

Press-release of 25.06.2010

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The Federal Antimonopoly Service (FAS Russia) has not agreed upon the draft Federal Law "On Introducing Amendments to Article 2 of the Federal Law "On Communications" (in the part of more exactly defining the concept of a "provider that has an essential position in a public telecommunication network"), written by members of the State Duma of the Russian Federation and the draft official response of the Government of the Russian Federation on the draft Law, which is prepared by the Russian Ministry of Communications.

According to FAS Russia, the proposed amendments unreasonably expand the group of providers that are subject to government regulation, in particular, including cellular service providers. Price regulation of competitive markets can stimulate increase of companies' costs, which will cause adverse consequences for the consumers, and create additional unjustified administrative barriers for entry to the market of telecommunications.

This is not the first attempt to change the Federal Law "On Communications" in order to expand government regulation to competitive sectors of the telecommunication market. FAS Russia has already made negative conclusions about similar drafts, and these conclusions have been supported by the industry regulator and the Government of the Russian Federation.

Also, as far back as in 2001, when discussing the new version of the Federal Law "On Communications", FAS Russia proposed that instead of technical criteria the definition of communication services providers subject to government regulation should be based on a more advance concept of dominance, which is more in line with the international experience and best practices.

On 25th June 2010, FAS Russia sent its proposals to the Government of the Russian Federation.