

Press-release of 02.08.2010

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The Federal Antimonopoly Service (FAS Russia) initiated a case against the group of persons including "RZhD" OJSC and "First Freight Company" OJSC ("PGK" OJSC) upon the signs of violating Part 1 Article 10 of the Federal Law "On Protection of Competition" (abusing market dominance). FAS Russia has identified the following signs of violations:

- "PGK" OJSC was imposing disadvantageous contract conditions upon economic entities for the works for preparing oil-cars for oil-loading and all kinds of repair works at washing-and-steaming stations (additional charges for inspecting oil-cars without treatment);
- "RZhD" OJSC refused to inspect the rolling stock in receiving yards as part of terminal operations as well as to perform oil-cars spotting because the property of washing-and-steaming stations were leased out to "PGK" OJSC;
- "RZhD" OJSC was imposing disadvantageous contract conditions upon economic entities for inter-terminal transportation.

The above took place because "RZhD" OJSC leased out eight washing-and-steaming stations to "PGK" OJSC, which, in particular, is a rolling stock (oil-cars) operator and a forwarding agent operating its own rolling stock.

Therefore, one of the professional market participants (providing oil-cars for freight transportation) is given certain tools of control over other market participants, which enables it to interfere with their economic activities and can adversely affect the state of competition.

Also, according to a written letter of the Federal Tariff service (FTS Russia), technical inspection and maintenance of rolling stock (oil-cars) upon arrival to the loading station and until being transferred to washing-and-steaming stations are exercised by "RZhD" OJSC (the carrier), because under the relevant normative legal acts carrying out these works is the responsibility of the carrier - "RZhD" OJSC - and the payment for these works is included in the freight tariffs in the List of Terminal Operations. Consignors and consignees must not be additionally charged when another economic entity renders these services on a contract basis with "RZhD" OJSC.

The case is scheduled on 31st August 2010.