



Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, JUNE 22, 2004
WWW.USDOJ.GOV

AT
(202) 514-2008
TDD (202) 514-1888

STATEMENT BY ASSISTANT ATTORNEY GENERAL R. HEWITT PATE
REGARDING THE ORACLE TRIAL

WASHINGTON, D.C. – R. Hewitt Pate, Assistant Attorney General in charge of the Department's Antitrust Division, issued the following statement today as the government rested its case in the Oracle trial:

"The government's trial team, led by Claude Scott, has provided the court with compelling evidence that Oracle's acquisition of PeopleSoft would be anticompetitive. The result of this merger would be higher prices, less innovation, and fewer choices for businesses, government agencies, and other organizations that rely on human resource and financial management enterprise software.

"Witness after witness, customer after customer, expert after expert gave testimony to support the government's case. These witnesses and Oracle's own internal documents demonstrate that there are only three companies that sell the software products that large enterprise customers demand—Oracle, PeopleSoft and SAP. Oracle's own executives described the head-to-head competition between Oracle and PeopleSoft that has brought lower prices to their customers. The loss of that competition will lead to higher prices and less innovation for enterprise software.

"The claim that new companies entering the marketplace would keep Oracle's prices in check was shown to be without merit. The hard facts are that entry into this enterprise market is extraordinarily difficult and would take many years. Indeed, the effort to draw so much attention to Microsoft's consideration of entering the market through acquisition—which would create no new competition—only underscores the absence of competitive entry of the type that could protect customers.

"And, Oracle's own CEO, Larry Ellison, conceded that at least one of the options suggested by Oracle as a viable alternative—the 'best of breed' approach—is more expensive than it is functional, saying that this concept 'only works at dog shows.'

"Although we are only halfway through the trial, the government has already presented ample evidence showing that Oracle's acquisition of PeopleSoft would harm

competition. Through cross examination, the government will continue to provide evidence to support this claim.

“I am proud of the fine work of the entire trial team as the government rests its case. I know that the men and women on the trial team will continue their efforts to protect competition in this important industry. I also appreciate the cooperation and support that we have received from the 10 states that have joined us in this effort.”

###

04-426