

[REDACTED]

The relevant line of commerce in which to analyze the effects of the Acquisition is heavy vehicle tie rods. A heavy vehicle is generally defined as one that weighs six tons or more, and a tie rod is a rigid connector that links a vehicle's individual wheels with the steering control mechanism. Customers and other market participants did not identify any substitutes for heavy vehicle tie rods.

North America is the relevant geographic market in which to analyze the effects of the Acquisition on the heavy vehicle tie rod market. The size and weight of heavy vehicle tie rods generally make it uneconomical to ship them long distances. Customers interviewed primarily consider manufacturers in North America, and have found more distant firms uncompetitive for reasons including: 1) price; 2) logistics; and 3) quality. Therefore, North America is the relevant geographic market.

The market for heavy vehicle tie rods in North America is highly concentrated. It is served primarily by ZF, TRW, and USK Internacional S.A. DE C.V. ("Urresko"). These three firms have a share of nearly 99% of the market based on unit sales. The merger would reduce the number of competitors from three to two, and increase the Herfindahl-Hirschman Index from 4,218 to 5,046, an increase of 828.

[REDACTED]

Entry into the North American heavy vehicle tie rod market is not likely to deter or counteract any anticompetitive effects of the proposed Acquisition. Entry is unlikely in light of the relatively small market size, strong position of incumbents, high capital costs, switching costs, and knowledge barriers that exist. The parties did not identify any likely entrants, and those firms best situated for entry – manufacturers of related heavy vehicle components – expressed no interest in entering the North American heavy vehicle tie rod market.

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The proposed Acquisition would increase the likelihood of coordinated interaction among the remaining competitors in the North American heavy vehicle tie rod market. The combined



The Consent Agreement eliminates the competitive concerns raised by ZF's proposed acquisition of TRW by requiring the parties to divest TRW's North American and European Linkage and Suspension Business ("the L&S Business"). The proposed divestiture includes everything needed for an acquirer to compete effectively in the North American market for heavy vehicle tie rods, and also includes additional products that ensure the business will be viable. Given the robust nature of t

