

**JOINT STATEMENT OF THE DEPARTMENT OF JUSTICE AND THE
FEDERAL TRADE COMMISSION ON PRESERVING COMPETITION IN THE
DEFENSE INDUSTRY**

The Department of Justice (DOJ) and the Federal Trade Commission (FTC) (“the Agencies”) are issuing this joint statement to explain our standard of review under the antitrust statutes of proposed transactions within the defense industry. The Agencies are responsible for reviewing mergers in the defense industry under Section 7 of the Clayton Act, which prohibits mergers whose effect “may be substantially to lessen competition, or to tend to create a monopoly.” The Department of Defense (DoD) has a variety of sourcing alternatives and the most innovative technology. The Department of Defense’s expertise, often as the only purchaser of mergers, teaming agreements, and other joint business arrangements between the defense industry. When assessing proposed consolidation in this sector, the overriding goal of the Agencies in enforcing the antitrust laws is to maintain competition going forward for the products and services purchased by DoD. Competition ensures that DoD has a variety of sourcing alternatives and the most innovative technology for American soldiers, sailors, marines, and air crews, all at the lowest cost for the taxpayer.

The Agencies analyze mergers pursuant to the analytical framework set forth in the DOJ/FTC 2010 Horizontal Merger Guidelines. The unifying theme of the Guidelines is that mergers should not be permitted to create, enhance, or entrench market power or otherwise harm customers as a result of diminished competitive constraints.

competition is robust. Many sectors of the defense industry are already highly concentrated