

The JFTC Issued Cease and Desist Orders and Surcharge Payment Orders against Participants in Bidding for Overhead Transmission Facility Works and Underground Transmission Line Works Ordered by TEPCO

December 20, 2013
Japan Fair Trade Commission

The Japan Fair Trade Commission (JFTC) today issued cease and desist orders and surcharge payment orders against the engineering companies participating in bidding for particular overhead transmission facility works ^(Note 1) and particular underground transmission line works ^(Note 2) ordered by Tokyo Electric Power Company, Incorporated (TEPCO) (hereinafter referred to as "the works"), finding that they substantially restrained competition in the fields of the works by, in concert with one another, designating successful bidders and managing to have the designated successful bidders win the biddings. The total amount of the surcharge to be paid is 746.62 million yen.

Meanwhile, the JFTC found that TEPCO induced or facilitated the violations in such ways as inviting only certain enterprises to the biddings at its ordering the works. This is also exemplified by the fact that TEPCO's employees in charge of ordering the works connived at the violations and even called the enterprises' attention to secure the violations were kept undetected. The JFTC therefore urged TEPCO to improve its order system as well as to take appropriate measures to prevent recurrence of the conducts mentioned above.

Before issuing the cease and desist orders and the surcharge payment orders, the JFTC notified the said enterprises of the contents of the planned orders and provided them with opportunities to present their opinions and submit evidence. The JFTC issued the orders taking the opinions and the evidence submitted into consideration. The recipients dissatisfied with the orders may request, within sixty days of the date on which the transcript of the orders were served, the JFTC to initiate hearing procedures regarding the orders.

(Note1) An "overhead transmission facility work" means an engineering work on overhead transmission facilities, including that on accessories to overhead transmission facilities and that ordered together with other engineering works.

(Note2) An “underground transmission line work” means an engineering work to install, replace or remove power lines for underground transmission facilities used for transmitting 66K-volt electricity.