

Underground and Submarine Power Cables

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Related Practice Areas: **Competition Litigation**

In April 2014, the European Commission (“EC”) imposed fines totalling €301 million on 11 manufacturers of underground and submarine high voltage power cables. It was found that these companies participated in a market sharing cartel which sought to allocate high voltage power cable projects, large infrastructure projects and renewable energy projects within the European Economic Area (“EEA”).

The Cartel

The cartel was in existence from 1999 until January 2009 and was made up of leading brands like ABB, Nexans, Prysmian (previously Pirelli), J-Power Systems (previously Sumitomo Electric and Hitachi Metals), VISCAS (previously Furukawa Electric and Fujikura), EXSYM (previously SWCC Showa and Mitsubishi Cable), Brugg, NKT, Silec (previously Safran), LS Cable and Taihan. Power cables are used for the transmission and distribution of electrical power and are laid either underground or under water. Power cables are mostly used to connect different power grids, carrying electricity from power plants to substations (in particular capacity based on renewable energy sources) and facilitating the shipping of surplus electricity between countries.

In addition to the EC, competition authorities in the United States, Canada, Japan, Australia and Brazil have investigated or issued decisions against members of power cable cartels operating in their respective jurisdictions.