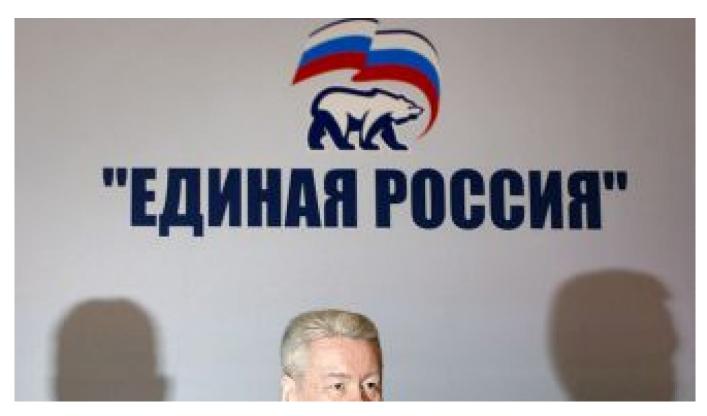


Mayor Sobyanin to Court Investors

By Alexandra Odynova

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Sobyanin attending a United Russia meeting last year. He said Friday that he was aware of Moscow's problems. **Igor Tabakov**

President Dmitry Medvedev told Deputy Prime Minister Sergei Sobyanin that his priorities as Moscow's next mayor would be to battle traffic jams and corruption in order to attract more investment.

Medvedev announced his decision to name Sobyanin as mayor late Friday, fulfilling expectations raised early that morning when the web site of Rossia One state television prematurely broke the news about Sobyanin's nomination.

Russian newswires quickly picked up the report, which cited a Kremlin statement, but Medvedev's spokeswoman Natalya Timakova denied releasing the statement an hour later and the web site apologized.

But Friday evening, Medvedev invited Sobyanin to his Gorki residence and told him about his nomination.

"This is very difficult work with a lot of responsibility," Medvedev said during the televised meeting.

Medvedev highlighted corruption, traffic and social problems as the main issues that Sobyanin should tackle after being confirmed as mayor by the Moscow City Duma.

"There are many opportunities for doing business in Moscow, but not all of them can be easily accomplished," Medvedev said. "There are many reasons for this, one of which we are openly talking about: corruption."

As for Moscow's notoriously bad traffic, Medvedev said, "if the situation with the traffic cannot be solved, at least it can be significantly improved."

"This is a big responsibility and confidence, and I'll do everything possible to justify it," Sobyanin told Medvedev, according to a transcript of the meeting posted on the Kremlin's web site.

"I've been living in Moscow for a few years, and I know the troubles and problems of this city," he said. "A lot has been done in the last few years, but at the same time, there are serious issues that need to be resolved immediately."

Sobyanin, 52, made no public comments after the meeting, but Kommersant, citing unidentified sources, said he had been highly reluctant to take the post.

In tackling Moscow's traffic, Sobyanin might be able to turn to his own wife for advice. Media reports in 2006 said his wife, Irina, owned a road-construction company that paved all of Tyumen. Sobyanin has not commented on the reports.

Sobyanin, who has served as Prime Minister Vladimir Putin's chief of staff, was seen as the front-runner for mayor after making it to United Russia's shortlist for Medvedev on Oct. 9. The other candidates were Transportation Minister Igor Levitin, Nizhny Novgorod Governor Valery Shantsev and Lyudmila Shvetsova, Moscow's deputy mayor in charge of social policies.

"Sergei Sobyanin is an experienced manager, who has all qualities needed to be the mayor of Moscow," Medvedev wrote on his Twitter blog.

Medvedev fired Mayor Yury Luzhkov on Sept. 28 after 18 years in office over "a loss of confidence." He has not elaborated on the reasons.

Boris Gryzlov, the State Duma speaker and leader of United Russia's faction in the Duma, predicted that Sobyanin "will be respected by Muscovites."

Moscow region Governor Boris Gromov, who had been embroiled in various feuds with Luzhkov in recent years, praised Sobyanin's nomination Saturday as a new "dynamic stage of cooperation between Moscow and the Moscow region in all ways," Interfax reported.

Gennady Zyugannov, leader of the Communist Party, cautioned that the new job "won't be easy" for Sobyanin.

Sobyanin will start by "reorganizing the financial flows" in the city dominated by Luzhkov's

allies, including taking away businesses from Luzhkov's wife, Yelena Baturina, the billionaire owner of the Inteko construction company, said Vladimir Pribylovsky, head of the Panorama think tank.

Baturina's relationship with Luzhkov and her wealth raised questions about corruption in City Hall. Investigators have said they do not plan to investigate Luzhkov's family for corruption, and the former mayor and his wife have denied wrongdoing.

Luzhkov, who has been on vacation in Austria for the past week, will only comment on Sonyanin's appointment after he returns to Moscow this week, Interfax reported.

Sobyanin, a lawyer by training, has lived in Moscow for the past five years after shorter stints in the capital in the 1990s. Born in 1958 in an ethnic Mansi village in West Siberia's Khanty-Mansiisk district, Sobyanin quickly rose through the ranks of the Communist Party and Soviet institutions. In 1994, he was elected speaker of the district's parliament and became a Federation Council senator two years later.

"Sobyanin is not a Muscovite, but he made a lot of political connections in the city as the [Khanty-Mansiisk district] speaker," Pribylovsky said.

Sobyanin was elected governor of the Tyumen region in early 2001 and later that year was elected chairman of the TNK oil company.

After replacing Medvedev as Putin's Kremlin chief of staff in 2005, Sobyanin went on to head Medvedev's election campaign in 2007 and become a deputy prime minister in 2008. He also has served as a co-chairman of Channel One state television since February 2009.

As a new man in City Hall, Sobyanin might want to reshuffle the team formed by Luzhkov, Pribylovsky said. Shvetsova is likely to remain in her post because she was shortlisted by United Russia for the mayor's job, but Sobyanin might also bring in another woman, Anastasia Rakova, he said. Rakova, who is known as Sobyanin's right hand, heads the government's law department and is the only subordinate he brought from Khanty-Mansiisk to Moscow, he said.

Sobyanin, a member of United Russia's supreme council, will have to resign as deputy prime minister and Putin's chief of staff when his nomination is approved by the Moscow City Duma, where United Russia occupies 32 of the 35 seats. A date for the conformation had not been set by Sunday.

Analysts say Sobyanin's appointment as mayor represents a significant loss for Putin, for whom he established communication with the regions. Putin has not said who will replace Sobyanin.

Sobyanin and his wife have two daughters. According to his income declaration, Sobyanin earned 3.2 million rubles (\$105,609) last year and owns a Jeep Cherokee, while his wife earned 18,500 rubles (\$610). The two share an apartment of 118 square meters.

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