Department of Justice

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AT
(202) 514-2007
TTY (866) 544-5309

JUSTICE DEPARTMENT REQUIRES DIVESTITURES IN ORDER FOR STANDARD PARKING CORP. TO PROCEED WITH ITS ACQUISITION OF CENTRAL PARKING CORP.

Divestitures Will Preserve Parking Competition in 29 Cities

WASHINGTON – The Department of Justice announced today that it will require Standard Parking Corporation and Central Parking Corporation to divest their interests in certain off-street parking facilities in 29 cities in 21 states in order to proceed with Standard's acquisition of Central. The department said that without these divestitures, the combined company would have gained a dominant market share of off-street parking facilities in certain areas of each of the cities, resulting in higher prices and reduced service to motorists. The acquisition is valued at approximately $345 million.

The department's Antitrust Division filed a civil antitrust lawsuit today in the U.S. District Court for the District of Columbia to block the proposed acquisition. At the same time, the department filed a proposed settlement that, if approved by the court, would resolve the competitive concerns alleged in the lawsuit.

"Consumers have benefited from lower parking prices because of competition between Standard and Central in many urban central business districts," said Acting Assistant Attorney General Joseph Wayland in charge of the Department of Justice's Antitrust Division. "These divestitures will ensure that consumers in the affected cities and states will receive better services."

Standard and Central are the two largest parking management companies in the United States. The companies are head-to-head competitors in providing motorists with off-street parking services, such as in garages and lots. In its complaint, the department said that the companies compete on prices, including "early-bird" or evening specials, as well as on hours of operation, parking options, security and other terms. As a result of the competition between Standard and Central, consumers have benefitted through lower prices and better services. The proposed merger threatens to end that competition and would provide Standard with the ability to exercise market power by raising prices or reducing the quality of services offered for off-street parking services, the department said in its complaint.

The department's complaint alleges that the proposed acquisition would lessen competition in certain areas in the central business districts (CBDs) of: Atlanta; Baltimore;

Bellevue, Wash.; Boston; Charlotte, N.C.; Chicago; Cleveland; Columbus, Ohio; Dallas; Denver; Fort Myers, Fla.; Fort Worth, Texas; Hoboken, N.J.; Houston; Kansas City, Mo.; Los Angeles; Miami; Milwaukee; Minneapolis; Nashville, Tenn.; New Orleans; New York City (Bronx, Rego Park), N.Y.; Newark, N.J.; Philadelphia; Phoenix; Richmond, Va.; Sacramento, Calif.; and Tampa, Fla.

To remedy the harm, the proposed settlement requires Standard and Central to divest at least 107 parking facilities in the CBDs. The divestitures can be accomplished by selling the companies' interests in the parking facilities to an approved buyer or by terminating the parking facility agreement or allowing it to expire. The facilities to be divested generate total annual revenues from consumers of about $85 million.

Standard is a Chicago-based company which currently operates in 41 states and Washington, D.C., with approximately 2,200 parking facilities containing more than 1.2 million parking spaces. In 2011, Standard had total revenues of more than $729 million.

Central is a Nashville-based company which operates in 38 states, Washington D.C. and Puerto Rico, with approximately 2,200 parking facilities containing about 1 million parking spaces. It is privately held, with total revenues in 2011 in excess of $800 million.

As required by the Tunney Act, the proposed settlement, along with a competitive impact statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to Scott Scheele, Chief, Telecommunications and Media Enforcement Section, Antitrust Division, U.S. Department of Justice, 450 Fifth Street, N.W., Suite 7000, Washington D.C. 20530. At the conclusion of the 60-day comment period, the U.S. District Court for the District of Columbia may approve the proposed settlement upon finding that it is in the public interest.

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