

MTS Protests Loss of WiMAX Customers From New 4G Plan

By [The Moscow Times](#)

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The shuffling of frequencies necessary to create a nationwide 4G network, outlined in plans approved by the Communications and Press Ministry Thursday, will cost MTS its 70,000 WiMAX subscribers.

In a letter to Igor Artemev of the Federal Anti-Monopoly Service, MTS President Andrei Dubovskov expressed his dissatisfaction that rival providers will benefit by poaching MTS customers, who will be forced to find an alternative wireless Internet provider, Vedomosti reported.

Dubovskov's complaint is surprising, since MTS, along with MegaFon, VimpelCom, Rostelecom and Scartel, is a participant in the 4G consortium that drafted the plans for the new 4G network, which the Communications and Press Ministry approved Thursday.

As a result of Thursday's decision, MTS is obliged to surrender its WiMAX frequencies

in Moscow and the Moscow region by Sept. 1, 2012, before it will be assigned new frequencies needed to build a 4G network. MTS's WiMAX network, in which the company invested 1.5 billion rubles (\$51 million) so far, was only set up in 2009.

Dubovskov accused the Communications and Press Ministry of abusing its power and has requested the Federal Anti-Monopoly Service to block the decision. He claimed that the ministry's resolution restricts competition in the wireless Internet market and discriminates against MTS.

A source from MTS told Vedomosti that the company is reluctant to surrender an income stream which has a growing number of subscribers. Previous drafts of the plan had allowed providers to hold on to their frequencies until 2016, but Thursday's decision pushed forward the deadline for the handover by four years. Once the old frequencies are surrendered, there will be an inevitable time lag before the new LTE network can be operational.

According to Vedomosti, Deputy Communications and Press Minister Naum Marder accused MTS of not wanting to create a level playing field for its competitors and said that there must be fairness in the distribution of LTE frequencies. He rejected Dubovskov's complaints, saying he believed that the current plans are fair.

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