

Putin Approves Sochi Facilities Swaps

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President Vladimir Putin has signed a law enabling private companies to swap facilities built for the Sochi Winter Olympics for government property, an option likely to be appeal to Russian Railways among others.

According to the new law, which was signed Saturday and published Monday on the government's official legislation portal, all privately owned Olympic facilities as well as those built under contracts with the Olimpstroy corporation, which is to be dissolved by the end of 2014, can now be exchanged for state-owned properties.

The next step is for the government to draw up a list of properties that are suitable for ownership swaps. An assessment of the viability of each transfer must also be carried out before the deal can go ahead.

Russian Railways could well be one of the beneficiaries of the new legislation. The state rail monopoly's chief Vladimir Yakunin said previously that he was interested in handing over

a combined road and rail link that Russian Railways built for the Games to the government in exchange for a railroad in the Far East, RIA Novosti reported.

The combined link cost a total of 285 billion rubles (\$8.3 billion), of which 241 billion rubles (\$7 billion) came from the state budget while Russian Railways coughed up the rest. The company is prepared to hand over the section of the link used for automobiles, a 45-kilometer stretch of road worth 81 billion rubles (\$2.3 billion), in exchange for the Ulak-Elga railroad in the far eastern republic of Sakha.

The government would first have to buy the railroad, which is currently owned by debt-laden metals and mining group Mechel. Industry and Trade Minister Denis Manturov said last month that the state could potentially provide Russian Railways with the funds necessary to buy the railroad.

The railroad, which spans 321 kilometers and is worth about 70 billion rubles (\$2 billion), provides access to the Elga coal deposit, one of the largest deposit in the world. Russian Railways and Mechel, which is \$8.6 billion in arrears to various creditors, have already held discussions about the sale.

Olimpstroi was created in 2007 and built some of the main Olympic venues, including the Fisht Stadium — the location of the opening and closing ceremonies. The Fisht Stadium cost about 17.5 billion rubles (\$510 million) to build, while the Bolshoi Ice Dome was valued at 9.9 billion rubles (\$290 million).

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