

The JFTC issued cease-and-desist order and surcharge payment order against bid participants for construction works procured by Okinawa prefecture.
(Tentative Translation)

30 March 2006

Japan Fair Trade Commission
Cabinet Office, Okinawa General Bureau

The Japan Fair Trade Commission (“JFTC”) had conducted an investigation against bid participants for civil works and construction works procured by Okinawa prefecture based on provisions of the Antimonopoly Act (“AMA”). As a result of the investigation, the JFTC found violation of Section 3 of the AMA (unreasonable restraint of trade) and issued cease-and-desist order against 152 entrepreneurs based on Section 7 (2) of the AMA and surcharge payment order against 136 entrepreneurs based on Section 7-2 of the AMA on March 29, 2006. The outline of these orders is as follows.

1 Outline of violation

The 100 bid participants for civil works and the 103 bid participants for construction works procured by Okinawa prefecture jointly decided in advance the bid winners for each of specific tenders in order to avoid price decline and to equalize the opportunities for winning bids among those participants, and hence caused substantial restraint of competition contrary to the public interest in the field of trade for each work since April 1, 2002, at the latest.

2 Number of recipients of cease-and-desist order and surcharge payment order and amount of surcharge

	Recipients of cease and desist order	Recipients of surcharge payment order	Amount of surcharge (million yen)
Civil works procured by Okinawa prefecture	100 entrepreneurs	99 entrepreneurs	1955.17
Construction works procured by Okinawa prefecture	103 entrepreneurs	72 entrepreneurs	1104.67
Total	203 entrepreneurs 152 entrepreneurs	171 entrepreneurs 136 entrepreneurs	3059.84

3 Outline of cease and desist order

The said 100 entrepreneurs and the said 103 entrepreneurs shall take the following measures respectively.

- (1) To make a decision by the board of directors to ensure that each of them had already ceased the conducts described in the above 1.
- (2) To notify Okinawa prefecture, other entrepreneurs and to inform all employees thoroughly the measures taken in accordance with the above (1) and of the fact that they will not commit the same kind of conducts and will independently make a decision on bids in the future.
- (3) Not to prearrange the bid winner among the said entrepreneurs or with other entrepreneurs on bids for construction works and civil works procured by Okinawa prefecture.
- (4) To make sure the above (3) with a decision by the Board of Directors.

4 Deadline for surcharge payment

June 30, 2006