

RECOMMENDATION 39/1999 *
ON PUBLIC UTILITIES IN THE BLACK SEA REGION

- 1. The Parliamentary Assembly of the Black Sea Economic Cooperation:**
 - a. **recognises** the paramount importance of services of public utilities to economic competitiveness, social solidarity and quality of life in the Black Sea region;
 - b. **acknowledges** the necessity to adapt public utility enterprises in the Black Sea region to the complex and demanding international environment at the end of the millennium, in order to bring concrete benefits to consumers and to promote economic integration within the BSEC market and hence competitiveness and employment;
 - c. **considers** that serving the public means, above all other considerations, ensuring that the end consumer benefits from the widest possible range of services, of the best possible quality and at the cheapest price;
 - d. **reiterates** the need to open-up the market of services of general interest in the BSEC region, it maintains that liberalising these markets and infrastructures goes hand in hand with the definition of universal service obligations for the operators in order to ensure the provision of a wide range of basic services
 - e. **believes** that only the involvement of all parties involved- policy makers, managers, consumers, and employees of public utilities- may foster a shared vision of the objectives to be attained in modernising public utilities;
 - f. **states** that the experience accumulated by the countries of the European Union could be utilised in the design and implementation stages of modernising public utilities in the BSEC countries.
- 2. The Parliamentary Assembly therefore calls on the National Parliaments and the Governments of the BSEC Participating States:**

* Rapporteur: Mr. Kemal EJUP (Bulgaria)

Assembly debate on 8 December 1999 (see Doc. GA 6724/99, Report of the Economic, Commercial, Technological and Environmental Affairs Committee on "PUBLIC UTILITIES IN THE BSEC REGION", discussed in Chisinau on 21 September 1999; Rapporteur: Mr. Barbu PIȘIGOI (Romania).

Text adopted by the General Assembly in Kyiv on 8 December 1999

In the field of public policy

- a. **to define** and adopt a set of generally applicable principles for developing public services of general interest, including accessibility, continuity and equality;
- b. **to adopt** and implement laws and regulations that promote free competition by preventing the creation of state or private monopolies;
- c. **to create** clear regulatory frameworks for the operation of public utilities;
- d. **to distinguish** between: (i) services that governments should both pay and do, (ii) services they should pay for, but not do, and (iii) services they should neither pay nor do.
- e. **to clearly define** the generally accepted level of services provided by public utilities in order to fulfil their objectives;
- f. **to elaborate** and implement legislation for the protection of consumers, where possible through the adoption of a Citizens' Rights Charter;
- g. **to focus** on customer orientation, including explicit quality standards for public services;
- h. **to ensure** the conditions for increasing the competitiveness of public utility enterprises;
- i. **to study** the possibility to implement, where necessary, devolution of responsibilities within the government for decisions concerning public enterprises;
- j. **to clearly define** the status of the personnel of public utilities, to improve their working conditions, to institutionalise dialogue between management and trade unions, and to develop the human resources of public utilities;
- k. **to take measures** towards relocating specialised workforce made redundant from other economic sectors to public utility enterprises;
- l. **to ensure** regular consultation between the representatives of consumers, the management of public utilities, and of their personnel;
- m. **to consider** the harmonisation of national legislations in the field of public utilities, in accordance with European and international standards;
- n. **to implement**, in evaluating and developing public utilities, European and international standards regarding environmental protection;
- o. **to closely observe** all relevant provisions of the General Agreement on Tariffs and Trade (GATT) and of the World Trade Organisation (WTO) in all new legislation and regulations concerning public utilities;
- p. **to elaborate** projects for modernising and developing the infrastructure of public utilities, by ensuring interconnection and interoperability of public utilities of the Black Sea region in the framework of the Pan-European networks; to this end to seek the financial assistance of the Black Sea Trade and Development Bank, international financial institutions and international organisations.

In the field of sectoral measures

- a. **to provide** support to the realisation of the project of the 'Interconnection of Electric Power Systems of the BSEC Participating States' and to ensure

implementation of the provisions of the ‘Memorandum on Cooperation of the BSEC Participating States in the Field of Electric Power Industry’;

- b. **to make** a strict separation, where appropriate, between the ownership of natural resources and infrastructure, and the provision of services proper (e.g. railways, water, electricity);
 - c. **to strengthen** ethical codes for the professional behaviour of employees of public utility enterprises;
 - d. **to establish**, where appropriate, performance-related pay for the employees of public utility enterprises;
 - e. **to consider** setting up deadlines for the liberalisation of different sectors of public utilities;
 - f. **to take steps** towards a progressive opening of competition in the field of electricity;
 - g. **to set up** a deadline for extensive liberalisation of air transport and of telecommunications;
 - h. **to elaborate** common criteria for granting exploitation licenses in the field of public utilities;
 - i. **to support** the creation of an information centre regarding public utilities in the BSEC countries, with a view to supporting the cooperation between member countries in developing them.
3. **The Parliamentary Assembly invites the BSEC Council of the Ministers of Foreign Affairs to consider this Recommendation.**