

Surcharge Payment Orders against Participants in Bidding for Construction Works ordered by Iwate Prefecture  
(Tentative Translation)

December 22, 2010  
The Japan Fair Trade Commission

The Japan Fair Trade Commission (JFTC), on December 20, 2010, issued surcharge payment orders against 30 participating companies (hereinafter referred to as “30 companies”) in the bidding for construction works ordered by Iwate Prefecture pursuant to Paragraph 1, Article 48-2 of the AMA, the provision of the AMA prior to revision by the Act No. 35 of 2005, in accordance with transitional measures of the Act, as detailed below.

1. Outline of the violation (JFTC’s decision on March 23, 2010)

106 companies including 30 companies (hereinafter referred to as “106 companies”), with respect to certain construction works ordered by Iwate Prefecture <sup>note1</sup>, jointly appointed the designated successful bidder and managed to have the designated successful bidder receive the order (The conduct violates Article 3 of the AMA, and is considered to be ‘conduct pertaining to consideration of services’ of Paragraph 1 of Article 7-2 of the AMA).

2. Previous actions

June 21, 2005	Recommendations to 91 companies <sup>note2</sup> among 106 companies (hereinafter referred to as “91 companies”)
August 5, 2005	Decisions to initiate hearing procedures regarding 91 companies
May 8, 2006	Surcharge payment order against a company among 91 companies
June 21, 2006	Decision to initiate hearing procedures regarding the company
March 23, 2010	Hearing decisions <sup>note3</sup> against 80 companies <sup>note4</sup> among 91 companies
March 23, 2010	Decision <sup>note5</sup> to order surcharge payment (7, 680, 000 yen) against the company

December 20, 2010	Surcharge payment orders against 30 <sup>note6</sup> companies among the above 80 companies.
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3. Companies subject to the surcharge payment orders, and the amount of the surcharge

(1) Number of companies subject to the surcharge payment orders: 30

(2) Total amount of surcharge: 362, 520, 000 yen

4. Time limit for payment

February 21, 2011

Note1) Construction works ordered by Iwate Prefecture for companies whose main offices are located in Iwate Prefecture, and which have grade A rating regarding construction works in the prefecture, through the means of general competitive bidding with some conditions, designated competitive bidding considering participants' intent or designated competitive bidding.

Note 2) 15 companies among 106 companies did not receive the recommendation because one year had passed since they had terminated the violation and so on.

Note 3) 6 companies among 80 companies appealed the decision to Tokyo High Court.

Note 4) 11 companies among 91 companies did not receive the decision because they were in the process of bankruptcy and so on.

Note 5) The decision became final.

Note 6) 50 companies among 80 companies did not receive the surcharge payment order because they did not receive construction work orders of Iwate Prefecture.