

Raytheon

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Space & Airborne Systems

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J. Robert Kramer II
Chief, Litigation II Section
Antitrust Division
U.S. Department of Justice
1401 H Street, NW, Suite 3000
Washington, DC 20530

Dear Mr. Kramer:

Raytheon Company respectfully submits the following comments on the Proposed Final Judgment in United States v. Northrop Grumman Corp. and TRW, Inc., Civil No. 1:02 CV 02432 (GK), 68 Fed. Reg. 1861 (1/14/03) (hereafter referred to as the "Consent Decree"). As a competitor to Northrop Grumman in the development, production, and sale of radar, electro-optic, and infrared payloads for reconnaissance satellite systems used in highly complex US Government space systems, Raytheon uniquely appreciates the need for the Consent Decree and for clear guidance regarding the boundaries of permissible conduct under the Decree. As discussed more fully below, the Consent Decree lacks clarity in three key areas. First, the Consent Decree fails to identify the existing Northrop Grumman businesses that fall within the definition of the Northrop Grumman Payload Business, a critical term used throughout the Consent Decree. Second, the Consent Decree does not squarely address how the remedy will apply if Northrop or a competitor decides to bid as a prime contractor for a reconnaissance satellite system through its Payload Business rather than through its satellite business. Finally, Raytheon believes the Consent Decree should be modified to clarify the extent to which the results of internally funded research and development may be reserved solely for a Northrop Grumman Payload/Satellite team.

There are two competitions addressed explicitly in the Competitive Impact Statement: the Space Based Radar Program and SBIRS-Low (now referred to as the Space Tracking & Surveillance System (STSS) Program). If lack of clarity in the scope of the Consent Decree leads to inappropriate disclosure of information between Northrop Grumman's Satellite Business (formerly TRW) and Northrop Grumman's Payload Business, it is unlikely the Government can obtain an effective remedy on those programs. Raytheon similarly would suffer irreparable damage from a less robust competitive opportunity. We submit, therefore, that the parties should clarify the requirements of the Consent Decree to eliminate potential loopholes rather than leave the issues addressed below to a trial and error process.

DEFINITION OF NORTHROP PAYLOAD BUSINESS:

The Consent Decree defines the term "Northrop Satellite Prime Business" by reference to the acquired TRW business and the term "Payload" by reference to technologies and capabilities. Payload includes radar, electro-optical and infrared assemblies on a Satellite and assemblies and all related components, software, interfaces, and the like that enable the payload to perform its contemplated function, whether or not on the Satellite. Consent Decree Section II.H.