

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA**

UNIVERSAL TURBINE PARTS, LLC,

Plaintiff,

v.

PRATT & WHITNEY CANADA CORP.,
PRATT & WHITNEY CANADA HOLDINGS
CORP., and P&WC TURBO ENGINES
CORP.,

Defendants.

Case No.

JURY TRIAL DEMANDED

COMPLAINT

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For its Complaint, plaintiff Universal Turbine Parts, LLC (“**UTP**” or “**Plaintiff**”) alleges against defendants Pratt & Whitney Canada Corp., Pratt & Whitney Canada Holdings Corp., and P&WC Turbo Engines Corp. (collectively, “**Pratt**”) as follows:

NATURE OF THE ACTION

1. This action arises out of a scheme by Pratt, the largest turboprop aircraft engine manufacturer in the world, to restrain trade in, and ultimately monopolize, the U.S. markets for engines and parts for two of its families of turboprop engines, the PT6 and PW100. Pratt has done so by entering into agreements and engaging in conduct designed to cut off the supply of Federal Aviation Administration (“**FAA**”)-certified used engines and used parts (“**Used Serviceable Material**”) and to ultimately drive Pratt’s competitors for these products out of business.

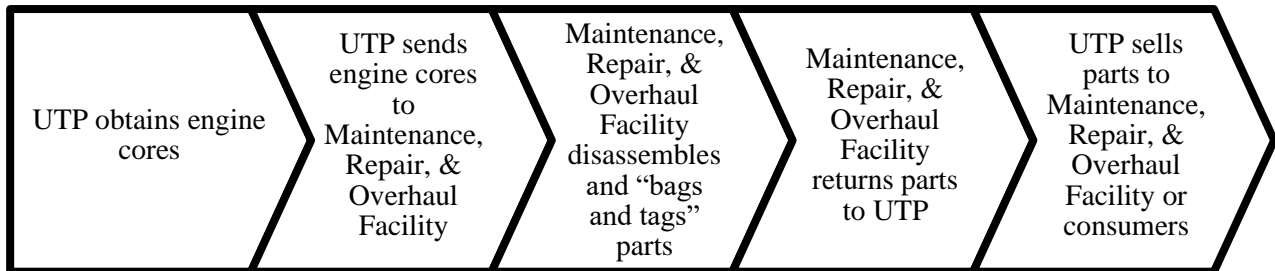
2. Used Serviceable Material offers aircraft operators a lower cost, economical alternative to the new engines and parts sold by Pratt, and is often preferred by aircraft operators for that reason. These used engines and parts are particularly attractive for users of the PT6 and PW100 families of turboprop engines, as these engines are often used to power crop-dusters, regional commercial aircraft, military transport aircraft, and aircraft used by courier services, among others—aircraft where cost savings can be very important. While Pratt has traditionally sold some Used Serviceable Material itself, aircraft operators’ primary source for used engines and parts has traditionally been independent Used Serviceable Material suppliers like UTP.

3. UTP is one of approximately ten independent Used Serviceable Material suppliers for the PT6 and PW100 product families. UTP has been in business for over 30 years and has historically been the largest independent supplier of PT6 and PW100 parts and engines in the world. As recently as 2016, UTP generated approximately \$75 million in sales from this business.

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4. UTP secures inventory primarily by either (a) buying and disassembling used engines or (b) purchasing parts from **Maintenance, Repair, & Overhaul Facilities** (providers of “maintenance, repair, & overhaul” services, sometimes referred to as “MRO”) that have themselves disassembled used engines. The ability to secure used engines is essential to UTP’s business, and the Maintenance, Repair, & Overhaul Facilities play an essential role in (i) generating inventory for sale and (ii) providing a market for Used Serviceable Material.

5. Once UTP acquires a used engine, UTP sends the engine to a Maintenance, Repair, & Overhaul Facility, which disassembles the engine and inspects every part to make sure it is safe to use under FAA standards, a process known as “bagging and tagging.” UTP then either sells the FAA-certified used parts for use in existing engines, or assembles the parts in its own engines, which UTP sells to customers such as Maintenance, Repair, & Overhaul Facilities, aircraft operators, or other purchasers:



6. In 2016, as part of a due diligence process in connection with a potential sale of UTP’s business, Pratt gained access to highly sensitive UTP information. Pratt’s access to UTP diligence materials allowed Pratt to learn (a) the ways in which independent Used Serviceable Material suppliers like UTP were taking sales from Pratt, (b) the value that Pratt could realize by eliminating, or substantially weakening, such Used Serviceable Material suppliers, and (c) the vulnerabilities of UTP and other Used Serviceable Material suppliers to a sustained effort by Pratt to choke off their supply of used engines and used parts. Pratt thus resolved to extend its

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dominance in PT6 and PW100 engines and parts by substantially curtailing the access UTP and other independent Used Serviceable Material suppliers had historically enjoyed to the engines and parts necessary for them to compete, while simultaneously curtailing the ability of UTP and other independent Used Serviceable Material suppliers to sell Used Serviceable Material.

7. To accomplish this goal, Pratt first needed to cut off UTP's and the other independent Used Serviceable Material suppliers' supply of used PT6 and PW100 engines and parts. Pratt took at least the following steps to do so:

a. Imposing restrictive agreements on so-called **“Designated Overhaul Facilities”**¹—Maintenance, Repair, & Overhaul Facilities that Pratt has approved, under contracts, (in return for a substantial fee) to provide “brand-name” maintenance, repair, and overhaul services on Pratt engines—under which those Designated Overhaul Facilities are no longer permitted to (1) supply UTP (or any other independent) with used engines and parts, (2) provide UTP (or any other independent) with so-called “bag and tag” services, thereby denying UTP (and all other independents) the ability to provide customers with Used Serviceable Material bearing Pratt's seal of approval, or (3) sell Used Serviceable Material obtained from UTP (or any other independent), and (4) under which the Designated Overhaul Facilities are strongly discouraged (under threat of potentially losing their designation as Pratt-approved facilities) from installing more than a de minimis amount of Used Serviceable Material obtained from UTP (or any other independent) in repaired and overhauled engines;

b. Refusing to provide upgraded engines with “Supplemental Type Certificates” to companies that install such engines unless those companies first agree to return to

¹ Despite the name “Designated Overhaul Facilities”—often abbreviated as “DOFs”—these facilities also offer maintenance and repair services.

Pratt any used engines that they might receive in return, solely for the purpose of keeping those used engines out of the hands of UTP and other independents;

c. Buying up used Pratt engines and parts at non-economic prices, not for resale but simply to deny access to UTP (and other independents), including through (1) an engine exchange program that effectively pays aircraft operators to return their used engines to Pratt, and (2) a “fleet enhancement” program that provides deep rebates to customers if they return used engines – in effect if they promise not to deal with UTP and other independents;

d. Discontinuing Pratt’s long and profitable practice of selling used PT6 and PW100 engines to UTP and other independent Used Serviceable Material suppliers—indeed, refusing to sell to UTP (or any broker that deals with UTP) even if UTP agreed to pay Pratt’s “retail” prices for such engines; and

e. Undertaking to drive out of business “**Independent Maintenance, Repair, & Overhaul Facilities**”—i.e., those Maintenance, Repair, & Overhaul Facilities that have not paid to be “designated” by Pratt to provide maintenance, repair, and overhaul services on Pratt engines, and which are not subject to Pratt’s restrictive contract terms, and which therefore might otherwise serve as a source of Used Serviceable Material for UTP and other independent Used Serviceable Material suppliers—including not only by denying these Independent Maintenance, Repair, & Overhaul Facilities access to Used Serviceable Material by driving UTP and other Used Serviceable Material Suppliers out of business, but also by imposing exorbitant costs on Independent Maintenance, Repair, & Overhaul Facilities by charging high costs for repair manuals for PT6 and PW100 engines.

8. Additionally, Pratt has restricted UTP and other independents from *selling* any Used Serviceable Material that they are able to source, including by:

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a. Coercing the Designated Overhaul Facilities to agree not to purchase Used Serviceable Material from UTP (and other independents) in general, even though such facilities had long found it profitable to purchase such Used Serviceable Material from independent suppliers;

b. Coercing the Designated Overhaul Facilities not to sell Used Serviceable Material “over the counter,” and instead requiring that they charge an “embodiment fee” to consumers wishing to use Used Serviceable Material in overhauled engines, where the embodiment fee often exceeds the cost savings when buying a used part versus a new part;

c. Coercing the Designated Overhaul Facilities not to purchase Used Serviceable Material that has not been “bagged and tagged” by a Designated Overhaul Facility, knowing that UTP and other independent Used Serviceable Material Suppliers cannot access the bag-and-tag services needed due to Pratt’s restrictive agreements; and

d. Establishing what Pratt called a “capped cost” program, which effectively provided bundled pricing that made it impossible for Pratt competitors to sell competing products to customers even at prices well below cost.

9. Pratt’s scheme has devastated independent providers like UTP by choking off the most common source of used engines and used parts. In the United States, two entities, StandardAero and Covington Aircraft, control all of the Designated Overhaul Facilities, while Pratt also operates its own Maintenance, Repair, & Overhaul Facilities. The Designated Overhaul Facilities and Pratt together control close to 100% of the Maintenance, Repair, & Overhaul Facilities for PW100 engines and approximately 80% of the Maintenance, Repair, & Overhaul Facilities for PT6 engines. By restricting the ability of Designated Overhaul Facilities to do business with independent Used Serviceable Material suppliers like UTP, and by engaging in the

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other conduct alleged herein, Pratt has effectively locked up the vast majority of available Used Serviceable Material.

10. Pratt's multi-faceted scheme encompasses a veritable smorgasbord of antitrust offenses, ranging from a horizontal group boycott, to concerted refusals to deal, exclusive dealing, price-fixing, coordinated predatory pricing, illegal bundling arrangements, monopoly leveraging, and anticompetitive refusals to deal. But whatever the label, the purpose and effect of Pratt's scheme was, and is, to eliminate competition from independent Used Serviceable Material suppliers of Pratt parts, and thereby monopolize the PT6 and PW100 markets. Pratt's scheme is a classic *per se* violation of the antitrust laws, and would likewise violate the antitrust laws if assessed under a "quick look" or rule of reason standard.

11. The scheme has thus far accomplished Pratt's objective, as numerous competitors have been driven from the market for PT6 and/or PW100 engines and parts, or even out of business, as a result of Pratt's scheme. More (including UTP) are at risk if the scheme is allowed to continue. By removing the ability of independents like UTP to compete, Pratt's conduct has raised prices for consumers of these goods and increased wait times for overhauls and tear-downs of engines at Independent Maintenance, Repair, & Overhaul Facilities.

12. Pratt's scheme also effectively restricts consumers' freedom to repair their own aircraft engines using goods and services sold by independent aftermarket providers like UTP. As the United States Department of Justice recently explained in a Statement of Interest filed in a pending case, *In re Deere & Company Repair Services Antitrust Litigation*, such anticompetitive conduct harms consumers in at least three ways:

- First, by "driv[ing] independent repair shops out of business by raising their costs or denying them key inputs, which, in turn, leaves consumers with fewer choices;"

- Second, “manufacturers’ restrictions can delay repairs” by, among other things, “cutting the number of repair shops available to consumers,” thus resulting in “fewer options for their time sensitive repairs” or otherwise “stymie[ing]” independent repairs; and
- Third, “restrictions on repair aftermarkets can raise prices and reduce quality.”

13. On July 9, 2021, President Biden similarly issued an Executive Order on Promoting Competition in the American Economy which, among other things, directed the Federal Trade Commission to “address persistent and recurrent practices that inhibit competition,” including “unfair anticompetitive restrictions on third-party repair or self-repair of items.”

14. UTP accordingly brings suit here to restore and preserve competition in the markets for PT6 engines and parts and PW100 engines and parts, including seeking injunctive relief against Pratt’s continued enforcement of its anticompetitive scheme and damages for the substantial injuries UTP has suffered as a result of that scheme.

THE PARTIES

15. Plaintiff UTP is a limited liability company organized and existing under the laws of Delaware. UTP’s principal place of business is Prattville, Alabama. UTP is an independent supplier of aftermarket aircraft engines and engine parts focused on Pratt’s PT6 and PW100 families of turboprop engine models, and thus actively competes with Pratt in these markets.² UTP is committed to preserving a robust aftermarket for these engine products so that consumers may enjoy the benefits of dynamic service options, sustained lower prices, and a wide array of choices among service providers.

² UTP is also a customer of Pratt’s, including by purchasing new parts through Pratt’s distributor network, and certain repairs through Pratt’s component repair division.

16. Defendant Pratt & Whitney Canada Corp. is a corporation organized and existing under the laws of Nova Scotia, Canada whose principal place of business is located at 1000 Marie-Victorin Blvd., Longueuil, Quebec, J4G 1A1 Canada. Defendant Pratt & Whitney Canada Holdings Corp. is a corporation organized and existing under the laws of Nova Scotia, Canada whose principal place of business is located, upon information and belief, at 1000 Marie-Victorin Blvd., Longueuil, Quebec, J4G 1A1 Canada. Defendant P&WC Turbo Engines Corp. (P&WC Turbomoteurs Cie) is a corporation organized and existing under the laws of Nova Scotia, Canada whose principal place of business is located, upon information and belief, at 1000 Marie-Victorin Blvd., Longueuil, Quebec, J4G 1A1 Canada.

17. Pratt, which holds itself out to consumers on its website as a “global leader” in the aerospace industry, is the largest turboprop aircraft engine manufacturer and one of the largest aircraft engine manufacturers in the world, with operations worldwide and hundreds of millions, if not billions, of dollars’ worth of annual sales.

JURISDICTION, VENUE, AND INTERSTATE COMMERCE

18. This action arises under the antitrust laws of the United States, including Section 1 of the Sherman Act, 15 U.S.C. § 1, Section 2 of the Sherman Act, 15 U.S.C. § 2, Section 3 of the Clayton Act, 15 U.S.C. § 14, and Sections 4 and 16 of the Clayton Act, 15 U.S.C. §§ 15 and 26.

19. Subject matter jurisdiction is founded on 28 U.S.C. §§ 1331, 1332, and 1337(a).

20. The amount in controversy in this action is greater than \$75,000.

21. Pratt may be found, transacts business, and is subject to personal jurisdiction in this judicial district. Alternatively, personal jurisdiction is appropriate pursuant to Section 12 of the Clayton Act, 15 U.S.C. § 22.

22. The violations of law alleged in this Complaint took place, in part, in this judicial district and have injured UTP in this district. Pratt has sold its PT6 and/or PW100 products to consumers located in this district and realized profit thereby, and/or Pratt's PT6 and PW100 products have flowed in interstate commerce through this district. Indeed, based on its website, Pratt currently assigns at least three regional sales managers to cover the state of Pennsylvania. Venue is therefore appropriate in the Eastern District of Pennsylvania under Section 12 of the Clayton Act, 15 U.S.C. § 22, and under 28 U.S.C. §§ 1391(b) and (c). Alternatively, venue is appropriate here under 28 U.S.C. §§ 1391(d).

23. The manufacture, marketing, sale, distribution, maintenance, repair, and overhaul of the products at issue, and the actions complained of in this Complaint, occur in and substantially affect interstate commerce.

FACTUAL ALLEGATIONS

I. THE MARKETS FOR PT6 AND PW100 PARTS AND ENGINES PRIOR TO PRATT'S EXCLUSIONARY SCHEME WERE MARKED BY INDEPENDENT COMPETITION

A. Aircraft Operators' and Maintenance, Repair, & Overhaul Facilities' Demand for Used Serviceable Material Is Substantial Due to the Lower Cost of Such Engines and Parts

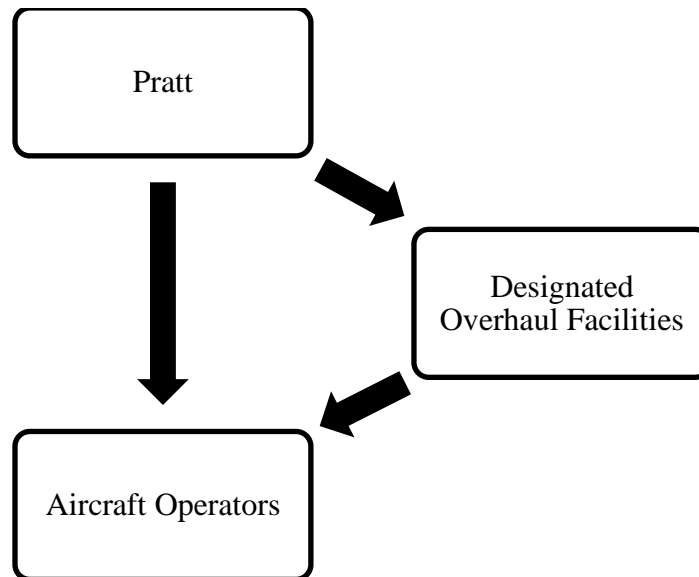
24. Turboprop engines are a type of aircraft engine used to power small aircraft with a single engine or with two small engines. Turboprop-powered aircraft are used throughout U.S. commerce for, among other purposes, freight cargo operations, agricultural applications (such as crop-dusting), surveillance, and recreational passenger traffic. Many of these applications, such as crop-dusting, have low profit margins, requiring aircraft operators to carefully monitor costs.

25. Pratt is the original equipment manufacturer of, among other products, the PT6 and PW100 families of turboprop engine models. PT6 and PW100 engines and parts are purchased by aircraft operators directly, as well as by Maintenance, Repair, & Overhaul Facilities in connection

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with the services they provide to aircraft operators. The PT6 and PW100 engine families combine to represent the largest installed base of aircraft engines within the United States and the world; Pratt boasts that more than 64,000 PT6 engines, and more than 8,000 PW100 engines, have been produced. These engines, along with their component parts, comprise, respectively, the “**PT6 Engines Market**,” the “**PT6 Parts Market**,” the “**PW100 Engines Market**,” and the “**PW100 Parts Market**.” *See infra* at ¶ 73 *et seq.* (describing the relevant markets in further detail). Collectively these markets are referred to herein as the “**Relevant Markets**.”

26. New PT6 and PW100 engines and parts are only available for purchase from the manufacturer itself (Pratt), either directly or through Pratt’s Designated Overhaul Facility distributors:



27. While new parts typically have longer remaining hours or cycle times compared to used serviceable parts, new parts are also more expensive. The price comparison can vary markedly (as there are approximately 400 different part numbers making up a PT6 engine and 500 different part numbers making up a PW100 engine), but it is not uncommon for new parts for these engines to be double, triple, or even higher the cost of acceptable used parts. Not every engine

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overhaul or repair requires the longer hours or cycle time offered by a new part, and therefore a mid-time engine often benefits from the use of Used Serviceable Material to complete the overhaul or repair.

28. Aircraft operators therefore have traditionally sought out Used Serviceable Material engines and parts as a lower-priced competitive alternative to new engines and parts. Unsurprisingly, due to its high quality and significantly lower cost, there is high consumer demand for Used Serviceable Material for the PT6 and PW100 engine families. In particular, engine owners who use their aircraft primarily as a source of revenue (for example, operators of crop-dusting, air freight, and passenger airline businesses) have historically preferred Used Serviceable Material, and have sought out Maintenance, Repair, & Overhaul Facilities that incorporate Used Serviceable Material to protect their own profit margins by lowering the cost of engine time.

29. Maintenance, Repair, & Overhaul Facilities have also themselves long sought out Used Serviceable Material. To provide maintenance, repair, and overhaul services to consumers of PT6 and PW100 engines, both Designated Overhaul Facilities and Independent Maintenance, Repair, & Overhaul Facilities require steady access to a supply of parts that are compatible with those engines, as well as a supply of replacement engines. Historically, in addition to using new parts, both the Designated Overhaul Facilities and Independent Maintenance, Repair, & Overhaul Facilities made extensive use of used, aftermarket parts to perform their work. Maintenance, Repair, & Overhaul Facilities found it more profitable to install Used Serviceable Material than to install new engines and parts, and thus sought to include Used Serviceable Material wherever appropriate for the customer's needs.

B. UTP and Other Independent Aftermarket Suppliers Represented an Important Source of Competition Against Pratt in These Markets

30. In the Relevant Markets, the only real competition to Pratt and its Designated Overhaul Facilities comes from independent suppliers of Used Serviceable Material and Independent Maintenance, Repair, & Overhaul Facilities. In most cases it is not possible for an aircraft operator to change to a different type of engine, as airframes are designed around specific types of engines. Thus, for example, an operator of a plane that uses a PT6 engine cannot simply substitute in some other type of engine. Similarly, the parts for different engine types are only rarely interchangeable with one another; PT6 engine parts fit only the PT6, and no other engine's parts will fill the PT6, with trivial exceptions. As a result, if a customer is dissatisfied with the prices or service provided by Pratt or its Designated Overhaul Facilities, its only other option is to turn to UTP (or other Used Serviceable Material suppliers) and the Independent Maintenance, Repair, & Overhaul Facilities.

31. Since 1993, UTP has been in the business of supplying Used Serviceable Material to aircraft operators and Maintenance, Repair, & Overhaul Facilities (including both Designated Overhaul Facilities and Independent Maintenance, Repair, & Overhaul Facilities), with a focus on PT6 and PW100 engines. UTP is currently one of approximately ten independent Used Serviceable Material suppliers who perform this role for the PT6 and PW100 engine families.

32. The Used Serviceable Material that UTP offers (and has offered for decades) is 100% interchangeable from a technical, safety, reliability, and compatibility standpoint with the new parts and engines (and Used Serviceable Material) that Pratt sells. The two are also fully interchangeable from an FAA regulatory perspective so long as the Used Serviceable Material has been inspected pursuant to the Pratt Overhaul Manual, a set of documents that Pratt issues covering

parts and engines manufactured after its issuance date and whose specifications govern the FAA-approved teardown, inspection, and overhaul process for Pratt's engines.

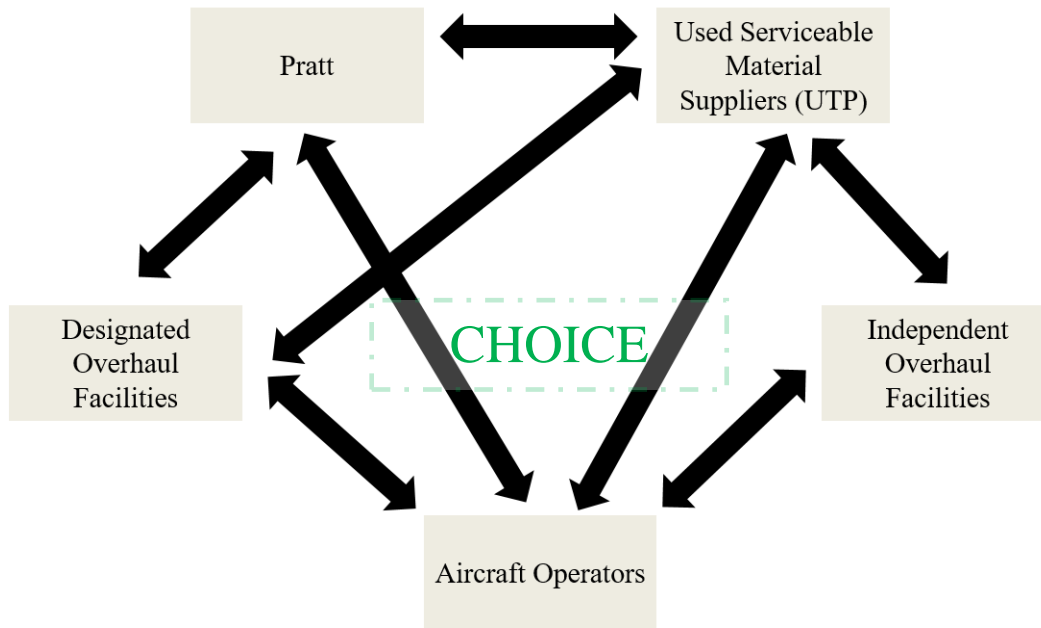
C. Competition from Independent Maintenance, Repair, & Overhaul Facilities Depends on Access to Used Serviceable Material Suppliers

33. UTP and its fellow independent Used Serviceable Material suppliers make available to the Maintenance, Repair, & Overhaul Facilities (including Designated Overhaul Facilities) the raw materials necessary to provide services to the public at low cost, as well as giving aircraft operators a lower-cost option for their parts and engine needs. While some Maintenance, Repair, & Overhaul Facilities partially source their own Used Serviceable Material, even these shops have traditionally relied heavily on UTP and other independent aftermarket suppliers to sustain maximal volumes of business. Unlike Maintenance, Repair, & Overhaul Facilities, for whom the procurement of Used Serviceable Material is a secondary focus, the acquisition of Used Serviceable Material is UTP's singular business focus and a specialty that UTP has refined over its decades in the industry.

34. For this reason, importantly, Maintenance, Repair, & Overhaul Facilities (including the Designated Overhaul Facilities prior to Pratt's scheme) are both customers of, and vendors for, UTP: not only do they purchase Used Serviceable Material from UTP to embody in their own repairs, but they also, among other things, historically performed the "bag and tag" services necessary to generate Used Serviceable Material for UTP's inventory. Maintenance, Repair, & Overhaul Facilities (including the largest such providers, the Designated Overhaul Facilities) are thus at once (a) suppliers to, (b) service providers for, and (c) purchasers from independent Used Serviceable Material suppliers like UTP. By locking up the highly concentrated Designated Overhaul Facilities, Pratt therefore had the ability to significantly restrict competition from independent Used Serviceable Material suppliers as described in Sections II & III below.

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35. The below graphic illustrates the interplay between these parts of the marketplace when the marketplace is competitive—with multiple options for aircraft operators to source used engines and parts, and a free flow of Used Serviceable Material:



36. *First, Maintenance, Repair, & Overhaul Facilities*—and particularly the Designated Overhaul Facilities—are a key source of Used Serviceable Material for independent aftermarket suppliers like UTP. Prior to Pratt instituting its anticompetitive scheme, UTP primarily sourced the Used Serviceable Material it supplied to others by (i) purchasing whole used engines (*i.e.*, engine cores) on the open market, especially from Pratt or the Designated Overhaul Facilities, and (ii) receiving customer trade-ins of the same. As discussed below, Pratt has entirely foreclosed this source of used engines and parts.

37. *Second, Maintenance, Repair, & Overhaul Facilities*—and, again, particularly the Designated Overhaul Facilities—are a key service provider for independent Used Serviceable Material suppliers. Once UTP has acquired used engine cores, UTP must then coordinate teardowns of them so that their parts can be certified as “serviceable” (thus creating the salable,

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regulatorily sound Used *Serviceable* Material that UTP sells). Specifically, under FAA regulations, every single part needs to be individually certified and inspected (*i.e.*, through the “bag and tag” process) by an FAA-certified repair station in accordance with the Pratt Overhaul Manual. These teardowns can be conducted by UTP in some cases, or by Independent Maintenance, Repair, & Overhaul Facilities in other cases. Historically, UTP relied heavily on Designated Overhaul Facilities in particular to perform such “bag and tag” service, as they (along with Pratt) make up approximately 80% of the U.S. market for maintenance, repair, and overhaul services for PT6 engines, and nearly 100% of that market with respect to PW100 engines.

38. *Third*, Designated Overhaul Facilities and other Maintenance, Repair, & Overhaul Facilities have traditionally purchased Used Serviceable Material from UTP and other aftermarket suppliers, which they then incorporated into overhauled engines (in the case of used parts purchased from UTP) or sold over the counter (in the case of used engines or parts sourced from engines provided by UTP). The Designated Overhaul Facilities found it profitable to purchase and resell these parts—indeed, on information and belief it was more profitable for the Designated Overhaul Facilities, on a part-by-part basis, to purchase and install/resell Used Serviceable Material provided by UTP than it was for these facilities to install/resell new parts and engines provided by Pratt.

39. The availability of used PT6 and PW100 engine cores on the open market is thus critical for UTP and other independent Used Serviceable Material suppliers to conduct their business, as these engine cores are the primary source for the used serviceable parts that they supply to aircraft operators and Maintenance, Repair, & Overhaul Facilities through the teardown process. The steady, free-flowing supply of Used Serviceable Material is, in turn, critical for the ability of Maintenance, Repair, & Overhaul Facilities—at least those independent service

providers not controlled by Pratt—to continue offering their varied and much-in-demand services to consumers. And a competitive aftermarket consisting both of independent Used Serviceable Material suppliers such as UTP and Independent Maintenance, Repair, & Overhaul Facilities is highly beneficial for consumers—and protective against Pratt’s ability to charge supracompetitive prices.

D. Pratt’s Exclusionary Conduct Forecloses Such Competition

40. In recent years, however, Pratt has implemented an anticompetitive scheme designed to capture the aftermarket for PT6 and PW100 engines and parts, destroy Pratt’s aftermarket rivals, and maintain and solidify Pratt’s monopoly power. Pratt has done so by seeking to strangle UTP and other independent suppliers across their Used Serviceable Material acquisition process, and thus forestall competition. The intended result of Pratt’s scheme is to leave the market looking less like the competitive, option-filled illustration above, and more like this:



41. *First*, through its organization of exclusive dealing and group boycotts among Pratt and the Designated Overhaul Facilities and through other misconduct, Pratt is restricting the supply of used engine cores available on the open market, thereby depriving independent Used Serviceable Material suppliers of the material needed for them to compete.

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42. *Second*, through its coordinated boycott among Pratt and the Designated Overhaul Facilities and through other misconduct, Pratt has cut UTP and other independent suppliers off from selling parts to the Designated Overhaul Facilities and from the “bag and tag” services of the Designated Overhaul Facilities, without which UTP cannot obtain reliable supplies of Used Serviceable Material.

43. Because the Designated Overhaul Facilities and Pratt compete with UTP in the PT6 and PW100 parts and engines markets, the agreements between Pratt and the Designated Overhaul Facilities constitute a classic horizontal group boycott that is *per se* illegal under the Sherman Act.

44. On information and belief, the DOFs were aware that other DOFs, and Pratt’s own Maintenance, Repair and Overhaul Facilities, imposed these restrictions on Used Serviceable Material, and agreed amongst one another to impose such restrictions at Pratt’s behest, amounting to a hub-and-spoke conspiracy.

45. Even if considered under a lesser “quick look” or rule of reason antitrust standard, these restrictions would remain unlawful. Pratt has no legitimate basis to limit these Designated Overhaul Facilities from performing services for other Used Serviceable Material suppliers like UTP, and does so solely because by doing so it can corner the Relevant Markets described below.

II. PRATT MANIPULATES THE SUPPLY OF ENGINE CORES TO DENY NECESSARY INPUTS TO INDEPENDENT USED SERVICEABLE MATERIAL SUPPLIERS

46. Pratt’s efforts to undermine competition by Independent Maintenance, Repair, & Overhaul Facilities begins by choking off the lifeblood of those companies: The used engines and parts they need to create Used Serviceable Material. Pratt accomplishes this through (a) using a series of “programs” to ensure that used Pratt engines remain under the control of Pratt, and do not enter the aftermarket, (b) hoarding engines to prevent the creation of Used Serviceable Material

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that might otherwise be used to compete against Pratt, (c) manipulating the price of repair manuals to make it harder for independent operators to create Used Serviceable Material, and (d) imposing restrictive terms on Designated Overhaul Facilities and others to prevent them from providing any used engines or used parts to independent Used Serviceable Material suppliers.

A. Pratt Prohibits Designated Overhaul Facilities and Supplemental Type Certification Companies from Selling Used Engine Cores or Parts to UTP

47. The first part of Pratt's scheme to restrict supply is the denial of the ability to purchase used engine cores or parts from two of the most important traditional source of those materials—Designated Overhaul Facilities and companies offering Supplemental Type Certifications for engines. In essence, Pratt has imposed upon these companies a group boycott, under which they are forbidden to sell to UTP or other independent Used Serviceable Material suppliers, on pain of losing their ability to purchase from and sell to Pratt.

48. Prior to Pratt's implementation of a group boycott, Designated Overhaul Facilities would provide engine cores or used parts to independent Used Serviceable Material suppliers whenever it was economically reasonable to do so. For example, when such a Designated Overhaul Facility received a used engine in exchange for a new engine, but for various reasons did not want to perform a teardown itself, it might sell that engine to UTP or another independent Used Serviceable Material supplier to either (a) perform the teardown itself (which UTP can do in limited circumstances), (b) send to another Maintenance, Repair, & Overhaul Facility to perform the teardown, or (c) hold until the Designated Overhaul Facility was ready to perform the teardown itself.

49. After Pratt imposed the contractual restrictions on the Designated Overhaul Facilities, however, those Maintenance, Repair, & Overhaul Facilities have flatly refused to sell used engines to UTP or other independent Used Serviceable Material suppliers, at any price. They

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have done so, moreover, notwithstanding that it would be economically rational and profitable for these Designated Overhaul Facilities to provide such used engines or engine cores to independent Used Serviceable Material suppliers, including by allowing independent Used Serviceable Material suppliers to compete for sales of such used engines and engine cores.

50. Additionally, certain companies in the marketplace offer Supplemental Type Certificates (“STCs”), which are FAA authorizations for an aircraft to be modified from the manufacturer’s original design. Such modification typically entails installing a higher horsepower engine on an aircraft than the aircraft’s original design specification. In the past, the STC shops performing these upgrades would obtain technical approval from the FAA and then buy new engines from Pratt. The STC shops would then sell the used engine that was exchanged by the aircraft owner on the open market to independent Used Serviceable Material suppliers like UTP.

51. Pratt, however, now requires shops providing STC upgrades to also turn in the as-removed engine to Pratt rather than permitting the STC shop to pursue a sale of the old engine to an independent aftermarket supplier such as UTP. There is no legitimate reason or purpose for this restriction, other than the desire to prevent such engines from being sold to companies such as UTP, which might then compete with Pratt through the provision of Used Serviceable Material.

52. This self-serving policy, as with Pratt’s other actions described herein, is part of Pratt’s deliberate scheme to eliminate fully from the open market the supply of PT6 and PW100 engine cores, so as to strangle to death all independent Used Serviceable Material suppliers such as UTP, and thus allow Pratt to increase prices for PT6 and PW100 engines and parts.

B. Pratt Restricts Supply of Engine Cores By Way Of Its Flat Rate Engine Exchange Program and Fleet Enhancement Program

53. To further strangle supply for aftermarket suppliers, Pratt forces or coerces certain new engine purchasers to return their original engines to Pratt, and thus prevents them from

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reselling to UTP or other aftermarket suppliers. To this end, Pratt has implemented (1) a Flat Rate Engine Exchange Program, whereby Pratt accepts a used engine trade-in at a favorable (and, as stated below, ultimately uneconomical for Pratt) price if the customer purchases an overhauled engine from Pratt and (2) a Fleet Enhancement Program whereby Pratt accepts a used engine trade-in at a favorable (and likewise uneconomical for Pratt) price if the customer purchases a new engine from Pratt.

54. Pratt is paying higher prices for trade-in engines through these programs than any rational market player would be willing to pay, resulting in negative margins after Pratt has overhauled and resold the traded-in engine. Specifically, Pratt is paying more for used engines traded in via the Flat Rate Engine Exchange Program and the Fleet Enhancement Program than Pratt can reasonably expect to receive back upon reselling them (after factoring in labor and other costs for the refurbishment).

55. However, by taking a loss on the purchase of used engines, Pratt ensures that those same engines do not make their way into the hands of UTP or other independent Used Serviceable Material suppliers. And by bundling its uneconomical purchases of these used engines with the sale of new engines or services that the customer otherwise would need to purchase, Pratt is simultaneously able to recoup its losses despite cutting off competition from independent suppliers who would otherwise seek to purchase these used engines.

56. As discussed in more detail herein, Pratt will be able to recoup these short-term sacrifices by substantially increasing prices for PT6 and PW100 engines and parts (both new and used) once competing suppliers and Independent Maintenance, Repair, & Overhaul Facilities are driven from the market—as, indeed, such suppliers and service providers are already being forced toward such higher prices. Because the barriers to enter the PT6 and PW100 aftermarket are

significant—and are massively increased by Pratt’s anticompetitive conduct, which makes it impossible for an independent Used Serviceable Material supplier to obtain sufficient inventory to compete—it is unlikely that new competitors would enter even after Pratt increased prices.

C. Pratt Hoards Engine Cores to Deny Them to Used Serviceable Material Providers

57. Historically, Pratt routinely sold used engines to independent Used Serviceable Material suppliers. Pratt made these sales because it was profitable to do so. However, after entering into the anticompetitive scheme described herein, Pratt ceased selling engines to independent Used Serviceable Material suppliers, even when it would be profitable to do so, solely to prevent those independent suppliers from accessing the Used Serviceable Material they needed to compete. Pratt, in other words, behaved exactly like the monopolist found liable for antitrust violations in *Aspen Skiing Co. v. Aspen Highlands Skiing Corp.*, 509 U.S. 209 (1993).

58. Indeed, also like the *Aspen Skiing* monopolist, although Pratt continues to sell used engines to aircraft operators, it refuses to sell these engines to UTP, even if UTP agrees to pay the same price as any other purchaser.

59. In fact, Pratt has not sold an engine core to UTP since 2015:

Year	Quantity	Value
2011	14	\$1,866,600
2012	32	\$4,733,000
2013	20	\$3,771,000
2014	44	\$3,832,120
2015	20	\$2,254,000
2016	0	\$0
2017	0	\$0
2018	0	\$0
2019	0	\$0
2020	0	\$0
2021	0	\$0
2022	0	\$0
2023	0	\$0

60. UTP has attempted to source used engine cores from brokers, but Pratt would retaliate against any broker Pratt discovered to have sold engines to independent Used Serviceable Material suppliers. UTP has thus even had to try to buy from the brokers in secret. But these efforts have been inadequate to permit UTP to compete, and its inventory of used engine cores has been reduced to approximately half of its levels in 2016. In any case, buying through the subset of brokers willing to take the risk to sell to UTP—rather than from Pratt or the Designated Overhaul Facilities, for example—adds additional transaction costs and reduces UTP’s margins. It is thus no substitute for the once-competitive marketplace.

D. Pratt Further Restricts the Supply of Used Serviceable Material By Manipulating The Price Of The Required Manuals

61. Pratt has also implemented a scheme to burden its aftermarket rivals with higher fixed costs and thereby further deplete the supply of PT6 and PW100 Used Serviceable Material by exploiting FAA regulations based on the Pratt Overhaul Manual and leveraging its monopoly over that manual to extend its monopoly power in other markets.

62. The manuals making up the Pratt Overhaul Manual are each specific to a different model within the PT6 and PW100 engine families, and there are approximately 50 different models within the PT6 family and 20 different models within the PW100 family.

63. To certify used parts as serviceable, an FAA-certified repair station must perform a teardown and “bag and tag” process in accordance with the specifications for the subject engine as set forth in the Pratt Overhaul Manual, whose editions are issued periodically to cover parts and engines manufactured after the issuance date. Any part or engine that is manufactured before an updated manual is issued may be inspected and certified pursuant to the prior version of the manual. Because FAA regulations require that engine parts be certified using at least the current manual in place at the time of their manufacture, a service provider that either cannot afford to

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purchase each new edition of the Pratt Overhaul Manual, or simply declines to do so in light of its exorbitant cost, will become limited with respect to the parts that it is competent to certify for resale in the aftermarket—thus further limiting the supply available to UTP or other suppliers.

64. Since 2016, Pratt has been steadily increasing the price of the manual, imposing a substantial cost on aftermarket players who perform teardowns and overhauls and making it ever more expensive for them to certify recently manufactured used parts as serviceable. The cost of acquiring all current manuals for PT6 engine types is approximately \$2,200,000, and the cost of doing so for PW100 engine types is approximately \$1,044,000, for a total cost of approximately \$3,244,000 to acquire all current Pratt manuals relevant to PT6 and PW100 engine types—costs, moreover, that must be incurred continually if an Maintenance, Repair, & Overhaul Facility wishes to retain the ability to service all current PT6 and PW100 engines.

65. The cost of the Pratt Overhaul Manual has moreover soared in recent years, reflecting Pratt's extreme—and swelling—degree of market power over the Designated Overhaul Facilities and other Maintenance, Repair, & Overhaul Facilities. Indeed, between 2002 and 2021, Pratt has skyrocketed the price of its manuals for the most common engine models within the PT6 and PW100 families by an approximate 25% compounded annual growth rate each year. Within the last nine years, manuals for certain PT6 models have become ten times more expensive, and those for certain PW100 models have become 35 times more expensive.

66. While Pratt's tactics harm both Designated Overhaul Facilities and Independent Maintenance, Repair, & Overhaul Facilities, the practice is especially taxing for the Independent Maintenance, Repair, & Overhaul Facilities, whose operations are typically smaller-scale and whose profit margins make it more difficult for them to absorb the rapidly increasing cost of the manuals. And Pratt's scheme also imposes a significant tax on UTP and other independent

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suppliers directly because these companies also perform their own in-house teardowns and “bag and tag” for PT6 engines to varying degrees.

67. By imposing such exorbitant fees and costs for its overhaul manuals, Pratt thwarts competition from Independent Maintenance, Repair, & Overhaul Facilities that cannot perform maintenance, repair, and overhaul services without access to those manuals but cannot afford the millions of dollars Pratt charges for them. And by doing so, Pratt restricts one more potential source of Used Serviceable Material that might be accessed by independent suppliers like UTP. Pratt’s manipulation of the Pratt Overhaul Manual is thus yet another way in which Pratt has been anticompetitively harming its aftermarket rivals and drying up the supply of Used Serviceable Material for PT6 and PW100 engines.

III. PRATT ARTIFICIALLY SUPPRESSES DEMAND FOR USED SERVICEABLE MATERIAL THROUGH EXCLUSIVE DEALING, GROUP BOYCOTTS AND OTHER ANTICOMPETITIVE CONDUCT

68. In addition to engaging in anticompetitive conduct designed to restrict the supply of inventory available to UTP, Pratt also engages in conduct designed and intended to restrict demand for Used Serviceable Material and exclude UTP from significant portions of the market for PT6 and PW100 parts and engines.

A. Pratt Restricts Designated Overhaul Facilities from Purchasing or Using Used Serviceable Material and Performing Critical Services for UTP

69. As explained above, Pratt maintains a network of official, Pratt-approved Designated Overhaul Facilities. Historically, Designated Overhaul Facilities such as StandardAero and Vector Aerospace (acquired by StandardAero in 2017) were both top customers of, and vendors for, UTP. Indeed, in 2016 and 2017, they represented, respectively, UTP’s third- and first-best customers in terms of net revenue.

70. However, Pratt's restrictive contracts now coercively restrict the Designated Overhaul Facilities, under pain of losing their "Pratt-authorized" status, from certifying used parts from UTP and other independent Used Serviceable Material providers (thus increasing their value for resale), purchasing those parts, or incorporating such used parts in overhauled engines. Instead, Pratt and the Designated Overhaul Facilities agreed that the Designated Overhaul Facilities would generally incorporate parts sold by Pratt and other Designated Overhaul Facilities in overhauled engines, rather than incorporating Used Serviceable Material from independent suppliers such as UTP, thereby increasing Pratt's own market share at the expense of the independent Used Serviceable Material suppliers.

71. To accomplish this goal, in renewals of its long-term contracts with these Designated Overhaul Facilities, Pratt introduced restrictive terms that limit the ability of the Designated Overhaul Facilities to interact with independent Used Serviceable Material suppliers such as UTP. These contractual limitations do not permit Designated Overhaul Facilities to (1) supply UTP (or any other independent) with used engines and parts (as discussed above), (2) provide UTP (or any other independent) with so-called "bag and tag" services, thereby denying UTP (and all other independents) the ability to provide customers with Used Serviceable Material bearing Pratt's seal of approval, or (3) sell Used Serviceable Material obtained from UTP (or any other independent), and (4) strongly discourage the Designated Overhaul Facilities (under threat of potentially losing their designation as Pratt-approved facilities) from installing more than a de minimis amount of Used Serviceable Material obtained from UTP (or any other independent) in repaired and overhauled engines.

72. In short, Pratt has barred the Designated Overhaul Facilities from acting as suppliers to, service providers for, or customers of UTP and other independent Used Serviceable

Material suppliers. As noted above, these Designated Overhaul Facilities represent 80% of the market for Maintenance, Repair, & Overhaul Facilities for the PT6 engine, and nearly 100% of the Maintenance, Repair, & Overhaul Facilities for the PW100 engine. Pratt is thus locking up almost the entire market in this way.

B. Pratt Imposes Restrictions on Bag-and-Tag Services by Designated Overhaul Facilities

73. Pratt has choked off the ability of UTP and other independent Used Serviceable Material suppliers to access both repair and “bag and tag” services, which must be conducted in accordance with the Pratt Overhaul Manual in order to comply with FAA standards, in order to generate salable, regulatorily-sound Used Serviceable Material.

74. Following contract renegotiations with Pratt, Designated Overhaul Facilities have notified UTP that Pratt has contractually prohibited them from (i) performing teardowns of used engines and certifying the disassembled parts as serviceable (*i.e.*, through the “bag and tag” process) on behalf of anyone other than Pratt itself and (ii) repairing used parts that had been tagged as needing repair during a previous bag-and-tag inspection.³

75. As but one example, in September 2021 UTP was informed by RBC Turbine Components LLC (“**RBC**”), a California-based Independent Maintenance, Repair, & Overhaul Facility that UTP has used to perform maintenance, repair, and overhaul services for used parts, that RBC was shutting down that part of its business. RBC explained its decision from RBC having received Pratt “approval” to function in some Pratt-designated capacity on the manufacturing side of its business. RBC did in fact immediately terminate its repair operations

³ Sometimes a bag-and-tag inspection will identify certain parts requiring repair which an independent Used Serviceable Material supplier might opt to keep in its inventory bagged with such designation until a later point in time—months or even years later—when it will contract to have the repairs made, thereby rendering the bagged parts salable, regulatorily-sound Used Serviceable Material.

and, without warning, informed UTP that it would not even be completing work that UTP had previously approved that was already in process. RBC's disappearance as a maintenance, repair, and overhaul outlet for UTP significantly constrains UTP's ability to obtain maintenance, repair, and overhaul services outside of Pratt's network of Designated Overhaul Facilities, from which UTP is also being restricted.⁴

76. Denying UTP and other independent Used Serviceable Material suppliers access to Designated Overhaul Facilities' services harm independent suppliers like UTP, and thus the competitive process, by severely restricting the ability of UTP and other independent suppliers to access "bag and tag" and repair services simply by locking up such a large portion of the market for Maintenance, Repair, & Overhaul Facilities. This impairs competition for both PT6 and PW100 engines:

a. While UTP and some of its competitors have business units that perform "bag and tag" for PT6 (but not PW100) engine models, and can also do business with Independent Maintenance, Repair, & Overhaul Facilities, Designated Overhaul Facilities (together with Pratt itself) on information and belief make up at least 80% of the domestic market for maintenance, repair, and overhaul services for these engines. Thus, by denying access to the Designated Overhaul Facilities, Pratt imposes substantial restraints on the ability of UTP or other independent suppliers to access "bag and tag" or repair services.

b. For PW100 engines Pratt and its Designated Overhaul Facilities control effectively 100% of the market for maintenance, repair, and overhaul services. The complicated

⁴ While UTP has other maintenance, repair, and overhaul options for some of the parts RBC was supposed to repair, these other options do not have the same capabilities that RBC previously offered. And yet, due to Pratt eliminating UTP's ability to use Designated Overhaul Facilities for the repair of used parts, UTP is forced to rely on Independent Maintenance, Repair, & Overhaul Facilities such as RBC now more than ever.

design and physically larger size compared to the PT6 means that, outside of Pratt itself, with a single exception among Independent Maintenance, Repair, & Overhaul Facilities, only Designated Overhaul Facilities are capable of performing teardowns and “bag and tag” for these engines. Thus, it is inevitable that as a direct result of Pratt’s prohibiting its Designated Overhaul Facilities from performing teardowns for anyone other than Pratt itself, the independent aftermarket for the PW100 will soon cease to exist, as the supply of Used Serviceable Material currently sitting in the inventories of independent Used Serviceable Material suppliers will eventually be depleted and will not be replenished.

77. Moreover, by imposing these restrictions, Pratt prevents independent Used Serviceable Material suppliers like UTP from offering aircraft operators with Used Serviceable Material that has been “bagged and tagged” by a Designated Overhaul Facility, which would make it more valuable and thus easier to sell into the market. Pratt therefore is able to use these restrictions to artificially depress the perceived quality of its competitors’ products, by agreeing with the Designated Overhaul Facilities not to do business with those competitors.

C. Pratt Bars Designated Overhaul Facilities from Selling Used Serviceable Material Over the Counter

78. Pratt moreover prohibits the Designated Overhaul Facilities from selling Used Serviceable Material over the counter, which artificially suppresses the Designated Overhaul Facilities’ demand for used engines. In the past, the Designated Overhaul Facilities purchased used engines from UTP and other independents, bagged and tagged the parts, incorporated certain of the parts in overhauled engines, and sold the remaining parts over the counter. Pratt’s prohibition on the sale of Used Serviceable Material by the Designated Overhaul Facilities has thereby reduced the demand of the Designated Overhaul Facilities for used engines from UTP and other companies similarly situated.

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79. Pratt further coerces the Designated Overhaul Facilities to charge consumers an “embodiment fee” to incorporate Used Serviceable Material into engines overhauled by the Designated Overhaul Facilities. The embodiment fee often exceeds the cost savings a consumer would realize from buying a used part versus a new part. The only purpose of the embodiment fee is to discourage consumers from using parts supplied by UTP and other Used Serviceable Material providers in an attempt to damage competition.

80. Pratt’s self-serving constraint on the Designated Overhaul Facilities’ ability to incorporate and sell Used Serviceable Material sourced from independent suppliers (1) artificially boosts the sale of new and used Pratt parts and (2) eliminates the opportunity for companies such as UTP to sell used serviceable parts to the Designated Overhaul Facilities for use in overhauls, thus foreclosing UTP from virtually the entire market for PW100 engine parts and the vast majority of the market for PT6 engine parts. There is no legitimate safety or public interest rationale for Pratt imposing such constraint, as the FAA itself permits used serviceable parts subject to inspection to be incorporated into engine overhauls, and such practice is ubiquitous throughout the aerospace industry.

D. Pratt Restricts Designated Overhaul Facilities From Buying Parts From Independent Suppliers

81. Pratt also suppresses demand for Used Serviceable Material by pressuring Designated Overhaul Facilities not to install parts if they do not bear Designated Overhaul Facility tags when performing overhauls. However, as noted above, Pratt is simultaneously precluding Designated Overhaul Facilities from performing bag and tag services for independent Used Serviceable Material suppliers, such that independent Used Serviceable Material suppliers do not have access to parts with Designated Overhaul Facility tags. Thus, in purpose and effect this

operates as a bar on the use of parts obtained from independent Used Serviceable Material suppliers.

82. When an aircraft operator sends an engine to a Designated Overhaul Facility for maintenance, repair, and overhaul servicing, the Designated Overhaul Facility routinely provides a teardown and an inspection of the engine's parts and creates a list of parts that need to be replaced. In the past, the Designated Overhaul Facility would then replace those parts based on what was most economical—which often meant using parts sourced from independent Used Serviceable Material suppliers at a lower cost than new parts purchased from Pratt.

83. There is no economic or safety reason why a Designated Overhaul Facility would discontinue the longstanding practice of installing Used Serviceable Material. Nonetheless, the Designated Overhaul Facilities have uniformly begun refusing to embody more than a *de minimis* number of such parts (if any). On information and belief, this about-face is the result of an agreement imposed by Pratt, which may take the form of threats to the Designated Overhaul Facilities' "Pratt-authorized" status and/or other relationship pressures, compelling the Designated Overhaul Facilities to agree not to embody Used Serviceable Material that is not Designated Overhaul Facility-tagged.

84. As a result, the Designated Overhaul Facilities agreed in general not to embody Used Serviceable Material sourced from independent suppliers when performing an engine overhaul and must instead rely on either (i) new parts sourced directly from Pratt and/or (ii) Used Serviceable Material from Pratt-approved Designated Overhaul Facility tags (which are frequently priced higher than non-Designated Overhaul Facility-tagged parts from independent suppliers such as UTP even though there is no difference in quality).

85. The constraint on the Designated Overhaul Facilities' ability to incorporate Used Serviceable Material sourced from independent suppliers works in tandem with Pratt's contractual prohibition on Designated Overhaul Facilities performing "bag and tag" work for those suppliers to have a crippling anticompetitive effect: because Designated Overhaul Facilities can no longer tag parts for anyone other than Pratt, the supply of Designated Overhaul Facility-tagged parts outside Pratt's possession is predictably shrinking and cannot be replaced, leading soon to a world in which Designated Overhaul Facilities must realistically use all or substantially all parts from Pratt (whether new or Designated Overhaul Facility-tagged from Pratt) to perform overhauls.

* * *

86. By forming exclusive dealing arrangements and refusing thereby to deal with UTP and other independent Used Serviceable Material suppliers, Pratt and its Designated Overhaul Facilities, all of which compete with UTP in the PT6 and PW100 parts and engines markets, have implemented a horizontal group boycott of independent Used Serviceable Material suppliers.

87. Pratt and each of the Designated Overhaul Facilities would, if unrestrained, find it economically rational (i) to provide certification services for UTP and other independent aftermarket suppliers, (ii) to sell Used Serviceable Material and engines to UTP and other independent suppliers, (iii) to sell Used Serviceable Material over the counter to Designated Overhaul Facilities customers, and (iv) generally to incorporate Used Serviceable Material into overhauled engines, each of the Designated Overhaul Facilities has agreed with Pratt to stop doing such business with UTP and other independent suppliers. Thus, each of the Designated Overhaul Facilities would, if unrestrained, find it economically rational to provide certification services for UTP and other independent suppliers and to freely buy from and sell to the independent suppliers

(and indeed did so for decades prior to Pratt's adoption of predatory conduct and imposition of its exclusive dealing agreements).

88. Nonetheless, each of the Designated Overhaul Facilities has agreed with Pratt to stop doing such business with UTP and other independent Used Serviceable Material suppliers.

89. Each of the Designated Overhaul Facilities operating in the United States is aware that Pratt is imposing the same exclusive dealing terms on the other U.S. Designated Overhaul Facilities, and is willing to participate in the group boycott of UTP and similar Used Serviceable Material suppliers—and thus forfeit the profits they might otherwise have earned from providing services to such suppliers—only so long as they know that their competitors also are participating in the conspiracy and forfeiting such potential profits.

90. As intended, the constraints that Pratt has imposed on the Designated Overhaul Facilities through its restrictive contracts and parallel pressure tactics have decimated the volume of business that UTP and its fellow independent Used Serviceable Material suppliers are able to do with these important industry players. The leading operator of Designated Overhaul Facilities, StandardAero, alone accounts for approximately over one-third of maintenance, repair, and overhaul business for the PT6 and PW100 engines in the United States. When combined with Pratt's own market share of maintenance, repair, and overhaul business, which accounts for approximately one-third of the market, and the smaller market share of maintenance, repair, and overhaul business controlled by Covington Aircraft, Pratt's restrictions on the Designated Overhaul Facilities have materially constrained UTP from doing business with no less than 80% of the domestic market for maintenance, repair, and overhaul services.

91. As a result of the conspiracy, UTP's sales to Designated Overhaul Facilities have decreased by 80% since Pratt began implementing its scheme in late 2016.

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92. Moreover, by orchestrating such horizontal group boycott and by entering into exclusive dealing arrangements with its Designated Overhaul Facilities that, together with Pratt, make up the vast majority of the maintenance, repair, and overhaul services market for PT6 and PW100 engines in the United States, Pratt aims not only to directly kill off all aftermarket parts competitors (such as UTP) but also to eliminate Independent Maintenance, Repair, & Overhaul Facilities (which comprise less than 20% of the maintenance, repair, and overhaul service market) who are not contractually under Pratt's control and who might therefore purchase Used Serviceable Material from, or supply Used Serviceable Material to, UTP or other suppliers. Indeed, by constraining output in this way, Pratt has already succeeded in substantially reducing the volume of available Used Serviceable Material available in the market, and has already begun to drive aftermarket competitors out of the market—even as consumer demand for such Used Serviceable Material remains strong.

E. Pratt's "Capped Cost" Program Bundles Parts Such That Competing Suppliers Cannot Compete Even By Offering Parts Below Cost

93. To further extinguish competition in the market for PT6 and PW100 engines and parts, Pratt has engaged in anticompetitive "bundling" of various types, including under the guise of its so-called "Capped Cost" program.

94. When an aircraft operator sends an engine to a Designated Overhaul Facility for maintenance, repair, and overhaul servicing, the Designated Overhaul Facility typically performs a teardown and inspection of the parts and then creates a list of parts that need to be replaced. In the past, the Designated Overhaul Facility would then replace those parts with a combination of Used Serviceable Material from companies like UTP and new parts from Pratt based on the remaining useful life of the engine. However, as described above, Pratt now pressures Designated Overhaul Facilities to agree not to employ used serviceable parts sourced from independent

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suppliers, which increases the cost of an overhaul or repair by requiring new parts to be used when suitable certified used parts would otherwise be used.

95. Simultaneously, Pratt has begun packaging together groups of new parts that are frequent replacement items and selling those to aircraft operators at steeply discounted pricing through bundled “capped-cost” programs.

96. In doing so, Pratt is effectively bundling together new parts at steeply discounted prices (upon information and belief, at as much as a 90% discount) so long as the customer agrees to purchase the entire bundle from Pratt rather than substituting in Used Serviceable Material from UTP or other suppliers where it might be more economical to do so.

97. For example, while a customer might need to replace 80% of the parts on an engine with new parts and might otherwise prefer to replace the other 20% with used serviceable parts, under Pratt’s capped cost programs that customer would not have the option to do so—or at least could not do so without sacrificing the up to 90% discount offered by Pratt, which would result in the customer paying a significant “penalty price” to Pratt for dealing with UTP or other independent suppliers.

98. Such bundling has the effect of Pratt offering certain of its bundled products below its own costs—or, indeed, for free. Because customers require certain new parts, and thus must purchase at least some portion of their needs from Pratt, even if Designated Overhaul Facilities were permitted to embody parts from UTP, Pratt’s below-cost bundling would make it impossible for UTP to fairly compete with the bundle by lowering prices—even if prices were lowered below marginal cost—because UTP and other independent aftermarket suppliers simply cannot make up the discounts that a customer would forfeit by not purchasing the bundle from Pratt, and cannot offer a competing bundle.

IV. UTP HAS MADE EXTENSIVE EFFORTS TO COMPETE EVEN IN THE FACE OF PRATT'S SCHEME, BUT CANNOT OVERCOME PRATT'S EXCLUSIONARY CONDUCT

99. In the face of Pratt's anticompetitive conduct, UTP has persisted in making aggressive efforts to identify sources for used engines and parts so as to continue to compete with Pratt.

100. One such method of acquisition occurs when a fleet operator or governmental entity with multiple planes fitted with PT6 or PW100 engines wishes to liquidate its fleet. Through its extensive list of industry contacts built up over its decades in the business, UTP might learn of such imminent liquidation and would then place a bid on the equipment—but such sales are far too few and far between to provide a reliable source of inventory sufficient to maintain a Used Serviceable Material-supply operation.

101. UTP's purchasing agents also routinely "hit the pavement," conduct cold calls of equipment owners, and pursue other creative mercantile avenues—in short, looking to procure used engine cores wherever they can be obtained—but in the absence of the ability to deal with Designated Overhaul Facilities or obtain used engines such sources are insufficient. In short, UTP has been diligent, creative, and active in trying to find ways to compete notwithstanding Pratt's anticompetitive campaign.

102. Notwithstanding UTP's diligence and creativity, however, the volume of its engine core acquisitions through these methods is nowhere near sufficient to make up for the loss of supply that Pratt's conduct has foreclosed. Indeed, at present, it is a challenge for independent Used Serviceable Material suppliers such as UTP to locate used engine cores available for bidding in the open market, and UTP acquires approximately two-thirds fewer engine cores today versus prior to the implementation of Pratt's anticompetitive practices.

103. UTP's inability to find alternative sources is hardly the result of any lack of sufficient knowledge, skill, or competitive gumption. UTP's extensive network of industry contacts, knowledge of the industry, creative and experienced workforce, and vast inventory of already-acquired Used Serviceable Material are key assets of its business, and UTP has leveraged these assets to the maximum extent to try to work around Pratt's predatory foreclosure of the supply of engine cores. These assets and expertise are precisely what make independent Used Serviceable Material suppliers such as UTP invaluable to Maintenance, Repair, & Overhaul Facilities. And together, these two mutually reinforcing groups make up what has historically been a dynamic aftermarket ecosystem for PT6 and PW100 engines.

V. PRATT HAS MARKET POWER IN THE RELEVANT MARKETS

104. **Relevant Product Markets.** The PT6 and PW100 engines and parts described *supra* comprise four distinct, identifiable markets over which Pratt enjoys market power and which Pratt has succeeded in monopolizing and/or is attempting to monopolize. These markets include (1) the market for the purchase and sale of PT6 engines, whether new or used (the PT6 Engines Market), (2) the closely-related market for the purchase and sale of PT6 parts, whether new or used (the PT6 Parts Market), (3) the market for the purchase and sale of PW100 engines, whether new or used (the PW100 Engines Market), and (4) the closely-related market for the purchase and sale of PW100 parts, whether new or used (the PW100 Parts Market).⁵ Additionally, Pratt has monopolized a market for maintenance, repair, and overhaul services, of which it controls 80% either directly or through its Designated Overhaul Facilities, which monopoly Pratt has leveraged to drive competitors like UTP out of business.

⁵ Even if the market were defined more broadly to include other types of turboprop engines, Pratt has such a dominant share of turboprop engines—on information and belief, approaching 80% of the market—that the conduct at issue here would still constitute and abuse of its monopoly power.

105. Whereas the Used Serviceable Material offered by UTP and other independent suppliers is 100% interchangeable with the new products that Pratt sells (both from a technical and FAA regulatory perspective), there is very limited interchangeability, if any, between PT6 or PW100 engines and parts and those produced by other engine manufacturers. Because most aircraft are designed by the original manufacturer and certified by the FAA based on use of a specific engine, it is generally not possible to replace a Pratt engine with an engine manufactured by a different engine manufacturer on the same aircraft. For example, an aircraft operator could not replace the engine on an aircraft designed and certified to be flown with a PT6 engine with a PW100 engine instead, as the two engines are not interchangeable from either a practical or regulatory perspective.

106. Indeed, Pratt's then-parent company (United Technologies Corporation ("UTC")) has recognized that it is "virtually assured" that a purchaser of a particular engine will then be locked in, as the "engine sale secures the aftermarket stream."⁶ As UTC explained to the SEC, customers cannot switch to other manufacturers' parts for several reasons:

- Pratt & Whitney warranty programs and performance guarantees require that the customer utilize Pratt & Whitney parts over the life of the warranty/guarantee.
- Engines and aircraft have a practical economic life well beyond the [***] used in the analysis.
- Spares parts require FAA certification that includes rigorous stationary and in-flight testing.
- Non-OEM manufacturers are generally unwilling to make the significant investment required, and do not possess the necessary technical capability, to manufacture replacement parts. Additionally, OEM's typically own the designs and tooling and have patents and non-compete agreements in place with the supply base.

107. Similarly, engine parts are not typically interchangeable with those of other engines unless they are from the same engine family (*e.g.*, the PT6 family). In the case of Pratt's PT6 and PW100 products, while there are varying degrees of interchangeability of parts among the models

⁶ United Technologies Corporation Correspondence, filed with SEC August 2, 2013.

within each engine family, those parts never “crossover” to engines produced by other, non-Pratt manufacturers—nor, indeed, are PT6 parts generally compatible with PW100 engines, or vice versa. Nor (with the possible exception of certain standard parts, which make up less than 1% of the value of an engine) do parts from other manufacturers crossover to be compatible with PT6 or PW100 engines.

108. There is accordingly little to no cross-elasticity of demand between PT6 engines and other types of engines, because FAA regulations require the use of the engine type certified for a given airframe and thus an increase in the price for PT6 engines would not lead the owner of an airframe that requires a PT6 engine to instead purchase any other type of engine because an alternative engine would not satisfy engineered design specifications of the aircraft.

109. For the same reason, there is little cross-elasticity of demand between PT6 parts and parts for other types of engines; although there is a very small handful of parts that can be used on more than one type of engine, the vast majority of PT6 parts are unique to the PT6 and cannot be replaced with parts from any other type of engine regardless of price increases. There is further only limited cross-elasticity of demand between PT6 engines and PT6 parts, because most consumers that require a given part for their PT6 engine will not purchase an entire engine to obtain it, and most consumers that require a complete PT6 engine will not be satisfied with a collection of parts.

110. Likewise, there is little to no cross-elasticity of demand between PW100 engines and other types of engines, because FAA regulations require the use of the engine type certified for a given airframe and thus an increase in the price for PW100 engines would not lead the owner of an airframe that requires a PW100 engine to instead purchase any other type of engine; like the

PT6 engine above, any such replacement would not satisfy engineered design specifications of the aircraft.

111. For the same reason, there is little cross-elasticity of demand between PW100 parts and parts for other types of engines; although there is a very small handful of parts that can be used on more than one type of engine, the vast majority of PW100 parts are unique to the PW100 and cannot be replaced with parts from any other type of engine. There is further only limited cross-elasticity of demand between PW100 engines and PW100 parts, because a consumer that requires a given part for their PW100 engine will not purchase an entire engine to obtain it, and a consumer that requires a complete PW100 engine will not be satisfied with a collection of parts.

112. Substantial barriers to entry exist for the Relevant Markets. For a would-be market entrant to compete with Pratt as an aftermarket supplier of Used Serviceable Material, as UTP currently does, the enterprise would need to amass a vast and varied inventory so as to be capable of providing full service to its customer base.

113. For context, a PT6 engine contains approximately 400 different part numbers, some of which have multiple quantities installed in the engine, while a PW100 contains approximately 500, again with some having multiple quantities installed in the engine. Considerable time and capital—upon information and belief, in excess of \$25 million—would be required to amass such an inventory (which, by its nature, would consist of costly engine commodities) to enter the Relevant Markets as a new supplier, and such endeavor would be made all the more difficult by Pratt's above-described conduct restricting the supply of used engine cores on the open market.

114. Indeed, it is presently a challenge for an independent Used Serviceable Material supplier such as UTP to locate and bid on used engine cores; it would therefore easily take years

for a would-be market entrant to accumulate enough inventory to have the capability of providing robust service to its customer base to the degree that customers would expect.

115. Moreover, the would-be market entrant would need to invest substantial time, energy, and resources to recruit an experienced workforce and develop relationships with customers, vendors, suppliers, and other key market participants, including the various Designated Overhaul Facilities and Independent Maintenance, Repair, & Overhaul Facilities.

116. Further, a would-be market entrant would face a startup cost of over \$3 million if it wished to procure the Pratt Overhaul Manual and would be required to periodically expend significant sums each time the manual is updated.

117. Pratt's market and monopoly power is directly demonstrated by Pratt's ability to restrict output and thereby control the Relevant Markets. Upon information and belief based on UTP's knowledge of the market, Pratt commands at least 75% of PT6 and PW100 new and used parts and engine sales in the United States and thus exercises substantial market and monopoly power over the Relevant Markets.

118. Further, Pratt's ability to "capture" Designated Overhaul Facilities through restrictive covenants and exclusive dealing arrangements, combined with its ability to control the flow of parts and engines through its anticompetitive scheme of bundling and other anticompetitive conduct, means that Pratt has—and increasingly will have—the ability to raise or lower prices to supracompetitive levels and to exclude competition in this market regardless of its market share.

119. Moreover, because Pratt's PT6 and PW100 engine families represent approximately 70% of the installed base of turboprop engines worldwide, Pratt is able to exercise market and monopoly power not only in the relevant market at issue here but also in any broader relevant market that might be defined.

120. **Relevant Geographic Market.** The relevant geographic market is the United States of America and its possessions and territories, as these products are marketed and sold on a nationwide basis. Aircraft operators in the United States require and demand access to PT6 and PW100 engines and parts within the United States, particularly in light of FAA regulations pertaining to maintenance, repair, and overhaul services and the relatively short operational range of aircraft typically equipped with PT6 and PW100 engines.

121. Pratt's market power in the Relevant Markets, coupled with its above-described predatory conduct, has given it market and monopoly power and/or a dangerous possibility of achieving monopoly power within the Relevant Markets.

VI. PRATT'S CONDUCT IS UNLAWFUL, AND HAS HARMED COMPETITION, AS WELL AS HARMING INDEPENDENT USED SERVICEABLE MATERIAL SUPPLIERS SUCH AS UTP

122. Through its above-described conduct, Pratt sought to exclude and foreclose independent players in the aftermarket for its PT6 and PW100 engine models, with the objective of securing or maintaining a monopoly therein, to the long-term and permanent detriment of consumers and competition. It worked. The combined effect of Pratt's conduct has been exactly what Pratt has intended. All of Pratt's independent aftermarket rivals have reduced their PT6 and PW100 business, with some potentially already having exited the space altogether, as a direct and proximate result of Pratt's predatory activities, transforming what was formerly a vibrant aftermarket into a shrinking space increasingly consolidated and dominated (directly and indirectly) by Pratt. The result, inevitably, will be decreased choice for aircraft operators and other purchasers of aircraft engines, and higher prices as Pratt becomes the only remaining option in the Relevant Markets.

A. UTP Has Suffered Significant Harm as a Result of Pratt's Anticompetitive Scheme

123. UTP has suffered significant economic injury as a result of Pratt's conduct; indeed, UTP is now able to acquire approximately two-thirds fewer engine cores today versus prior to the implementation of Pratt's anticompetitive practices, without any diminishment of, and in fact despite an increase in, UTP's efforts to do so. Despite vigorous efforts to compete—including cutting headcount, and dramatically downsizing its PW100 business—UTP has found itself foreclosed from maintaining a competitive foothold as a direct and proximate result of Pratt's predatory acts. This effect is most obvious in the market for PW100 engines and parts. As alleged above, Pratt and the Designated Overhaul Facilities together control nearly 100% of the market for maintenance, repair, and overhaul services for PW100 engines, owing to the complicated design and large size of the PW100 engines. Accordingly, the conspiracy between Pratt and the Designated Overhaul Facilities to prohibit bagging and tagging of PW100 engines on behalf of UTP and other independents has driven UTP out of the PW100 market. Whereas UTP generated revenues of nearly \$30 million from sales of PW100 parts and engines as of 2016 and forecast increasing sales of PW100 parts and engines into the future, now UTP is reduced to selling off its existing inventory, which is almost completely depleted. Indeed, in 2023, UTP sold no PW100 engines and only \$2.5 million of PW100 parts

124. Likewise, Pratt and the Designated Overhaul Facilities dominate the maintenance, repair, and overhaul market for PT6 engines, controlling an estimated 80% of the PT6 maintenance, repair, and overhaul market. Pratt's anticompetitive policies have decimated UTP's sales of PT6 parts and engines, and UTP now sells dramatically fewer PT6 engines per year than the company sold prior to Pratt's anticompetitive policies.

125. As a direct and proximate consequence of Pratt's conduct, the supply of used engine cores on the open market has dried up to the point where UTP has not been able to effectively compete, and UTP understands from other independent Used Serviceable Material suppliers that they are similarly impacted. Pratt's scheme is thus achieving its desired goal of reducing aftermarket businesses' access to used serviceable parts and engines and depriving them of sustainable volumes of such material, which will then permit Pratt to substantially increase its prices.

126. Furthermore, in the near future, as a direct and calculated result of Pratt's predatory scheme prohibiting Designated Overhaul Facilities from certifying used parts for anyone other than Pratt itself via the "bag and tag" process (which process has historically generated a substantial amount of the Used Serviceable Material accessible to suppliers like UTP), there will no longer be any Used Serviceable Material with Designated Overhaul Facility tags (*i.e.*, originating from the Designated Overhaul Facilities) available on the open market.

127. As a result of the illegal anticompetitive conspiracy led and enforced by Pratt, UTP's earnings before interest, taxes, depreciation and amortization ("EBITDA") has dwindled by approximately 60% since late 2016, reaching a low of \$3.7 M in 2020 before rebounding slightly.

128. UTP's current and prospective customer relationships and goodwill have also been, and will continue to be, impaired. Further, Pratt's conduct, if allowed to continue, will destroy the incentives of UTP and other independent suppliers to invest the substantial resources needed to continue operating such businesses, which play a vital role for consumers and competition in the Relevant Markets.

129. UTP continues to suffer the above-described harms, and its damages continue to accrue, as long as Pratt continues to engage in the above-described unlawful conduct.

B. Other Independent Used Serviceable Material Supplier Have Likewise Suffered Injury from Pratt's Anticompetitive Conduct

130. Nor is the harm limited to UTP; Pratt's conduct impacts the competitive process in general. Upon information and belief, all of UTP's independent competitors have experienced substantially lower sales as a direct and proximate result of Pratt's predatory practices. In addition, as a direct and proximate result of Pratt's anticompetitive behavior, UTP's independent competitors have reduced their PT6 and PW100 business (with some potentially having exited the space altogether). The existence of independent Used Serviceable Material suppliers such as UTP is highly beneficial for consumers because, among other reasons, through their efficient procurement methods, these entities have greatly increased the supply of, and have expanded access to, Used Serviceable Material both for aircraft operators directly and for Maintenance, Repair, & Overhaul Facilities (who, as a result, can offer more varied and flexible maintenance, repair, and overhaul services and pricing to aircraft operators). And, as stated, due to its markedly lower cost compared to new parts and engines purchased from Pratt, there is considerable demand in the marketplace for Used Serviceable Material for PT6 and PW100 engine models.

131. Without the presence of UTP and other independent suppliers in the market, the supply of Used Serviceable Material would be substantially limited and concentrated in the hands of the manufacturer itself (Pratt), ceding to Pratt the power to restrict and artificially manipulate the availability and pricing of Used Serviceable Material.

C. Independent Maintenance, Repair, & Overhaul Facilities Have Suffered Injury from Pratt's Anticompetitive Conduct

132. As alleged above, Pratt and the Designated Overhaul Fs control nearly 100% of the Maintenance Repair and Overhaul Facilities for PW100 engines and approximately 80% of the Maintenance, Repair, & Overhaul Facilities for PT6 engines.

133. By design, Pratt's assault on independent Used Serviceable Material suppliers also simultaneously harms Independent Maintenance, Repair, & Overhaul Facilities in two distinct ways.

134. *First*, many Independent Maintenance, Repair, & Overhaul Facilities depend on steady business from UTP and other independent suppliers in order to remain viable (as UTP has traditionally interacted with Maintenance, Repair, & Overhaul Facilities both as a customer and a vendor); yet, as the availability of used engine cores on the open market has sharply declined due to Pratt's actions, the volume of overhaul business received from UTP and other independent suppliers has commensurately declined, and that trend only promises to accelerate as used engine cores become harder and harder to come by. Pratt benefits from the decline of Independent Maintenance, Repair, & Overhaul Facilities because the less business that is channeled through them, the more business becomes channeled either through Pratt directly or through the Designated Overhaul Facilities (through whose business Pratt also realizes profit).

135. *Second*, Pratt is harming Independent Maintenance, Repair, & Overhaul Facilities by using predatory pricing policies and anticompetitive bundling for products and services to make it impossible for other participants in the aftermarket to compete, with an expectation that Pratt will then be able to raise its prices to supracompetitive levels once those competitors are successfully forced from the market. And, as noted, by solidifying its hold on the market for these

services, Pratt also further solidifies its hold over the Used Serviceable Material that would otherwise be created that would potentially fall into the hands of independent suppliers like UTP.

136. Further, by driving out independent MROs and consolidating the market for Maintenance, Repair, & Overhaul Facilities, Pratt harms UTP and other MRO customers by increasing wait times for engine repairs and overhauls, increasing prices for services, and giving consumers fewer choices.

D. Pratt's Anticompetitive Scheme Harms Competition, and Ultimately Harms Aircraft Operators and Other Customers

137. Pratt's anticompetitive behavior has not only harmed UTP and other independent suppliers but has also caused substantial harm to the overall competitive process as well as to consumers, who have been deprived of the principal benefits of competition in the Relevant Market, including without limitation: sustained competitive pricing; lower long-term price volatility; greater availability of parts and engines; greater choice among service providers; more varied service and product options; more flexible pricing arrangements; and greater service capacity in the market (ensuring consumers enjoy prompter service, greater responsiveness, and less backup).

138. Consequently, a dangerous probability exists that, to the extent Pratt has not already monopolized the Relevant Markets, Pratt will increase its pricing to supracompetitive monopoly levels as soon as its competition has been eliminated by the reduction in supply of Used Serviceable Material in the aftermarket. Thus, Pratt not only has a very high likelihood of further entrenching its market and monopoly power with respect to PT6 and PW100 engines and parts, but also of recouping any short-term losses it incurs in the process.

139. Once Pratt succeeds in eliminating competition from UTP and other independent Used Serviceable Material suppliers as a result of its anticompetitive practices, Pratt will be even

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more free than it already is to price its products and services at supracompetitive levels. And, because substantial barriers exist to enter the independent Used Serviceable Material supply business, Pratt will be free to take these steps without the fear of competition reemerging as a result.

E. In Addition to UTP Recovering Damages, Pratt's Anticompetitive Conduct Should Be Enjoined

140. In short, Pratt has set out to lock up the markets for new and used PT6 and PW100 engines and parts, as well as the closely related market for maintenance, repair, and overhaul services for these engine products, giving Pratt an unbreakable stranglehold over all aspects of these engines' sales and repair. If not enjoined, Pratt's conduct will lead to increased prices, decreased choice, and lowered levels of service for consumers, along with the complete monopolization of what were formerly vibrant and competitive markets.

141. There is no compelling efficiency, safety, public interest, or justification for Pratt's exclusionary and predatory conduct, including its restrictive contracts with the Designated Overhaul Facilities.

142. UTP cannot respond to Pratt's conduct by changing its business practices, offering further reduced prices, or developing new services that might be valuable to customers. UTP has not been able to replace the supply of available used engine cores (which shortage has resulted largely from a higher proportion of used engines being sold to Pratt as trade-ins at the time of new engine purchases), and this situation will not improve absent a cessation of Pratt's behavior.

143. The Court should accordingly enjoin Pratt from engaging in all of the anticompetitive conduct described herein.

VII. PLAINTIFF'S CLAIMS ARE TIMELY

144. Any applicable statute of limitations for UTP's claims has not expired or has been tolled and/or Pratt is equitably estopped from asserting a statute of limitations defense, including but not limited to the continuing nature of Pratt's violations.

145. Pratt's violations of the antitrust laws in pursuit of its schemes are continuing in their development, implementation, operation, and harm being caused, with but one example being the discontinuation of RBC's maintenance, repair, and overhaul services business in September 2021 described *supra*. In addition, in January 2023 Pratt renewed its restrictive agreement with Covington Aircraft, and Pratt continues to enforce its restrictive agreements with StandardAero. Accordingly, UTP's claims are timely.

CLAIMS FOR RELIEF

FIRST CLAIM FOR RELIEF

Violation of 15 U.S.C. § 1

Agreement in Restraint of Trade in the Relevant Markets

146. UTP repeats and realleges each and every allegation contained above as if fully set forth herein.

147. Pratt has market power in the Relevant Markets.

148. Pratt and its co-conspirators, by and through their respective officers, directors, employees, agents, or other representatives, have entered into a continuing contract, combination, and conspiracy in unreasonable restraint of trade and commerce in the Relevant Markets for the purpose and with the effect of restricting the supply and increasing prices of Used Serviceable Material in the Relevant Markets and restricting dealings with independent aftermarket players, including UTP.

149. Among other things, Pratt and its potentially captive co-conspirators (the Designated Overhaul Facilities) have engaged in exclusive dealing, a horizontal group boycott
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and/or a concerted refusal to deal for the purpose and with the effect of restricting the supply of Used Serviceable Material in the Relevant Markets and restricting dealings with independent aftermarket players, including UTP.

150. Pratt's anticompetitive scheme has also been accomplished through the solicitation and enforcement of its exclusionary contracts with the Designated Overhaul Facilities, described above, which unreasonably restrain trade in the Relevant Markets in violation of Section 1 of the Sherman Act. The Designated Overhaul Facilities and Pratt itself compete with one another and with UTP in the market for PW6 and PW100 engines and engine parts.

151. Pratt's anticompetitive scheme has further been accomplished through agreements with customers to restrain the ability of those customers to sell their used engines on the open market, including through its Engine Upgrade Programs.

152. Pratt's conduct has had anticompetitive effects in the Relevant Markets, including, without limitation, the effects described in all of the foregoing paragraphs.

153. Plaintiff's ability to compete and offer much-in-demand Used Serviceable Material to consumers, including Designated Overhaul Facilities and Independent Maintenance, Repair, & Overhaul Facilities who serve aircraft operators, along with the ability of every other similarly situated non-Pratt competitor to do the same, has been debilitatingly constrained by the anticompetitive combination, agreement, conspiracy, group boycott, price-fixing, and/or concerted refusal to deal enacted by Pratt and its co-conspirators.

154. As a direct and proximate result of Pratt's conduct, and the harm to competition caused by the same, Plaintiff has suffered substantial, irreparable, and continuing injuries, consisting of, without limitation, the loss of profits and earnings and the loss of customer goodwill.

155. The anticompetitive effects of Pratt's scheme substantially outweigh any alleged procompetitive effects that may be offered by Pratt and/or any purported benefits to efficiency, safety, or the public interest.

SECOND CLAIM FOR RELIEF

Violation of 15 U.S.C. § 14

Exclusive Dealing Practices in Restraint of Trade in the Relevant Market

156. UTP repeats and realleges each and every allegation contained above as if fully set forth herein.

157. Pratt has market and (if necessary) monopoly power in the Relevant Markets.

158. The Designated Overhaul Facilities and Pratt itself compete with one another and with UTP in the market for PW6 and PW100 engines and engine parts. Pratt and its co-conspirators, the Designated Overhaul Facilities, by and through their respective officers, directors, employees, agents, or other representatives, have engaged in continuing exclusive dealing practices in unreasonable restraint of trade and commerce in the Relevant Markets for the purpose and with the effect of reducing the supply of Used Serviceable Material on the open market and restricting dealings with independent aftermarket players, including Plaintiff.

159. Pratt and its co-conspirators' exclusive dealing contracts reduce the supply of Used Serviceable Material in the Relevant Market and restrict dealings with independent aftermarket players, including UTP.

160. Pratt's solicitation and enforcement of its exclusive dealing arrangements with the Designated Overhaul Facilities, described above, constitute unlawful agreements, contracts, and concerted activity that unreasonably restrain trade in the Relevant Markets in violation of Section 3 of the Clayton Act.

161. Pratt's conduct has had anticompetitive effects in the Relevant Markets, including, without limitation, the effects described in the paragraphs *supra*.

162. Plaintiff's ability to compete and offer much-in-demand Used Serviceable Material to consumers, including Designated Overhaul Facilities and Independent Maintenance, Repair, & Overhaul Facilities who serve aircraft operators, along with the ability of every other similarly situated non-Pratt competitor to do the same, has been debilitatingly constrained by the anticompetitive exclusive dealing arrangements maintained by Pratt and its co-conspirators.

163. As a direct and proximate result of Pratt's conduct, and the harm to competition caused by the same, Plaintiff has suffered substantial, irreparable, and continuing injuries, consisting of, without limitation, the loss of profits and earnings and the loss of customer goodwill.

164. The anticompetitive effects of Pratt's conduct substantially outweigh any alleged procompetitive effects that may be offered by Pratt and/or any purported benefits to efficiency, safety, or the public interest.

THIRD CLAIM FOR RELIEF
Violation of 15 U.S.C. § 2
Monopolization of the Relevant Markets

165. UTP repeats and realleges each and every allegation contained above as if fully set forth herein.

166. Pratt has monopolized the Relevant Markets in violation of Section 2 of the Sherman Act.

167. Pratt possesses monopoly power in each of the Relevant Markets.

168. Through the anticompetitive scheme and actions described above, and other conduct likely to be revealed in discovery, Pratt has willfully and unlawfully maintained and enhanced its monopoly power in the Relevant Markets in violation of Section 2 of the Sherman

Act. Pratt's scheme and actions constitute unlawful exclusionary conduct within the meaning of Section 2 of the Sherman Act. Pratt's conduct includes a horizontal group boycott, concerted refusals to deal, exclusive dealing, price-fixing, coordinated predatory pricing, illegal bundling arrangements, monopoly leveraging, and/or anticompetitive refusals to deal

169. Pratt's anticompetitive scheme has significantly damaged competition in the Relevant Markets.

170. Among other things, Pratt's behavior has damaged and threatens to destroy its aftermarket competitors, including independent Used Serviceable Material suppliers such as Plaintiff and Independent Maintenance, Repair, & Overhaul Facilities, both of which constituencies are essential to preserving the competitiveness of the Relevant Markets and whose existence ensures that consumers have access to a wide array of service provider choices, more varied services, and more flexible pricing options.

171. As a result of Pratt's conduct, and the harm to competition caused by that conduct, Plaintiff has suffered substantial, irreparable, and continuing injuries, consisting of, without limitation, the loss of profits and earnings and the loss of customer goodwill.

172. The anticompetitive effects of Pratt's conduct substantially outweigh any alleged procompetitive effects that may be offered by Pratt and/or any purported benefits to efficiency, safety, or the public interest.

FOURTH CLAIM FOR RELIEF
Violation of 15 U.S.C. § 2
Attempted Monopolization in the Relevant Market

173. UTP repeats and realleges each and every allegation contained above as if fully set forth herein.

174. In the alternative to the Third Claim for Relief, Pratt has attempted to monopolize the Relevant Markets in violation of Section 2 of the Sherman Act.

175. Pratt is violating Section 2 of the Sherman Act by attempting to implement the anticompetitive scheme and conduct set forth above with the specific intent to monopolize the Relevant Markets. Pratt's scheme constitutes unlawful exclusionary conduct within the meaning of Section 2 of the Sherman Act.

176. There is a dangerous probability that Pratt will succeed in monopolizing the Relevant Markets through its anticompetitive scheme and conduct.

177. Pratt's scheme has significantly damaged competition in the Relevant Markets.

178. Among other things, Pratt's behavior has damaged and threatens to destroy its aftermarket competitors, including independent Used Serviceable Material suppliers such as Plaintiff and Independent Maintenance, Repair, & Overhaul Facilities, both of which constituencies are essential to preserving the competitiveness of the Relevant Markets and whose existence ensures that consumers have access to a wide array of service provider choices, more varied services, and more flexible pricing options.

179. As a direct and proximate result of Pratt's conduct, and the harm to competition caused by the same, Plaintiff has suffered substantial, irreparable, and continuing injuries, consisting of, without limitation, the loss of profits and earnings and the loss of customer goodwill.

180. The anticompetitive effects of Pratt's conduct substantially outweigh any alleged procompetitive effects that may be offered by Pratt and/or any purported benefits to efficiency, safety, or the public interest.

PRAYER FOR RELIEF

181. WHEREFORE, UTP respectfully prays that the Court enter judgment against Pratt and in favor of UTP, as follows:

- i. Awarding UTP money damages in an amount in excess of \$150,000,000, prior to mandatory trebling pursuant to the Clayton Act, 15 U.S.C. § 15(a) and exclusive of interest and costs;
- ii. Awarding UTP interest thereon;
- iii. Awarding UTP the costs of this lawsuit, including its reasonable attorneys' fees and court costs;
- iv. Declaring Pratt's conduct unlawful and in violation of the above-referenced statutes;
- v. Entering appropriate preliminary and permanent injunctive relief barring Pratt from continuing to undertake its anticompetitive scheme, including its exclusionary contracts; and
- vi. Ordering such other and further relief as the Court may deem just, proper, and equitable.

JURY TRIAL DEMANDED

182. UTP demands a trial by jury for all issues triable by jury.

Dated: May 10, 2024
Philadelphia, Pennsylvania

Respectfully submitted,

/s/ William E. Hoese

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