

PRESS RELEASE

The CNMC settles the disciplinary proceedings against Amarres de Algeciras

- It was investigating a sector agreement that could have restricted the freedom to hire of new mooring companies in the Port of Algeciras.
- The case is settled without a fine, since the conditions presented by the parties are accepted (conventional settlement).
- This proposal addresses the possible competition problems that gave rise to the disciplinary proceedings.

Madrid, 8 March 2021- The CNMC has agreed to a conventional settlement of the disciplinary proceedings (<u>S/DC/0605/17</u>), which began in October 2018, against the Federation of Citizen Services of CC.OO., the State Federation of Services, Mobility and Consumption of UGT, the Union of Maritime Activities of the Spanish State, the Association of Service Companies of the Bay of Algeciras (AESBA) and the Confederation of Employers of the Province of Cádiz (CEC), for evidence of an infringement of Article 1 of the Anti-Trust Law (LDC) and Article 101 of the Treaty on the Functioning of the European Union (TFEU).

The case had its origin in a letter that Puertos del Estado sent to the CNMC to complain about certain points of the "Stabilisation Agreement of the Mooring and Unmooring Sector in the Bahía de Algeciras Port", signed by the employers and the unions in 2016, which was expected to remain in effect until June 2022.

Clauses of the sector agreement

The clauses in the "Stability Agreement" reported implied that any mooring and unmooring services company that needed to hire new workers in the Port of Algeciras should preferentially hire workers who had terminated their employment relationship with Marítima Algecireña and were listed in its labour exchange.

It also stipulated the obligation to hire them indefinitely, pay them a remuneration supplement of 300 euros a month and a performance bonus of 450 euros a month when the company reached a market share of 30% or higher.

Mooring and unmooring services

Currently, mooring and unmooring services in Spain are provided within a framework of free competition, although it is subject to licensing. Each port specifies the details and the duration of the authorisations. The mooring companies must be able to freely hire the workers they deem necessary, as long as said workers satisfy the requirements contained in the specifications. The clauses of the Stability

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Agreement of the Port of Algeciras could restrict the companies' freedom to hire. Specifically, they specified the workers to be hired, standardised wage costs and limited the autonomy of each company to compete. This could result in an asymmetry between Marítima Algecireña and all other companies, with the risk of penalising the latter.

In any case, the agreement did not have any effects on the market, since:

- i) no active Marítima Algecireña worker was fired on 17 December 2015;
- ii) the labour exchange has not been created;
- iii) the Follow-Up Committee has not met and
- iv) no company has been forced to hire new workers.

Presentation of conditions

In June 2019, the CEC and AESBA, and subsequently the rest of the parties included in the disciplinary proceedings, requested the conventional settlement of the case. The parties accepted the following conditions:

- Eliminate the requirement to hire workers from the labour exchange.
- Eliminate the 300-euro salary supplement for expert dockworkers.
- Eliminate the 450-euro salary supplement for companies that reach a 30% quota.
- Refrain from signing agreements in the future that contain equivalent or identical clauses.
- Inform the associates of the conventional settlement agreement.
- Approve a new Agreement incorporating all the modifications.

The CNMC is of the opinion that the conditions presented clearly and unequivocally address the investigated conduct, since they eliminate the controversial clauses that may limit competition and those that affect the freedom to hire.

In addition, these conditions can be satisfied quickly and effectively, since the parties agree to sign a new Agreement, which will replace the previous one, within 10 days from the notification of the CNMC Resolution. They also guarantee sufficient communication to third parties, which can be easily corroborated and monitored by the CNMC.

Conventional settlement

A conventional settlement, described in Article 52 of the LDC, is a way to end disciplinary proceedings through which conditions that are voluntarily offered by the alleged offender are made binding, without the need to prove that a violation has been committed. Consequently, no fines are imposed.

The goal of a conventional settlement is twofold: to quickly restore competitive Unofficial document intended for the media. Not binding on the CNMC. Reproduction authorised only if the source is cited.

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conditions, thereby safeguarding the welfare of consumers and the public interest, and to reduce the administrative workload in the case, resulting in the efficient consumption of resources that can be allocated to other purposes.

(<u>S/DC/0605/17</u>)

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