DEPARTMENT OF JUSTICE

GE-Honeywell: The U.S. Decision

REMARKS

OF

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It is a pleasure to be here today to discuss the Department of Justice perspective on its decision not to challenge GE's proposed acquisition of Honeywell. It is rare that an Antitrust Division decision *not* to challenge a transaction generates such substantial discussion. But in this instance, of course, the fact that the United States and the European Union reached different conclusions about the transaction has prompted much commentary and debate — and with good reason. The last ten years have seen explosive growth in the number of countries with antitrust laws and agencies, reflecting global recognition that competition, rather than regulation, produces the most efficient outcomes for the benefit of producers and consumers alike. This proliferation of competition enforcement regimes, together with the attendant risk of divergent outcomes, has made cooperation among the world's antitrust agencies a necessity. Recently, we marked the tenth anniversary of the cooperation agreement between the U.S. and the EU and heralded its early success. At least equally importantly, we are currently discussing with the EU ways to improve upon the important strides we have made.

The U.S./EU divergence on the GE-Honeywell decision underscores the need to continue working cooperatively and constructively. The EU's decision to block the transaction triggered a firestorm of criticism, not just from the U.S. antitrust agencies and senior administration officials,[1] but also from the business community generally and from leading economists,[2] antitrust legal

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[1]John R. Wilke, *U.S. Antitrust Chief Criticizes EU Decision to Reject Merger of GE and Honeywell*, Wall St. J., July 5, 2001, at A3 (quoting Assistant Attorney General Charles James: "Clear and longstanding U.S. antitrust policy holds that the antitrust laws protect competition, not competitors . . . [The EU decision] reflects a significant point of divergence.")(also quoting somewhat more colorful language by Secretary of the Treasury Paul O'Neill).

[2]*See, e.g.*, Hal R. Varian, *Economic Scene; In Europe, GE and Honeywell ran afoul of 19th-century thinking.*, N.Y. Times, June 28, 2001 ("When evaluating a merger, United States antitrust officials tend to focus on the benefits to consumers, while European regulators give substantial weight to the impact on competitors, especially if they are 'national champions.'").

scholars,[3] and editorial writers.[4] The Antitrust Division has been open, both in private discussions with our counterparts at the European Commission and in appropriate public fora, in our disagreement with the EU's decision and the bases for it. Indeed, we have been criticized by some as being overly critical. We respectfully disagree. In our view, for cooperation to be meaningful, *i.e.*, for it to contribute significantly to effective global antitrust enforcement, it must include honest discussion of areas of agreement and disagreement, and careful dissection of divergent decisions. It is in that spirit that I provide my remarks today.

<u>The GE/Honeywell Investigation</u>

GE announced its proposed acquisition of Honeywell on October 22, 2000, and we opened our investigation shortly thereafter. Our team had substantial experience in the very markets under review, because it was the same team that had reviewed the Allied Signal/Honeywell merger just one year earlier. Our team also worked closely with the Department of Defense, which had an important interest in the transaction because of the various military applications of some of the companies' products. We conducted a thorough, five-month investigation, interviewing over 75 witnesses and reviewing hundreds of boxes of documents. Throughout the investigation, we worked in cooperation with the EU team investigating the transaction, conducting several joint witness interviews. We met with every complainant who

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[3]*See, e.g.*, George L. Priest, *The GE/Honeywell Precedent and Franco Romani,* Wall St. J., June 20, 2001, at A1.

[4]*See, e.g.*, Editorial, *Europe to GE: Go Home,* Wall St. J., June 15, 2001, at A14 ("In the Honeywell case, novel antitrust theories have been dreamed up simply because it would be unthinkable to let a large U.S. company go about its business unmolested."); Editorial, *Obstructionist Europe,* Wash. Post, June 22, 2001, at A24 ("[F]or the first time ever, the Europeans seem poised to block a merger that has been approved by U.S. regulators; and . . . they are doing so on the basis of speculative reasoning about bundling that is controversial, to put it kindly.").

asked to meet with us, in some instances multiple times. We hired an outside consulting economist who was generally hawkish on vertical foreclosure theories to assist us in evaluating the transaction, including the economic papers submitted by the complainants.

Our investigation revealed that GE and Honeywell operate in intensely competitive markets. GE is a leading producer of jet engines for large commercial aircraft and large regional jets. Its two principal rivals are Pratt & Whitney (a subsidiary of United Technologies) and Rolls Royce. GE also has an aircraft leasing subsidiary, GECAS. Honeywell is a leading producer of engines for small regional and corporate jets and of avionics and nonavionics systems, such as landing gear and auxiliary power units (APUs). It faces different rivals in each of its lines of business. For small jet engines, Honeywell's principal rivals are Pratt &Whitney and Rolls Royce. For avionics, its principal rivals are Rockwell Collins and Thales. For non-avionics, the principal rivals include United Technologies (for APUs) and BF Goodrich and SNECMA for landing gear. We did find, however, that GE and Honeywell had substantial horizontal overlaps in U.S. military helicopter engines and in repair and overhaul services for certain Honeywell aircraft engines and that those overlaps created antitrust issues.

On May 2, 2001, we announced that we had reached an agreement in principle with the parties that would resolve our limited competitive concerns with the transaction and allow the transaction to proceed. GE agreed to divest Honeywell's helicopter engine business and to license a new competitor to maintain and repair certain Honeywell engines. We found no factual or economic basis on which to challenge the merger on broader grounds. The EU had different concerns about the transaction and issued its Statement of Objections on May 8, 2001. We continued our dialogue with the Commission until the day it reached its decision to block the deal.

I personally traveled to Brussels to meet with Commissioner Mario Monti in early June. On July 3, 2001, the European Commission issued its decision to block the transaction.[5]

The Divergence in Analysis

Ultimately, in deciding to forbid the transaction, the EU relied on two theories of competitive harm. First, it found that the merger would strengthen GE's already dominant position in the market for large jet engines. Second, it found that the merger would enable Honeywell to gain a dominant position in the small engine, avionics and non-avionics markets in which it competes.

Large Jet Engines

The Department disagrees with the EU's finding that GE already has a dominant position in the market for large jet engines. We understand the EU's concept of dominance to be more or less synonymous with our concept of market power. Dominance is defined in EU case law as "a position of economic strength enjoyed by an undertaking which enables it to prevent effective competition being maintained on the relevant market by affording it the power to behave independently of its competitors, its customers and ultimately of the consumers." [6] Similarly, U.S. law defines market power as the ability to raise price and exclude competitors.[7]

The EU's finding of dominance rested almost entirely on GE's large (65%) and growing share of outstanding orders for aircraft engines still in production, attributing to GE 100% of

[5]Commission Decision of 03/07/2001 declaring concentration to be imcompatible with the common market and the EEA Agreement (General Electric/Honeywell, 3 July 2001).

[6]*Hoffman-LaRoche v. Comm'n*, Case 85/76, 1979 ECR 461 (CJ).

[7]*United States v. E.I. du Pont de Nemours & Co.*, 351 U.S. 377, 391 (1956).

engine sales by CFM, GE's joint venture with SNECMA. We, by contrast, found these market shares to be a weak indicator of competitive conditions in the market. GE's large share was almost entirely dependent on a single sole-source contract with Boeing for the 737, the most successful commercial aircraft in history. Excluding those sales would produce much more balanced market shares (even attributing 100% of CFM's remaining sales to GE): GE 44%, PW 23%, and Rolls Royce 27%.

Those shares comported much more closely to the actual competitive dynamics of the market, where the customers described the competition as "fierce," resulting in deeply discounted engine prices. Nor did we find any evidence supporting the EU's finding that Rolls Royce and Pratt & Whitney were no longer in a position to constrain GE's behavior. To the contrary, both companies had growing revenues and profits and were investing heavily in the development of their next generation of engines. As of January 2001, both had actually outperformed GE in engine awards on the three major airframes offering a choice of engines. Rolls Royce, in particular, said publicly that it expected its installed base to practically double over the next five years as a result of market share gains. New engine awards to date this year seem to confirm our view that GE is nowhere near dominant: GE has won 42% of contract awards (if all sales of CFM engines are included), PW 32%, and Rolls Royce 27%. Obviously, this difference in view as to GE's position relative to its engine competitors colored the entire analysis of the merger.

Even accepting for the sake of argument the conclusion that GE had a dominant position in engines, we disagreed with the EU's conclusion that the merger would strengthen that position. That finding necessarily rests entirely on "range effects" -- in this case, the theory that GE and Honeywell would engage in "mixed bundling" by offering a package of GE engines and

Honeywell avionics and nonavionics systems at discounted prices. The EU predicted that "bundling would lead to a re-allocation and therefore to a shift of market share in favour of the merged entity" to such an extent that over the longer term GE's competitors would be unable to cover their fixed costs and would exit the market. In subsequent public statements, the EU has downplayed the role that the mixed bundling theory played in its decision, stating that GE/Honeywell was not primarily a portfolio effects case, but was based instead on the transfer of GE's financial strength to Honeywell. If that is so, it is hard to understand the finding that the merger would strengthen GE's dominant position in large jet engines, because GE already owns GE Capital and GECAS.

We continue to express alarm at the use of a "range effects" theory of competitive harm. In the 1960's and 1970's, the United States experienced a wave of conglomerate mergers and experimented with theories of competitive harm such as entrenchment. Under the entrenchment doctrine, as embodied in the Supreme Court's decision in *FTC v. Procter & Gamble*,[8] mergers could be condemned if they strengthened an already dominant firm through greater efficiencies or gave the acquired firm access to a broader line of products or greater financial resources, thereby making life harder for smaller rivals. The U.S. antitrust agencies eliminated entrenchment as a basis for challenging non-horizontal mergers in 1982 when the Department issued its new Merger Guidelines and the Federal Trade Commission issued its Statement on Horizontal Mergers. We did so because we recognized that efficiency and aggressive competition benefit consumers, even if rivals that fail to offer an equally "good deal" suffer loss of sales or market share. Mergers are

[8] 386 U.S. 568 (1967).

one means by which firms can improve their ability to compete. It would be illogical, we concluded, to prohibit mergers because they facilitate efficiency or innovation.

Avionics and Non-Avionics

The EU also found that the merger would enable Honeywell to create a dominant position in the small corporate jet engine, avionics and nonavionics markets in which it competes. The EU concluded that GE's "toolkit for dominance" -- GE Capital and GECAS -- would come into play and tip the competitive balance decisively in Honeywell's favor. In the U.S., we reached a contrary conclusion.

GE Capital

Noting that GE has the world's largest market capitalization, the Commission concluded that GE Capital offers GE businesses enormous financial means, enabling it to take more risk in product development than its rivals and to offer customers heavy discounts on the initial sale of engines, recouping those discounts through sales of spares and repairs. This strategy, according to the EU, moves the break-even point of an engine project further into the future, forcing rivals to rely on external financing at a higher cost of capital than GE, with its triple AAA bond rating, enjoys. The merger extends this competitive advantage to Honeywell.

We disagree that a triple AAA bond rating creates an antitrust problem for several reasons. First, the size of GE's market capitalization is competitively irrelevant. We have all seen how ephemeral market caps are — two years ago, at the height of the dot com bubble, Microsoft and Cisco both had market caps well in excess of GE's. More recently, we have seen even a company as large as Enron have its market capitalization shrink by 80% in a matter of months.

Second, more generally, an increase in aggregate firm resources does not necessarily mean that any one division of the enterprise will obtain capital more readily or more cheaply than its rivals. Capital markets generally work very efficiently and there is no obvious reason, absent some clearly defined market imperfection, why GE's cost of capital for a particular project should be any lower than that of its rivals. As a large diversified company, GE has many other uses for its capital and committing capital to one project entails opportunity costs because that capital is no longer available for other, perhaps more worthwhile, projects. Taking these opportunity costs into account, GE's cost of capital with respect to any particular project should be equal to that of its competitors. This being the case, it is not surprising that, empirically, what we found when we examined the markets in which GE already competes was that GE's engine rivals are both investing just as heavily as GE in developing their next generation of engines and have had no difficulty raising capital to finance that effort.

Third, to the extent GE does have access to cheaper capital, that is a source of efficiency just like any other valuable asset, be it machinery, knowledge, or management skills. Cheap capital serves to lower prices and promote innovation. Blocking a merger because of GE's lower capital costs is therefore objectionable for the same reason as blocking a merger because of any other efficiency.

Fourth, the argument that, because of the lower prices the merged firm will be able to offer, Honeywell's rivals will no longer be able to cover the fixed costs required for the development of new products is a "ruinous competition" argument. In the 1890s, economists had difficulty explaining how a competitive enterprise could ever recover its fixed costs. They feared that firms with significant fixed costs would be driven to "ruinous competition" resulting in bankruptcy and harmful destruction of assets. These arguments were quickly appropriated by defendants in the earliest Sherman Act railroad cartel cases, who argued that unregulated railroads would face ruinous competition unless allowed to fix their rates. The Supreme Court saw through that argument, holding that a "ruinous competition defense would force the court to decide what a reasonable rate of profit in a particular industry should be," and that the courts were not up to that task.[9]

Finally, the EU's GE Capital theory is troubling because it lacks any limiting principle. Under this theory, Honeywell couldn't merge with Citigroup or Microsoft, and GE could not acquire any company with a leading position in any capital intensive business with high entry barriers. We do not think that is what the EU intended, but we are concerned that that is the logical extension of its decision.

GECAS

The second key factor contributing to GE's dominance in engines, according to the EU, was its vertical integration into aircraft purchasing, financing and leasing through GECAS, which the EU describes as the largest purchaser of aircraft in the world. With its GE-only procurement policy, the EU argued, GECAS has been able to influence the selection of engines by serving as a launch customer and by causing airlines to standardize fleets around GE-powered aircraft. The merger would enable GECAS to extend this influence to the markets in which Honeywell competes.

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[9] *See* Herbert Hovenkamp, *Post-Chicago Antitrust: A Review and Critique*, 2001 Colum. Bus. L. Rev., 257, 261, *quoting* United States v. Trans-Missouri Freight Ass'n, 166 U.S. 290, 372-73 (1897).

GECAS's share of aircraft purchases is less than 10%, substantially less than the 35-40% that U.S. courts at a minimum typically require to support a finding of potential foreclosure.[10] Given its small share of aircraft purchases, we found no evidence that GECAS's policy of purchasing only aircraft equipped with GE engines had or could foreclose rivals from the market. Given GECAS's small share, unless its policy could somehow change equipment preferences of ultimate customers, it is at least equally likely that rival leasing companies would respond by purchasing proportionately more non-GE engines, in part to differentiate themselves from GE. We found several examples of rival leasing companies doing exactly that.

Our investigation also found that GECAS was not a significant launch customer and that the claims GECAS could "seed" airlines with GE engines because of the importance of commonality were seriously overstated; in fact, 90% of the world's aircraft are in mixed fleets. To the extent seeding was even a possibility, we could see no reason why rival engine manufacturers could not do the same simply by offering discounts off their engines. It makes no difference analytically whether GE is able to sell engines based on (1) a low lease rate from GECAS or (2) a low engine price. A low lease rate is simply another form of discount. To the extent airlines prefer discounts in this form, rival equipment suppliers could partner with leasing companies to offer favorable lease terms for aircraft equipped with their engines.

We also examined the argument that GECAS could cause "share shifting" by inducing airframe manufacturers to sole source engines from GE. We examined each of the four transactions in which GECAS allegedly used its buying power to get GE engines sole source on

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[10]*See, e.g. Jefferson Parish Hospital District No. 2 v. Hyde, 466*, 466 U.S. 2 (1984); *United States v. Microsoft*, 87 F. Supp. 2d 30, 53 (D.D.C. 2000).

new aircraft platforms. In each, we found that GECAS played no role in the customer's decision to sole source and that in each case GE had won the competition on the merits, by offering the best engines for the customer needs at the best price.

Rival exit.

Crucial to the EU's theories of competitive harm are the predictions -- fueled by Honeywell's rivals -- that rivals would be forced to exit in the face of a strengthened Honeywell. We determined that these claims were simply not credible. Honeywell's competitors include large, financially healthy companies like United Technologies, BF Goodrich, and Thales, each with important competitive advantages of its own. In addition, these aerospace markets are characterized by powerful buyers, like Boeing and Airbus, with strong incentives to maintain competition in the supply of avionics and nonavionics systems. These strong rivals, either independently or with the support of these powerful buyers, have a wide range of counter-strategies available, including mergers and teaming arrangements among themselves. The EU's dismissal of teaming arrangements as an effective counter-strategy was particularly surprising, given that GE's allegedly dominant position in engines resulted from just such a teaming arrangement with SNECMA, and that the Commission found that teaming arrangements were an effective counter-strategy in this industry just one year earlier in its decision approving the Allied Signal/Honeywell merger.[11] Indeed, immediately after the announcement of the merger, Rockwell announced that it was spinning off its avionics division, Collins, prompting speculation that it was positioning Collins to be a merger partner for another aerospace company.

Understanding and Narrowing Our Differences

[11]*Allied Signal/Honeywell*, (Case No. Comp/M.1601, January 2, 1999) ¶118.

It is useful to review the reasons we challenge mergers. We challenge horizontal mergers because they eliminate a competitor and may thereby enable the merged firm to restrict output and raise price. Similarly, we challenge vertical mergers that eliminate a key supplier or customer where doing so may give the merged firm the ability and incentive to restrict output and raise price. It is well-established under U.S. law that the antitrust laws do not protect competitors from mergers that will make the merged firm more efficient, even if they fear they may as a result be forced from the market.[12] This is because, as former Treasury Secretary Larry Summers reminded us at this year's ABA Antitrust Section Spring Meeting, competition is a means to an end, and not an end in itself: "The goal is efficiency, not competition. The ultimate goal is that there be efficiency."[13] Production and transactional efficiencies benefit consumers by lowering the costs of goods and services or by increasing their value. Allocative efficiencies benefit consumers by moving the allocation of scarce resources toward a situation where no rearrangement of those assets would enhance welfare. We value competition, not as an end in itself, but because it promotes both types of efficiency. Recognizing that efficiency is the ultimate goal should make us very cautious about adopting a merger policy that sacrifices short-term efficiencies in the name of maintaining competition. At a minimum, before applying such a policy, we should make certain we have a high degree of confidence that the trade-off we are making will ultimately benefit

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[12]*See Monfort of Colorado, Inc. v. Cargill, Inc.*, 479 U.S. 104, 114-17 (1986) ("[C]ompetition for increased market share is not activity forbidden by the antitrust laws. It is simply vigorous competition. To hold that the antitrust laws protect competitors from the loss of profits due to such price competition would, in effect, render illegal any decision by a firm to cut prices in order to increase market share. The antitrust laws require no such perverse result, for "[i]t is in the interest of competition to permit dominant firms to engage in vigorous competition, including price competition.")

[13]Lawrence H. Summers, *Competition Policy in the New Economy*, 69 Antitrust L.J. 353, 358 (2001).

consumers. This would require quantifying the efficiencies and determining the likely duration of the competitive round that will occur before less efficient rivals are forced from the market. It would also require a high degree of confidence that the rivals will in fact be forced from the market — that they will not be able to develop counter-strategies that will enable them to become more efficient themselves in order to survive. It would also require us to estimate the size of the price increases likely to occur once the merged firm gains market power to determine whether, taking into account the efficiencies, future prices to consumers are likely to be higher or lower than they would be in a market populated by several less efficient firms. Finally, we would have to determine the likely duration of the monopoly period — which would be dependent on entry conditions at the time the monopoly is finally achieved.

In the United States, we are humble about our ability to make these judgments, which would necessarily involve predictions far out into the future. We have more confidence in the self-correcting nature of markets.[14] This confidence is especially great when the markets are populated by strong rivals and strong buyers, who will usually find ways to protect themselves from an aspiring monopolist. Our strong belief in markets and our humility in our own predictive abilities lead us to be skeptical of claims by rivals that a merger will lead to their ultimate demise and to demand strong empirical proof before we will accept such claims.

After fifteen years of painful experience with now long-abandoned theories like entrenchment, the U.S. antitrust agencies concluded that antitrust should rarely, if ever, interfere

[14] *See generally,* Hovenkamp *supra* note 9, at 259; R.H. Coase, *The Firm, the Market, and the Law* (1988).

with any conglomerate merger.[15] We simply could not identify any conditions under which a conglomerate merger, unlike a horizontal or vertical merger, would likely give the merged firm the ability and incentive to raise price and restrict output. We recognized, conversely, that conglomerate mergers have the potential as a class to generate significant efficiencies. These potential benefits include providing infusions of capital; improving management efficiency either through replacement of mediocre executives or reinforcement of good ones with superior financial control and management information systems; transfer of technical and marketing know-how and best practices across traditional industry lines; meshing of research and distribution; increasing ability to ride out economic fluctuations through diversification; and providing owners-managers a market for selling the enterprises they created, thus encouraging entrepreneurship and risk-taking. Under this scenario, the immediate effect of the merger is to reduce prices and increase output, with the anti-competitive effect of the type the EU has posited occurring only if the other competitors cannot match the merged firm's offerings and exit the market.

So, where does that leave us? We recognize that the EU is entitled to make and interpret its own laws. We also recognize that we and the EU will not always agree and that our way is not always best. We have no power to change EU law, other than by persuasion, and vice versa. For this reason, we believe it is important that we discuss this issue in depth, both in private and in public. We encourage the business community, the private bar, and the academy to participate in

[15]The one exception is a merger of potential competitors which under the early cases was treated as a conglomerate merger. *See, e.g., FTC v. Procter & Gamble Co.*, 386 U.S. 568 (1967). Today, however, we would classify a merger of potential competitors as a horizontal merger and would analyze it under our horizontal merger guidelines. *See, e.g., United States v. SBC Communications*, No. 1:99 CV00715 (D.D.C. filed Mar. 23, 1999, and settled by consent decree).

this debate. To that end, the Antitrust Division strongly supports the International Competition Network ("ICN"), a multilateral effort to develop a specific convergence agenda.

Why does it matter? First, in cases involving mergers in global markets, there are serious externalities associated with one jurisdiction blocking a merger on the basis of theories that other jurisdictions believe risk sacrificing important efficiencies to prevent speculative future harm to competition. By so doing, that jurisdiction denies consumers around the world the benefits the merger might have delivered. Second, divergent substantive standards between the U.S. and Europe are almost certain to increase the transaction costs associated with the merger clearance process. The result may well be to deter mergers that would have been pro-competitive and efficiency-enhancing. Finally, such a sharp divergence undermines the strong political consensus supporting vigorous antitrust enforcement, something none of us want.

As we discuss our divergent views, it is important to examine some possible explanations for our differences with respect to conglomerate mergers, in order to identify institutional changes that might promote greater convergence. In the interest of finding constructive solutions to this issue before it grows into a more serious problem, alternative explanations have been offered. One explanation is that our two jurisdictions have institutional differences that are readily remediable. In the United States, we have a much larger professional staff, including more than 50 professionally trained Ph.D economists who are integrated into our case teams. We also have many more investigative tools — including the ability to compel production of documents and witnesses by both parties and nonparties. The EU's pending modernization proposals would improve its access to similar evidence, and we understand the EU is seeking to hire more professional economists for the Merger Task Force. There may also be process and timing differences that contribute to different outcomes. We and the EU have agreed to discuss these differences and share best practices in our joint US/EU Working Group.

Another possible explanation is the difference in our judicial review mechanisms. If we decide in the U.S. to challenge a merger, we know we may have to go to court to convince a federal judge, by a preponderance of the evidence after an evidentiary hearing, that the merger may substantially lessen competition. This means that we know our witnesses will be exposed to the crucible of cross-examination before an independent fact-finder. By contrast, in Europe, the Commission is sometimes said to act as investigator, prosecutor, judge, and jury. Judicial review is slow and highly deferential to the Commission's factual determinations. It cannot be overstated how much knowing we may have to prove our case to an independent fact-finder disciplines our decisionmaking at the Antitrust Division. Again, this is an institutional difference that we will be discussing in our joint US/EU Working Group.

A third, decidedly less optimistic, possible explanation is that we may have a fundamentally different view about the comparative ability of markets vs. government regulators to get it right. In the United States, we have much greater faith in markets than we do in regulators. Some commentators have suggested that by contrast the European Union comes from a more statist tradition that places greater confidence in the utility of governmental intervention in markets.[16] Europeans may also simply be uncomfortable with our emphasis on efficiency and our unwillingness to cut competitors any slack. There is some support for this view, unfortunately, in the EU's recent criticisms of our approach as being too Darwinian. Some have suggested, therefore, that the EU is much more receptive to complaints from competitors than are the

[16]*See, e.g.*, Laura Tyson, *The New Laws of Nations*, N.Y. Times, July 14, 2001, at A29.

Antitrust Division and the FTC. As you know, we welcome the valuable contributions of competitors, as well as customers and others, to our enforcement efforts; nonetheless, in evaluating any complainant's or potential witness's statements, we must consider their interest in the transaction. EU officials have stated that they, too, carefully weigh the statements of all complainants. Nonetheless, if this divergence is the product of a fundamental difference in confidence in markets, then we need to bring that difference to the surface quickly.

Thank you.