

Press-release of 22.06.2010

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On 17th June 2010, the Office of the Federal Antimonopoly Service in the Khanty-Mansiisk Autonomous District - Yugra (OFAS Russia) found that "Uralsvyazinfomr" OJSC violated the antimonopoly law by fixing monopolistically high prices for providing Internet access to physical persons.

The case was initiated upon citizens' petitions to OFAS Russia that "Uralsvyazinfomr" OJSC had overrated its services for providing Internet access to physical persons in comparison with other regions of the Russian Federation (plans "Svobodno [Free] 128", ("Svobodno 256", "Kruglie Soutki [Round the Clock] 128", "Kruglie Soutki 256" and "Kruglie Soutki 512").

OFAS Russia analyzed competitive environment on the market for providing wide-band Internet access to physical persons within the geographic boundaries of the Khanty-Mansiisk Autonomous District - Yugra and found that "Uralsvyazinfomr" OJSC has dominant position on the relevant market. The company's market share exceeds 61%.

Based on the documents submitted by "Uralsvyazinfomr" OJSC, the Commission of the Khanty-Mansiisk OFAS discovered that the price for Internet access for physical persons in Yugra exceeded the sum of costs and profit required to generate and provide the service in question.

Having completed the investigation, the OFAS Russia Commission found that the provider - "Uralsvyazinfomr" OJSC violated Clause 1 Part 1 Article 10 of the Federal Law "On Protection of Competition", which prohibits an economic entity with dominant position on a relevant market to exercise actions that result in infringing the interests of other persons, particularly, fixing and maintaining monopolistically high prices for the goods (works or services).

The Khanty-Mansiisk OFAS issued a determination to the company requesting it to stop abusing market dominance and to exercise actions aimed to reduce the cost of Internet access services. OFAS Russia will also impose administrative charges upon "Uralsvyazinfomr" OJSC. Under Article 14.31 of the Code of the Russian Federation on Administrative Violations, legal entities that abused market dominance are imposed a turnover fine from one hundredth to fifteen hundredths of the income gained by the violator on the market where the administrative violation was committed.