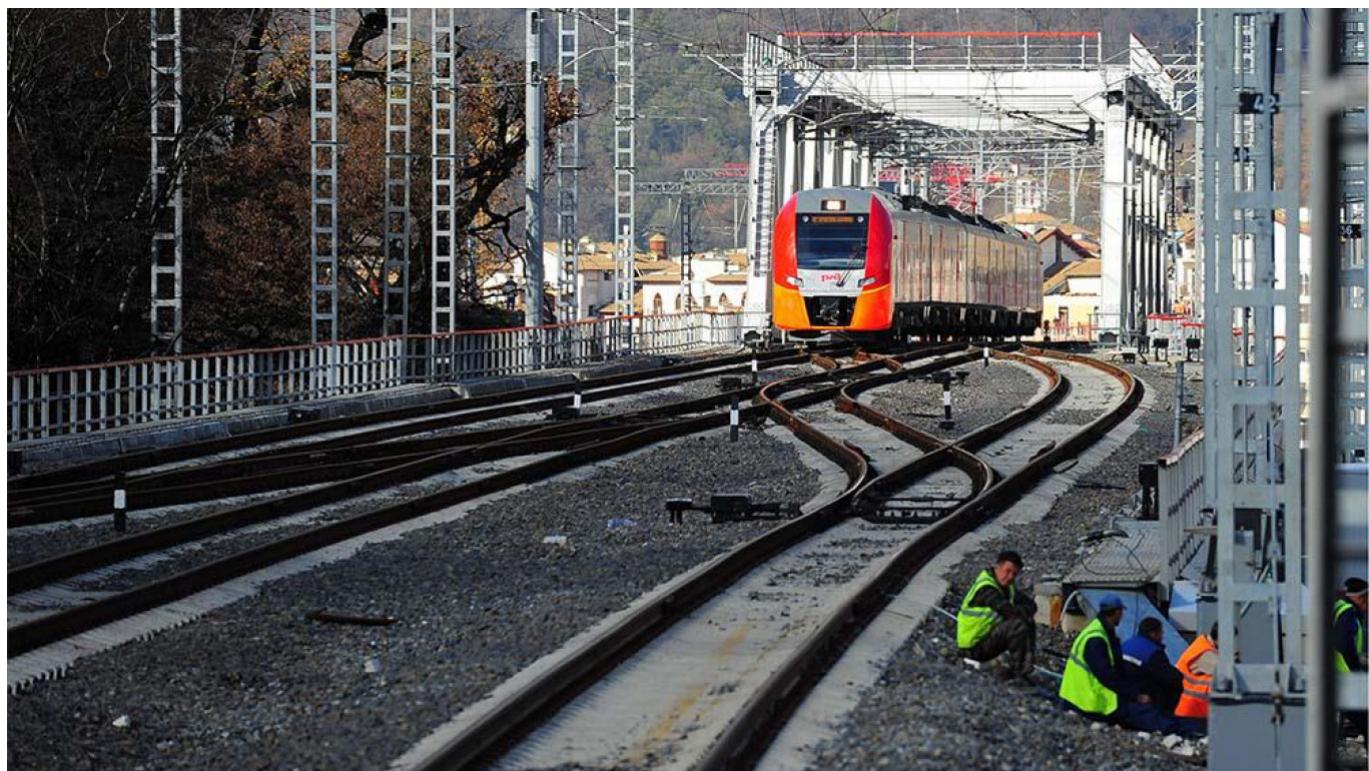




New Crimea Railroad Could Cost Russia Extra \$1.7 Bln

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Vladimir Smirnov / TASS

Officials in annexed Crimea are deciding whether to spend 100 billion rubles (\$1.7 billion) to upgrade and expand the region's rail network as part of a bridge project connecting the peninsula to mainland Russia.

Russia launched construction of the \$4-billion road and rail bridge after annexing Crimea from Ukraine in 2014. A company owned by President Vladimir Putin's judo partner Arkady Rotenberg won the contract for the project due to be completed by December next year.

Related article: [Putin's Judo Partner Awarded \\$285M Contract For Crimea Railway](#)

The upgrade to the region's railroads will be financed either through concessions or project bonds, a Crimean government representative was [cited](#) as saying by the *Vedomosti* business

daily.

An unnamed federal official said Rotenberg's firm, Stroigazmontazh, would not formally take part in the railroad's construction because of U.S. sanctions. State-run Russian Railways is also likely to avoid operating the new network for fear that it will fall foul of sanctions on companies that operate in Crimea, Vedomosti cites a development center expert as saying.

"This is a broad estimate prior to formal review, which could either increase or decrease," Sergei Aksyonov, Crimea's prime minister, told Vedomosti in reference to the 100 billion ruble cost.

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