

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS: Robert Pitofsky, Chairman
 Mary L. Azcuenaga
 Janet D. Steiger
 Roscoe B. Starek, III
 Christine A. Varney

In the Matter of)
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RAYTHEON COMPANY,) Docket No. C-3681
) DECISION AND ORDER
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The Federal Trade Commission having initiated an investigation of the proposed acquisition by respondent of all of the voting securities of Chrysler Technologies Holding, Inc. ("CTH"), and the respondent having been furnished thereafter with a copy of a draft of Complaint that the Bureau of Competition presented to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violations of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45; and

Respondent, its attorneys, and counsel for the Commission having thereafter executed an Agreement containing a Consent Order, an admission by respondent of all the jurisdictional facts set forth in the aforesaid draft of Complaint, a statement that the signing of said Agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such Complaint, or that the facts as alleged in such complaint, other than jurisdictional facts, are true and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the

respondent has violated the said Acts, and that a Complaint should issue stating its charges in that respect, and having thereupon accepted the executed Consent Agreement and placed such Agreement on the public record for a period of sixty (60) days now in further conformity with the procedure described in § 2.34 of its Rules, the Commission hereby issues its Complaint, makes the following jurisdictional findings and enters the following Order:

1. Respondent Raytheon Company ("Raytheon") is a corporation organized, existing and doing business under and by virtue of the laws of the state of Delaware, with its office and principal place of business located at 141 Spring Street, Lexington, Massachusetts 12173.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

I.

IT IS ORDERED that, as used in this order, the following definitions shall apply:

A. "Respondent" or "Raytheon" means Raytheon Company, its directors, officers, employees, agents, representatives, predecessors, successors and assigns; its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures controlled by Raytheon Company, and the respective directors, officers, employees, agents, representatives, successors and assigns of each. For purposes of Paragraph II. of this order, Raytheon does not include ESI.

B. "CTH" means Chrysler Technologies Holding, Inc., a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with its principal office and place of business located at 1000 Chrysler Drive, Auburn Hills, Michigan 48326-2766, its directors, officers, employees, agents, representatives, predecessors, successors and assigns; its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures controlled by CTH, and the respective directors, officers, employees, agents, representatives, successors and assigns of each.

C. "ESI" means Electrospace Systems, Inc., a wholly-owned

subsidiary of Chrysler Technologies Holding, Inc., with its principal office and place of business located at 1301 East Collins Boulevard, Richardson, Texas 75083, or any other entity within or controlled by Chrysler Technologies Holding, Inc. that is engaged in, among other things, the research, development, manufacture or sale of Antenna and Terminal Controls, its directors, officers, employees, agents, representatives, predecessors, successors and assigns; its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures controlled by ESI (or such similar entity), and the respective directors, officers, employees, agents, representatives, successors and assigns of each.

D. "Commission" means the Federal Trade Commission.

E. "Submarine High Data Rate Satellite Communications Terminal" means the system to be procured in the United States Department of the Navy's scheduled competitive procurement of the Submarine High Data Rate Satellite Communications Terminal, a satellite communications system for use on U.S. Navy submarines that is capable of, among other things, transmitting and receiving both super high frequency and extremely high frequency signals.

F. "Antenna and Terminal Controls" means any current or future equipment and services designed, developed, proposed or provided by ESI in connection with the United States Department of the Navy's procurement of the Submarine High Data Rate Satellite Communications Terminal.

G. "Non-Public Information of Raytheon" means any information not in the public domain and in the possession or control of Raytheon relating to the Submarine High Data Rate Satellite Communications Terminal.

H. "Non-Public Information of ESI" means any information not in the public domain and in the possession or control of ESI relating to the Submarine High Data Rate Satellite Communications

II.

IT IS FURTHER ORDERED that:

A. Raytheon shall not provide, disclose or otherwise make available, directly or indirectly, to ESI any Non-Public Information of Raytheon until either: (1) the United States Department of the Navy selects only one supplier for the Submarine High Data Rate Satellite Communications Terminal; or (2) the United States Department of the Navy cancels its procurement of the Submarine High Data Rate Satellite Communications Terminal entirely.

B. Raytheon shall not obtain or seek to obtain, directly or indirectly, any Non-Public Information of ESI until either: (1) the United States Department of the Navy selects only one supplier for the Submarine High Data Rate Satellite Communications Terminal; or (2) the United States Department of the Navy cancels its procurement of the Submarine High Data Rate Satellite Communications Terminal entirely.

III.

IT IS FURTHER ORDERED that Respondent shall comply with all terms of the Interim Agreement, attached to this order and made a part hereof as Appendix I. Said Interim Agreement shall continue in effect until the provisions in Paragraph II. of this order are complied with or until such other time as is stated in said Interim Agreement.

IV.

IT IS FURTHER ORDERED that within twenty (20) days of the date this order becomes final, and annually on the anniversary of the date this order becomes final until either the United States Department of the Navy selects only one supplier for the Submarine High Data Rate Satellite Communications Terminal or cancels its procurement of the Submarine High Data Rate Satellite Communications Terminal entirely, and at such other times as the Commission may require, Respondent shall file a verified written report with the Commission setting forth in detail the manner and form in which it has complied and is complying with Paragraph II. of this order.

v.

IT IS FURTHER ORDERED that Respondent shall notify the Commission at least thirty (30) days prior to any proposed change

VI.

IT IS FURTHER ORDERED that, for the purpose of determining or securing compliance with this order, and subject to any legally recognized privilege and applicable United States Government national security requirements, upon written request, and on reasonable notice, Respondent shall permit any duly authorized representatives of the Commission:

A. Access, during office hours and in the presence of counsel, to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of Respondent, relating to any matters contained in this order; and

B. Upon five (5) days' notice to Respondent, and without restraint or interference from Respondent, to interview officers, directors, or employees of Respondent, who may have counsel present, regarding any such matters.

VII.

IT IS FURTHER ORDERED that Respondent's obligations under this order shall terminate when either: (1) the United States Department of the Navy selects only one supplier for the Submarine High Data Rate Satellite Communications Terminal; or (2) the United States Department of the Navy cancels its procurement of the Submarine High Data Rate Satellite Communications Terminal entirely.