



# **Broadband & Satellite Russia Newsletter**

## Nº 108

Desember 01-15, 2015

| MOSCOW | RUSSIA |



Contents	

-	TTK is for Equal Access	
	WiFi and Police	
	1 Million Routers for MGTS 4	
	Putin will Show the Way into the Outer Space 4	
	Femtocells in Metro Trains 5	
	VimpelCom will Give out Towers for \$5 Billion 5	
	About Us. Contacts	

Sources: ComNews.ru, Vedomosti.ru, Kommersant.ru





#### TTK is for Equal Access

Svetlana Shamzon, Adviser to the President for Marketing and Strategy who is working at a major Russian telecommunications company TransTelekom (TTK Company), attended a round table "Legal Regulation in Telecommunications". She supported the initiatives put forward by the regulator and the Antimonopoly Service related to carriers' non-discriminatory access to housing infrastructure. However, she thinks that there are still gaps in the regulation, and business community, including TTK, is ready to fill them. Svetlana Shamzon also noted the growing importance of content for forming consumer demands and transforming carriers' business models. "The ICT sector is inseparable from content and internet business – when users choose telecommunications providers, they actually choose the most convenient and full access to the necessary content, whether these are films, TV shows or other content", she said.

#### WiFi and Police

The Russian Ministry of Internal Affairs does not want to control user identification for public Wi-Fi. According to some representatives of this law enforcement agency, they will not have enough officers to monitor all access points.

The Ministry of Telecom (Minsvyaz) is aware of such disagreements between departments, as the telecom authority's representative points out. The Ministry drafted some amendments to the law "On Communications" and the Code of Administrative Offences. In July, these proposed changes were posted on the public portal regulation. gov.ru for discussion. According to the draft, the Code of Administrative Offences will impose liability for providing anonymous Wi-Fi access. Besides, the Code will obligate every legal entity and operator to sign a specific agreement for user identification. The first violation can bring a fine of \$1400 and up to \$2820, the second -\$2820 and up to \$4230. In the beginning of December, Minsvyaz reported that the bill was forwarded to the government. One of the carriers says it is an exaggerated problem: most public Wi-Fi hotspots require preidentification anyway.

#### 1 Million Routers for MGTS

By the end of April 2016, the Moscow City Telephone Network (MGTS) plans to choose a supplier for 1.1 million GPON routers. The carrier published this information in its bid documents. The starting price in this bidding is around \$68.5 million. MTS, the company which owns MGTS, provides the following data: by the beginning of the 4th quarter of 2015, GPON was used by 1.4 MGTS subscribers (+56% comparing to the previous year). 850 thousand (+89% comparing to the same period in 2014) were subscribed to broadband and pay-TV.

Satellite: Mission Unaccomplished

On 5 December, a carrier rocket Soyuz-2.1v was launched for the second time in history. Due to an emergency, it lost a brand-new remote sensing satellite Kanopus-ST. According to the preliminary information, the spacecraft could not separate from the booster, and then the whole cluster started moving along the wrong trajectory. In a matter of days, the satellite, which could have detected foreign submarines in deep sea, will enter into the Earth's atmosphere, where it will burn down and be destroyed. According to various sources, it was planned to launch Soyuz with two military spececrafts on 4 December, and then, without any explanations, the operation was postponed for one day. The launch was led by the Space Forces Commander at the

The MGTS has a total of 3.4 million private customers. The mass provisioning of GRON started in 2012.

MGTS's representative highlights that the company plans to purchase next-generation routers: with them, the maximum internet speed can reach 1 Gbps. These routers will work in two frequency ranges: apart from the 2.4 GHz band – which is already in use – they will be able to operate for 5 GHz frequencies.

Plesetsk cosmodrome on 5 December and, according to the official website of the Ministry of Defense, the satellites were put into their pre-calculated orbit as planned. However, later a news agency RIA Novosti reported that only one of the launched spacecrafts was operating normally. An interdepartmental commission was called immediately to perform the first full-scale post flight analysis. "This cluster has already started losing the orbit, in two days the satellite and the booster will enter into the Earth's atmosphere, where they will explode", says a member of the emergency commission.

#### Femtocells in Metro Trains

MaximaTelecom, a Wi-Fi operator of the Moscow underground, offered carriers an unusual way to deploy 3G networks in metro tunnels. The company suggests installing compact cellular base stations (femtocells) in the same manner as MaximTelecom's Wi-Fi routers are installed and then connect them to the mobile network using MaximaTelecom's Wi-Fi. The company has calculated that if mobile providers agree to that, it will take MaximaTelecom less than half a year to organize voice communication and text messaging in most metro tunnels. The employees of two mobile carriers working in Moscow confirm that, together with MaximaTelecom, they have discussed installing cellular phone service in metro trains using femtocells, and yet no agreement has been reached.

#### VimpelCom will Give out Towers for \$5 Billion

Selling its mobile communication towers is a part of a global strategy employed by VimpelCom Ltd. – the owner of the Russian mobile phone service provider VimpelCom. Earlier Vimpelcom claimed that it was going to sell its infrastructure in Pakistan and Bangladesh. In October, with reference to some sources, Bloomberg reported that around 50 thousand towers were going to be sold in Russia, Kazakhstan, Armenia, Kyrgyzstan, Uzbekistan, Tadzhikistan, Georgia and Ukraine for \$5 billion. The condition was as follows: the buyer was supposed to conclude a lease agreement for these towers with VimpelCom. The first stage of implementing this strategy is selling more than 10 thousand towers which are a part of VimpelCom's infrastructure in Russia. A source close to VimpelCom claims that the maximum amount stated in the applications is \$800 million. They also shared that seven applications have been received so far, and the eighth one is about to come.

### COMNEWS

#### About Us

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.

120,000 unique visitors on ComNews.ru portal a month

10,000 readers of the monthly magazine's circulation Standard

10,000 copies of the <u>Communications and Broadcasting</u> <u>Encyclopedia</u> annually

- 5,000 copies of <u>Who Is Who in Telecommunications and</u> <u>Broadcasting</u> annually
  - 500 clients including major Russian and international ICT companies

over 20 Industry Conferences hosted by ComNews

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

#### 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

