



World at a
different angle

Broadband & Satellite Russia Newsletter

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Sources: ComNews.ru, Vedomosti.ru

◆ TTK's Income Grows

One of the biggest Russian telecommunications companies “Trans-TeleCom Company” (TTK) started reviewing the past year. TTK’s macroregional branches Middle Volga (the Samara region) and North (the Northern regions of Russia) announced their operating results for 2014. The total revenue of the Middle Volga branch amounted to \$10

million, growing by 5% in comparison to the previous year. The North branch showed a total revenue of \$17.7 million, which is 21% more than in 2013. The total revenue includes broadband access services rendered to private users, as well as to small and medium enterprises, and backbone network services for corporate clients. ◆

◆ Growth of Operators' Investment in Moscow Stops

In 2014, communications providers invested \$410.5 million in building networks in Moscow, which is only 0.64% more, than a year before. This information comes from the materials of Moscow Department of Information Technologies (DIT). In 2013, the growth of investment into the capital’s networks was 33.7%.

DIT estimated only the investment in operator’s infrastructure for providing services to their consumers in Moscow, and this does not include, for example, the federal purchases of telecommunications systems, performed by the Moscow headquarters of large companies.

Moscow has approved a programme to develop information and communication technologies (ICT) named “Information City”; as part

of it, the Moscow authorities provide operators with administrative leverage, expecting them to invest a certain amount in the network. According to the DIT’s data, this amount equals to more than a half of total investment within this programme – without media development sub-programme and advertising. During the last three years, this share amounted to 41.6, 51.8 and 49.2%. In 2015, operators’ investment in the Moscow networks is supposed to be around \$424 million; but DIT claims, this number can change in the course of consultations with operators, which are being conducted now. ◆

◆ Siberian Hughes

Hughes Jupiter technology has been chosen to provide satellite broadband access services in Siberia and the Russian Far East.

The integrator company Ka-Internet installed Hughes Jupiter systems for the Federal State Unitary Enterprise “Satellite Communications” (RSCC) as a platform for rendering broadband internet access services in Siberia and the Far East. Jupiter system gateway was assembled in the Satellite Communications Centre (SCC)

“Khabarovsk”, and the network management system (NMS) was installed in the SCC “Dubna”. The services will be rendered with the use of Ka-range capacity of the Russian spacecraft Express-AM5, added to RSCC’s group in 2014. According to the plan, the main consumers of high-speed internet access will be private users. Service distribution will be carried out according to a VNO (Virtual Network Operator) model, starting from the second quarter of the current year. ◆

◆ Russian Communications Minister Enraged

Minister of Communications of the Russian Federation Nikolay Nikiforov suggested imposing industry-related sanctions on France and French companies, because the country refused the Russian naval fleet in transferring the Mistral class aircraft carrier, which has already been constructed. Nikiforov suggested Deputy Prime Minister Dmitry Rogozin to give a “directive instruction” that the state enterprise

and the national satellite broadcasting operator “Satellite Communications” (RSCC) must terminate its relations with Eutelsat – the largest satellite communications operator with a head office in Paris. Moreover, Nikiforov plans to forbid RSCC the purchase of Express-AMU2 satellite from EADS Astrium, also headquartered in Paris. ◆

◆ MefaFon near Moscow

The second largest mobile operator in Russia, the MegaFon company, acquired three internet providers located near Moscow. The total amount of transactions was \$3.8 million.

The transactions were performed by MegaFon’s subsidiary – NetByNet (NBN) provider, which renders broadband internet access services. The largest transaction is the purchase of the Express

Telecom operator in October last year. The company renders fixed telephony, internet access and server housing services in Moscow and near Moscow. Express Telecom exists from 1988, and services 1.2 thousand corporate clients. The cost of this transaction reached \$1.6 million. ◆

❖ VSAT Players at Crossroads

Russian VSAT market players predict that, considering the growing competition, as well as the hard and unpredictable economic situation, in 2015 they will have to continue fighting for clients and, at the same time, reduce expenses. One of the ways is the substitution of imported equipment, but industry players have different views on its potential, considering that the government has not created any sufficient economic conditions for that.

The trends in the VSAT market were discussed by the participants of the round table “VSAT Market Development in Russia: Interim Re-

sults and Prospects”, organized by the Standard magazine (ComNews Group) on the platform of the Federal State Unitary Enterprise “Satellite Communications”.

The VSAT market started 2014 much better than finished it, commented Sergey Pekhterev, Director General at AltegroSky Group. As for the positive factors, he highlighted that the launch of Yamal-401 and Express-AM6 lead to the total vanishing of frequency resources deficit. ❖

❖ Moscow Government is for Clear Sky

The municipal improvement works will be performed at the Moscow streets, together with the dismantling of aerial communication lines. In the course of operations, the municipal organizations will not remove cables without contacting operators to acquire the technical conditions of their underground transfer. The Federal Antimonopoly Service (FAS) forwarded requests to the organizations subordinate to the Moscow Department of Capital Renovation, and received the replies confirming that. The messages highlight that, during works, the transfer and rearrangement costs for communication networks will be reimbursed to network operators.

The letters containing promises not to dismantle aerial lines without the agreement of operators and to finance their transfer to

underground cable systems were received; this was stated by Elena Zaeva, Deputy Head of FAS on Control of Transport and Communications. Now FAS is shaping its stand on this issue, she says.

The FAS’s requests to the institutions under the jurisdiction of the Moscow Government were preceded by a complaint from the Federal State Unitary Enterprise “Russian Broadcasting and Alert Networks” (RSVO).

The length of Moscow aerial communication lines, according to the estimations of the Akado Group, is equal to 25 thousand kilometers. The total calculated value of their transfer to the underground cable systems is \$1.3 million. ❖

About Us

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