

Russian Satellite  
Communications Company

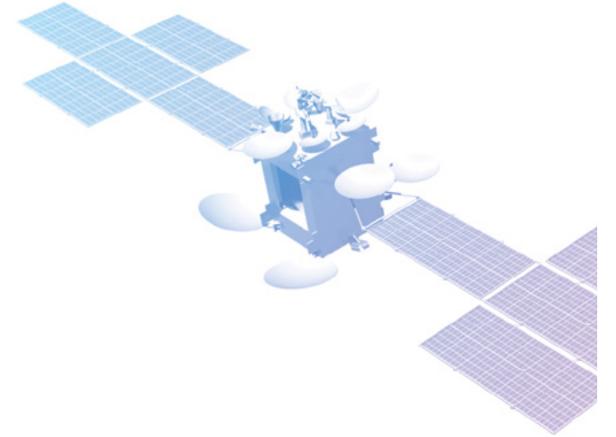
# Broadband & Satellite Russia Newsletter

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Russian Satellite  
Communications Company



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## ISS to check Express-AM6

The Russian spacecrafts manufacture ISS-Reshetnev started testing responder of Express-AM6 spacecraft produced by the Canadian payload manufacturer MacDonald, Dettwiler and Associates Ltd. (MDA). The launch of this spacecraft is scheduled for 2013. The planned service area includes the European part of

Russia, the Urals, Siberia, Europe, Africa and Middle East. The Express-AM6 responder includes 72 active transponders in C-, Ku-, Ka- and L-band frequencies. The joint team of experts from ISS, NIIR and MDA conducts entrance control planned to be completed in early December.

## MTS speed up to 42 Mbs/s

Russia's largest cell operator "Mobile TeleSystems" (MTS) has completed the first phase of the modernization project of its base stations in St. Petersburg under DC-HSPA+ technology. As a result the maximum data rate of MTS 3G network increased twofold – to 42 Mbit/s.

Dual Carrier-HSPA+ (DC-HSPA+) technology allows simultaneous use of two UMTS frequencies instead of one, so that the maximum

speed of Internet access increased to 42 Mbit/s. "This is a significant improvement in the quality of 3G networks and enables comfortable watching of HD-video streaming, video conferencing, fast downloading of "heavy" media files, and other services based on mobile broadband", – noted in MTS.

Today DC-HSPA + technology is implemented in MTS networks in Moscow, Khabarovsk and Vladivostok.

## VimpelCom to better 3G by autumn

The third largest Russian mobile operator in terms of subscribers' number VimpelCom (Beeline brand) plans to provide full coverage of 3G networks in Moscow and the Moscow region by the autumn 2013. In Moscow, 3G network cover 90% of the territory, in the Moscow region – 40%. This was reported by the technical director of the Moscow region of VimpelCom Sergei Bauman: "To meet the growing demand for data, next year we plan to conduct frequency refarming in the 900 range to free the band from GSM-technology in this range for normal operation

of 3G communication. This will enable us to provide 3G throughout the suburbs by next autumn".

In addition, VimpelCom runs a test LTE network zone in Moscow, operating in the range of 2.6 GHz. "It is in the process of submitting to Roskomnadzor. Following the results, we will continue to develop 4G network. We are also actively working with a range of 800 MHz. The network will be developed in this field as well", – said Sergey Baumann.

## ❖ Russia's BBA leaders named

COMNEWS AWARDS 2012 held on November 29 in Marriott Grand Hotel marked achievements of two dozen players on the Russian ICT-market. The leadership in some categories was a surprise to the general public.

The celebration of the industry was based on the issue of the newest independent ratings in the "Encyclopedia of telecommunications and broadcasting, Ratings", which just came out of the press. The 15-year experience and deep knowledge of the market enabled ComNews to proceed to the annual ratings project.

In the category "the major broadband provider by revenue" among the federal operators the first was Rostelecom with the total revenue of almost 47 bln rubles (about \$1.52 billion). The award was received by Naum Marder – Vice-President-State Relations of JSC "Rostelecom". The leader of the rating among the multiregional operators became

"ER-Telecom Holding" with total revenue of more than 6 bln rubles (about \$ 194 mln). In the group of regional operators the winner was the group of companies "Akado" with total revenue of more than 5 billion rubles (about \$ 161 mln). In the category "The fastest growing company in terms of subscribers' number" was awarded JSC "TransTeleCom" (TTK). In 2010, the subscriber base of TTK counted 186 thousand subscribers; in 2011 it increased by 133%, and in 2012 – for another 114%. Today's subscriber base counts over 930,000 subscribers.

The presenter of COMNEWS AWARDS, editor-in-chief of ComNews, Leonid Konik said that Russia has demonstrated the world's highest rate of growth in the number of broadband Internet users for the year, from Q1 2011 till Q1 2012. During this time, the number of broadband subscribers in the country increased by 27.43 %, and reaches 21.2 mln users. ❖

## ❖ Russia-Kazakhstan GLONASS

Kazakhstan and Russia will determine the main directions of cooperation in the use of the Russian navigation system GLONASS by the end of the year.

"We have a common interest to implement GLONASS-based navigation technologies in Russia and Kazakhstan. We expect to outline cooperation by the end of the year", – said Deputy Prime Minister Vladislav Surkov at a press briefing after the meeting with Prime Minister of Kazakhstan Serik Akhmetov in Astana. Russia is not seeking to acquire a controlling stake in the joint project, Surkov said: "We are willing to be

partners, ready to share the technology, and if necessary – to co-finance the development of new services, new technologies, which are used for navigation for transport, agriculture, high-risk facilities control".

Vice Prime Minister of Kazakhstan Kairat Kelimbetov, who also participated in the negotiations, noted that Kazakhstan considered Russian proposal interesting and was actively studying them. "As part of a single economic space and bilateral relations GLONASS will be a project to strengthen the relations between the countries and the ICT infrastructure of Kazakhstan", – he said. ❖

## ❖ MegaFon takes part in Europe-Asia transit

In early 2013 the second largest Russian mobile operator in the terms of subscriber base MegaFon is planning to launch a project DREAM (Diverse Route for European and Asian Markets), as said in the IPO prospectus of the company. These are two optical fiber lines from Frankfurt to China via Kazakhstan. The investments volume in DREAM, and other details of the project of MegaFon are not disclosed. MegaFon is going to compete in the transit market with Rostelecom, VimpelCom and TTK and hopes that DREAM will become the shortest and safest

route, connecting Europe with the growing markets of East Asia. The traffic volumes of the Eurasian transit grow by more than 50% a year, analysts confirm. The total volume of the Russian market of international transit traffic in 2012 will amount to 5 bln rubles. (about \$160 million). Analysts call Rostelecom the leader of this market with a share of 60% in 2012, another 30% belong to VimpelCom, 10% – to TTK. However, much of the global traffic between Europe and Asia account for undersea cables around the continent. ❖

## ❖ Big4 drives quick as the wind

Operators of Russia's Big Four – MTS, VimpelCom, MegaFon and Rostelecom – promise to provide 100% mobile communication coverage of the largest Russian highways in 2013. The companies will mount more than 200 new base stations in addition to the existing telecom facilities, with aggregated project investments of about 3.2 billion rubles (about \$103 mln). The companies will start construction of the base stations along the highways "Baikal", "Caspian", "Ural" and "Ussuri" with the total length of about nine thousand km miles in Q1 2013. Highways pass through 20 regions of Russia – from Moscow to Vladivostok, forming the so-called transport corridor "North-South" and "East-West". Implementation of the project will take up to nine months, says the report of the Big Four. According to the work plan, each of the participants of the project will mount its own antenna mast structures at approved sites, where equipment of all four operators will be placed then. Thus, the carpet mobile communication coverage by all project

participants will be provided throughout the highways. Costs for the construction of aerial structures will be shared by the operators on an equal footing, and the cost of building technological roads to communication facilities and organization of the adjacency to the federal highways, as well as the construction of wind-power station lines for technological connection of telecom facilities to the power lines of grid companies.

The project was initiated in accordance with the government directive from May 5, 2012.

Deployment of mobile communication networks covering the highways in Russia is a part of the federal program for full deployment of ERA-GLONASS system, designed to ensure safety on the highways and reduce the severity of accidents due to speed incident response and human relief service, note the press services of the Big Four. ❖

## ❖ Two trillions for BBA

The Board of the Russian Union of Industrialists and Entrepreneurs (RSPP) in Telecommunications and Information Technology and the working group on development of the national program for development of broadband networks presented their proposals to the Ministry of Communications of the Russian Federation. The group performed for subsidizing operators from the budget, saying that to cover 92% of the country's fiber-optic networks under FTTH technology will require about 1.9 trillion rubles. This is stated in the document on proposals for developing a national program to stimulate investments in the development of information infrastructure in Russia.

“To provide access to broadband networks at high speed (50 Mbit/s or more) to more than 80% of the population it is not enough to involve

investment programs of the operators – project co-financing from the state funds is required”, – stated the proposals of the working group at the RSPP. The group has calculated the amount of investments required: the most expensive, 1.9 trln rubles (about \$ 61.3 million), was network coverage of 92% of households with fiber-optic access lines, with a guaranteed rate of 100 Mbit/s. Slightly cheaper, according to the calculations of the working group, was connection all the houses under the FTTB technology – 1,78 trln (about \$57.4 million).

In a letter to the Deputy Minister of Communications Dennis Sverdlov the RSPP working group also pointed to the need for inter-ministerial body responsible for developing and coordinating the BBA development program, and allocation of a specialized unit in the Ministry of Communications responsible for its implementation. ❖

## ❖ MGTS goes to “New Moscow”

In 2013, OAO “Moscow City Telephone Network” (MGTS) will review the draft to enter the newly annexed territories of “New Moscow” with an optical fiber network GPON. This was told by the general director of MGTS Andrei Ershov.

“Currently the operations with GPON are conducted on the historic territory of Moscow, as soon as we enter the final phase of construction in the city center, we will plan out the way to “New Moscow” – said Andrei Ershov. – The business project on this issue will be considered in 2013”.

MGTS promises to connect 4 mln Moscow households o the digital GPON (Gigabyte-capable Passive Optical Network) network by the end of 2014. Now MGTS controls about 20% of the Moscow market of broadband access, estimates Maxim Klyagin, analyst of Finam Management: “It is possible that in the future the operator will be able to significantly strengthen its position, including the background of sustained high investments in technical development and marketing.” ❖

## ❖ RSC “Energia” and EADS Astrium

In 2013, two years after signing the memorandum, the Russian RSC “Energia” and the European manufacturer EADS Astrium will form a joint venture for the production of communication satellites and remote sensing. 49% of the joint venture will belong to EADS Astrium, 51% – to RSC “Energia”. The memorandum on establishment of the joint venture was signed in June 2011 in Le Bourget (France), but RSCE as a company with a significant state-owned share (38.22% owned by

the Federal Property Management Agency), was waiting for approval from the government and got it in October 2012

“The joint venture with EADS Astrium is necessary for us to create a competitive market space vehicles – said the the First Deputy General Designer of RSCE Alexander Derechin. – As part of the joint venture companies will share technology to create communication satellites and remote sensing devices”.

## ❖ LTE-1800 by six

The Russian LTE Union is getting preparing for the research of LTE networks development in the frequency range 800 MHz with the Radio research and development institute (NIIR) at the end of this year. This was told by Gulnara Khasyanova, CEO of LTE Union, on the sidelines of the II International Broadband Russia Forum 2012, organized by ComNews: “After the study conducted by NIIR jointly with Tele2 on the deployment of LTE at these frequencies, we had

a series of question on the results of these studies, which were submitted to the State Commission for Radio Frequencies. Besides the study did not involve any of the LTE Union members and we want to study the issue ourselves”. She noted that western operators have experience of refarming the frequencies in the range 1800 MHz, but in Russia, a number of specific technical challenges and uncertainties occur.

## ❖ MGTS marks down ADSL twofold

“Moscow City Telephone Network” (MGTS) started a campaign in the capital to activate new broadband-connections upon the aging technology. The operators reduced the cost of unlimited Internet for users of MGTS fixed telephones, who additionally get Internet access under ADSL technology. The monthly fee on some tariff plans reduced twofold compared to the reference proposals of MGTS. So the company is trying to increase the maximum broadband subscriber base before

the total migration to GPON. MGTS fixed telephones are installed in almost every household in Moscow. But now MGTS replaces copper telephone lines to the modern optical technology GPON, which enables to organize the optical Internet channel at speeds up to 1 Gbit/s in each apartment in Moscow. “With modernization all subscribers of ADSL-Internet MGTS will be switched to GPON technology and the ability to use a range of cutting-edge services”, – MGTS representative notes.

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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.

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.

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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

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

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