

PRESS RELEASE

Fines totalling EUR 98.2 million have been imposed to 39 companies and three trade associations active in waste management and urban sanitation in Spain.

Madrid, 26th January 2015.- The CNMC (National Commission of Markets and Competition) has imposed antitrust fines totalling 98.2 million euros to 39 companies as well as three associations for market sharing in Spain's waste management sector, which constitutes a single and continuous infringement of article 1 of Spain's Competition Act 15/2007.

According to evidence included in the file, participants in the infringement exchanged sensitive information, allocated customers and colluded in public tenders. The sanctioned associations assisted in the implementation of the market-sharing agreements through collective recommendations.

As a result, the Council of the CNMC has imposed fines totalling EUR 98.2 million to 39 companies and three associations. Firms fined by the CNMC include the leading players in the sector like FCC, Cespa (belonging to the Ferrovial Group), Urbaser (belonging to the ACS group), Valoriza (belonging to the Sacyr group) and SAICA.

The decision distinguishes three areas related to waste management where the market sharing agreement has taken place: industrial waste management (basically, waste generated by industrial customers), paper and board recovery and urban sanitation (which includes municipal solid waste management, street cleaning and sewage treatment).

Regarding industrial waste management, the collusive practices (customer allocation, non-compete agreements...) have taken place between 1999 and 2003 according to documents included in the file and collected at the premises of the firms raided by the CNMC during the antitrust proceedings.

Similar anticompetitive conduct has been found in the paper and board recovery sector, where SAICA reached market-sharing agreements with other market participants, which affected among others the sale of recovered paper and board by the municipality of Sevilla in 2012. Moreover, beginning in 2000 all the relevant firms in the sector (under the umbrella of the trade association AREMA) have bidded jointly for the recovered paper and board sold by the municipality of Madrid, which has resulted in a lower selling price for as shown in internal documents of one of the firms involved in the joint bidding.

Finally, as regards urban sanitation, the CNMC has found proofs that the leading market players (FCC, Cespa, Urbaser and Valoriza) have colluded in several public tenders organized by the municipality of Madrid between 2011 and 2013. Collusive agreements in this sector have also affected the regions of Andalusia and the Basque Country, like for instance the deal struck by FCC and Urbaser in 2010, according to which both firms would jointly bid in every urban sanitation tender conducted in the province of Málaga, a deal which was subsequently expanded to the cities of Ceuta and Melilla.

This information may be only reproduced partially or entirely with clear mention of the source.

The anticompetitive conduct of these firms was aided by the trade association ASELIP where firms would often meet to reach a common position regarding public tenders that did not satisfy the members' interests (the decision of the CNMC includes a table listing the public tenders discussed in ASELIP and boycotted by the members).

The CNMC considers the fight against cartels one of its priorities because of their harmful effects on competition and consumers. These agreements have a particular damaging nature: they increase the cost of the services provided to citizens, furthermore taking into account that these behaviors were maintained for a long period of time.

The CNMC has a **LENIENCY PROGRAMME**, through which the company and/or the manager who has participated in a cartel can provide information about it. In exchange for relevant information about a cartel, the applicant could obtain a full exemption (or a significant reduction) of the fine that would correspond.

More information:

<http://www.cnmc.es/es-es/competencia/programadeclemencia.aspx>.