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Russia's 'Big Brother Law' to Cost Telecoms $154Bln – Report

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Russia's new anti-terror legislation is set to cost mobile phone▣networks 10 trillion rubles ($154 billion), the RBC news website▣
reported Friday.

The new laws require communications companies to store customers'▣messages, including photos and videos, for six months. Internet▣companies will also face a fine of up to 1 million rubles ($15,700)▣for not decoding users' data at the request of Russia's Federal▣Security Service (FSB).

Earlier estimates had placed the predicted cost to operators at▣2.2 trillion rubles ($34 billion), but the real cost is likely to be▣higher, data storage company RCNTEC's general director Denis Neshtun▣said.

The cost to companies could be reduced if the demands placed upon▣them were lessened, but

companies would still need to pay a significant amount toward the system's upkeep, he told RBC.

Russia's mobile phone operators have estimated that by the time the law comes into force in 2018, they will collectively be forced to handle and record 107,142 gigabytes every second, the Kommersant newspaper reported.

Oleg Fomichev, the deputy minister for economic development, said in July that the kind of data storage infrastructure needed to implement the new anti-terror legislation "didn't exist anywhere in the world."

It is "very difficult to say" what timescale would be needed to have the necessary infrastructure in place, Fomichev said.

Russia's biggest mobile operators have written to the government, arguing that the new demands would force companies to increase tariffs and pay less in taxes.

Author of the legislation, ultraconservative lawmaker Irina Yarovaya, called the claims a "baseless" excuse to raise prices.

The legislation was signed into law by President Vladimir Putin on July 7. The new laws include restrictions on religious activity, an increase in the number of crimes for which children aged 14-17 can be prosecuted and criminalizes a failure to report terrorist activities to the authorities.

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