

Russian Satellite
Communications Company

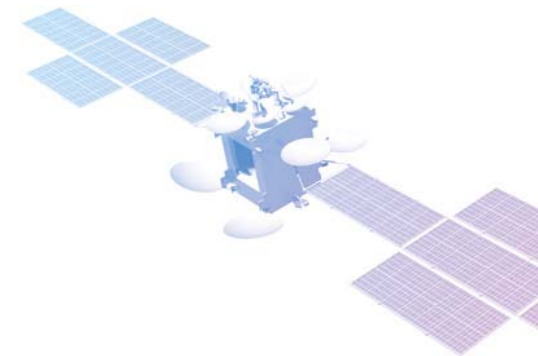
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Russian Satellite
Communications Company



The World is United
via Satellite Communications



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❖ Space Communications Day

Russian Satellite Communications Company (RSCC) turned 46 years old on November 4th, 2013. To celebrate the anniversary, a special event was held at RSCC head office where RSCC Director General Yuri Prokhorov honored distinguished members of company's staff with letters of commendation, acknowledgements and other awards for their contribution into satellite communications.

Besides, the key personnel were also honored by the President of the Russian Federation. Deputy Director General for Business Development Ksenia Drozdova was awarded with a letter of commendation from the Russian President for her professional achievements, many years of dedicated work, and social activities. Director of Space Communications Center "Medvezhie Ozero" Vladimir Duka received a note of acknowledgement from the Russian President. ❖

❖ Ministry of Communications Getting Ready For an Auction

Russian authority for communications is going to auction spectrum in the 2.5-2.7 GHz and 1,800 MHz bands (currently used for GSM networks) to deploy LTE networks in 30 regions of the country, unveiled head of Ministry of Communications and Mass Media Nikolay Nikiforov at a recent meeting of the Russian Government.

The Minister didn't specify the exact amount of lots to be put up for auction, but communicated that each region will see the possibility of at least one new player coming to the local market.

The Ministry is looking for approval of the Governmental decree which stipulates spectrum allocation through auctions instead of tenders. The document has already been submitted to the Government. "We will announce the auction as soon as the decree is approved. Ideally, we see it happening early 2014, but if the decree comes out in November, the auction may be announced in December already", said Mr. Nikiforov. ❖

❖ Traffic Light Operator

Moscow City Telephone Network (MGTS) will roll out a VPN network to control Moscow traffic lights for the municipal Traffic Center, as follows from tender documentation the company posted on Rostender.info portal. It appears that MGTS is looking for a contractor for the project entitled “Construction of a smart fiber optic carrier to connect coordinated traffic lights to the MGTS network”. Projected contract value is nearly \$1 million.

A source close to the telephone company revealed to ComNews that in order to ensure control over traffic lights, they will be

connected to MGTS’s virtual private network. A total of 1900 facilities are due to be connected in 2013. Traffic lights will be plugged through a GPON (Gigabyte Passive Optic Network). MGTS CEO Andrey Ershov previously said that his company is looking to offer a wide range of services on a GPON network currently deployed in Moscow which should completely replace the existing copper infrastructure by 2015.



❖ Internet Provider #1

National carrier Rostelecom can be appointed the only provider to bring broadband Internet services into small localities using the resources of the Universal Service Fund. The project of internetization for localities with 250 to 10,000 inhabitants covering 26% of the country’s population is estimated to cost \$1.7-3.8 billion.

Ministry of Communications and Mass Media proposed Deputy Prime Minister Arkady Dvorkovich to make Rostelecom the only operator of the Universal Service Fund and tie up a 10-year contract with the telco, unveiled a source aware of the Ministry’s plans. As the Ministry views it, Rostelecom can provide network access in localities with 250 to 10,000 inhabitants within three years. Such localities are home to 38 million people, or 26% of Russia’s population. The authority estimates that bringing Internet into small towns with 250-500 inhabitants may cost \$1.7 billion, and into towns with 500 - 10,000 inhabitants – about \$2 billion. The costs of the project may be covered, among other sources, by the Universal Service Fund (put together using contributions of operators who channel 1.2% of their revenue to the pot each year) which amounted to about \$0.42 billion in 2013.

Previously, the Ministry proposed to compel LTE operators to build networks in localities with over 500 inhabitants. This idea was also endorsed by Prime Minister Dmitry Medvedev.

A spokesperson for Rostelecom communicated that the company is aware of the Ministry’s new idea, but it hasn’t been discussed yet. Also, the operator has plans for broadband construction at its own cost, and this includes small localities.

The initiative of the communications authority hasn’t yet been reconciled with the Ministry of Finance. Earlier, head of the Russian Direct Investment Fund (RDIF) Kirill Dmitriev mentioned Internet for small towns among other projects which could be financed by RDIF using the resources of the National Wealth Fund.

Market players comment that should Rostelecom be appointed the only broadband operator in small localities, this would violate one of the principles of payments to the Universal Service Fund being obligatory non-tax payments, since such status of Rostelecom will restrict access to the market for other payers.



❖ LTE Going Worldwide

The number of different LTE user devices has climbed past 1,240, 680 of which were launched during the last year, communicated the GSM Association (GSMA).

According to a report released on the GSMA website, the largest category of gadgets is smartphones: 455, or 36% of all LTE devices. Almost all LTE smartphones also support 3G (HSPA/HSPA+, EV-DO and TD-SCDMA standards). By November 2013, commercial LTE networks have been put into operation in 83 countries of the world, and over a half

of them were commissioned over the past year. Towards the end of 2013 there will be 260 LTE networks in 93 countries of the world. The largest networks were rolled out in the USA, Japan, South Korea and Australia. The most popular LTE band is 1800 MHz. 94 networks supporting 412 devices work in this band.

In Russia, the leader in LTE coverage is MegaFon which has networks in 37 regions of the country. MTS has LTE networks in 5 regions, and VimpelCom – in 6 regions of Russia. ❖

❖ Price of Neutrality

Before the Government introduced the principle of technological neutrality operators were supposed to provide communications for localities with the smallest population, Prime Minister Dmitry Medvedev said at a recent meeting of the Government.

At the same meeting, Vice Prime Minister Arkady Dvorkovich noted that the State Commission for Radio Frequency (SCRF) will soon set the scope of neutrality-related obligations. “If we are going to introduce technological neutrality, we need to create a fair system of obligations for the market”, he said. “The corresponding calculations will soon be finalized. SCRF will take all the required resolutions at its upcoming meetings.”

Head of Ministry of Communications and Mass Media Nikolay Nikiforov is convinced that technological neutrality will be implemented

in one form or another as soon as this December. At the SCRF meeting on October 24th, the Ministry proposed to tie technological neutrality to availability of communication services. For frequencies of 2 GHz and higher, networks will need to be built in towns with population more than 10,000 people, for 1-2 GHz – in localities with more than 2,000 inhabitants, finally, frequency bands lower than 1 GHz shall demand a network in localities with more than 1,000 inhabitants. Besides, the Ministry suggests providing fiber optic lines for all localities with more than 500 residents.

According to Russia’s major operators, government’s participation is crucial for building communication infrastructure in small localities. ❖

◇ Shared-Use Frequencies

A draft law stipulating shared use of radio frequency by telecom carriers was submitted to the State Duma. The author of the initiative is senator from the Chelyabinsk region Ruslan Gattarov. According to him, the document was prepared in collaboration with industry players and is meant to resolve the issue of lack of frequency. The senator reminded that the law “On communications” allows for one frequency band to be used by one operator only. Drawing on the findings of the Expert commission of the Federation Council for information society, Gattarov explained that setting up a legal framework for shared use of frequency spectrum may speed up the expansion of LTE in Russia, improve the quality and speed of mobile Internet in Russia.

Leading Russian cellular operators MTS, MegaFon, VimpelCom and Tele2 Russia responded positively to the senator’s idea. A spoke-

person for Ministry of Communications and Mass Media informed ComNews that the authority hasn’t studied the document yet, and therefore can’t provide any comment on it. Meanwhile, the Ministry has already drafted the corresponding amendments to the law “On communications” which are currently undergoing reconciliation among relevant ministries. “We are talking about complex proposals here, there is more to it than shared use of frequency”, a source in the Ministry told ComNews.

Shared use of frequency is one of the issues to be studied by the Ministry of Communications and Mass Media by order of the Government, and the results of the Ministry’s explorations must be reported back in March 2014. ◇

◇ The Military Hampering LTE

Military operator Osnova Telecom is still having difficulties with obtaining spectrum needed to deploy a full-scale LTE network in Russia. This far, the company can use only 71 base stations in 59 regions of the country.

Osnova Telecom filed new applications for base station spectrum assignments (2,500 base stations in Moscow and several hundred base stations in other regions of the country in 4G LTE (2.3-2.4 GHz), but still hasn’t received a response from the Federal Service for Supervision in

the Sphere of Telecom, Information Technologies and Mass Communications (Roskomnadzor), unveiled a source in one of the military telco’s partners and confirmed a government official involved in the documents’ harmonization process. According to these sources, the problem is a bureaucratic maze in the Ministry of Defense which hampers issuance of a certificate of feasibility of the base stations in question and their electromagnetic compatibility with the existing military infrastructure. The certificate needs to be submitted to Roskomnadzor. ◇

❖ 500,000 Underground Users

Over two months from the deployment of Wi-Fi in the Moscow metro more than 500,000 passengers have connected to the wireless network, reported Moscow's Department of Transport and Road Infrastructure Development. "We are seeing stable gain in the number of users of Wi-Fi in the metro", said head of the Department and Deputy Mayor Maxim Liksutov.

This far, Wi-Fi module has been installed on the trains of only 1 out of the 13 lines which make up the Moscow underground transport. Simultaneous

connections per one train reached as high as 120. Average daily authorized users in October amounted to 7150. Moscow city administration commented that on average, users download about 10 GB of data daily, and upload about 2 GB. More than 98% passengers use smartphones and tablets to go online in the underground, and less than 2% use portable computers.

Until the end of the year Wi-Fi will also be made available on the Ring line, and the remaining lines will be covered by the project in 2014. ❖

❖ StarBlazer Adds a Satellite

StarBlazer, provider of satellite Internet services, has launched two-way satellite broadband services in the Ku band over Intelsat 904 satellite. A spokesperson for the company specified that in 2016 users of StarBlazer Tandem will be automatically switched to the new satellite Intelsat 33e based on the EpicNG platform, which will not require replacement or readjustment of subscriber equipment.

Today StarBlazer simultaneously uses two satellites: Intelsat 904 and Yamal 300K which work in the Ku band. The first one covers the

European territory of Russia including the Urals, while Yamal covers nearly the entire country (excluding Chukotka and the Northern areas of Kamchatka, two regions in the Far East) and is used to provide services to users in Siberia and the Far East. Subscribers located in the areas covered by both space crafts can choose between them. This option will also remain after the commissioning of Intelsat 33e, which has a larger coverage and higher throughput compared with Intelsat 904. ❖

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