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(1) provide for appointment of a Compliance Officer to oversee compliance with the Order (see §V);

(2) require that Northrop Grumman maintain the former TRW Space & Electronics Satellite Systems businesses separate and apart from the Northrop Grumman payload business (see §IV.F);

(3) provide for substantial civil penalties for each violation of the Consent Order (see §VII);

(4) provide that the Consent Order's term shall be at least seven (7) years and can be extended for an additional three (3) years upon motion of the Justice Department¹ (see §X); and

(5) provide for continued Justice Department oversight of defendant's compliance with the Order (see §VI.).

II. Revisions Needed To Insure That the Purposes of the Consent Order Are Fulfilled

A. Northrop Grumman Should be Required To Negotiate Teaming Agreements "On a Timely Basis"

As the CIS acknowledges, prime contractors and payload providers "must work together at an early stage to develop an integrated system" that can perform the particular satellite mission. Therefore, it is important that Lockheed Martin (and other potential prime contractors) know early in the development of a satellite system that they will have non-discriminatory access to the particular Northrop Grumman payload capabilities. Any delay by Northrop Grumman in actively negotiating appropriate teaming agreements required by §IV.B.(1)(b) would jeopardize the competing prime contractor's ability to work with Northrop Grumman to develop the integrated system needed by the Government customer. Were that to happen, the U.S. Government would be denied effective competition for the satellite program.

To insure that Northrop Grumman enters into Teaming Agreements with Lockheed Martin and other prime contractors on a timely basis, and thus insure effective compliance with §IV.B.(2)(b), we urge that that Section be modified to make clear that Northrop Grumman is required to negotiate Teaming Agreements with other prime contractors "on a timely basis." Although this may vary depending on circumstances, the Consent Agreement should specify that "on a timely basis" generally means not later than thirty (30) days after the competing prime expresses desire for such Agreement.

¹ Depending on the schedules of several anticipated satellite programs, it may well be necessary to extend the Consent Order for an additional three years.