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Ministry Wants to Take Back 4G Frequencies

By The Moscow Times

July 08, 2013



The Communications and Press Ministry wants to take away the 4G LTE frequencies it granted to the country's four largest telecom operators last summer and create a single, state-run operator to manage the services, Kommersant reported.

MTS, VimpelCom, MegaFon and Rostelecom were awarded the licenses for the next-generation mobile broadband frequencies in a tender last July conducted by the Federal Service for Supervision in Telecommunications, Information Technology and Mass Communications, or Roskomnadzor.

Under the terms of the tender, telecom operators had to start offering the services on June 1, 2013 and the networks were expected to be fully operational in 2019. Each of the winners was required to spend at least 15 billion rubles ($480 million) per year to develop the 4G network.

But ministry officials deemed the companies' efforts to introduce LTE frequencies insufficient

and sent a proposal to the presidential administration to withdraw their privileges in favor of a single LTE operator. The authorities argued that the operators were developing the services primarily in large cities, whereas the government hopes to use LTE to lessen the digital gap across the regions.

The memo attached to the ministry's proposal encourages the president to give a state-run operator frequency bands of 720-750 MHz and 761-862 MHz, as well as all the 390-470 MHz and 694-876 MHz frequencies that are available now or will become available later. The operators would be able to keep frequency bands of 2500-2700 MHz.

The ministry claims that numerous operators will have access to the single state LTE network. The infrastructure will take two years to create, involve the construction of at least 30,000 base stations and cost 60 billion rubles ($1.8 billion), it said.

The winners of last year's tender have spoken out against the ministry's proposal. Industry experts said that rights to the LTE frequencies could only be withdrawn based on a court decision.

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