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## **FONDUL PROPRIETATEA URGES CHAMBER OF DEPUTIES TO ENSURE FAIR AND BALANCED TREATMENT OF ALL STAKEHOLDERS BY PROMOTING HEALTHLY COMPETITION AMONG PORT OPERATORS**

- ***IF APPROVED, THE DRAFT LAW ON PORTS ADMINISTRATION WOULD BE A GIFT MADE BY THE ROMANIAN PARLIAMENT TO THE PORT OLIGARCHS***

**Bucharest, 6 November 2017** – As a large minority shareholder in ports administrators, Fondul Proprietatea is highly concerned by the latest draft law on ports administration<sup>1</sup>, currently under debate in the Transport and Infrastructure Committee of the Chamber of Deputies<sup>2</sup>. Its latest form retains several controversial clauses that, if approved, will severely damage the activity of ports administrators.

In this context, Johan Meyer, Co-CEO and Portfolio Manager of Fondul Proprietatea, stated: **“If approved, the law can be regarded as a gift made by the Parliament to the port oligarchs, who would be in a position to impose their own agenda on ports administrators in an unrestricted manner.** Regrettably, the current draft law significantly limits the rights of ports administration management and shareholders to take decisions in the best interest of the company, while allowing an increased influence of private port operators over these decisions.”

Firstly, **this draft law is in direct contradiction with the EU regulation 2017/352** establishing a framework for the provision of port services and common rules on the financial transparency of ports, which stipulates that there should be no limits imposed on ports administrators in establishing their own tariffs and rental system.

Secondly, **the draft law establishes the creation of an external Supervisory Body, within the Competition Council, which retains, in the Fund’s view, extensive and excessive powers covering both approval of port tariffs and conflict resolution between ports administrations and port operators. Acting both as “player and referee”, the new body would in fact enjoy discretionary powers and be in a position to circumvent current legal procedures.**

Moreover, **the appointment criteria for the members of the Supervisory Body of the ports administrators are insufficient to safeguard its independence and impartiality towards all stakeholders.**

Thirdly, the draft law side-lines the management and shareholders of ports administration on key operational and financial decisions. Overall the envisaged changes introduce **risk that may significantly delay or even block the adoption of critical business decisions.**

Considering all the shortcomings of the current draft law, **Fondul Proprietatea urges the members of the Chamber of Deputies to amend it, so that it ensures a fair and balanced treatment of all stakeholders,**

<sup>1</sup> Draft law amending the Government Ordinance no. 22/1999 on ports administration registered with Chamber of Deputies under no. PLX 413/2016.

<sup>2</sup> The Transport and Infrastructure Committee of the Chamber of Deputies is expected to present its report on the draft law on 7 November 2017

and promotes a healthy competition among port operators for the benefit of the long-term development of Romanian ports.

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## Notes to Editors:

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