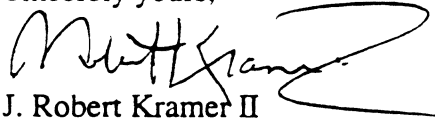


disadvantage companies that are now competing primes. The use of the term "competitive merits" simply recognizes that Northrop is permitted to continue to act in this rational manner. Therefore, Northrop need not offer precisely the same terms to all teammates. Northrop may take into account, among other things, the terms proposed by that teammate and the likelihood of ultimately winning a contract with that teammate. The Final Judgment provides the Compliance Officer with the flexibility to determine whether any particular teammate has been discriminated against in a manner which violates the Final Judgment.

Finally, Lockheed urges that the required time periods for certain actions to be taken by the Compliance Officer and the Secretary of the Air Force be increased from 5 days to 10 days, [g]iven the importance of this matter, and the demands on the Compliance Officer and Air Force Secretary." The time periods in the Final Judgment must take into account both the need for careful consideration and the need for prompt resolution of disputes. An increase in the time for consideration also increases the time of uncertainty, and as Lockheed has emphasized elsewhere in its comments, timeliness is a significant factor, and tight time frames may be required at critical junctures. Furthermore, as noted above, we anticipate that the Compliance Officer will be overseeing Northrop's conduct on a continuing basis, and will be advised of potential issues well before the time periods actually become effective.

Thank you for bringing your concerns to our attention; we hope this information will help alleviate them. Pursuant to the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16(d), a copy of your comment and this response will be published in the Federal Register and filed with the Court.

Sincerely yours,

A handwritten signature in black ink, appearing to read "J. Robert Kramer II", with a stylized flourish extending to the right.

J. Robert Kramer II
Chief

Litigation II Section