UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA
450 Fifth Street NW
Washington, DC 20530

Plaintiff,

v.

SAFRAN, S.A.
2, bd du General Martial-Valin
Paris, France 75015

SAFRAN, USA, INC.
700 South Washington Street, Suite 250
Alexandria, VA 22314

and

RTX CORPORATION,
1000 Wilson Blvd
Arlington, VA 22209

Defendants.

COMPLAINT

Safran S.A., Safran USA, Inc. (combined "Safran") and RTX Corporation ("RTX") are two of the leading suppliers in the worldwide market for trimmable horizontal stabilizer actuators ("THSAs") for large aircraft and are significant direct competitors. Safran's proposed acquisition of RTX's business related to THSAs threatens to substantially lessen competition in violation of Section 7 of the Clayton Act, 15 U.S.C. § 18. The proposed transaction should, therefore, be enjoined.

I. NATURE OF THE ACTION

1. Pursuant to an asset purchase agreement dated July 20, 2023, Safran proposes to acquire certain assets from RTX's Collins Aerospace business comprising Collins Aerospace's flight control and actuation business, which produces THSAs for large aircraft. The transaction is valued at approximately $1.8 billion.

2. THSAs help an aircraft maintain the proper altitude during flight and are critical to the safe operation of the aircraft. The proposed acquisition would eliminate competition between Safran and RTX in the market for THSAs for large aircraft.

3. As a result, the proposed acquisition likely would substantially lessen competition in the worldwide market for the development, manufacture, and sale of THSAs for large aircraft in violation of Section 7 of the Clayton Act, 15 U.S.C. § 18.

II. THE DEFENDANTS

4. Safran S.A. is incorporated in France and has its headquarters in Paris, France. Safran produces a wide range of products for the aerospace industry and other industries, including THSAs for large aircraft. Safran USA, Inc. is a US-based subsidiary of Safran S.A., headquartered in Alexandria, Virginia. In 2024, Safran had revenues of approximately €27 billion.

5. RTX is incorporated in Delaware and is headquartered in Arlington, Virginia. RTX is a major provider of aerospace and defense electronics systems. RTX produces, among other products, THSAs for large aircraft. In 2024, RTX had revenues of approximately $80 billion.

III. PRIOR DIVESTITURE IN UTC-ROCKWELL COLLINS

6. On October 1, 2018, the Antitrust Division entered a consent decree requiring United Technologies Corporation ("UTC") to divest two businesses critical to the safe operation of aircraft to resolve competitive concerns raised by UTC's acquisition of Rockwell Collins, Inc. ("Rockwell Collins"). One of the divesture businesses identified in the decree was Rockwell Collins's THSA business. Because of the safety critical nature of THSAs, it was imperative that the divesture buyer have an established presence in the aerospace industry with well-established customer relationships. Ultimately, the Antitrust Division approved Safran as the divestiture buyer and since that time Safran has operated the divested business as a competitor in the market for THSAs.

7. In April of 2020, following UTC's acquisition of Rockwell Collins, UTC merged with Raytheon Company, forming the company now branded as RTX. Safran's proposed acquisition of RTX would recombine the THSA assets that were divested to resolve the Division's concerns with the UTC-Rockwell Collins transaction.

IV. JURISDICTION AND VENUE

8. The United States brings this action under Section 15 of the Clayton Act, 15 U.S.C. § 25, as amended, to prevent and restrain Defendants from violating Section 7 of the Clayton Act, 15 U.S.C. § 18.

9. Defendants develop, manufacture, and sell THSAs for large aircraft in the flow of interstate commerce. Defendants' activities in the development, manufacture, and sale of these products substantially affect interstate commerce. This Court has subject matter jurisdiction over this action pursuant to Section 15 of the Clayton Act, 15 U.S.C. § 25, and 28 U.S.C. §§ 1331, 1337(a), and 1345.

10. Defendants have consented to venue and personal jurisdiction in this judicial district. Venue is therefore proper in this district under Section 12 of the Clayton Act, 15 U.S.C. § 22 and 28 U.S.C. § 1391(b) and (c).

V. TRIMMABLE HORIZONTAL STABILIZER ACTUATORS FOR LARGE AIRCRAFT

A. Background

11. Actuators are responsible for the proper positions of an aircraft by manipulating the "control surfaces" on its wings and tail section. A THSA is a type of actuator and helps an aircraft maintain the proper altitude during flight by adjusting ("trimming") the angle of the horizontal stabilizer, the control surface of the aircraft's tail responsible for aircraft pitch. This control surface is critical to the safety and performance of the aircraft, as a loss of control could cause the aircraft to crash. The stabilizer encounters significant aerodynamic loads for extended periods of time, and the THSA must be capable of handling these loads. THSAs thus tend to be the largest and most technically demanding actuators on an aircraft.

12. THSAs vary in size, complexity, and cost based on the size and type of aircraft on which they are used. Because large aircraft encounter significantly higher aerodynamic loads than smaller aircraft, THSAs for large aircraft are considerably larger, more complex, and more expensive than those used on smaller aircraft. Large aircraft primarily include commercial aircraft that seat at least six passengers abreast (such as the Airbus A320 and A350 and the Boeing 737, 787 and 777x) and military transport aircraft, but exclude regional aircraft, business jets, and tactical military aircraft.

13. THSAs can also vary in the type of power source used to effect actuation. Actuation can be effected using an electric or hydraulic source of control. Typically, an aircraft uses only one type so that all actuation on the aircraft, including THSAs, is controlled by either

electric or hydraulic means. At the design phase, large aircraft manufacturers can choose either type of power source to control actuation. Once a plane is designed, manufacturers are unable to switch between electric or hydraulic actuation components, including THSAs, due in part to the certification required for these components.

B. Relevant Markets

1. Product Market

14. THSAs for large aircraft do not have technical substitutes. Large aircraft manufacturers cannot switch to THSAs for smaller aircraft, or actuators for other aircraft control surfaces, because those products cannot adequately control the lift and manage the load generated by the horizontal stabilizer of a large aircraft. A small but significant increase in the price or worsening of terms of THSAs for large aircraft would not cause aircraft manufacturers to substitute THSAs designed for smaller aircraft or actuators for other control surfaces in volumes sufficient to make such a price increase unprofitable. Accordingly, THSAs for large aircraft are a line of commerce and a relevant product market within the meaning of Section 7 of the Clayton Act, 15 U.S.C. § 18.

2. Geographic Market

15. The relevant geographic market within the meaning of Section 7 of the Clayton Act, 15 U.S.C. § 18 is worldwide. THSAs for large aircraft are marketed internationally and may be sourced from suppliers globally because transportation costs are a small proportion of the cost of the product and thus are not a major factor in supplier selection.

C. Anticompetitive Effects of the Proposed Acquisition

16. Safran and RTX are two of the leading suppliers in the worldwide market for the development, manufacture, and sale of THSAs for large aircraft. Safran and RTX have

respectively won two of the most significant recent contract awards for THSAs for large aircraft: the Boeing 777X and the Airbus A350. Boeing and Airbus are the world's largest manufacturers of passenger aircraft, and these aircraft represent two of only three THSA awards by these manufacturers in this century.

17. Other producers of THSAs tend to concentrate on THSAs for smaller aircraft, such as business jets or regional aircraft, or to focus on products for other aircraft control surfaces.

18. Safran and RTX view each other as a significant competitive threat for the development, manufacture, and sale of THSAs worldwide for large aircraft. The two companies are among the few that have demonstrated expertise in designing and producing THSAs for large aircraft. Each firm considers the other company's offering when planning bids.

19. Customers have benefitted from the competition between Safran and RTX for the development, manufacture, and sale of THSAs worldwide for large aircraft. Competition between two of the leading suppliers of a product results in more favorable contractual terms, more innovative products, and shorter delivery times. The combination of Safran and certain assets from RTX's Collins Aerospace business would eliminate this competition and its future benefits to customers. Post-acquisition, Safran likely would have the incentive and the ability to increase prices profitably and offer less favorable contractual terms.

20. Safran and RTX also invest significantly to remain leading suppliers for the development, manufacture, and sale of THSAs worldwide for large aircraft, and aircraft manufacturers expect them to remain leading suppliers of new products in the future. The combination of Safran and certain assets from RTX's Collins Aerospace business would likely

eliminate this competition, depriving large aircraft customers of the benefit of future innovation and product development.

21. The proposed acquisition, therefore, likely would substantially lessen competition for the development, manufacture, and sale of THSAs worldwide for large aircraft in violation of Section 7 of the Clayton Act.

D. Difficulty of Entry

22. Sufficient, timely entry of additional competitors into the market for THSAs for large aircraft is unlikely to prevent the harm to competition that is likely to result if the proposed transaction is consummated.

23. Designing and developing a THSA for large aircraft is technically difficult. Even manufacturers of THSAs for smaller aircraft face significant technical hurdles in designing and developing THSAs for large aircraft. As aerodynamic loads are a major design consideration for THSAs, and such loads are tightly correlated with the size of the aircraft, THSAs for large aircraft present more demanding technical challenges than those for smaller aircraft.

24. Opportunities to enter are limited. Because certification of a THSA is expensive and time-consuming, once a THSA is certified for a particular aircraft type, it is rarely replaced in the aftermarket by a different THSA. Accordingly, competition between suppliers of THSAs generally only occurs when an aircraft manufacturer is designing a new aircraft or an upgraded version of an existing aircraft, which are infrequent occurrences because development costs for such aircraft can be tens of billions of dollars. As a result, several years usually pass between contract awards for THSAs for a new aircraft design.

25. Potential entrants into the production of THSAs for large aircraft face several additional obstacles. First, manufacturers of large aircraft are more likely to purchase THSAs

from those firms already supplying THSAs for other large aircraft. The important connection between THSAs and aircraft safety drives aircraft manufacturers toward suppliers experienced with production of THSAs of the relevant type and size. While some companies may have demonstrated experience in THSAs for smaller aircraft, such experience is not considered by customers to be as relevant as experience in THSAs for large aircraft. A new entrant would face significant costs and time to be considered a potential alternative to the existing suppliers.

26. Substantial time and significant financial investment would be required for a company to design and develop a THSA for large aircraft. Even companies that already make other types of THSAs would require years of effort and an investment of many millions of dollars to develop a product that is competitive with those offered by existing large aircraft THSA suppliers.

27. As a result of these barriers, entry into the market for THSAs for large aircraft would not be timely, likely, or sufficient to defeat the substantial lessening of competition that would likely result from Safran's acquisition of certain assets from RTX's Collins Aerospace business.

VI. VIOLATIONS ALLEGED

28. Safran's acquisition of certain assets from RTX's Collins Aerospace business likely would lessen competition substantially in the development, manufacture, and sale of THSAs for large aircraft, in violation of Section 7 of the Clayton Act, 15 U.S.C. § 18.

29. Unless enjoined, the proposed acquisition likely would have the following anticompetitive effects relating to THSAs for large aircraft, among others:

(a) actual and potential competition between Safran and RTX would be eliminated;

(b) competition likely would be substantially lessened; and

(c) prices would likely increase, contractual terms likely would be less favorable to the customers, quality would likely be reduced, and innovation likely would decrease.

VII. REQUEST FOR RELIEF

30. The United States requests that this Court:

(a) adjudge and decree that Safran's acquisition of certain assets from RTX's Collins Aerospace business would be unlawful and violate Section 7 of the Clayton Act, 15 U.S.C. § 18;

(b) preliminarily and permanently enjoin and restrain Defendants and all persons acting on their behalf from consummating the proposed acquisition of certain assets from RTX's Collins Aerospace business by Safran, or from entering into or carrying out any other contract, agreement, plan, or understanding, the effect of which would be to combine Safran with certain assets from RTX's Collins Aerospace business;

(c) award the United States its costs for this action; and

(d) award the United States such other and further relief as the Court deems just and proper.

Dated: June 17, 2025

Respectfully submitted,

FOR PLAINTIFF UNITED STATES OF AMERICA:

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