



Department of Justice

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DEPARTMENT OF JUSTICE WILL NOT CHALLENGE PROPOSED JOINT VENTURE BETWEEN FLIGHT SUPPORT SERVICE OPERATORS AT CONNECTICUT AIRPORT

WASHINGTON – The Department of Justice today announced that it will not challenge a proposal by Columbia Fuel Services Inc. and Lanmar Aviation Inc., the only providers of flight support services at the Groton-New London Airport, in Groton, Conn., to combine their fuel and hangar resources into a newly formed joint venture, Mystic Jet Center. Flight support service operators, or fixed-base operators (FBOs), provide an array of flight support services to general aviation customers including fuel, ramp and hangar rentals; office space rentals; and other services such as pilot lounges, baggage handling and flight planning support.

The department's position was stated in a business review letter to counsel for Columbia and Lanmar, from Renata B. Hesse, Acting Assistant Attorney General in charge of the Department of Justice's Antitrust Division. In issuing today's letter, Acting Assistant Attorney General Hesse stated, "Based on parties' representations, it does not appear likely that the proposed joint venture between Columbia and Lanmar will produce anticompetitive effects."

According to representations made by Columbia and Lanmar, although the joint venture will result in Mystic Jet Center being the solitary, but not exclusive, FBO at the airport, Mystic Jet Center will not be able to impose supra-competitive prices due to sufficient competitive pressure from several sources, including the pricing and availability of aviation fuel and hangar storage at surrounding airports, the ability of modern private aircraft to tanker fuel and the availability of developable land for future and additional FBOs at the airport.

Based on these representations, as well as the department's investigation into the particular facts and circumstances relating to competitive conditions at the airport, the department has no present intention to challenge the proposed joint venture.

Under the department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the division currently intends to challenge the action under the antitrust laws based on the information provided. The department reserves the right to challenge the proposed action under the antitrust laws if it produces anticompetitive effects.

A file containing the business review request and the department's response may be examined in the Antitrust Documents Group of the Antitrust Division, U.S. Department of Justice, 450 Fifth Street, N.W., Suite 1010, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file, unless a basis for their exclusion for reasons of confidentiality has been established under the Business Review Procedure.

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