



U.S. Department of Justice

Antitrust Division

*City Center Building
1401 H Street, NW
Washington, DC 20530*

March 9, 2000

Mr. Richard Wicks, President
INSPEC INTERNATIONAL Company Ltd.
1-1-4 Wakamatsu Cho, Fuchu
Tokyo, 183, Japan

Re: Comment on Proposed Final Judgment in *United States v. AlliedSignal Inc. and Honeywell Inc.*, No. 1:99 CV 002959 (PLF) (D.D.C. November 8, 1999)

Dear Mr. Wicks:

Thank you for your letter of January 17, 2000 concerning the proposed Final Judgment in *United States v. AlliedSignal Inc. and Honeywell Inc.*, currently pending before the federal district court for the District of Columbia. The United States' complaint alleges that the merger as proposed between AlliedSignal Inc. and Honeywell Inc. would have substantially lessened competition in four product areas--traffic alert and collision avoidance systems; search and surveillance weather radar; reaction and momentum wheels, and inertial systems. The proposed Final Judgment would settle the case by requiring the post-merger company, now known as Honeywell International Inc. ("Honeywell"), to divest, among other assets, its traffic alert and collision avoidance system ("TCAS") business in Glendale, Arizona. Negotiations to divest this business consistent with the terms of the proposed Final Judgment are ongoing.

Your letter states that INSPEC INTERNATIONAL Company Ltd. ("INSPEC") manufactures an electro-mechanical product which is supplied to the Honeywell TCAS business soon to be divested. INSPEC is concerned that the proposed divestiture may damage its business unfairly and terminate its hard-earned relationship with Honeywell. Given INSPEC's investment in the products it now sells to Honeywell, it requests that the United States consider requiring the new owner of the TCAS assets to purchase products from INSPEC.

Every change in corporate ownership, whether by divestiture or otherwise, raises the potential that a new owner may seek new suppliers. Since U.S. antitrust laws are intended to preserve competition, not specific competitors, the United States respectfully declines to require the new purchaser of the TCAS assets to deal with INSPEC or any other specific supplier. INSPEC's competitive assets, the technological know-how and manufacturing ability referenced in your

letter, and your company's reputation with the employees of the TCAS business in Glendale, Colorado (who overwhelmingly will remain with the business) will be unaffected by the divestiture and will provide a platform for your firm to continue to compete successfully against other potential suppliers.

Thank you for bringing your concerns to our attention; we hope this letter will help you understand the reasons for our position. Pursuant to the Antitrust Procedures and Penalties Act, 15 U.S.C. §16(d), a copy of your comment and this response will be published in the Federal Register and filed with the Court.

Sincerely yours,

J. Robert Kramer II
Chief
Litigation II Section