2.3-2.4 GHz and 2,53-2,69 GHz during organization and conduction of the Olympics was initially at the agenda of SCRF's

meeting. However, at the conciliation meeting, which was preceded by the meeting of the SCRF, it was decided not to terminate the decision to grant an exclusive frequency to MegaFon and Rostelecom.

The head of the Ministry of Communications Mr. Nikolay Nikiforov earlier announced that he considered to be appropriate derestrict rendering of communication services upon LTE technology by competitors at the Olympics. "Olympics affect the country's image and network coverage quality affects this image as well. Therefore the more operators, the better it will be", – said the Head of the Ministry of Communications Nikolay Nikiforov in the end of September. ❖

❖ Roskomnadzor allowed “child” Wi-Fi

Roskomnadzor will not prohibit children’s access to public Wi-Fi, but wishes to discuss the procedure of implementation of the law, that will involve restrictions in this area, announced the head of authority Mr. Alexander Zharov.

“There is a problem of uncontrolled distribution of information in the areas where there is an Internet access to users of all ages, noted Mr. Zharov. It is going to be discussed how to solve it in an individual case and who will be in charge of control. It took a month to mark mass media products, to settle all details that are determined by the law and need to be adjusted in practice. And so has to be in this case –

it is important to make the law work, and to adjust those details that have to be regulated. – said the Head of Roskomnadzor.

New law of the Russian Federation about children protection from unlawful content (valid since the 1st of September) arranges that the persons organizing access to the Internet in public places (cafes, restaurants, airports, hotels) should apply administrative measures and special equipment to protect children from information, causing health and maturation harm. So, the management of those places with Wi-Fi hot spots should not provide an access to specifically marked web-sites to children under 18 years old. ❖

❖ Summa Telecom remains without LTE frequencies

The Court of Appeal, which had sent the claim for a new trial of Summa Telecom on the LTE frequencies, suspended enforcement proceedings of this case as well.

The 9th Arbitration Court of Appeals granted the request of SCRF to suspend implementation of the decision of the Moscow Arbitration Court on July 12. The court granted the petition of Summa Telecom and annulled SCRF decisions by the 8th of September 2011 about the refusal of granting frequencies in the range of 2.5-2.7 GHz. It has a connection with 70 MHz resource throughout Russia, as Summa telecom owned these frequencies several years ago and they hoped to develop a Wimax network, but lost the recourse as they postponed the construction.

In autumn 2011, SCR has allocated 60 MHz in the 2.5-2.7 GHz (including 40 MHz, which previously was owned by Summa Telecom) to

Scartel Company (Yota brand) for the development of LTE (4G) technology.

On the day of the decision in the action of Summa Telecom, on the 12th of July, Roskomnadzor summed up the contest for four sets of frequencies for LTE, including 30 MHz in the 2.5-2.7 GHz band, formerly owned by Summa Telecom. Megafon, VimpelCom, MTS and Rostelecom became the winners.

Despite the fact that all of the contested resource has been already allocated, Summa Telecom started enforcement proceedings. At the end of September, the court heard the SCRF appeal and sent the case or a new trial, considering that it is necessary to involve all winners. This was the reason SCRF petition approval to suspend implementation of the decision of 12 July. ❖

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The Broadband
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Timur Alyautdinov,
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Nadia Babaali,
Communications
Director,
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Evgeny Buydinov,
Deputy General Director
on Innovation Development,
Russian Satellite
Communications Company



Yuri Senchenko,
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Key Topics:

- Current state of broadband market in Russia and CIS: future prospects
- Development of fixed network services in Russia: obstacles, drivers and prospects
- Operators LTE development strategies
- Development of broadband networks in Ka-band
- Migration from 2G/3G to LTE
- Best operators' strategies: Deployment of broadband networks and business development
- New stages of multiservice broadband networks development
- Content monetization strategies in broadband networks
- Most in-demand services in broadband networks in Russia and CIS
- Implementation strategies of additional services in broadband networks

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To Register: +7 (495) 933 54 83, conf@comnews.ru, www.comnews-conferences.ru/bb2012



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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.: +7 812 600 2030

<http://www.comnews.ru>