UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, U.S. Department of Justice Antitrust Division 325 Seventh Street, N.W. Washington, D.C. 20530, *Plaintiff,* **v.** **SIGNATURE FLIGHT SUPPORT CORPORATION**, Signature Plaza 201 South Orange Avenue Suite 1100 Orlando, FL 32801, **RANGER AEROSPACE CORPORATION,** GSP International Airport Greenville, SC 29612*, and* **AIRCRAFT SERVICE INTERNATIONAL GROUP, INC.** 1815 Griffin Road, Suite 300 Dania, FL 33004 *Defendants*.	)	**Civil Action No.:** 01 CV 1365 **Filed:** June 20, 2001

COMPLAINT

The United States of America, by its attorneys, acting under the direction of the Attorney General of the United States, brings this civil action to prevent the proposed acquisition by Signature Flight Support Corporation ("Signature") of the competing fixed base operations of

Ranger Aerospace Corporation ("Ranger") and its wholly owned subsidiary Aircraft Service International Group, Inc. ("ASIG").

I.

NATURE OF THE ACTION

1. Signature and ASIG both own and operate a fixed base operator ("FBO") business at Orlando International Airport ("MCO Airport"). FBOs provide flight support services—including fueling, ramp and hangar rentals, office space rentals, and other services—to general aviation customers from facilities at airports. General aviation customers include charter, private and corporate aircraft operators. Signature owns and operates FBOs at forty-four airports around the country, and ASIG owns and operates FBOs at three airports.

2. Currently, Signature and ASIG are the only two FBOs competing at MCO Airport. As the only two FBOs operating at MCO Airport, Signature and ASIG compete head-to-head on price and quality of services to general aviation customers. The acquisition would eliminate this competition, reducing the number of competitors from two to one, creating an FBO monopoly at MCO Airport. The acquisition would give Signature the ability to raise prices and lower the quality of services to MCO Airport general aviation customers. Accordingly, the proposed acquisition of those two FBOs is likely to lessen competition substantially in the market for FBO services at MCO Airport in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18.

II.

JURISDICTION AND VENUE

3. This action is filed pursuant to Section 15 of the Clayton Act, as amended, 15 U.S.C. § 25, to prevent and restrain the violation by the defendants, as hereinafter alleged, of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18.

4. All defendants are engaged in interstate commerce and in activities substantially affecting interstate commerce. Signature and Ranger, through its wholly owned subsidiary, ASIG, provide FBO services to aircraft landing throughout the United States and overseas. Signature, Ranger and ASIG consent to jurisdiction in the District of Columbia for purposes of 15 U.S.C. § 22 and 28 U.S.C. § 1391(c).

5. This Court has jurisdiction over the subject matter of this action and jurisdiction over the parties pursuant to 15 U.S.C. §§ 1331 and 1337. Venue is proper pursuant to 28 U.S.C. § 1391(c).

III.

DEFENDANTS AND THE TRANSACTION

6. Signature is a Delaware corporation with its principal place of business in Orlando, Florida. Signature owns and operates forty-four FBOs in the United States, including operations at MCO Airport. In addition, Signature provides services for commercial airlines and airport authorities, including into-plane fueling, fuel farm maintenance and operation, and other ground services.

7. Ranger is a Delaware corporation with its principal place of business in Greenville, South Carolina. ASIG is a wholly owned, indirect subsidiary of Ranger. ASIG, a Delaware corporation headquartered in Dania, Florida, owns and operates three FBOs in the United States and the Bahamas, including operations at MCO Airport. ASIG also provides services for commercial airlines and airport authorities, including into-plane fueling, fuel farm maintenance and operation, and other ground services.

8. Signature proposes to acquire the stock and assets of Ranger for approximately $137 million.

IV.

TRADE AND COMMERCE

The Relevant Market

9. FBO services include the sale of jet aviation fuel ("Jet A fuel") and aviation gasoline ("avgas"), as well as related support services, to general aviation customers. FBOs typically do not charge separately for many services, such as use of customer and pilot lounges, baggage handling, and flight planning support. Rather, they recover the costs of these services in the price that they charge for fuel. There are other services for which FBOs charge separately, including hangar rental, office space rental, ramp parking fees, catering, cleaning the aircraft, arranging ground transportation, and maintenance on the aircraft. General aviation customers generally buy fuel from the same FBO from which they obtain other services.

10. The largest source of revenue for an FBO is its fuel revenues. FBOs sell Jet A fuel for jet aircraft, turboprops and helicopters, and avgas for smaller, piston operated planes. At

MCO Airport, Signature and ASIG sold approximately 2.64 million gallons, or $5.4 million, of fuel in the year ending December 1999. Signature and ASIG obtained additional revenues of approximately $524,000 at MCO Airport for other FBO-related services.

11. The provision of FBO services to general aviation customers at MCO Airport is a relevant market (*i.e.*, a line of commerce and a section of the country) under Section 7 of the Clayton Act. General aviation customers cannot obtain fuel, hangar, ramp and other services offered at an airport except through an FBO authorized to sell such products and services by the local airport authority. Thus, general aviation customers have no alternatives to FBOs for these products and services when they land at MCO Airport.

12. FBOs at other airports would not provide economically practical alternatives for general aviation customers who currently use MCO Airport. Although there are other airports in the same region as MCO Airport, those other airports are not economically viable substitutes for general aviation customers flying into MCO Airport. The location, convenience, and facilities of MCO Airport draws customers. General aviation customers have chosen MCO Airport because of its proximity to the Orlando metropolitan area and other destinations, and because of the size and quality of its facilities; using a different airport would significantly increase their driving time and inconvenience. There are not enough general aviation customers who have selected MCO Airport as their airport and who would switch to another airport to prevent anticompetitive price increases for fuel and other services at MCO Airport.

Competition and Entry

13. The market for FBO services at MCO Airport is highly concentrated, with only two providers—Signature and ASIG. If Signature acquires the ASIG FBO facility, it will have a monopoly for the market for FBO services at MCO Airport.

14. Signature's acquisition of the ASIG FBO at MCO Airport would eliminate competition in the market for the provision of FBO services to general aviation customers at MCO Airport. The existing competition between Signature's and ASIG's FBOs limits the ability of each to raise prices for fuel and other FBO services. The proposed acquisition would eliminate the constraint each imposes upon the other.

15. The prospect of new entry will not prevent a post merger price increase or service decrease at MCO Airport. There are significant sunk costs involved in building an FBO at MCO Airport. The airport authority has established minimum requirements for an FBO, including 20,000 square feet of hangar storage, a five acre lease, and other minimum operating requirements, and the permitting process at MCO Airport can take up to a year before construction begins. Entry that is timely and sufficient to prevent a post merger price increase or service decrease is unlikely because of these factors.

V.

VIOLATION ALLEGED

16. Unless restrained, Signature's proposed acquisition of ASIG's FBO at MCO Airport is likely to substantially lessen competition and restrain trade unreasonably in the market

for FBO services at MCO Airport in violation of Section 7 of the Clayton Act, in the following ways:

a. Actual competition between Signature and ASIG in the market for FBO services at MCO Airport will be eliminated;

b. Concentration in the market for FBO services at MCO Airport will increase significantly, creating a monopoly at MCO Airport;

c. Competition generally in the market for FBO services at MCO Airport will be substantially lessened; and

d. Prices for fuel and other FBO services sold to general aviation customers at MCO Airport will increase and quality of service will decrease.

V.

REQUEST FOR RELIEF

The United States requests: (a) adjudication that Signature's proposed acquisition of ASIG's FBO at MCO Airport would violate Section 7 of the Clayton Act; (b) preliminary and permanent injunctive relief preventing the consummation of the proposed acquisition; (c) an award to the United States of the costs of this action; and (d) such other relief as is proper.

Dated this 20th day of June, 2001.

"/s/"
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Acting Assistant Attorney General

"/s/"
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"/s/"
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