18 November 2014: Relocation of military personnel in Martinique

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***The Autorité de la concurrence* fines three removal companies for having colluded in presenting cover quotes**

> *Version française*

The *Autorité de la concurrence* has issued a decision in which it fines three removal companies for having presented cover quotes in order to distort competition in the military personnel relocation removals sector.

The administration pays for military relocation removals

The relocation of military personnel is governed by regulatory provisions that require the latter to provide the administration with at least two competing quotes for the purpose of the repayment of all or part of removals linked to a unit transfer.

Specifically, the military contacts the removal company, pays the agreed price but is not in the end responsible for covering the cost of the relocation.

Companies avoided competing with each other by regularly producing cover quotes, to the detriment of the public accounts

The probe established that in many cases the companies were not competing with each other and in fact were sharing customers. They cooperated to submit bogus quotes (quotes setting out deliberately inflated amounts), so that one of

them would definitely secure the business for the removals of the relocating military in question.

The *Autorité* deemed these practices to be serious because their object and effect was to create an artificial distribution of the market between the removal companies and to prevent prices being set by the free play of competition.

The fines imposed

These practices were all the more regrettable given that similar practices had already been sanctioned in this sector and the companies involved in this case could not be unaware of the prohibited and serious nature of such infringements (see in particular decisions 09-D-19 of 10 June 2009, 07-D-48 of 18 December 2007, 02-D-62 of 27 September 2002,01-D-63 of 9 October 2001 and 99-D-50 of 13 July1999).

Three companies, AGS Martinique (and its parent company Mobilitas), Martinique Déménagements and SMDTE, of the six present in this sector in Martinique, were fined a total sum of 237,840 euros.

The *Autorité* imposed these fines on the basis of the serious nature of the behaviour in question, the damage caused to the economy, the individual situation of the companies, and the fact that three companies did not challenge the charges.

The company Martinique Déménagements commitmented to set up a compliance programme.

> Decision 14-D-16 of the 18 November 2014 on the practices implemented in the military personnel relocation removals sector in Martinique

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> See decision of the cour d'appel de Paris (19th May 2016)

> This judgement was appealed before the French Supreme Court (Cour de cassation).