

Antitrust Service Proposes Solution to Telenor Conflict

By [The Moscow Times](#)

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The Federal Anti-Monopoly Service on Wednesday proposed a solution for its standoff with Norwegian telecommunications operator Telenor.

It would be ideal if Telenor and its smaller Russian partner, Alfa Group, ended up with equal stakes and board seats in the company that owns mobile operator VimpelCom, said antitrust service director Igor Artemyev.

To do that they could buy out the third partner, Ukrainian businessman Viktor Pinchuk, who holds about 6 percent of VimpelCom Ltd., the parent company of Russia's VimpelCom, Artemyev said.

Alfa now owns 40 percent of the voting stock in VimpelCom Ltd., while Telenor recently increased its stake to 43 percent, defying the Federal Anti-Monopoly Service and a court injunction.

Under Russian law, a foreign company must seek government permission to own major stakes in a strategic company like VimpelCom, something that Telenor didn't do, the watchdog said.

The antitrust agency is seeking to invalidate Telenor's latest purchase of VimpelCom in court, but Artemyev said Wednesday that he would push for a delay of legal action by at least a month. The court is scheduled to start hearings in the case Oct. 17.

"We must settle out of court," Artemyev said. "I am convinced of that."

He noted that Telenor is a major investor in the country and that any hostile measures by the government could prompt it to turn its back on the country.

Commenting on another case, Artemyev said the Federal Anti-Monopoly Service was positive about approving a deal for telecom operator MegaFon to buy half of mobile phone retailer Yevroset from investor Alexander Mamut.

The watchdog will likely require Yevroset, whose other half belongs to VimpelCom, to sell the cell phone plans of other operators, which include MTS, Artemyev said. As a result of the deal, Yevroset will likely have no more than 30 percent of the market, he said.

Artemyev spoke after the antitrust watchdog and the Investigative Committee signed an agreement to cooperate when working on antitrust cases. He said the committee's information will be useful in uncovering cartels.

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