

City Center Building

1401 H Street, NW
Washington, DC 20530

February 9, 2000

August P. Hau
Hau Nutrition Service
Hartford, WI 53027

Re: Comment on Proposed Final Judgment in *United States v. Fiat S.p.A. et al.*
(D.D.C. filed Nov. 4, 1999)

Dear Mr. Hau:

This letter responds to your November 30, 1999 letter commenting on the proposed Final Judgment in *United States v. Fiat S.p.A. et al.* (D.D.C. filed Nov. 4, 1999), which is currently pending in federal district court in the District of Columbia. The Complaint filed by the United States alleges that the proposed acquisition of Case Corporation (“Case”) by Fiat S.p.A. (“Fiat”) would result in a substantial lessening of competition in the manufacture and sale of two-wheel drive (“2WD”) tractors, four-wheel-drive (“4WD”) tractors, and several types of hay and foraging equipment. The proposed Final Judgment would settle the case by requiring the divestiture of New Holland’s 2WD and 4WD tractor lines and the sale of Case’s interest in Hay and Forage Industries (“HFI”), a joint venture engaged in the manufacture of hay and forage equipment.

In your letter, you express concern that Fiat’s acquisition of Case will harm consumers of farm equipment. Specifically, your letter states that: “If two companies merge to become the largest company in their industry, isn’t it clearly monopolistic and usually negative for workers and consumers alike?” Your letter also expresses concern that “Case and IH [International Harvester]” and “Ford and New Holland should not have been allowed to merge” in previous transactions.

Although the United States agrees that Fiat’s acquisition of Case — if allowed to proceed without the required divestitures — would harm farmers who purchase tractors and hay and forage equipment, the proposed Final Judgment does not simply allow Fiat and Case to merge their agricultural equipment business. The United States strongly believes the divestitures required by the proposed Final Judgment will alleviate the competitive concerns alleged in the Complaint and preserve competition in the manufacture and sale of 2WD tractors, 4WD tractors, and hay and forage equipment. Finally, the United States assures you that it thoroughly investigated the mergers of Case/IH and Ford/New Holland and took appropriate enforcement action.

Thank you for bringing your concerns to our attention. I trust you appreciate that we have given them due consideration, and hope this response will help alleviate them. 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,

/s/

J. Robert Kramer II
Chief
Litigation II Section