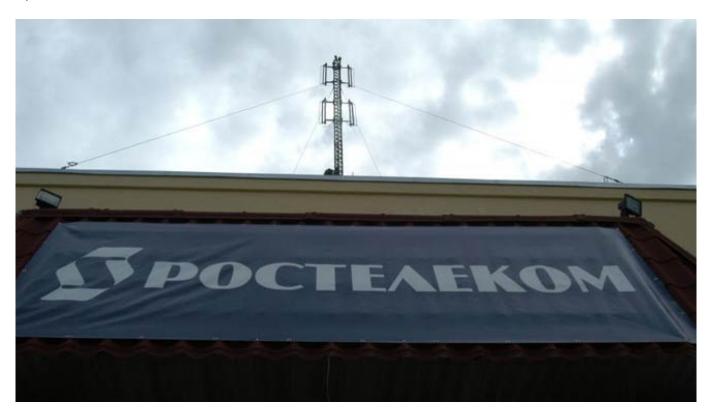


Rostelecom Close to Completing Underwater Cable to Crimea

By The Moscow Times

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Rostelecom is about 51 percent-owned by the state telecommunication holding company Svyazinvest and its main businesses are based in Russia.

Russian long-distance telecoms provider Rostelecom has nearly competed laying an underwater communication line across the Kerch Strait, which will connect Crimea with Russian regions and bypass Ukraine, Kommersant reported Monday, quoting a source in one of the contractor firms.

The full cost of the project has not been disclosed so far, but the construction of the underwater part of the cable alone is estimated to be between 400 million and 900 million rubles (\$11.4 million to \$25.7 million). It includes a 40-kilometer fiber-optic cable line from the Krasnodar region to the Kerch Strait, the construction of which began in late March, and a 6-kilometer underwater part.

Prime Minister Dmitry Medvedev said on March 24 that the Russian government should

provide Rostelecom and its subsidiaries access to operations in Crimea as early as possible. "It is unacceptable that information and documents related to managing the territory — two federal entities — including those of confidential nature, are transmitted using the facilities of foreign telecommunications companies," he said.

Rostelecom said on the same day that it had started working on the issue but did not provide any details. "Now that the relations between Russia and Ukraine are becoming more acute, communicating with Crimea through a line crossing Ukraine is not safe: it can be easily cut. Therefore it is necessary to bypass Ukraine and lay a cable to Crimea on the bottom of the Kerch Strait," said Yevgeny Yurchenko, former CEO of Svyazinvest and a minority shareholder of Rostelecom.

Rostelecom may also have to build the surface part of the communications line on the annexed peninsula. "There are very few correctly built fiber-optic lines in Crimea, so new ones have to be installed," said Andrei Bobrovsky, CEO of Soyuz-Telefonstroi, a company that started operations in Crimea several days after it proclaimed its independence. He added that his company was ready to provide its resources to Rostelecom

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