



A citizens' evaluation of National Regulatory Authorities



DG Health & Consumer Protection



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Asociația Națională pentru Protecția Consumatorilor și Promovarea Programelor și Strategiilor din România
National Association for Consumers' Protection and Promotion of Programs and Strategies from Romania

National Report – Romania

**Project: "Consumer Organisations and General Interest Functions:
for a Citizens' evaluation of national regulatory authorities"**

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1. Introduction

1.1. Description of the project

Starting from February 2006 until January 2008, National Association for Consumers' Protection and Promotion of Programs and Strategies from Romania (A.N.P.C.P.P.S. Romania) participates in the European Project European "Consumer Organizations and General Interest Functions: for a citizens' evaluation of national regulatory authorities"

The main objective of the project is to promote effective and efficient integration of consumers' opinions and interests in national and European policies regarding general interest services (electricity, gas, telecommunications, postal services, aviation) through a evaluation of National Regulation Authorities (NRAs) on the basis of complaints made by consumers and consumers' associations experience.

From the general objective, the following specific objectives can be derived:

1. To promote cooperation between 10 organizations in 9 European countries, comparing the operational methodologies of gathering citizens' complaints and working with NRAs;
2. To sensitize consumer associations in the need to play an ever more active role in relation to their respective NRAs, thanks to their monitoring and evaluation of NRA activities;
3. To promote greater collaboration between NRAs and consumer associations;
4. To draw a European picture of NRA activities with respect to consumer protection and general interest services;
5. To involve citizen and consumer organizations in the evaluation of the degree and the possible benefits (for users) of competition in services of general interest;
6. To improve the services of general interest, in particular with regard to accessibility, quality and security, as well as the dispute resolution methods, thanks to the evaluation of consumers on their efficiency.

Partners of the project :

Cyprus: Cyprus Consumer Association

Czech Republic: Consumers Defence Association of the Czech Republic

Finland: Kuluttajat – Konsumenterna ry(The Consumers)

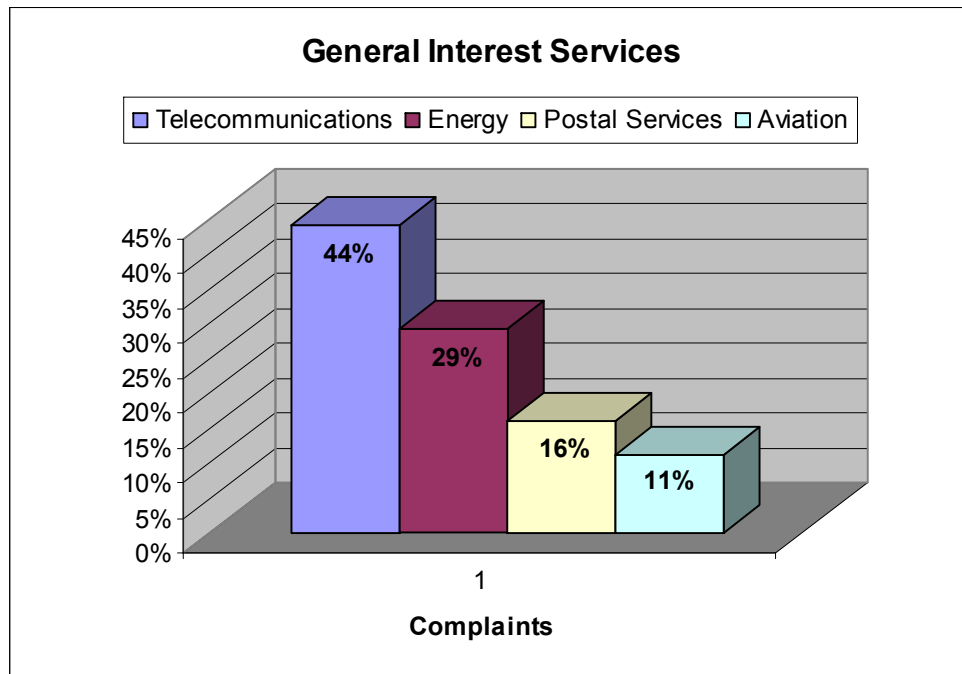
Greece: KEPKA – Consumer Protection Center

Italy: Cittadinanzattiva

Poland: Association of Polish Consumers

Slovakia: Association of Slovak Consumers

United Kingdom: Rutland Citizens Advice Bureau



1.2. Presentation - National Association for Consumers' Protection and Promotion of Programs and Strategies from Romania (A.N.P.C.P.S. Romania)

National Association for Consumers' Protection and Promotion of Programs and Strategies from Romania is a non-governmental, representative and independent organization, of private law, without a lucrative purpose, with distinct and indivisible patrimony, based on democratic principles, that protects consumers' rights.

N.A.C.P.P.S. Romania has been founded in 2003 to comply with consumers' needs in Romania. Since then it carries on an uninterrupted activity and it gained national and international recognition, becoming member of different organisations, consultative commissions of state's authorities, working groups and partner in national and international programs.

From N.A.C.P.P.S. Romania's activities, we mention:

- Setting up Consumers' Information and Consultancy Centers in all counties and carrying on continuous activities in the area of consumers' education and information
- Active involvement in the fight against counterfeits
- Founding Member of the first Federation of consumers' protection organisations from Romania
- Accreditation at the Romanian Parliament - Chamber of Deputies for the works of the Specialized Boards
- Setting up the first master course in the area of consumers' protection in cooperation with Faculty of Sociology and Social Assistance from Bucharest University
- Initiation of the introduction of consumers' protection classes in schools
- Development of several campaigns of education and information in the period of Romania's accession to the EU; these campaigns were carried on by broadcasting clips on most national televisions and radios, by dissemination of written materials and by organizing events at national, regional and zonal level
- Gathering national and international organisations and institutions under the aegis of the concept "Consumers' Protection – A New Attitude"
- Supporting the publication of specialized works

Association's goals are:

To protect consumers' legitimate rights and interests, to raise consumers' awareness about their rights and to develop projects and programs to this respect. Typical goals of the programs are: to protect consumers against the risk of buying or using products of an uncertain quality, to inform consumers about products that could be damaging for their health, to encourage consumers to have the right to choose, to solve consumers' complaints.

The main attributes of the organisation:

- To participate, as an advisory part, in elaboration of the national strategies and programs regarding consumers' protection;
- To oversee legislation enforcement and to contribute to its updating;
- To support the process of consumers' stratification horizontally and vertically in nongovernmental organizations, able to protect and represent their interests;
- To sustain the set up and functioning of local centers of information, consultancy and education for consumers, and to develop its own activities for this purpose;
- To organize an information centre for members of consumer's associations;
- To carry out studies, researches and comparative tests.

2. Consumers' position and the role of National Regulatory Authority on the market of postal services

2.2. Postal services in Romania

The main purpose of the postal services is ensuring the permanent connection among people.

The permanent need for this connection led to establishing specialized services to satisfy this need.

Development of social relationships determined a continuous improvement of organizational structures and technological processes specific for this sector.

At the central level, in September 1990 was established the Autonomous Entity "ROMPOSTTELECOM" which operated until June 1991. In this way the regulating authority from the operating one were separated. Beginning with June 1991 the postal sector split from the telecommunications one and the Romanian Post became an Autonomous Company.

By Decision no 371 of July 1998, Romanian Government disposed the transformation of R.A. Romanian Post in a commercial society named National Company Romanian Post S.A. (C.N. Posta Romana S.A.). By the same Decision it was established the "constitutive document" of C.N. Posta Romana S.A.

At present the activity of providing postal services in Romania is mainly regulated by the following acts:

- Government's Ordinance no 31/2002 regarding postal services, approved with amendments and completions by Law no.642/2002, with the subsequent amendments
- Decision of the President of Romania Regulatory National Authority for Communications and Information Technology no 2858/2007 on the general authorisation regime for the provision of postal services, published in the Romanian Official Journal, Part I, no.608 of September 4th 2007, a normative act which repealed the ANRC President Decision no.118/2003 on the procedure for the authorisation of the postal services providers, with the subsequent amendments; this Decision regulates the conditions in which providers of postal services benefit from the regime of general authorization (it aims the detailed regulation of activities of postal services providers) as well as authorization procedure for persons who want to provide postal services (intended to simplify the procedure).

The legal provisions in force in Romania and also on European level divide the postal services into two categories: postal services included in the scope of universal service and postal services which are not included in the scope of universal service.

At this time, all postal services may be provided based on the general authorisation regime, the individual licence being eliminated (based on which the services within the scope of universal service were provided).

The general authorisation regime allows the provision of postal services without obtaining an explicit decision from the regulatory authority. The submission of a simple notification to ANRCTI on the intention to provide postal services is sufficient.

The ANRCTI President's Decision no.2858/2007 came into force as of September 7th 2007 and regulates the conditions under which the providers of postal services benefit from the general authorisation regime (aiming at comprehensively regulating the activity of postal services provision), as well as the procedure of authorising the persons who intend to provide postal services (aiming at simplifying it). The persons who intend to provide postal services may operate only after submitting a notification to ANRCTI.

The basic principles for the provision of universal service in the postal services sector on the Romanian territory are laid down in the Order of the Minister of Communications and Information Technology no.225/2003 for the approval of the Strategy and Policy Paper on the implementation of universal service in the postal services sector.

Further to the provisions of this Paper, ANRC issued Decision no.1351/2003 on the conditions and procedure for the designation of the universal service providers in the field of postal services and subsequently adopted the decision by which the National Company Posta Romana was designated as a universal service provider in the postal services sector on the whole territory of Romania, for a five year period.

At the beginning of June 2004, ANRC brought certain amendments to the decision designating the National Company Posta Romana as a universal service provider in the postal services sector, thus completing the thorough harmonisation with the tariff and weight limitations provided by the European legislation in the postal services sector, which is meant to foster the framework for competition-oriented European postal services.

According to the "Report regarding the market of postal services in Romania from January 1st to December 31st 2006" published on the web site of ANRCTI, at the end of 2006 on Romanian market there were 238 authorized providers of postal services. Moreover, another 20 providers gave up this right during 2006. National Company Romanian Post S.A. (C.N. Posta Romana S.A.) is the only provider of universal postal services present on Romanian market. It has been appointed so by Decision of the President of ANRC no 88/2004 regarding the assignment of the provider of universal services in the area of postal services, with the subsequent amendments.

C.N. Posta Romana S.A. is the national operator in the area of universal postal services and it is the property of Romanian state, represented by the Ministry of Communications and Information Technology (75 % of the shares) and Property Fund (25 % of the shares). The company is organized in ten regional postal directions and five specialized branches – Fast Post Department, Stamp Factory, Expedition House and Department of Financial Services and National Philatelic Museum. There are five regional transit services. The company is managed by the General Manager, who is also the President of the Administration Board.

Postal services included in the area of universal service:

- clearance, sorting, transport and delivery of domestic and cross-border postal items, up to 2 kg
- clearance, sorting, transport and delivery of postal packages, up to 10 kg
- distribution of postal packages between 10 to 20 kg, sent from outside Romania to an address located in Romania
- service for registered items, domestic or cross-border
- clearance, sorting, transport and delivery of postal packages with a weight between 10 to 20 kg, sent from outside Romania to an address located in Romania
- service for insured items, domestic or cross-border

According to the "Report regarding the market of postal services in Romania from January 1st to December 31st 2006", published by the ANRCTI, C.N. Posta Romana S.A. distributed approximately 546,42 millions of domestic and cross-border deliveries, which represents 94,81 % of the postal traffic registered in Romania. Compared with 2005, when Posta Romana distributed 456,07 domestic and cross-border deliveries, in 2006 the postal traffic has increased with 19,81%.

From the point of view of letter mail, Posta Romana is on the first place with 536,12 millions domestic and cross-border deliveries made in 2006, which represents 96,90% of the total of 553,29 deliveries distributed annually.

From the point of view of parcels, Posta Romana distributed last year 12,54% of the market total. The rest of the market is handled by other suppliers, including the companies that handle large parcels.

The Report reveals the fact that, in the area of Express services, Posta Romana is the national leader with a rate of 50,56%; it handles 8,4 millions domestic and cross-border deliveries.

2.2. National Regulatory Authority

The National Regulatory Authority for Communications and Information Technology (ANRCTI) is the institution entrusted with enforcing the national policy in the fields of electronic communications, audiovisual communications, radio and electronic communications terminal equipments, information technology and of postal services.

ANRCTI's activity of surveillance and control develops with the aim to accomplish several major objectives: promotion of fair competition and protection of users' rights and interests, in conditions of transparency, impartiality and objectiveness. As the Romanian market of electronic communications and postal services has been fully liberalised, promoting competition is a priority. The control of enforcement of the present legal provisions is ensured by persons imputernicite by the President of the Authority.

The National Regulatory Authority for Communications – ANRC - was established on September 25th 2002, in order to promote competition in the electronic communications and postal services sectors and to protect the rights and interests of the end-users of electronic communications networks and services and of postal services, regarding the providers' transparency as to the users, related to tariffs and services terms of use, as well as regarding the processing of personal data and providing for all the Romanian citizens' exercise of the right to universal service.

According to the current regulatory framework, if a dispute occurs between the providers of electronic communications networks or services or between the providers of postal services, concerning the obligations imposed by the legal provisions in the electronic communications or postal services sectors, or if a dispute rises between an end-user and a provider, the interested party may notify ANRC with a view to settling the respective dispute. The dispute settlement procedures within the ANRC competence are optional and cost-free.

Based on the new legislative framework, ANRC was also assigned attributions in order to regulate the postal services sector. These services fall either within the scope of universal service in the postal sector or under the general authorisation regime.

The companies intending to provide postal services outside the scope of universal service do have the right to provide such services based on the ANRC issued authorisation. The authorisation regime for the providers of postal services was regulated by ANRC President's Decision no.118/2003 on the procedure for the authorisation of the postal services providers, enforced on April 1st 2003.

On December 29th 2006, the Romanian Official Journal published the Government Emergency Ordinance no.134/2006 on the establishment of

the National Regulatory Authority for Communications and Information Technology (ANRCTI) - a public institution with legal personality subordinated to the Government, fully financed from extra-budgetary revenues – by means of re-organising the National Regulatory Authority for Communications, which is dissolved.

The ordinance was adopted considering the full harmonisation of the national legislation with the EU legislation as well as the necessity to regulate the information technology domain in close connection with electronic communications and postal services, since they are convergent domains. So far, in Romania there is no institutional regulatory framework to assure the transition to the Information Society.

On April 23rd 2007 the National Regulatory Authority for Communications and Information Technology took over the specific attributions of the Inspectorate General for Communications and Information Technology in the fields of radio-communications, audio-visual communications, radio and electronic communications terminal equipments. This was one of the objectives established by Chapter 20 of the Government's programme, as a necessary step in view of our alignment to the European model in the communications and information technology domain.

According to the provisions of the Government Emergency Ordinance no.25/2007 on the establishment of certain measures in view of re-organising the Government's working apparatus, published in the Romanian Official Journal, the Inspectorate General for Communications and Information Technology (IGCTI) is thereby abolished and ANRCTI, based on the takeover protocol, takes over the budget, financing resources, personnel, rights and obligations of the former IGCTI.

ANRCTI holds four territorial branches in Bucharest, Cluj, Timisoara and Iasi, whereas in every municipality of every county and in every sector in Bucharest it has territorial offices.

Their role is to ensure that the competence of ANRCTI is exerted in territory, as well as to receive requests and notifications from consumers in order to solve them or to send them to ANRCTI headquarters for resolution, as the case may be.

The territorial branches survey and control the fields of electronic communications and of postal services, according to the law. The main tasks are: the monitoring, control and management of the radio-electric spectrum, the technical control in the radio-communications and telecommunications fields, the monitoring, control and authorisation of the regional and local networks. Moreover, the territorial branches take over and transmit to ANRCTI headquarters documents from territory (statistical data, notifications, complaints) and update all information on communications market and postal services throughout the country.

Anrcti is organised and functions under the Prime Minister's orders and its fundamental function is the enforcement of national policies in the area of electronic communications, postal services and information technology.

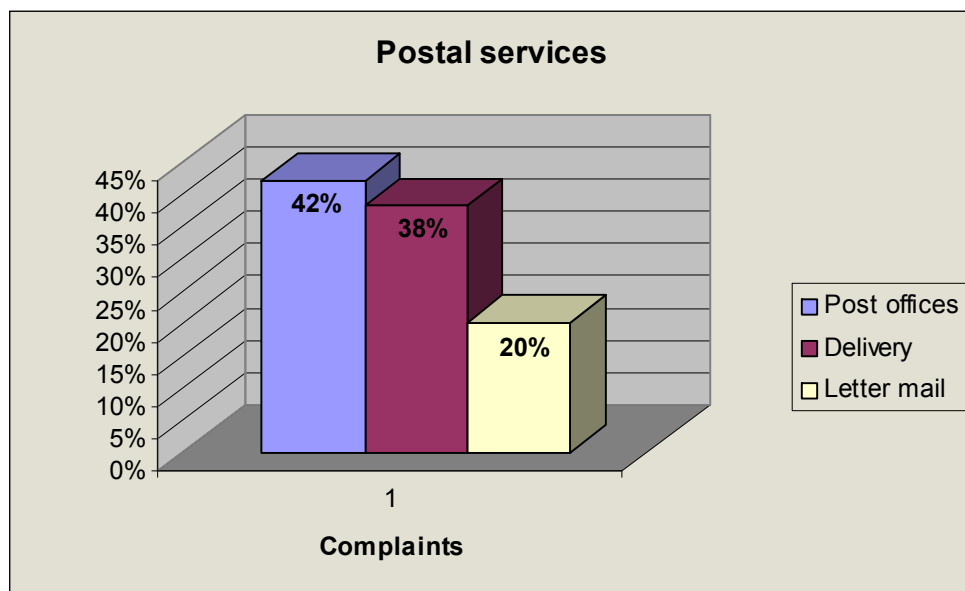
According to the provisions of art.41 of Government Emergency Ordinance no.79/2002 on the general regulatory framework for communications, approved, with amendments and additions, by Law no.591/2002, art. 41, the financing of the ANRC current and capital expenses is ensured entirely from the following sources:

- a) the monitoring tariff due, in accordance with the provisions of Chapter VIII1, for the activity of surveillance and control in the field of electronic communications and of postal services, performed by ANRC;
- b) the tariff for the use of numbering resources, due under Article 19 paragraph (2);
- c) other incomes which may be obtained by ANRC in compliance with the provisions of the normative acts in force.”

ANRC may accept donations, legacies and sponsorships, under the conditions of the law.

The amounts obtained from the sources specified in paragraph (1) are integrally retained as own extra-budgetary incomes, on a permanent basis, at the disposal of ANRC, and shall be used as per the legally approved income and expenditure budget.”

2.3. Consumers' critical problems



- *Long queues in postal offices*
- *Inappropriate behaviour of postal workers*
- *Bad service in post offices*
- *Lack of personnel*
- *Slowness of personnel due to improper use of IT equipment*
- *Claims management*
- *Late deliveries*
- *Lost of letters and parcels*

Complaints to C.N. Posta Romana S.A. can be made by the addressee or sender at any postal office, in 6 months after the dispatch. The addressee or sender has to prove the dispatch and his quality of plaintiff (as sender or addressee). As a consequence, complaints can be made only regarding registered correspondence. Because many of the correspondence sent by general population is unregistered, many consumers cannot complain when a letter is lost.

Below we present the "Statistic of complaints received by C.N. Posta Romana S.A. in 2006 in the area of universal postal services" published on company's official web site.

Statistic of complaints received by C.N. Posta Romana S.A. in 2006 in the area of universal postal services

Correspondence from the area of universal postal services	Justified complains			Unjustified complains	Settlement	
	Undelivered	Delivered with damages	Opened by unauthorized persons		With compensation	Without compensation
Domestic correspondence and prints - TOTAL, of which	73	9	2	21.352	30	21.406
a) domestic	70	9	2	20.081	29	20.133
b) cross-border	3	0	0	1.271	1	1.273
Parcels of up to 10 kg - TOTAL, of which	49	6	3	5.679	36	5.701
a) domestic	31	4	2	5.042	17	5.062
b) cross-border	18	2	1	637	19	639
Delivery of cross-border parcels between 10 - 20kg - TOTAL	2	4	0	48	6	48
Registered mail - TOTAL, of which	419	9	0	7.884	337	7.975
a) domestic	394	8	0	7.191	323	7.270
b) cross-border	25	1	0	693	14	705
Insured items - TOTAL, of which	4	0	0	143	2	145
a) domestic	2	0	0	143	1	144
b) cross-border	2	0	0	0	1	1
Total	547	28	5	35.106	411	35.275

2.4. Assessment of functioning of the National Regulatory Authority and consumers' position on postal market

The monitoring and control activity of ANRC is conducted with a view to providing for the protection of the users' rights and interests, promoting competition under transparency, impartiality and objectivity conditions, and envisage legal and natural persons under the provisions of the legislation in the electronic communications and postal services sector. The control of compliance with the provisions of the legislation in force shall be performed by the control personnel mandated therefore by the President of the Authority.

ANRC monitors the compliance of the National Company Posta Romana with the universal service obligations in the postal field by complex control activities, focusing on the compliance with the provisions regarding:

- the number of clearances at each access point and the number of deliveries to the residence of each natural person and to the headquarters of each legal person;
- the observance of the quality standards;
- the confidentiality and security of postal items;
- ensuring optimal density of access points and of mail boxes;
- the accessibility, transparency and cost-orientation of the tariffs;
- tariff uniformity on national level;
- the implementation of separate accounts;
- the availability for the users, on a regular basis, of accurate, updated and detailed information on the characteristics of postal services.

With a view to promoting competition, ANRCTI envisages the following guidelines:

- Preventing activities which aim to or may result in distorting or constraining competition in the electronic communications, information technology and postal services sector;
- Encouraging effective infrastructure investments and promoting innovation;
- Promoting technological neutrality.

Promoting the end-users' interest is another important objective, and ANRCTI focuses on achieving this objective according to the following guidelines:

- Guaranteeing the Romanian citizen's right to have access to universal service;
- Ensuring the protection of the user's rights in what regards the transparency of the providers in their relation with the consumers, especially by making available a transparent, impartial, simple and cost-free procedure of dispute settlement;

- Involving in the measures of ensuring the right to privacy, especially where the processing of personal data and protection of privacy are concerned;
- Promoting transparency as to the users by the providers releasing appropriate information especially on tariffs and on the other terms of use for publicly available services;
- Promoting the specific interests of the disabled users and of the users with special social needs;
- Providing for the protection of the integrity and security of the public communications networks.

3. Consumers' position and the role of National Regulatory Authority on the energy market

3.1. Energy market in Romania

Main events of the development of energy market in Romania:

- **Government's Decision 365/1998** – vertically integrated monopol – RENEL – was split in. Separated distribution and supply companies (SC Electrica SA) and generation companies (SC Termoelectrica SA and SC Hidroelectrica SA) were established within a new company - CONEL SA. Two other electricity generators (SN Nuclearelectrica SA and RAAN) were separately established.
- transmission, system services and market administration were separately organised, within CONEL SA;
- the relationships between parties within the electricity sector were settled based on contracts;
- **Government's Decision 365/1998 122/2000** – electricity market opens at 10%;
- **Government's Decision 365/1998 627/2000** – CONEL holding is dissolved;
- **September 2000** – launch of the compulsory electricity spot market in Romania, administrated by OPCOM and organized based on pool model;
- **Government's Decision 365/1998 1342/2001** – SC Electrica SA splits in 8 subsidiaries for electricity distribution and supply;
- **Government's Decision 365/1998 1524/2002** – SC Termoelectrica SA reorganizes in several separate legal entities for generation;
- **July 2005** – launch of the new market model, based on:
 - voluntary spot market, with both sides offers and bilateral settlement;
 - compulsory balancing market, with TSO as single counterparty;
 - financial responsibilities of the balancing are allocated to the Balance Responsible Parties (BRP).

- **Government's Decision 365/1998 644/2005** – electricity market opens at 83.5%;
- **November 2005** – launch of the green certificates market;
- **December 2005** – launch of the centralized market for bilateral contracts.
- **March 2007** – launch of the centralized market for partially standardized bilateral contracts with continuous negotiation.
- **Government's Decisions 365/1998; 638/2007** – fully opening of electricity and gas markets.

Steps in the opening process of the electricity market

Government's Decision	Opening degree %	Annual consumption threshold GWh/year
No. 122/2000, published in O.G. 77/21.02.2000	10	100
No. 982/2000, published in O.G. 529/27.10.2000	15	100
No. 1272/2001, published in O.G. 832/21.12.2001	25	40
No. 48/2002, published in O.G. 71/31.01.2002	33	40
No. 1563/2003, published in O.G. 22/12.01.2004	40	20
No. 1823/2004, published in O.G. 1062/16.11.2004	55	1
No. 644/2005, published in O.G. 684/29.07.2005	83.5	-
No. 638/2007, published in O.G. 427/27.06.2007	100	-

Romania has the largest natural gas market from Central Europe and was the first country that used natural gas for industrial purposes. The market of natural gas reached record dimensions at the beginning of the 80's following government's policy based on elimination of dependency of imports. Enforcement of this policy resulted in intensive exploitation of internal resources, resulting in a decline of internal production.

In 2005, of the total consumption of 17,6 thousand million m³, internal production represented approximately 12,4 thousand million m³ and the rest was imported from Russian federation. All the quantity of natural gas, both from internal production and import, was used on Romanian market. At the end of 2005, the total number of Romanian consumers was of 2,41 millions.

Romanian gas sector is a complex one and it includes the following companies:

- Producers: S.N.G.N. Romgaz S.A., S.C. Petrom S.A., Amromco Energy, L.L.C. New York
- Operators of storage systems: S.N.G.N. Romgaz S.A., S.C. Depomures S.A., S.C. Amgaz S.A.
- Transporter: S.N.T.G.N. Transgaz S.A.
- Distributors: S.C. Distrigaz Sud S.A., E.ON Gaz Romania S.A., S.C. Petrom S.A., S.C. Congaz S.A. a.o.
- Providers: S.C. Distrigaz Sud S.A., S.C. Distrigaz Nord S.A., S.N.T.G.N. Transgaz S.A., S.C. Petrom S.A., S.N.G.N. Romgaz S.A., S.C. Congaz S.A., Amromco Energy, L.L.C. New York, S.C. Depomures S.A. a.o.
- Operator of transit system: S.N.T.G.N. Transgaz S.A.
- Importers: S.C. Distrigaz Sud S.A., E.ON Gaz Romania S.A., Termoelectrica, Wirom a.o.

3.2. National Regulatory Authority

Romanian Energy Regulatory Authority - ANRE - is a public independent body of national interest, in direct coordination of the Prime Minister. Its whose mission is to create and implement the appropriate regulatory system to ensure the proper functioning of the electricity and heat sector in terms of efficiency, competition, transparency and consumer protection.

In discharging its competencies and tasks, ANRE works together with other central or local public administration bodies, electricity and heat undertakings, with international organisations in the field, so that interests of all sector players may be harmonized and transparency of the regulatory process assured.

ANRE has the following tasks and competencies:

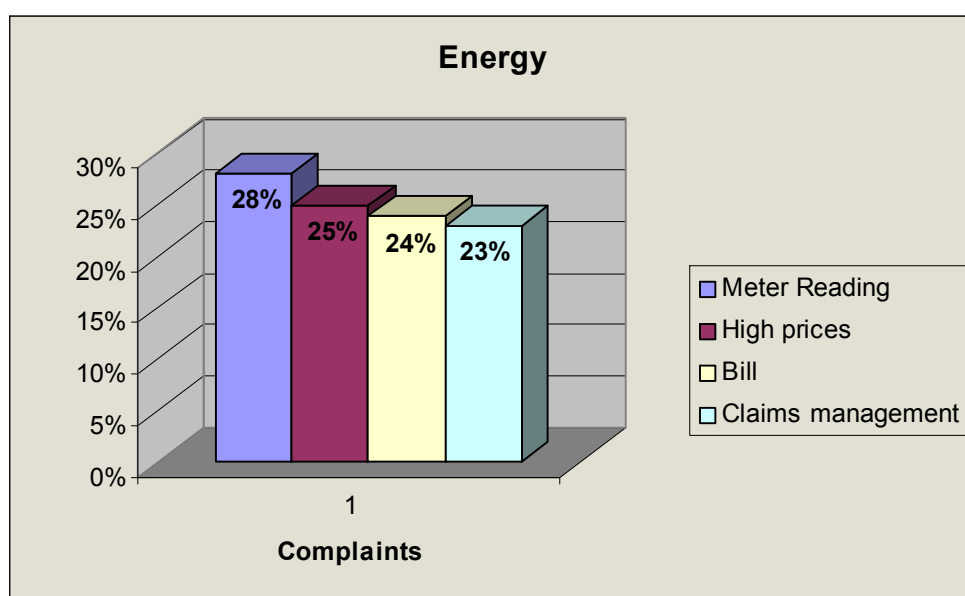
- Sets up mandatory regulations for undertakings in energy;
- Issues, grants, suspends or withdraws authorisations and licenses for undertakings in electricity sector, including for the producers generating heat in co-generation;
- Issues and approves calculation methodologies for prices and regulated tariffs;
- Sets up tariffs for captive consumers as well as the criteria and rules in order to establish the tariffs applied by the last resort supplier;

- Set up the prices and tariffs applicable among undertaking from the energy sector on the regulated energy market, tariffs for system services and for services related to electricity and gas transmission and distribution, prices and tariffs applied to activities and services related to the production of heat from co-generation supplied for residential consumption after consulting, in order to ensure the final consumer protection.
- Sets up framework contracts for electricity and gas supply and framework contracts for electricity and gas selling, purchase, transmission, dispatch and distribution operating among undertakings as well as for the sale of heat produced in co-generation;
- Draws up the Regulation for electricity and gas supply to the consumers, approved through Government Decision;
- Approves technical and commercial norms for undertakings in the sector;
- Performs control activities in order to assess undertakings compliance with the existing regulations, with the pricing and tariff system in force and levy penalties for non-compliance;
- Sets up the procedure for the resolution of pre-contractual disputes and settle possible disputes occurring among undertakings in electricity and gas sector upon the conclusion of contracts, the electricity and gas supply contracts and network connection as well;
- Sets up its own monitoring and control procedures in order to assess compliance of undertakings with the existing pricing and tariff system;
- Draws up as per the provisions of the law its own regulation for the identification, notification and penalization of violation of sector regulations;
- Draws up the regulation for the power engineers authorisation and undertakings certification to design, construct, verify and operate energy capacities, respectively facilities;
- Monitors the enforcement of the specific electricity and gas sector regulations;
- Notifies the competent ministry and the Competition Council with respect to the abuse of the dominant position on the market and the breach of the legal provisions referring to competition whenever non-compliance with the regulations on competition and transparency is found;
- Creates and implements a national data basis required for the unfolding of its own regulatory activity and for the dissemination of information to other authorities involved in the drawing up of sector development strategy as well as in connection with the international trade and practices in the field that will be transmitted to the undertakings involved;
- Draws up the regulation regarding users connection to the public electricity networks, regulation that is subject to Government approval;
- Publishes annual reports on its activity and on the development and functioning of the electricity market.
- Collaborates with the regulatory authorities of neighbouring countries with a view to harmonizing the regulatory framework for the development of the regional electricity and gas market, including the cross-border

exchanges and the rules regarding the management of interconnection capacities;

- Certifies the undertakings and authorises the electricians which design and construct electric power facilities in power systems;
- Certifies the undertakings that provide electricity and gas metering services, as per their own regulations;
- Monitors the electricity and gas market in order to assess its level of efficiency, of transparency and competition based on its own rules;
- Issues the rules for the electricity a gas supplier of last resort.

3.3. Consumers' critical problems



Energy:

- *High prices*
- *Long queues for payment of bills*
- *Claims management*
- *Billing*
- *Meter reading*

3.4. Assessment of functioning of the National Regulatory Authority and consumers' position on energy market

In 2006 the Service for Arbitrage and Consumers' Protection from ANRE registered and examined 344 from consumers, natural and legal persons. 208 complaints were sent directly to ANRE and 136 (103 regarding electricity and 33 heating) were redirected to ANRE by Presidency, Government, Ministry of Economy and Commerce, National Authority for Consumer Protection, other organisms of local and central public administration.

All the petitions were solved in due time, with information of petitioners and the other authorities involved (when petitions were redirected by other institutions to ANRE).

None of the petitioners called into question the resolutions given to their complaints by ANRE.

During 2006 there were also 200 phone calls made to Authority's TEL - VERDE; starting with 14.08.2006, 115 of them were registered and solved.

Complaints

Nature of complaint	Electricity sector		Heat sector		Total 2006
	Sem.I	Sem.I	Sem. I	Sem.I	
Differences between bills when tariffs were modified	1	1			2
Behaviour of provider's employees					
High or unfair prices	34	9	8	11	62
Other reasons	40	23		2	65
Subscription	3	3			6
Incompliance with quality parameters, lack of service	7	3			10
Wrong billing; other billing problems	21	31	6		58
Meter reading	6	8	3	4	21
Network connection (tax abuses, access denied)	18	13			31
Condition of installations used by providers	3		1	1	5
Errors in installation/exploitation					
Incompliance with ANRE decisions	2	3			5
Abusive disconnections	13			1	14
Breach of private property	3				3
Framework contracts	2		1		3
Lack of compensation	2	4			6
Contracting procedure (infringement of contractual obligation)	18	29	2	2	51
Groundless accusation of evasion of electricity	1	1			2
TOTAL	174	128	21	21	344

Source – Annual Activity Report of ANRE – 2006

4. Consumers' position and the role of National Regulatory Authority on the telecommunications market

4.1. Telecommunications market in Romania

According to the Report published by National Regulatory Authority for Communications and Information Technology, that includes statistics regarding telecommunications in the first half of 2007, the number of users of mobile telephony services (given by the number of SIM cards) at the end of June 2007 was of 19,5 millions (90,5%), compared to 80,7% at the end of 2006.

From this, 66,5% are users of prepaid cards. The rest of 33,5 % (6,5 millions users) with monthly subscriptions, 4,4% millions users are natural persons and 2,2 millions are legal persons.

Voice traffic in mobile networks grew up with 24% in the first semester of the year and it reached 9,7 thousand million minutes. The preponderance belongs to traffic in own network (79,3%), followed by traffic with other mobile networks (15,5%), with landlines (3,2%) and international (2%).

For landlines the traffic came down in the first half of 2007 with 7,7% and it reached 3,9 thousand million minutes. The total number of subscribers continued to decrease and it reached 3,72 millions; the number of landlines is higher, 4,1 million, but it is decreasing too.

The number of Internet connections grew up in the first 6 months of 2007 with 37% compared to 2006 and it reached 4,52 millions. The highest increase was for Wi-Fi (50%) and xDSL (78%) connections. Mobile connections (GPRS, EDGE, 3G a.o.) grew up with 43% and they reached 2,68 millions.

In fact, mobile connections represent 60% of the total Internet connections, followed by UTP/FTP connections (18,5%), TV cable connections (9,1%), dial up with fixed location (7%), xDSL (3,9%), optic fiber (1,5%), and other type of connections (each of them having less than 1%).

At the end of June 2007 broadband connections represented 52% of the Internet connections (2,33 millions), higher with 30% compared to December 2006; 1,53 millions are dedicated connections (not through mobiles).

Dedicated broadband connections are dominated by cable connections UTP/FTP (54,9% - 0,80 mill.), followed by coaxial cable (26,9% - 0,41 mill.), xDSL (11,5% - 0,18 mill.), optic fiber (4,4% - 70.000), Wi-Fi (1,5%).

Penetration rate of broadband connections was 10,7% for the first half of 2007; excluding mobile connection, it only reaches 7%.

In Romania, there are 70 providers of telephony, 581 providers of cable TV, 4 providers of DTH TV and 4 providers of mobile telephony (S.C. Vodafone Romania S.A., S.C. Orange Romania S.A., S.C. Telemobil S.A., S.C. Cosmote RMT S.A.).

4.2. National Regulatory Authority

The main activity of National Regulatory Authority for Communications and Information Technology (ANRCTI), as a regulatory authority in the electronic communications and information technology sector, is elaborating the secondary legislation in the field. Thus, ANRCTI:

- elaborates and updates the general authorization regime, under which the providers of electronic communications networks and services are granted the right to enter the market and operate;
- designates the providers of electronic communications networks and services with significant market power and imposes on them obligations meant to ensure that these providers will not abuse their dominant position, thus preventing them from affecting competition;
- adopts the National Numbering Plan and issues regulations regarding the use of the numbering resources;
- regulates the regime of interconnection between the electronic communications networks;
- ensures the implementation of the universal service mechanisms by the issuance of regulations in the field.

As well, in order to ensure the compliance of the primary and of the secondary legislative frameworks, ANRCTI is capacitated to:

- monitor and control the compliance with the obligations imposed on the providers of electronic communications networks and services by the general authorisations;
- oversee the national management of the numbering resources and the issuance of licenses for the use of the numbering resources;
- elaborate the methodology for conducting market analyses and identifying the relevant markets in the electronic communications sector;
- conduct market analyses with a view to identifying the relevant markets and, subsequently, to designate, if necessary, the significant market power companies and impose them specific obligations;
- manage the financing mechanisms related to ensuring access to universal service, as provided in the special legislation;
- control the compliance with the obligations imposed on the universal service providers, under the provisions of the special legislation.

ANRCTI conducts market studies and analyses, elaborates methodologies, models and principles for the regulation of communications markets, thus creating the basis for the issued decisions.

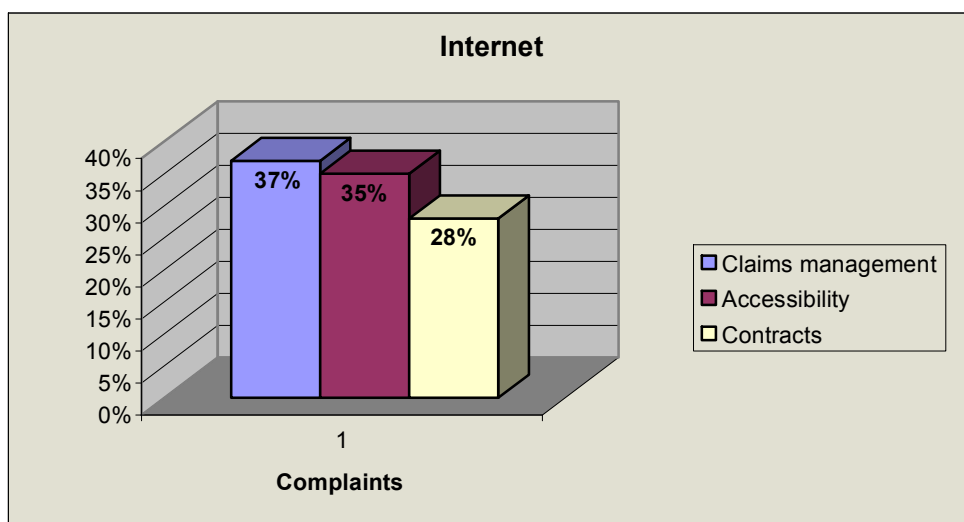
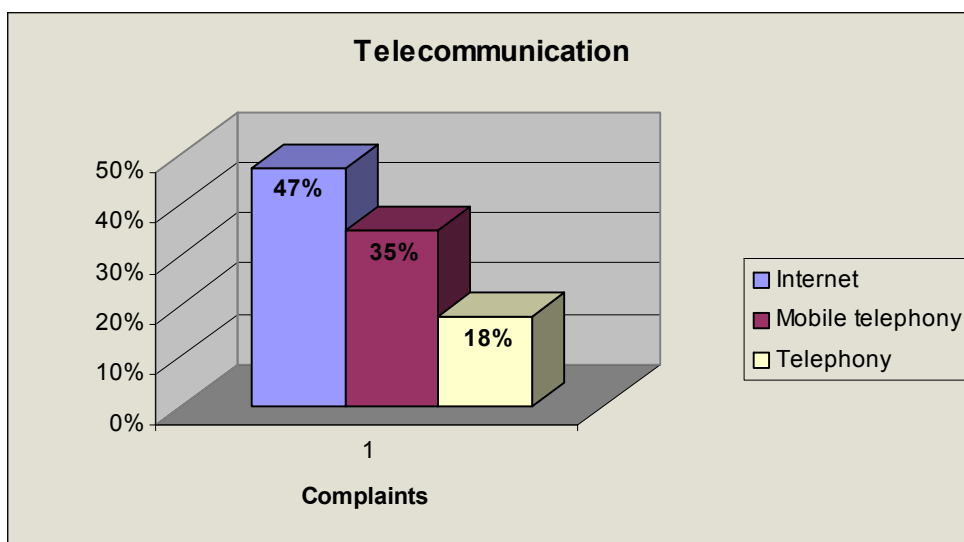
Generally, the information required for conducting market studies and analyses may be obtained by investigating statistical data and by direct research methods (collecting information directly from the end-users and from the electronic communications networks and services) result from the quarterly reports of the providers of electronic communications networks and services, through simulation of market phenomena.

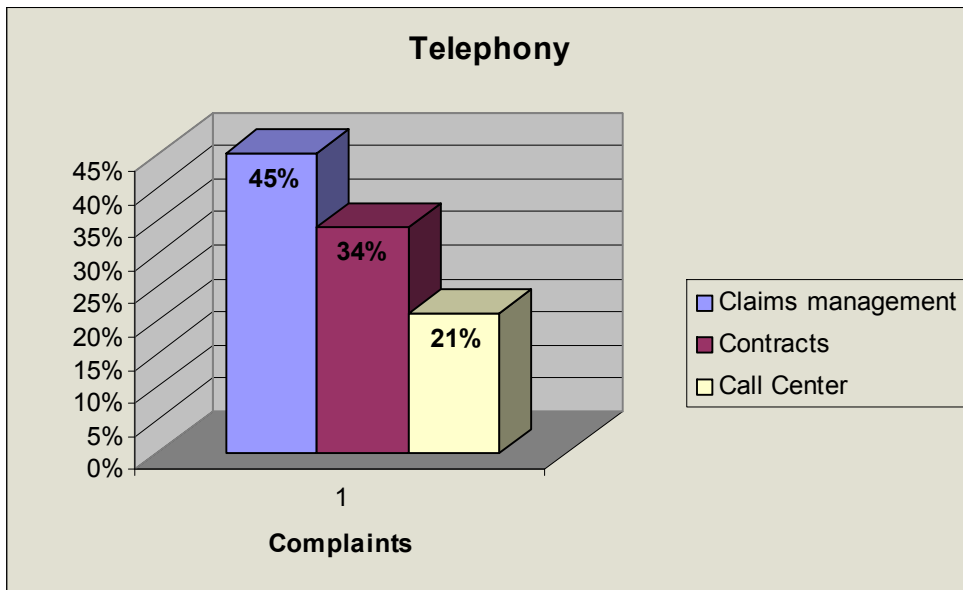
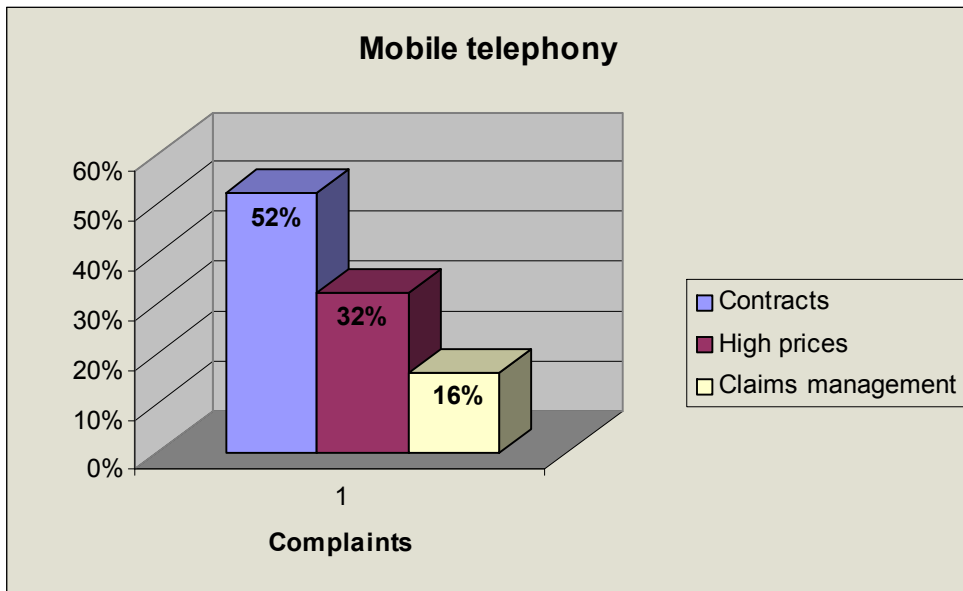
The half-yearly reports of the providers of electronic communications networks and services are an important source of information on a series of relevant indicators in the sector.

The status of a provider of electronic communications networks or services entails the respective company's agreement on reporting a series of parameters and statistical data to ANRCTI.

Decision no. 151/2006 on reporting statistical data by the providers of electronic communications networks and services, published in the Official Journal of Romania, Part I, no.789 of November 10, 2003 focuses on imposing on the providers of electronic communications networks or services the obligation to report, on a regular basis, to the National Regulatory Authority for Communications and Information Technology, certain statistical data with a view to elaborating reports, studies, analyses and other such documents in the electronic communications sector, as well as with a view to monitoring and controlling the providers' compliance with the provisions of the ANRCTI issued documents.

4.3. Consumers' critical problems





Telecommunications:

- *High prices*
- *Delays in installation of a new telephone line*
- *Delays in activation of new telephonic services*
- *Delays in activation of Internet service*
- *Delays in repairing telephony lines*
- *Delays in repairing Internet connection*
- *Activation of unsolicited services*
- *Network inaccessibility*

4.4. Assessment of functioning of the National Regulatory Authority and consumers' position on telecommunications market

The adoption of the new legislative framework in the electronic communications sector, which transposes the European Community acquis on national level, harmonises the Romanian legislation with the European policies in the field, with a view to providing the market players with several alternatives for disputes settlement.

Thus, where litigation rises between users and providers related to the obligations imposed by the legislation in the communications field, the interested party may notify ANRCTI in order to solve the litigation.

The parties may choose to appeal to ANRCTI for the dispute settlement activities within its competence, free of charge.

Where a dispute occurs between a user and a provider of postal services or between an end-user and a provider of electronic communications services, raised by the enforcement of the provisions of Law no.304/2003 on universal service and the users' rights regarding the electronic communications networks and services, the parties have the right to address ANRCTI with a view to mediating the respective dispute.

The users considering that their rights provided by the Ordinance on postal services and by the Law on universal service have been violated by the providers of electronic communications services or by the providers of postal services may appeal to ANRCTI with a view to mediating the respective dispute.

The users' petitions may be transmitted directly to ANRCTI by submitting them to the registry, by mail, fax or e-mail. Where the user comes to the ANRCTI headquarters, the petition may be orally expressed, and the ANRCTI personnel shall draw it up in written form.

In case of appealing to ANRCTI for dispute settlement, the interested party may choose the mediation procedure. The mediation procedure aims to amiably settle the dispute, and ANRCTI has the role of assisting the parties.

ANRCTI shall make any diligence in order to specify the scope of some legal provisions in the field of electronic communications or of postal services, related to the case. If the mediation results in settlement of the dispute, the parties shall conclude a transaction. The mediation procedure shall comply with the confidentiality principle and shall be completed within 30 days from the date of registering the petition with ANRCTI.

The legal framework for the dispute settlement procedure is provided by the following normative acts:

Law no. 304 of July 4, 2003 on the universal service and users' rights relating to the electronic communications networks and services
 Decision no. 1331/2003 regarding the procedure of solving the litigations within the competence of the National Regulatory Authority for Communications, published in the Official Journal of Romania, Part I, no.789 of November 10, 2003.

The following table includes the situation of complaints received by ANRCTI from January 2006 to December 2006.

	Total complaints	391
1.	Complaints on areas of interest	
	- telephony	113
	- mobile telephony	54
	- Internet	113
	- CATV	25
	- postal services	12
	- others	76
2.	Content of complaints	
	- billing / costs of services	96
	- functioning / malfunctioning of network / service	144
	- installation / connection	24
	- others	126
3.	Complaints by providers	
	- S.C. Romtelecom S.A.	88
	- S.C. RCS & RDS S.A.	93
	- S.C. UPC Romania S.A.	31
	- S.C. Vodafone Romania S.A.	18
	- S.C. Orange Romania S.A.	12
	- S.C. Cosmote RMT S.A.	10
	- S.C. Telemobil S.A.	5
	- others	135

4.	Complaints made by natural persons	311
5.	Complaints made by legal persons	79
6.	Classified complaints	48
7.	Redirected complaints	26

5. Consumers' position and the role of National Regulatory Authority on aviation market

5.1. Air transport market in Romania

The present legislative system regulating civil aeronautical activities in Romania, in compliance with the importance and the approach level is the following:

- Law of Transports
- Romanian Air Code
- Decisions of the Romanian Government concerning Civil Aviation
- Orders of the Director of the State Authority in the Field of Civil Aviation, concerning the regulation of civil aviation activities
- Civil Aeronautical Directives issued by the Romanian Civil Aeronautical Authority, such as:
 - air operations
 - airworthiness
 - air navigation services
 - airports and aeronautical facilities
 - licensing of civil aeronautical personnel
 - environment protection in civil aviation
- Decisions of RCAA Director General concerning the approval of procedures and instructions for the application of civil aeronautical regulations
- Aeronautical Publications issued by the RCAA:
 - Aeronautical Information Circulars
 - Aeronautical Information Publication - Romania
 - Notam
 - Information Bulletin - Safety Bulletin

In Romania there are 17 airports (Arad, Bacau, Baia Mare, Bucuresti Baneasa, Bucuresti Henri Coanda, Caransebes, Cluj-Napoca, Constanta, Craiova, Iasi, Oradea, Satu Mare, Sibiu, Suceava, Targu Mures, Timisoara, Tulcea). The largest is " International Airport Henri Coanda Bucharest" (Aeroportul International Henri Coanda Bucuresti), romanian legal person with the headquarters in Otopeni, Ilfov County.

It was founded in 1998 according to the provisions of the Government Ordinance no. 522/1998 under the name: the National Company "Bucharest-Otopeni International Airport" S.A. The Government Decision

no. 527/2004 provided for the change of the name into: the National Company "Bucharest Henri Coanda International Airport" S.A. (BHCIA)

BHCIA is a Romanian share capital company. The financing resources are provided by its own income and, in addition, by transfers from the state budget, according to the legal provisions in force.

The National Company "Bucharest Henri Coanda International Airport" S.A. has as main activity object services provision, exploitation works, maintenance, repairing, development and modernization of the goods in its patrimony, owned or concessioned, with the purpose of providing conditions for the arrival, departure and ground manoeuvring of the aircraft, also providing airport services for the transit of persons, cargo and mail as well as services for the national public interest.

According to the information published by Romanian Civil Aeronautical Authority, at the moment there are 13 operators authorized for public air transport.

5.2. National Regulatory Authority

Profile of Romanian Civil Aeronautical Authority (RCAA)

It is an autonomous organization of national public interest and functions as a self-financing and autonomous organization. It was established by Decision no. 405/1993 of the Romanian Government; it is a full member of Joint Aviation Authorities (JAA).

Fulfills the task of providing regulatory and overflight activities for air traffic management in compliance with Romanian's commitment as member state of EUROCONTROL. Ensures oversight of Romanian air operators, aeronautical industry, licensing of aeronautical personnel and authorises the operational ATM system of ROMATSA. Performs in-flight inspections for the calibration, certification and authorization of air navigation and NAVAIDS commissioning with RCAA's flight inspection aircraft Be 350.

As specialized technical body delegate by the state authority of civil aviation, RCAA provides the regulating and oversight management of Romanian civil aviation.

By delegation of competency RCAA:

- Elaborates and implements Romanian civil aeronautical regulations;
- Licenses civil aeronautical personnel;
- Certifies civil aviation products and services;
- Registers, inspect and check civil aircraft;
- Verifies, inspects, supervises and authorises civil aviation organizations;

- Provides safety regulation and oversight in ATM;

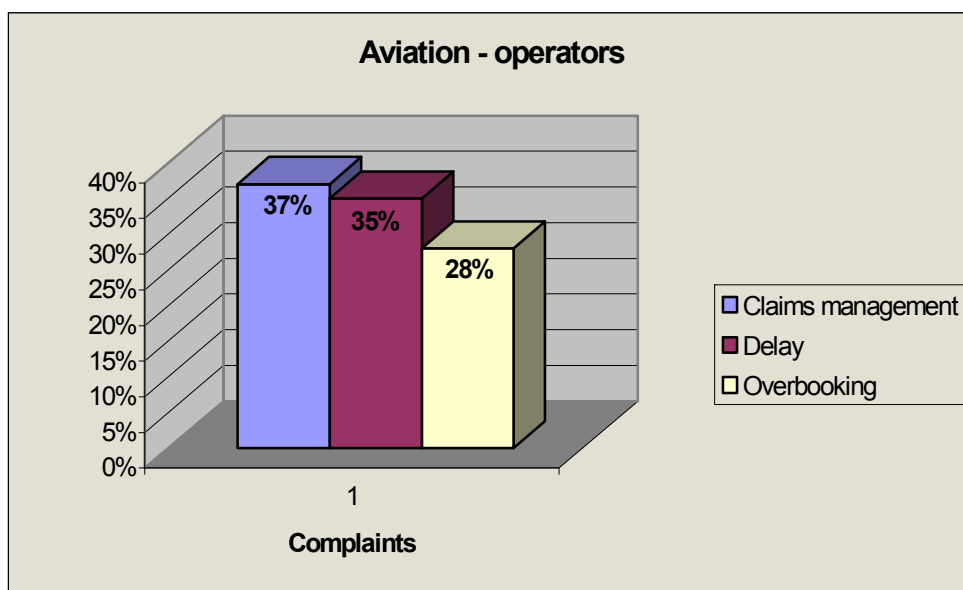
- Certifies civil airports and approves the technical documentations for development projects and programmes in the airport area;
- Ensures compliance with provisions of international agreements and arrangements to which Romania is a part.

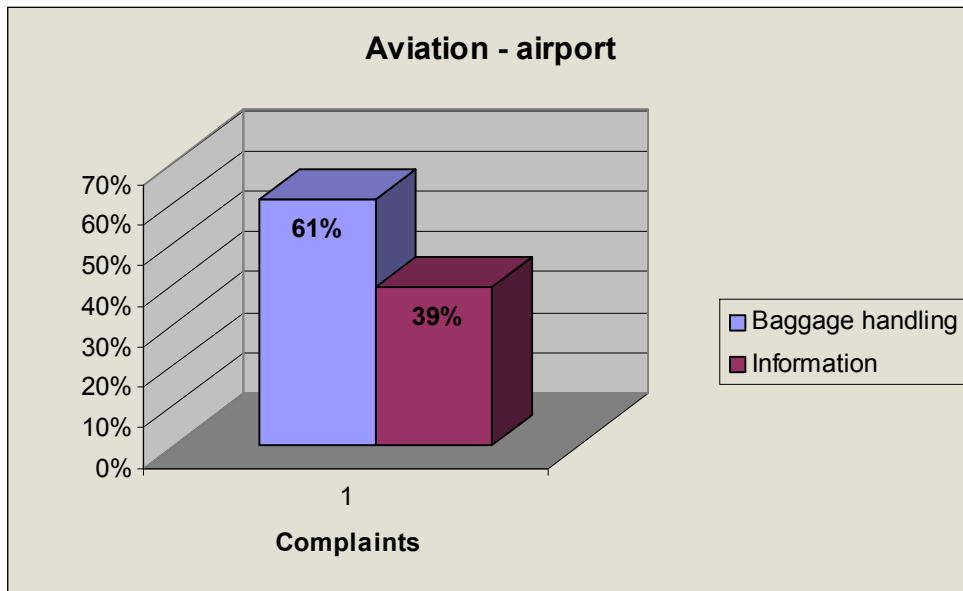
The main objectives of Romanian Civil Aeronautical Authority were established so that they harmonize with the objectives of international aeronautical organizations to which Romania is part - ICAO, ECAC, JAA, and EUROCONTROL. Thus, RCAA has the following main objectives:

- Ensures and maintains high safety standards in Romanian civil aviation harmonized with the European and international ones;
- Performs all required civil aviation activities aiming at the integration into the European structures;
- Harmonizes national civil aviation legislation in order to support the free access of Romanian products, services and persons on the European markets;
- Supports Romania's efforts for the integration into the European Union and NATO.

In order to achieve the above mentioned objectives, RCAA has a organizational structure similar with those of European civil aeronautical authorities so that the specific activities developed by different compartments can correlate.

5.3. Consumers' critical problems





Air transport:

- *Claims management*
- *Lost luggage*
- *Theft from luggage*
- *Over booking (especially with low-cost companies)*
- *Lack of information in airports*

6. Conclusions and recommendations

After analyzing the sectors of services of general interest (energy, telecommunications, postal services, aviation) we consider that the main deficiency in all sectors is the lack of information available to consumers. For this reason, the main activity should be carrying out an extensive, reliable, comprehensive and clear information policy aimed at consumers. As a first step towards strengthening consumers' position on Romanian market, we propose the set up of working groups for every sector, involving all concerned parties: companies, employers' organizations, authorities, consumers' organizations. The working groups should have periodical meetings to discuss and find solutions for consumers' problems, legislative initiatives and other important issues.

Following the liberalization of energy market, consumers don't have sufficient information to allow them to make conscious choices to choose a provider suited to their needs. This is why there should be initiated complex campaigns aimed at consumers' information and education about their legitimate rights in the area of energy (both electricity and gas), postal services, telecommunications (telephony and mobile telephony, internet), aviation.

Another aspect that should be taken into consideration is development of alternative dispute resolution (ADRs) and institutional assistance for consumers in vindication of their legitimate rights.

Concerning the sector of energy we recommend more transparency regarding the contracts concluded with individual consumers and the bills. The bills should include clearly the method of calculation and a comprehensive explanation of the way they are calculated. They should also comprise detailed information about means of payment.

Another problem where there should exist a closer cooperation between companies, state's authorities and consumers' organizations is education of consumers about sustainable consumption and development.

Consumers' protection that means promotion and protection of the fundamental rights of consumers is made by individual and associative self-protection and, respectively, by the public institutions by direct protection - activities of regulation, survey, and control and indirect protection - providing information and education for consumer, supporting the consumers' associations.

In Romania, the capacity of self-protection is decreased because, on one side, of the reduced level of information and education of the consumers and on the other side, of the blockage of the process of their associative stratification and incapacity of the existent associations to develop efficient programs and campaigns.

Among the factors that stop self-protection to become the main way of protection, being the most secure, more efficient and less expensive for state we specify:

- loss of civic behavior and spirit by inserting the mentality of assisted during the communist period with effects like: passivity and indifference towards the community problems; mistrust in the success of initiatives of civic actions; availability very decreased for volunteer activities for citizens; lack of opinion leaders at the level of local community; difficulty of registering the consumers as members of associations;
- negative attitude, generally speaking, towards the civil society structures, mainly of the public office workers, augmented by the autocrat mentality of some of the ones entitled or elected to run institutions of public central and local administration;
- lack of skillfulness in organisation and development of the activities and actions of the consumers' associations and, first, in viable projects elaboration like a premise to identify and to collect logistic, material, financial, and human resources.

The future activities should be focused on:

Economic agents with the meaning of acknowledgement of their representatives regarding:

- duties related to the observance of the consumers' rights and interests
- responsibilities they have regarding the notification sent to the authorities in charge related to the violation of legislation with a high risk for life, health and security of consumers;
- the positive role in the development process of the partnerships between the professional organisations and consumers' organisations to solve their problems, including the litigations between the economic agents and consumers.

State's institutions and their representatives, for:

- promotion of consumers' interests in all their policies;
- quick solution of the cases of violating the consumers' rights;
- development of partnership relations with consumers organisations and helping them in their activities.

Consumers for:

- acknowledging their rights they have as consumers;
- not to give up on rights' protection when these rights are violated, by asking to the economic agents to solve the prejudice, if needed, in accordance with the legislation in force and/or making complaints to the authorities in charge, respectively to the consumers' associations;
- to protect other consumers, by notifying any problems on the market, related to the offer of products and services.

All the issues mentioned above should become for the economic agents, public institutions and consumers regular practice and behavior skills.

A new attitude will be available when all the citizens will acknowledge their capacity of being consumers and will act in accordance with their professional and social status for protection of their rights and interests.

As a conclusion we do hope that this report will improve collaboration between regulatory authorities, companies and consumers' organizations. Although at the moment there is a dialogue and cooperation between regulatory authorities and consumers' organizations we strongly believe that this could be improved and the actions taken could be more focused for the benefit and well being of Romanian consumers.



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