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❖ TTK Is In Good Standing

TransTeleCom Company (TTK) was granted an \$87.5m credit facility for five years by VTB bank. The financing will be used to develop operator's backbone fiber optic networks and other large projects.

"The bulk of TTK's investment currently goes into its mainline infrastructure development. This year we plan to finish the construction of our ULH DWDM 100G network. We also aim to grow in the retail segment and are considering other areas of business", said TTK's First Vice President for Economics and Finance Vyacheslav Sotnik. According to him, the company has a fairly comfortable debt loan, with overall debt totaling about \$500m, and debt to EBITDA ratio below 3. Mr. Sotnik is convinced that the borrowed funds will help the company achieve high efficiency with its investment projects.

Back in 2012, TTK was provided a \$79m credit line for a five-year period by Moscow bank of Sberbank Russia to be spent on the company's investment activities. That same year, in March 2012, the company was provided a \$67m credit by Svyaz-Bank, which was designated for financing its retail business. Credit financing is part of the company's strategy in the 2015 perspective.

TTK has been a VTB Group client for more than two years. "TTK is a fast-growing company with a good financial history and a stable market position. VTB Group intends to continue to work to make funding options available to TTK, in order to help the company continue developing its business", said Yuri Soloviev, First Deputy President of VTB Bank.

❖ Mobile Broadband Is Booming

In 2013, mobile broadband in Russia was up by 26% to \$3.76 bn. The number of Russians using mobile technologies to go online has reached 98 million, says a study "Trend in the Russian mobile broadband market" by iKS Consulting. In the past year, average monthly traffic per 1 active user of mobile Internet in Russia surpassed 1GB, more than half as much compared with the previous year, point out authors of the study.

According to J'son & Partners Consulting, in 2013, combined subscriber base using mobile data services in Russia, reached 90

million SIM cards, up 16% from 2012. Thus, penetration of mobile data services in Russia in 2013 was 63%. Previously, most such users would go online on a conventional mobile phone, but amid the increasing popularity of smartphones and tablets, data rates and traffic per 1 device have been growing. Overall, according to analysts from iKS Consulting, the Russian market of mobile broadband will be fuelled by the expansion of new generation user devices and M2M. By 2018, the number of mobile broadband users is forecasted to reach 122 million subscribers.

❖ Express-AM5 Transferred UHDTV

Russian Satellite Communications Company (RSCC) and Russian VSAT-vendor Eastar have carried out the transfer of Ultra HD 4K video stream on the Ka-band over the Express-AM5 satellite with speeds at 26 Mbps. This is the first transfer of a video stream under the UHDTV format over a Russian satellite.

The satellite link between RSCC's terrestrial station in Khabarovsk and a user terminal with 0.9m antenna was deployed using Eastar equipment.

RSCC's Deputy General Director for Innovative Development Evgeny Buydinov said that the operator will thoroughly test Eastar equip-

ment in the course of 2-3 months, in order to confirm reported performance and identify the operating modes which ensure the highest performance.

As ComNews communicated before, RSCC is going to launch into commercial operation satellite broadband networks in the Ka-band over Express-AM5 satellite towards the end of this year. In September, the network will be launched in the trial mode. Subscriber equipment for the B2C segment will be provided by American company Hughes, and iDirect vendor will be supplier for the B2B segment. ❖

❖ Yamal-201 Suffered A Failure

A failure suffered on June 5 by Yamal-201 satellite, owned by Russian satellite operator Gazprom Space Systems (GSC) and positioned at 90 degrees East, forced the operator to transfer part of its load to other satellites of the same constellation.

"Preliminary investigation has revealed that the failure happened due to improper operation of the space craft's maintenance platform", says a statement released by GSC. Operator's mission control center and RSC Energia, the satellite manufacturer, didn't succeed to restore proper functioning of the satellite.

Yamal-201 was launched on November 24, 2003, and at the moment of the failure it was used at 95% of capacity.

It broadcasted more than 90 TV channels to nearly the entire territory of Russia and part of CIS, and was also used by numerous telcos and broadband service providers.

"Almost 50% of Yamal-201's workload was switched within a few hours to Yamal-300K satellite working on the same orbital position, so there was no need to reconfigure several telecommunications and TV broadcasting networks, communicated a source in GSC. "But other networks, which worked over Yamal-201, are being switched to Yamal-202, which is positioned at 49 degrees East and Yamal-402, positioned at 55 degrees East. This process takes longer, because satellites in different orbital positions require network reconfiguration."

Estimate life of Yamal-201 satellite in the orbit is 12 years (until 2015). But GSC was going to replace this space craft last year with Yamal-401 satellite made by Reshetnev ISS. "The contract envisaged that Yamal-401 was scheduled for launch on a Proton launch vehicle in August 2013. Due to delays in manufacturing, the launch was rescheduled to September 23, 2014", said a statement issued by GSC. ❖

◆ **Up To \$787 Million To Be Poured Into Crimean ICT**

According to a draft federal target program (FTP) for the development of Crimea, up to \$787m could be poured into IT and telecommunications upgrade in the region. The money may be allocated by Ministry of Communications and Mass Media and its subsidiary agencies. The document, drafted by the Ministry of Regional Development, suggests that in 2015-2020, the Ministry of Communications may receive almost \$510m from the FTP budget. Also, over five years, \$328m could go to the Federal Agency of Communications, and \$12m – to Roskomnadzor.

A fully “innovative financing option”, the most optimistic of the three devised by the Ministry of Regional Development, assumes that \$33.5 bn would be invested into Crimea, and this money will primarily be sourced from the federal budget. But the expenditure is likely to be cut down. The document is still being drafted, commented a spokesperson for the Ministry of Regional Development, which in fact isn’t responsible for Crimea any longer: in the end of May 2014, all the developments related to the Crimean FTP were transferred to the

Ministry of Crimean Affairs (Ministry of Crimea). Ministry of Regional Development has simply devised a draft concept for the FTP, but the program itself will be delivered by Ministry of Crimea. Ministry of Finance hasn’t studied the draft concept of FTP yet, but the assumed amount “is questionable”, said an official from this authority.

The plan envisages construction of a radio control center, which will administer satellite communications, among others, and a training center for Roskomnadzor radio-frequency services. Rossvyaz also wants to roll out a satellite communication network based on VSAT technology in Crimea.

The funds to be allocate by Ministry of Communications, will most likely be spent on licensed software for the Crimean authorities, construction of fiber optic channels, and etc. Besides, the Crimean government will be plugged into Russian government IT system, namely, to the system of interdepartmental document flow. The draft FTP also spells out implementation of high-quality postal services in the region. ◆

◆ **TTK Gave Yakutia 100 Mbps**

TTK Company, one of the largest telecom operators in Russia, boosted Internet access speed on all price plans, and reduced subscriber fee for Russia’s largest region in terms of territory – Sakha Republic (Yakutia). For the first time in history, local users can enjoy Internet experience at record speed of 100 Mbps. Besides, now users in Yakutsk can also subscribe to a package Internet + TV.

“Just 18 months ago, Yakutia had no fiber optic infrastructure whatsoever, but today the quality and affordability of Internet services in the Republic have reached the federal level. When TTK launched the first fiber optic main line in Yakutia, we said we would gradually lower prices and gear up speeds. We are keeping our word as we upgrade our access networks and connect new subscribers”, stated Svetlana Shamzon, TTK’s Vice President and Head of Access Block. ◆

❖ RTRS May Get All Frequencies For Digital TV

Ministry of Communications and Mass Media proposed to allocate all frequencies designated for digital TV to state-owned Russian Television and Radio Broadcasting Networks (RTRS).

The authority has drafted a decree, which says that RTRS will be “the communications operator responsible for digital terrestrial broadcasting of the second multiplex”, as well as other multiplexes in the entire territory of Russia. The project envisages that all frequencies for digital TV

will be allocated to RTRS, says a shareholder of a company engaged in digital TV broadcasting. It’s the same as if they made a decree that all frequencies for mobile services would be awarded exclusively to Rostelecom, says the industry insider, outraged. A representative of Ministry of Communications has confirmed that according to the document drafted by the Ministry, all frequencies for digital TV will indeed be allocated to RTRS exclusively. ❖

❖ Slow LTE On GSM Frequencies

Six months after the State Commission for Radio Frequencies (SCRF) introduced technological neutrality, notices of intent to build 4G networks were submitted to Roskomadzor by MTS, subsidiaries of MegaFon, Tattelcom, regional Motiv Group, and SMARTS. However, T2 RTK Holding (Tele2 brand), which pushed the hardest to make sure operators are provided with such opportunity, wasn’t among them.

SCRF allowed to use frequencies in the ranges of 1710-1785 and 1805-1880 MHz to develop LTE in December 2013. Back then, the government also compelled all companies awarded such licenses to roll out LTE networks in all communities of the licensed region with population more than 10,000 people. A source in Roskomnadzor unveiled that GSM-1800 licenses were re-issued for LTE by: MTS, SMARTS-Kazan (a subsidiary of MegaFon), Ekaterinburg-2000 (part of Motiv Group), and SMARTS. However, this far no LTE-1800 network has been launched into operation.

The list of operators which re-issued their licenses lacks VimpelCom and T2 RTK Holding. The latter spent several years trying to obtain a permit to use the frequencies it holds to develop LTE, and recently gained control over Rostelecom’s mobile assets. A representative of T2 RTK Holding spread the word that the company would build 4G networks on both the 2.6 GHz, and 1800 MHz ranges: “The first option ensures the best network capacity in big cities, while the second one is a cheap and effective way to create LTE networks with good coverage”. At this point, the operator intends to develop 3G networks it obtained through the integration of Rostelecom’s mobile assets. VimpelCom plans to use the 1800 MHz resource for LTE networks, said a source in the company, without spilling any further details. ❖

About Us

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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.: +7 812 670 2030

<http://www.comnews.ru>