

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

UNITED STATES OF AMERICA,

Plaintiff,

v.

ODYSSEY INVESTMENT PARTNERS
FUND V, LP,

COMMUNICATIONS AND POWER
INDUSTRIES LLC,

and

GENERAL DYNAMICS CORPORATION,

Defendants.

Case No. 1:20-cv-01416 (TFH)

**UNITED STATES’S MOTION AND MEMORANDUM
IN SUPPORT OF ENTRY OF FINAL JUDGMENT**

Pursuant to Section 2(b) of the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16(b)-(h) (“APPA”), the United States of America (“United States”) moves the Court to enter the proposed Final Judgment filed in this civil antitrust proceeding on May 28, 2020 (Dkt. No. 2-2) (attached as Exhibit A). As set forth in the Hold Separate Stipulation and Order (“Stipulation and Order”) dated May 29, 2020 (Dkt. No. 4), Defendants stipulated that the Final Judgment could be filed with and entered by the Court, upon the motion of any party or upon the Court’s own motion, at any time after compliance with the requirements of the APPA and without further notice to any party or other proceedings.

The proposed Final Judgment may be entered at this time without further proceedings if the Court determines that entry is in the public interest. 15 U.S.C. § 16(e). The Competitive Impact Statement (“CIS”) filed in this matter on May 28, 2020 (Dkt. No. 3), explains why entry of the proposed Final Judgment is in the public interest. The United States is also filing a Certificate of Compliance (attached as Exhibit B) showing that the parties have complied with all applicable provisions of the APPA and certifying that the 60-day statutory public comment period has expired.

I. BACKGROUND

On May 28, 2020, the United States filed a civil antitrust Complaint seeking to enjoin the proposed acquisition of General Dynamics SATCOM Technologies, Inc. (“GD SATCOM”) by Communications and Power Industries LLC (“CPI”). The Complaint alleges that the likely effect of this acquisition would be to substantially lessen competition in the market for the design, manufacture, and sale of large ground station antennas for geostationary satellites in the United States in violation of Section 7 of the Clayton Act, 15 U.S.C. § 18. This loss of competition likely would result in higher prices, lower quality, less innovation, and less favorable contractual terms for customers.

At the same time the Complaint was filed, the United States also filed a proposed Final Judgment, a Stipulation and Order and a CIS describing the events giving rise to the alleged violation and the proposed Final Judgment. The Stipulation and Order, which was agreed to by the parties and which was entered by the Court on May 29, 2020 (Dkt. No. 4), provides that the proposed Final Judgment may be entered by the Court once the requirements of the APPA have been met. The proposed Final Judgment requires CPI to divest CPI ASC Signal Division, Inc.

(“ASC Signal”) in order to establish a competitor in the design, manufacture, and sale of large ground station antennas for geostationary satellites. Entry of the proposed Final Judgment will terminate this action, except that the Court will retain jurisdiction to construe, modify, or enforce the provisions of the Final Judgment and to punish violations thereof.

II. COMPLIANCE WITH THE APPA

The Certificate of Compliance filed with this Motion and Memorandum states that all the requirements of the APPA have been satisfied. In particular, the APPA requires a 60-day period for the submission of written comments relating to the proposed Final Judgment. 15 U.S.C. § 16(b). In compliance with the APPA, the United States filed the proposed Final Judgment and the CIS with the Court on May 28, 2020; published the proposed Final Judgment and CIS in the *Federal Register* on June 8, 2020 (*see* 85 Fed. Reg. 35110); and caused a summary of the terms of the proposed Final Judgment and the CIS, along with directions for the submission of written comments, to be published in *The Washington Post* for seven days during the period June 1, 2020 to June 7, 2020. The public comment period concluded on August 7, 2020, and the United States did not receive any comments.

III. STANDARD OF JUDICIAL REVIEW

Before entering the proposed Final Judgment, the APPA requires the Court to determine whether the proposed Final Judgment “is in the public interest.” 15 U.S.C. § 16(e)(1). In making that determination, the Court, in accordance with the statute as amended in 2004, “shall consider”:

- (A) the competitive impact of such judgment, including termination of alleged violations, provisions for enforcement and modification, duration of relief sought, anticipated effects of alternative remedies actually considered, whether its terms are ambiguous, and any other competitive considerations bearing upon the adequacy of such judgment that the court deems

necessary to a determination of whether the consent judgment is in the public interest; and

- (B) the impact of entry of such judgment upon competition in the relevant market or markets, upon the public generally and individuals alleging specific injury from the violations set forth in the complaint including consideration of the public benefit, if any, to be derived from a determination of the issues at trial.

15 U.S.C. § 16(e)(1)(A), (B). Section 16(e)(2) of the APPA states that “[n]othing in this section shall be construed to require the court to conduct an evidentiary hearing or to require the court to permit anyone to intervene.” 15 U.S.C. § 16(e)(2). In its CIS the United States explained the meaning and the proper application of the public interest standard under the APPA to this case and now incorporates those statements by reference.

IV. ENTRY OF THE PROPOSED FINAL JUDGMENT IS IN THE PUBLIC INTEREST

The United States alleged in its Complaint that CPI’s acquisition of GD SATCOM would substantially lessen competition in the market for the design, manufacture, and sale of large ground station antennas for geostationary satellites in the United States in violation of Section 7 of the Clayton Act, 15 U.S.C. § 18. As explained in the CIS, the proposed Final Judgment is designed to eliminate the likely anticompetitive effects of the acquisition alleged by the United States by requiring CPI to divest ASC Signal to an acquirer acceptable to the United States. The public, including affected competitors and customers, has had the opportunity to comment on the proposed Final Judgment, and no comments were submitted. As explained in the CIS, entry of the proposed Final Judgment is in the public interest.

V. CONCLUSION

For the reasons set forth in this Motion and Memorandum and in the CIS the United States respectfully requests that the Court find that the proposed Final Judgment is in the public interest and enter the proposed Final Judgment.

Dated: August 26, 2020

Respectfully submitted,

/s/

JAY D. OWEN
Assistant Chief
Defense, Industrials, and Aerospace Section
U.S. Department of Justice
Antitrust Division
450 Fifth Street N.W., Suite 8700
Washington, D.C. 20530
Telephone: (202) 598-2987
Facsimile: (202) 514-9033
Email: jay.owen@usdoj.gov

COUNSEL FOR PLAINTIFF
UNITED STATES OF AMERICA