

## MTS and MegaFon Nearing 4G

By The Moscow Times

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Muscovites will see 4G mobile data services sooner than other regions. Vladimir Filonov

The State Committee for Radio Frequencies could give MTS and MegaFon an advantage over other players in the creation of a fourth-generation mobile phone network.

The two operators could set up 4G networks based on LTE, or Long Term Evolution, technology in Moscow and the surrounding region thanks to the fact that they already have WiMax licenses.

Vedomosti obtained a draft of a decision by the committee in which this approach is described. The document was prepared with the participation of the 4G Consortium, which includes MTS, MegaFon, VimpelCom and Rostelecom, said sources close to the consortium and one of the operators.

The committee will review the question about 4G network construction and the reallocation of frequencies in the Moscow region on Sept. 8, according to the Communications and Press Ministry web site. A preliminary meeting is to take place on Sept. 2 to come to a final

agreement on the plan, said sources close to two operators.

The committee is planning to divide available frequencies between four operators, as per the recommendation of the 4G Consortium. A tender for the frequencies will be conducted by Dec. 1 of this year. The winners will get lower-range frequencies and can get additional, higher-range frequencies — which are necessary to build an effective LTE network — after being converted from their current military use.

In Moscow, the higher frequencies currently being used by WiMax operators Yota, MTS, Synterra, Kosmos-TV and Mostelecom will be reallocated. As a result, MTS and MegaFon would surrender their higher-range WiMax frequencies in the city and the suburbs and, in exchange, get additional high-frequency channels for building their LTE networks which they could only use after the tenders for the other LTE frequencies are complete. This is a necessary compromise because without this reallocation, LTE would never work, said one source close to the 4G Consortium.

In this way, MTS and MegaFon will get an advantage in Moscow and the surrounding region, which contain 16 percent of the entire Russian mobile market.

The dual band network [that would result from having the reallocated frequencies plus those that could be won at tender] will be the main network, said MegaFon board member Ivan Streshinsky.

Streshinsky favors the frequency reallocation plan. It will help organize the spectrum and allow for several functional LTE networks to be set up simultaneously. MTS declined to comment. VimpelCom expects that the result of the process of distributing frequencies for LTE will be fair and transparent for all participants, said company spokeswoman Anna Aybasheva.

By confirming the draft in its current form, the authorities are discrediting themselves, said Tele2 Russia president Dmitry Strashnov. He hopes that the decision of the State Committee for Radio Frequencies will be balanced and responsive to the overall telecoms sector, and not just specific market players.

Read the original Vedomosti article here.

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