DECISION OF THE GOVERNMENT OF THE RUSSIAN FEDERATION NO. 239 OF MARCH 7, 1995

ON MEASURES TO STREAMLINE THE STATE REGULATION OF PRICES (TARIFFS)
(with the Additions and Amendments of February 8, April 15,
July 31, 1996, June 30, 1997, July 30, December 28, 1998, February 6, May 7, June 16, August 20, 2001)

Concerning the state regulation of tariffs for the electric and thermal power in the Russian Federation see Federal Law No. 41-FZ of April 14, 1995

Concerning the measures for adjusting the state regulation of the prices for gas and the raw material for its production see <u>Decision</u> of the Government of the Russian Federation No. 332 of April 15, 1995

In pursuance of the <u>Decree</u> of the President of the Russian Federation No. 221 of February 28, 1995 on measures to Streamline the State Regulation of Prices (Tariffs) the Government of the Russian Federation resolves:

1. To endorse the following appended lists:

the <u>List</u> of engineering products, consumer goods and services whose prices on the home market are controlled by the Government of the Russian Federation and the federal executive bodies:

the <u>List</u> of engineering products, consumer goods and services whose prices (tariffs) on the home market are controlled by the executive bodies of the subjects of the Russian Federation;

the <u>List</u> of services rendered by transport, supply and marketing and trade organizations, on which the executive bodies of the subjects of the Russian Federation have been given the right to introduce state control over tariffs and premium prices.

- **2.** By agreement with the Ministry of Economic of the Russian Federation the Ministry of Atomic Energy of the Russian Federation shall be obliged to determine concrete products of the nuclear fuel cycle whose prices are controlled by the State.
- **3.** By agreement with the Ministry of Finance of the Russian Federation, the Ministry of Communications of the Russian Federation and the Ministry of the Russian Federation of Social Protection for the Population the Ministry of Economics of the Russian Federation shall be obliged to submit within two weeks for the approval by the Government of the Russian Federation its proposals on the lists of communication services, which are subject to the state control of prices (tariffs) for all the categories of consumers by the federal executive bodies and the executive bodies of the subjects of the Russian Federation.

See the <u>List</u> of Communication Services Which Tariffs Are Regulated by the State at the Domestic Market of the Russian Federation through the Ministry of Anti-Monopoly Police and Promotion of Entrepreneurship of the Russian Federation, endorsed by <u>Decision</u> of the Government of the Russian Federation No. 715 of October 11, 2001

- **4.** The Ministry of Economics, the Ministry of Finance, the State Committee for Antimonopoly Policy and Support for New Economic Structures, the Ministry of Fuel and Power Engineering, the Ministry of Railways, the Ministry of Transport, the Trade Committee, the State Committee of the Russian Federation for Defence-related Industries, and other interested federal executive bodies shall be obliged to submit to the Government of the Russian Federation their proposals on the improvement of the mechanism of controlling prices (tariffs) for the products, goods and services of the natural monopolies at the federal and regional levels, and also for the products of the defence complex.
- **5.** To lay down that the executive bodies of the subjects of the Russian Federation, for which the federal budget provides for financial support, shall control prices (tariffs) for engineering

products, consumer goods and services whose prices (tariffs) on the home market of the Russian Federation are controlled by the executive bodies of the subjects of the Russian Federation, and also tariffs and extra charges on the services of transport, supply marketing and trade organizations, for which the executive bodies of the subjects of the Russian Federation are granted the right to introduce state control of tariffs and extra charges by agreement with the respective federal executive bodies.

The Ministry of Finance, the Ministry of Economic and the Ministry of the Russian Federation for the Affairs of Nationalities and Regional Policy shall be obliged to determine the procedure for such agreement.

- **6.** The Ministry of Economic and the Ministry of Finance of the Russian Federation shall be obliged to submit within two months to the Government of the Russian Federation their proposals on the application of sanctions to enterprises and organizations for the violation of the legislative norms of state control of prices (tariffs).
- **7.** State control of prices (tariffs) and extra charges shall not be applied to all the transactor units, regardless of their organizational structures, legal status and departmental subordination. The state control shall be exercised by fixing prices, price limits, extra charges, marginal coefficients of changing prices, maximum level of profitability, declared rise in prices for engineering products of all types, consumer goods and services, except for products, goods and services, provided for by Item 1 of the Decision.

The Ministry of Economics, the Ministry of Finance and the Ministry of Justice of the Russian Federation, with the participation of other interested federal executive bodies, shall be obliged to submit within a month to the Government of the Russian Federation their proposals on the recognition as invalid the Government decisions on price formation in connection with the present Decision.

<u>Decision</u> of the Government of the Russian Federation No. 600 of June 26, 1995 recognized as abolished certain Decisions of the Government of the Russian Federation on the matters of price formation

8. This Decision shall enter into force from the day of its publication.

Chairman of the Government of the Russian Federation

Viktor Chernomyrdin

List

of Engineering Products, Consumer Goods and Services Whose Prices (Tariffs) on the Home Market of the Russian Federation Are Controlled by the Government of the Russian Federation and the Federal Executive Bodies (with the Amendments and Additions of June 30, 1998)

<u>Decision</u> of the Government of the Russian Federation No. 473 of April 15, 1996 included in this List the social services rendered to citizens of the Russian Federation by the State and Municipal Institutions of Social Service

<u>Decision</u> of the Government of the Russian Federation No. 593 of August 20, 2001 amended the first paragraph of this List

See the previous text of the paragraph

Natural gas, petroleum (associated) gas and stripped dry gas (except gas realised by gas producing organisations that are not affiliated persons of the public joint-stock company Gasprom or the joint-stock companies Yakutgasprom, Norilskgasprom, Kamchatgazprom and Rosneft-Sakhalinmorneftegas, and also gas realised to the population and to housing construction cooperatives), petroleum (associated) gas realised to gas processing plants for further processing,

liquefied gas for household needs (except gas realised to the population).

Products of the nuclear fuel cycle

Electric power and heat power, the tariffs on which are controlled by the Federal Power Commission

About the functions of the Federal Power-Generation Commission of the Russian Federation, concerned with fixing the tariffs on the electricity (electric power) on the federal (all-Russia) wholesale market of electricity (electric power) see Decision of the Government of the Russian Federation No. 793 of July 12, 1996

<u>Decision</u> of the Government of the Russian Federation No. 865 of July 30, 1998 reworded the fourth paragraph of this List

See the previous text of the paragraph

The transportation of crude oil and petroleum products via main pipelines Products for defence purposes

<u>Decision</u> of the Government of the Russian Federation No. 773 of June 30, 1997 excluded the words "precious metals and alloys; rolled stock, industrial products, tooth technical products from precious metals, their waste and scrap" from this List

Precious metals and alloys; rolled stock, industrial products, tooth technical products from precious metals, their waste and scrap; raw diamonds, and precious stones

Prosthetic and orthopedic appliances

Freight traffic, loading and unloading operations on the railway transport

Transportation of passengers, baggage, cargoes and mail by rail (except for suburban traffic)

Loading and unloading operations in ports, harbour dues, dues for the passage of ships under foreign flags along internal water routes

Services of icebreakers

Aeronavigation service of aircraft, passengers and cargoes in airports

Particular postal and electric communication services, TV communication services for broadcasting programmes of Russian state TV and radio organizations according to the list, endorsed by the Government of the Russian Federation

<u>Decision</u> of the Government of the Russian Federation No. 915 of July 31, 1996 reworded the following paragraph

see the previous text of the paragraph

Vodka, Liquor Products and Other Alcohol Products With an Alcohol Content Higher Than 28 Per Cent Destilled in the Territory of the Russian Federation or Imported to the Territory of the Russian Federation.

The minimum prices for vodkas, liqueurs and other alcoholic products with the strength of over 28 per cent were established by <u>Letter</u> of the Ministry of Economics of the Russian Federation No. SV-120/7-190 of March 17, 1997

<u>Decision</u> of the Government of the Russian Federation No. 467 of June 16, 2001 supplemented this List with the following position:

Ethyl alcohol from edible raw materials, produced on the territory of the Russian Federation.

List

of Engineering Products, Consumer Goods and Services Whose Prices on the Home Market of the Russian Federation Are Controlled by the Executive

Bodies of the Subjects of the Russian Federation

Natural gas sold to the population and house-building cooperatives

Condensed gas sold to the population to meet household needs (except for gas for fuelling motor transport vehicles)

Electric power and heat power whose tariffs are controlled by regional power commissions Hard fuel, household stove fuel and kerosine sold to the population

Transportation of passengers and baggage by public transport of all types, including urban, subway and suburban transport (except for railway transport)

Payments for housing and utilities by the population*

Ritual services

Services of Water supply and sewage systems mercantile additions to prices for medicines and medical articles

<u>Decision</u> of the Government of the Russian Federation No. 1559 of December 28, 1998 excluded paragraph 10 from this List

Postal and electric communication services according to the list, approved by the Government of the Russian Federation

List

of Services of Transport, Supply, Marketing and Trade Organizations, on Which the Executive Bodies of the Subjects of the Russian Federation Are Given the Right to Introduce State Control over Tariffs and Price Additions

The supply and marketing and mercantile additions to prices for products and goods sold in the Far North areas and the localities equated therewith with organization periods of delivery of cargoes

Increased prices of products (goods), sold at public catering enterprises in general education schools, vocational schools, specialized secondary and higher educational establishments

Mercantile additions to prices for baby food (including food concentrates)

Transportation of passengers and baggage by rail in suburban traffic by agreement with the Ministry of Railways of the Russian Federation, subject to the compensation of losses arising due to the regulation of tariffs from the budget resources of the subjects of the Russian Federation

Transportation of passengers and baggage by motor transport along intra-regional and inter-regional routes (inter-republican routes within the Russian Federation), including taxi routes

Carriage of passengers and baggage by local air and river transport and in crossing places

Haulage of cargoes, passengers and baggage by sea, river and air transport in the Far North areas and the localities equated therewith

<u>Decision</u> of the Government of the Russian Federation No. 350 of May 7, 2001 reworded the last paragraph of this List

See the previous text of the paragraph

The transportation services rendered on the approach railway lines by organizations of the industrial railway transport and by the other economic subjects regardless of their legal organizational form, with the exception of organizations of the federal railway transport.

^{*} Prices (tariffs) are set in accordance with the Decision of the Council of Ministers (Government) of the Russian Federation No. 935 of September 22, 1993 (Collected Acts of the President and the Government of the Russian Federation, No. 39, 1993, item 3620; No. 17, 1994,

item 1422) and the <u>Decision</u> of the Council of Ministers (Government) of the Russian Federation No. 1329 of December 23, 1993 (Collected Acts of the President and the Government of the Russian Federation, No. 52, 1993, item 5092).