

DECISION OF THE COMPETITION COUNCIL
no. 114 as of 15.06.2005

on State aid to be granted to
S.C. UZTEL S.A. Ploiesti

THE COMPETITION COUNCIL,

Having regard to the European Agreement establishing an association between Romania, on one hand, and the European Communities and their Member States, on the other hand, ratified by Law no. 20/1993, published in the Official Gazette, Part I, no. 73 of April 12, 1993,

Having to the Competition Law no. 21/1996, published in the Official Gazette, Part I, no. 88 of April 30, 1996, amended and completed by G.E.O. no. 121/2003, approved by Law no. 184/2004,

Having to the Law no. 143/1999 on state aid, published in Official Gazette, Part I, no. 370 of August 03, 1999, with subsequent amendments and completions,

Having to the Regulation on state aid for rescue and restructuring of firms in difficulty, published in the Official Gazette of Romania, Part I, no. 1.215/17.12.2004;

Having regard to the Decree no. 57/2004 for the appointment of the Competition Council's members,

Whereas:

1. PROCEDURE

(1) By letter no. P/8219/13.04.2005, filed with the Competition Council with no. RS-AS/14/13.04.2005, the Authority for the Recovery of State Assets has notified, based on art. 6 of the Law no. 143/1999 on State aid with the subsequent modifications and

completions, the intent to grant an individual state aid for the restructuring of SC UZTEL SA PLOIESTI in the context of its privatization.

(2) By address no. DAAS/401/03.05.2005, the Competition Council requested supplementary information based on art. 6 paragraph 4 of Law no. 143/1999 on state aid with the subsequent modifications and completions. The request was replied by address no. VP4/1012/16.05.2005, filed with the Competition Council no. RG 3389/17.05.2005. Due to the fact that the answer did not entirely clarify all matters regarding the contribution of the beneficiary a new request for information has been sent by address no. 463/24.05.2005.

(3) The requested information have been sent by address no 3195/24.05.2005, filed with the Competition Council with no. DAAS no. 467/24.05.2005. The notification became effective as of the date when information was accurate and complete, respectively 24 May 2005.

(4) On 08.06.2005, by letter CC/867/08.06.2005, the Competition Council informed AVAS on the fact that export aid granted in 2000-2003 is incompatible with the normal competitive environment, being forbidden according to art. 14 para. (3) from Law no. 143/1999 on State aid with the subsequent modifications and completions.

(5) The state aid Beneficiary has replied by address no. 3543/08.06.2005 informing the Competition Council that it has agreed the reimbursement of an amount of ROL 4,618,007 thousand representing a reduced quota for the calculation of the profit tax related to export revenues. In order to restore the "ex ante" situation, the beneficiary agreed to reimburse the interests due in the period 2002 – 30.06.2005, in total amount of ROL 2,170,570 thousands. The interests were calculated on the basis of the reference rate of National Bank of Romania from the year when the aid was granted. The notification became effective when all information was exact and complete, namely 10.06.2005.

2. DESCRIPTION OF THE STATE AID MEASURE

2.1. Legal basis for granting the state aid

- GEO no. 26/2004 regarding some measures to finalize the privatization of the commercial companies in the portfolio of the Authority for Privatization and Management of the State Portfolio and the consolidation of some privatizations;
- Law no. 442/2004 for the approval of the GEO regarding some measures to finalize the privatization of the commercial companies in the portfolio of the Authority for Privatization and Management of the State Portfolio and the consolidation of some privatizations.

2.2. The concrete way of granting the aid

(6) The state aid in amount of ROL 567,180 million consists in:

- Exemption from payment of debts towards the Local Council of the city of Ploiesti in amount of ROL 2,663 million consisting in past due debts as of 2003;
- Annulment of penalties and delay increases calculated for past due debts towards the local budget of the city of Ploiesti in amount of ROL 4,443 million;
- Exemption from payment of the company's debts consisting in:
 - past due budgetary obligations as of 31.12.2003 in amount of ROL 209,588 million;
 - own receivables representing dividends in amount of ROL 15,385 million;
- exemption from payment of the following interest and delay penalties:
 - interest (delay increases) and penalties of any kind related to the past due budgetary obligations as of 31.12.2003 calculated until the date of the transfer of the shares ownership (17.11.2004) in amount of ROL 317, 334 million;
 - interest and penalties of any kind related to budgetary obligations with maturities subsequent to 31.12.2003 calculated until the date of issuing the Common Order in amount estimated at ROL 3,967 million.
 - Interest (moratorium damages) related to AVAS own receivables in amount of ROL 13,800 million.

(7) During the period 2000-2003 the company benefited of fiscal facilities amounting ROL 4,995,900,000 granted by the Ministry of Public Finances in accordance with GEO no. 163/2000, GO no. 70/1994 and of Law no. 414/2002 representing:

- Exemption from payment of delay increases related to dividend tax – ROL 337,893 thousand;
- Application of a reduced quota for the profit tax related to export revenues – ROL 4,618,007 thousand.

(8) The Competition Council has been informed by the Beneficiary that the amount of ROL 4,618,007 thousand representing the application of a reduced quota at the calculation of the profit tax related to export revenues plus the related interests (ROL 2,170,570 thousand) are to be reimbursed voluntarily. As a result, this aid is not subject of the assessment.

3. THE BENEFICIARY OF THE STATE AID MEASURES

(9) The Beneficiary of the financial measures granted by the state is SC UZTEL SA Ploiesti.

(10) UZTEL has been established in 1991 following the reorganization of the Oil Equipment and Repairs Company Teleajen. UZTEL had shareholders' equity of ROL 482,000,000 when established, reaching to ROL 29,270,000,000 as of 30.06.2001.

(11) The company has been privatized in 2004 with the privatization contract signed on November 12, 2004.

(12) AVAS sold through negotiation based on final improved and irrevocable bids, the majority stake of the shares held by the state at SC UZTEL SA Ploiesti. The publicity for the sale of the shares held by AVAS was made on 29.06.2004 with the sale announcement being published in the domestic and international press, on the Internet and at AVAS headquarters.

(13) * Contains classified informations

(14) The UZTEL Association together with ARRAY PRODUCTS CO. LLC USA currently holds 76.87% from the shareholders' equity of UZTEL, the remainder being held by the small shareholders.

4. ANALYSIS OF THE RELEVANT MARKET

(15) The core business of the company is the manufacturing and sale of products and services, equipments used for oil wells and repairs of such equipment. The main products of the company are oil extraction equipment, fittings for oil and gas extraction and semi finished cast and forged products.

(16) In the market study annexed to the notification, the supplied data on the size of the domestic market shows that the demand of oil equipment and the fittings for oil and gas extraction registered a slight decrease during 2002-2004 following the reduction of investments in the extraction industry. In return, the demand for the spare parts for operating equipment remained flat.

(17) The prospects for the following 5 years is to stabilize the supply to meet the demand of fittings for oil and gas extraction and a slight ascending trend regarding the potential of the oil equipment market. In this respect, additional investments were considered, including the renewal of the equipments, subsequent to the privatization of SNP Petrom with OMV Austria.

(18) On the domestic market, the market share of the company in the last 3 years is the following:

Table no. 1 Share of company sales on the domestic market

* Contains classified informations

(19) * Contains classified informations

(20) * Contains classified informations

(21) * Contains classified informations

(22) * Contains classified informations

(23) * Contains classified informations

(24) * Contains classified informations

5. FINANCIAL DIFFICULTIES AND THE RESTRUCTURING OF THE COMPANY

(25) Although the company records an increase of the turnover the operational results of SC UZTEL SA are declining. The equity was negative in 2004 due to accrued interest and fiscal penalties related to previous years and past due budgetary obligations and lack of liquidities.

(26) Thus, the company had in the last year before privatization total debts of ROL 772,863,483 thousand which meant that the company was practically insolvent.

(27) The main causes leading to the company in difficulty are the following: non-correlation of the price for utilities and materials with the ROL/USD exchange rate leading to losses of tens of billion per year, the decline of the oil and gas exploration activities, stopping investment programs, the increase of effective production costs.

(28) Having in view this difficult situation, AVAS decided to grant some facilities at privatization based upon the implementation of restructuring measures. According to information from AVAS notification, the tender book drafted at privatization informed the potential investors that facilities from payment of budgetary obligations will be granted. Subsequently, these facilities have been considered during negotiations with the selected bidder.

(29) The buyer committed in the privatization contract to an investment contribution of USD 3.3 million and to provide for free and on its own account know-how in the field of production, technology, marketing, access to markets, qualification methods, design. In the same time the buyer assumed to guarantee a credit which will be contracted by UZTEL in order to cover a part of its debts towards the state budget amounting ROL 210,500 million.

(30) The contribution of the state to the financial restructuring of the company totals ROL 567,180 million. The state contribution exclusively refers to historical debts of the company, accrued until 31.12.2003 with the view of being exempted from payment.

6. DESCRIPTION OF THE RESTRUCTURING PLAN

(31) The company drafted a comprehensive restructuring program, made of organizational, technological, environment protection and financial measures.

(32) The restructuring program was based on a market study drafted by the National Institute of Research and Development for Oil Equipment.

(33) The implementation of the restructuring program requires a financial effort of ROL 1,165,130 million.

(34) AVAS submitted a comprehensive restructuring plan for UZTEL which examined the causes of the crisis and set out how long term profitability might be restored. By applying the restructuring program, AVAS estimates that the company will record a profitable activity and will secure its own financial resources in order to carry out its activities without debts to the state consolidated budget or to the local budget.

(35) If the aid is not granted this will lead, according to AVAS, to the liquidation of the company with the following consequences:

- staff layoffs with immediate and long term effect in increasing the unemployed number in the area;
- increase of the budgetary expenses regarding unemployment benefits, support allocations and other forms of social protection granted to laid off people who from contributors to the budget become consumers of financial resources;
- decrease of the corporate contributions paid by the company related to employed staff;
- the partial recovery of debts by the budgetary and third party creditors;
- decrease of turnover for the SC UZTEL S.A. Ploiesti suppliers of raw materials and materials.

(36) The restructuring program contains the following:

A. Measures regarding the organizational and managerial restructuring of the company

* Contains classified informations

B. Measures regarding the technological restructuring

* Contains classified informations

C. Measures regarding the environment restructuring

* Contains classified informations

D. Working capital

* Contains classified informations

E. Measures on the company's financial restructuring

* Contains classified informations

(37) Synthetically, the measures enclosed in the restructuring plan are presented in table no. 2.

Table no. 2 – The synthesis of the company’s restructuring measures

* Contains classified informations

(38) * Contains classified informations

7. THE STATE AID CHARACTER OF THE FINANCIAL SUPPORT MEASURES GRANTED TO THE COMPANY

(39) Art. 2 in the *Law no. 143/1999 on the State Aid, with the subsequent amendments and completions*, defines the State Aid as being any aid granted by the State or through State resources which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods or affect the trade between Romania and the Member States of the European Union.

(40) The facilities granted to UZTEL Ploiesti consist in exemption from the payment of the unpaid budgetary obligations representing fees, taxes, duties and other budgetary incomes, as well as the interests and delay penalties owed and unpaid towards the State budget and receivables owed to AVAS in total amount of ROL 567,180 million.

(41) By analyzing these financial support measures, the Competition Council found out that there is no doubt that these are financed from State resources and confer a selective advantage on UZTEL which it would not have received under normal market conditions. In the same time, there is no doubt that the taken financial measures could distort the competition and affect the trade with the Member States of the European Union, as the company also acts on the external market.

(42) In conclusion, the notified aid measures are considered State Aid within the meaning of the *Law no. 143/1999 on State Aid, amended and completed*.

(43) Regarding the facilities amounting ROL 337,893 thousand the company benefited of during 2000 - 2003, these were granted by the Ministry of Public Finance, according to the EGO no. 163/2000 and this represents exemption from the payment of the delay majorities related to the interest on dividends- ROL ;

(44) AVAS considers that the exemption from the payment of the delay majorities related to the tax on profit, granted based on EGO no. 163/2000 represented State Aid, as the measure aimed the reduction of the budgetary arrears and the avoidance of certain macro-economical blockages, having therefore a general character.

(45) The Competition Council disagrees that the measure have a general character

(46) The measure produced effects only regarding the undertakings having unpaid debts towards the State budget. This way, according to art. 4 align. (1) in the EGO no. 163/2000, the delay majorities are exempted from the payment, at the date when the present emergency ordinance came into force, if the unpaid debts they generated, representing taxes, fees, duties and other incomes at the State budget, shall be paid until October the 31st, 2000.

(47) Therefore, the measure has a selective character, favors UZTEL as it was alleviated from the payment of certain budgetary obligations and involved resources from the State budget, as the State gave up to collecting certain incomes that belong to it according to the law.

(48) The amount of these exemptions was of ROL 337,893 thousands, being under the threshold under which aid measures are deemed not to meet all the criteria of Article 2 of the State aid Law and therefore do not fall under the notification procedure provided for in Article 6 of the Law.

8. THE ASSESSMENT OF THE STATE AID MEASURES INTENDED TO BE GRANTED TO S.C. UZTEL S.A. PLOIESTI

(49) Art. 2 in the Law no. 143/1999 on the State Aid , with the subsequent amendments and completions, provides that the aids, granted by the State or from State resources, which distort or threaten to distort the competition and affect the trade with the Member States, are incompatible with the normal competitive environment.

(50) The notified State Aid's objective is S.C. UZTEL S.A. Ploiesti's restructuring in order to return to viability at the end of the restructuring period. If the conditions in the *Regulation on the State Aid for rescuing and restructuring firms in difficulty* (named from now on the Regulation) are fulfilled, the State Aid can be considered as compatible.

(51) The restructuring aid is based on a feasible, coherent and far reaching plan to restore a firm's long-term viability. The Regulation provides that the restructuring usually involves the reorganisation and rationalisation of the firm's activities, typically involving a withdrawal from loss making activities and the restructuring of those existing activities that can be made competitive again. Financial restructuring usually has to accompany the operational restructuring (capital injections, reducing the indebtedness degree, etc.).

8.1 S.C. UZTEL S.A. Ploiesti's eligibility as firm in difficulty

(52) According to the Regulation a stock company is in difficulty where more than half of its capital as shown in the company accounts has disappeared and more than one quarter of that capital has been lost over the preceding 12 months.

(53) For this purpose, the Competition Council takes note that, according to the data from the balance sheet, the company's own capitals registered in 2004 a negative value of ROL 53,976 mil., compared to a positive value of ROL 70,407 mil. in 2003. The company registered a significant loss in its capital during one year, fulfilling this way the condition provisioned by art. 2 align. (2) in the Regulation that allows UZTEL to be considered as „firm in difficulty”.

8.2 Restoring the company's viability

(54) According to art. 13, the granting of the restructuring aid must be conditional on implementation of the restructuring plan which must be endorsed by the Competition Council in case of individual aid and must be checked to see if it is able to restore the long-term viability of the firm within a reasonable timescale and on the basis of realistic assumptions as to future operating conditions.

(55) The restructuring plan describes the circumstances leading to the company's difficulties, namely the low productivity in the mechanic processing sector, in core-making, cleaning, forming and taking out of forms, high energy consumption, low outputs, existence of unused fix assets, high physical usage and aging degree of the equipments, the usage average being of 66%, the insufficient endowment with measure and control installations. In the same time, the company is confronted with financial difficulties, having high maintenance expenses, long periods for cashing in the debts, lack of liquidities to pay its suppliers and a high value of the stocks of materials and finished products. The organization in centralized system of the materials, finished products' storehouses and of the related logistics is another weak point for the company.

(56) The restructuring plan proposes viable measures for the existing difficulties, being mainly based on the re-organization on profit centers, by organizing the production activity on factories and different sectors, technology and computer analysis system investments, stocks' capitalization, reduction of the expenses with utilities and raw materials.

(57) Organizing measures will lead, without doubt, to the reduction of expenses, one of the main causes of the difficult situation the company is confronted with. Planning the working schedule on shifts and hours for minimizing the costs, leads to a reduction of the energy costs with 15 - 20%.

(58) Taking into account the activity's specific, a good planning of the resources is necessary, but also a control of the terms and costs. Therefore, it is necessary the acquiring and implementation of a computer analysis system to collect the data related to both human, material and financial resources, as well as the time limits to realize the objectives. This system allows obtaining reports for the product unit as well as for the activity sectors.

(59) * Contains classified informations

(60) * Contains classified informations

(61) * Contains classified informations

(62) The restructuring plan focuses on the marketing strategy of UZTEL, developed together with the buyer (Array), the latter having as objective the diversification of the markets for the company's products, increasing the trust of the beneficiaries, as well as the promotion of corporate image. The diversification of products and services generating profit will provide the beneficiaries the alternative to choose the desired product from a range of products of same class and will allow the consortium UZTEL-Array the optimal utilization of production capacities.

(63) The reduction of the product range, by eliminating from fabrication of old products, generators of high costs and with low market demand, the implementation of modern methods of statistics of the manufacturing processes to identify and eliminate errors and the adaptation to the specified requirements of various market segments represent one more argument in considering that UZTEL will reach viability at the end of the restructuring period.

(64) Upon implementation of the measures, at the end of the restructuring plan – the year of 2009 – the following target indicators are to be achieved:

Table no. 3 – Company target indicators for the year of 2009

1. Net profit	ROL million	75,900
2. Turnover	ROL million	950,000
3. Number of employees	Persons	1,050
4. Equity	ROL million	665,700
5. Timing for receivables collection	Days	104
6. Timing for payment of debts	Days	44
7. Indebtness ratio	%	17.32
8. Return on assets	%	9.72
9. Return on equity	%	11.40
10. Cash flow	ROL million	+102,700

Source: Restructuring program of SC UZTEL SA

(65) The final purpose of the proposed objectives is that after implementing the restructuring program, for the company to return to viability so that it will totally cover the costs and to be able to compete on the market by its own powers.

(66) The Competition Council considers that the measures proposed by the restructuring plan are sufficient and necessary so as its implementation will lead to restoration of viability at the end of the restructuring period.

8.3 The company's affiliation to a group

(67) In accordance with the provisions of art. 2 align. (5) of the *Regulation*, a firm belonging to a group isn't normally eligible to receive rescue and restructuring State Aid, excepting when it can be proved that the firm's difficulties are its own and not a result of arbitrary allocations of costs within the group, and that the difficulties are too serious to be solved by the group.

(68) The difficulties of S.C. UZTEL S.A are intrinsic and are not the result of an arbitrary allocation of costs within a group, but are its own, due to the economic results obtained in the years before the sale of the majority share package.

(69) * Contains classified informations

8.4 State aid limited to the minimum necessary and the intensity of the state aid

(70) According to art. 15 of the Regulation, the amount and the intensity of the State Aid must be limited to the minimum necessary to allow the company's restructuring. The beneficiary of the State Aid must have a significant contribution to the restructuring costs, from its own resources, including the sale of assets not essential for the company's restructuring or from sources drawn under market conditions, not affected by State Aid.

(71) AVAS sufficiently proved that the restructuring State Aid is limited to the minimum necessary, taking into account the company's financial resources and those of its shareholders.

(72) During the restructuring, UZTEL will not make other investments than those really necessary to surpass the existing difficulties and to insure the company's return to viability at the end of the restructuring period.

(73) This way, Array Co LLC agreed with the acquisition of the majority shares package owned by AVAS and with the guarantee of a credit which will be contracted by UZTEL in order to cover a part of its debts only if the penalties and the delay penalties related to those budgetary debts were exempted from payment. Furthermore, the restructuring plan provisions the sale of those assets unnecessary for the return to viability, and the incomes obtained are considered the company's own sources to the technological restructuring.

(74) The beneficiary's contribution to financing the restructuring costs is of 51.32%, the Competition Council concluding that UZTEL has a significant contribution to restructuring the company from its own sources, and the criterion provided of the Regulation is fulfilled, the aid being limited to the minimum necessary.

(75) * Contains classified informations

(76) The state aid intensity, calculated as a ratio between the state aid value and the cost of the restructuring points to a level of 48.68%.

8.5 Avoidance of a significant distortion of the competitive environment

(77) By the granting of the State Aid and the implementation of the restructuring program of UZTEL, the structure of the relevant market is not significantly changed so that it would have anti-competitive effects, this operation having as purpose the increase of the company's economic efficiency by reducing the production costs and does not lead to surplus of liquidities to be used in aggressive activities distorting the competition on the market and without any connection with the restructuring process.

(78) UZTEL's market shares on the domestic relevant markets was fluctuating, during 2002-2004, between 3.1 and 6% for armatures for oil and gas extraction, between 4.4 and 5.3% on the market of oil installations, respectively between 1.2 and 1.4% for half-finished. During the restructuring period, respectively 2005-2009, the company estimates that it will maintain its market shares between the same limits.

(79) To avoid any distortions of the normal competitive environment, the restructuring plan proposes, together the sale of un-viable assets, the closure of 50% of the capacities in function for oil installations. The reduction takes into account the trends from the oil installations' market. The Competition Council notes that the reduction of capacities at the oil installations minimizes the negative effects incurred by the granting of the State Aid on the competitive environment.

(80) The production capacity for the oil installations:

Projected capacity - 45,000 pieces

Capacity in function – 20,000 pieces

Capacity left after the reduction- 10,000 pieces.

(81) The reduction of production capacities insures a reduction of the capacity in function of 50% for the "oil installations" product range.

(82) The Competition Council considers the capacity reductions sufficient to compensate any distortions of the competitive environment considering these do not fall under 'non viable' capacities.

8.6 One time, last time principle

(83) S.C. UZTEL S.A. Ploiesti did not benefit of rescue and/or restructuring state aid thus observing art. 24 from the Regulation stipulating the fact that restructuring aid must be granted only once.

8.7 Annual monitoring and reporting

(84) According to the provisions of art. 18 in the Regulation on the State Aid for rescuing and restructuring firms in difficulty, the Competition Council continuously monitors the implementing manner of the restructuring plan so that it wouldn't divert from the fulfillment of the objectives of the restructuring plan. Any modification of the restructuring plan approved by the Competition Council or the modification of the amount of State Aid must be notified to re-assess the State Aid's granting conditions. The increase of the State Aid amount must be accompanied by compensatory measures more extended than those initially imposed.

(85) The Competition Council will continue to monitor the implementation of the restructuring plan until the end of the period to insure itself that there will be no increases of the production capacities, no major diversions from the accomplishment of the restructuring measures and that the State aid will not lead to the creation of supplementary liquidities to be used for activities other than those enclosed in the restructuring program.

9. Conclusions

(86) After the analysis based on the notification form, market study, the information received from the grantor, the Competition Council concludes that the State Aid to be granted to S.C UZTEL SA Ploiesti does not affect the normal competitive environment and doesn't breach the proper application of the international treaties Romania is being part at.

(87) As a result of the analysis it was found that the State Aid amounting ROL 567,180 mil. consisting in exemption from the payment of certain budgetary obligations granted based on EGO no. 26/2004 on certain measures for finalizing the privatization of the undertakings in AVAS' portfolio and consolidating certain privatizing, approved by the Law no. 442/2004, fulfills the granting criteria according to the *Regulation on the state aid for rescuing and restructuring firms in difficulty*.

DECIDES

Art. 1. The measure notified by the Authority for Capitalizing the State's Assets, having as beneficiary S.C. UZTEL S.A Ploiesti represents State aid within the meaning of Art. 2 align. (1) of the Law no. 143/1999 on the State aid, with the subsequent modifications and completions.

Art. 2. In the basis of Art. 12 align. (2) Letter c) corroborated with art. 14 align. (1) letter e) in the Law no. 143/1999 on the state aid, with the subsequent modifications and completions it is authorised the restructuring State aid to be granted to S.C.UZTEL S.A. Ploiesti, provided that it meets art. 3, 4 and 5 of the present decision.

Art. 3. The restructuring aid must be granted after UZTEL will reimburse the export aid in amount of ROL 4,618,007 thousand plus the related interests in amount of ROL 2,170,570 thousand.

Art. 4 The company must totally implement the assumed restructuring plan.

Art. 5. The company shall reduce its production capacity for oil installations with 50% in comparison with the level of the year 2004.

Art. 6. If the conditions imposed by the present decision are not met, the provisions of art. 13 in the Law no. 143/1999 on State aid, with the subsequent modifications and completions shall be applied.

Art. 7. The value of the State aid which is to be granted is of ROL 567,180 mil.

Art. 8. This Decision is applicable as of the date when communicated.

Art. 9. Under Article 24 of Law 143/1999, with subsequent modifications and completions, the state aid granting authorities shall submit to the Competition Council information on the state aid granted, in order to inventory and to monitor it. The Authority for Capitalizing the State Asset shall submit to the Competition Council annual reports regarding the implementation of the restructuring program. The first report shall be submitted within 6 months as of the issuing of the decision. The following reports will have to show that the undertaking fulfilled the compensatory measures regarding the production capacity reduction imposed by the present decision.

Art. 10. According to the provisions of art. 29 of the Law no. 143/1999 on state aid, with subsequent amendments and completions, the present Decision may be appealed by concerned persons before the Bucharest Court of Appeal, the Administrative Litigation Section, in 30 days from its communication.

Art. 11. The present Decision shall be communicated by the Secretariat-General of the Competition Council to:

- the Authority for Capitalizing the State Asset, st. Cpt. Av. Alexandru Serbanescu, no. 50, sector 1, Bucharest;
- S.C. UZTEL S.A, Str. Mihai Bravu, nr. 243, cod 100410, Ploiesti, jud. Prahova.

PRESIDENT

MIHAI BERINDE