DEPARTMENT OF JUSTICE

Notice of Lodging of Consent Decree Pursuant to the Comprehensive Environmental Response, Compensation and Liability Act

In accordance with Departmental policy, 28 CFR 50.7, and in accordance with Section 122(d)(2) of CERCLA, 42 U.S.C. 9622(d)(2), notice is hereby given that a proposed consent Decree in *United States* v. *BP Amoco PLC,* et al., Civil Action No. 4–99–CV–10671, was lodged on November 29, 1999, with the United States District Court for the Southern District of Iowa.

The Consent Decree settles an action brought under Section 107 of the Comprehensive Environmental Response, Compensation and Liability Act (''CERCLA''), 42 U.S.C. 9607, to recover costs incurred in connection with Operable Units 2 and 4 at the Site. The Defendants are BP Amoco PLC, Chevron Chemical Company, Bayer Corporation, Monsanto Company, and Shell Oil Company. The Consent Decree provides that the Defendants will pay the United States $2,513,808 for response costs incurred in conducting response activities at the Des Moines TCE Site, Operable Units 2 and 4, located in Des Moines, Iowa.

The Department of Justice will receive, for a period of thirty (30) days from the date of this publication, comments relating to the proposed Consent Decree. Comments should be addressed to the Assistant Attorney General for the Environment and Natural Resources Division, Department of Justice, Washington, D.C. 20530, and should refer to *United States* v. *BP Amoco PLC, et al.,* DOJ Ref. #90–11–3–1138A.

The proposed Consent Decree may be examined at the office of the United States Attorney, Southern District of Iowa U.S. Courthouse Annex, 2nd Fl., 110 East Court, Des Moines, Iowa 50309; and the Region VII Office of the Environmental Protection Agency, 726 Minnesota Avenue, Kansas City, KS 66202. A copy of the Consent Decree may also be obtained by mail from the Consent Decree Library, P.O. Box 7611, Washington, D.C. 20044–7611. In requesting a copy, please enclose a check in the amount of $8.75 (25 cents per page reproduction cost) payable to the Consent Decree Library.

Joel M. Gross,

Chief, Environmental Enforcement Section, Environment and Natural Resources Division.

[FR Doc. 99–32326 Filed 12–13–99; 8:45 am]

BILLING CODE 4410–15–M

DEPARTMENT OF JUSTICE

Notice of Lodging of Consent Decree Pursuant to the Clean Water Act

In accordance with Departmental Policy, 28 CFR 50.7, notice is hereby given that a proposed Consent Decree in *United States* v. *HPS&R, Inc,* Case No. 7:99–CV–222–BR(1) (E.D.N.C.), was lodged with the United States District Court for the Eastern District of North Carolina on November 22, 1999. The proposed Consent Decree concerns alleged violations of sections 301(a) and 404 of the Clean Water Act, 33 U.S.C. 1311(a) and 1344, resulting from Defendant's unauthorized discharge of dredged and/or fill material into waters of the United States at the Phillips-Sabiston Estate in Onslow County, North Carolina.

The proposed Consent Decree would require the payment of a civil penalty of $85,000 and preservation of 100 acres of wetlands as a supplemental environmental project.

The United States Department of Justice will receive written comments relating to the proposed Consent Decree for a period of thirty (30) days from the date of publication of this notice. Comments should be addressed to S. Randall Humm, Attorney, United States Department of Justice, environmental Defense Section, PO Box 23986, Washington, D.C. 20026–3986, and should refer to *United States* v. *HPS&R, Inc,* Case No. 7:99–CV–222–BR(1) (E.D.N.C.).

The proposed Consent Decree may be examined at the Clerk's Office, United States District Court for the Eastern District of North Carolina, 310 New Bern Avenue, Federal Building, 5th Floor, Raleigh, North Carolina.

Letitia J. Grishaw,

Chief, Environmental Defense Section, Environment and Natural Resources Division, United States Department of Justice.

[FR Doc. 99–32327 Filed 12–13–99; 8:45 am]

BILLING CODE 4410–15–M

DEPARTMENT OF JUSTICE

Antitrust Division

United States v. AlliedSignal Inc. and Honeywell Inc.; Proposed Final Judgment and Competitive Impact Statement

Notice is hereby given pursuant to the Antitrust Procedures and Penalties Act, 15 U.S.C. 16(b)–(h), that a proposed Final Judgment, Hold Separate Stipulation and Order, and Competitive Impact Statement have been filed with the United States District Court for the District of Columbia, Washington, DC, in *United States* v. *AlliedSignal Inc. and Honeywell Inc.*, Case No. 1:99 CV 02959 (PLF).

On November 8, 1999, the United States filed a Complaint, which alleged that AlliedSignal's proposed merger with Honeywell would violate Section 7 of the Clayton Act, 15 U.S.C. 18, by substantially lessening competition in the traffic alert and collision avoidance systems (''TCAS'') market, the search and surveillance weather radar (''SSWR'') market, the reaction and momentum wheel market, and the inertial systems market. The proposed Final Judgment, filed on November 8, 1999, requires AlliedSignal and Honeywell to divest the TCAS business of Honeywell located in Glendale, Arizona; the SSWR business of AlliedSignal located in Olathe, Kansas; the space and navigation business of AlliedSignal located in Teterboro, New Jersey; the mechanical rate gyroscope business of Allied Signal located in Cheshire, Connecticut, and a related repair business in Newark Ohio; the microSCIRAS technology business of AlliedSignal located in Redmond, Washington, or, in the alternative, the micro-electro-mechanical system inertial sensor business of Honeywell located in Minneapolis and Plymouth, Minnesota; and the AlliedSignal micromachined silicon accelerator and micromachined accelerometer gyroscope technology business.

Public comment is invited within the statutory 60-day comment period. Such comments and responses thereof will be published in the **Federal Register** and filed with the Court. Comments should be directed to J. Robert Kramer II, Chief, Litigation II Section, Antitrust Division, U.S. Department of Justice, 1401 H. Street, NW, Suite 3000, Washington, DC 20530 [telephone: (202) 307–0924].

Constance K. Robinson,

Director of Operations & Merger Enforcement.

Hold Separate Stipulation and Order

It is hereby stipulated and agreed by and between the undersigned parties, subject to approval and entry by the Court, that:

I. Definitions

As used in this Hold Separate Stipulation and Order:

A. ''United States'' means plaintiff United States of America.

B. ''DoD'' means the United States Department of Defense.

C. ''AlliedSignal'' means defendant AlliedSignal Inc., a Delaware corporation with its headquarters in Morristown, New Jersey, and its successors, assigns, subsidiaries,

divisions, groups, affiliates, partnerships and joint ventures, and directors, officers, managers, agents, and employees.

D. ''Honeywell'' means defendant Honeywell Inc., a Delaware corporation with its headquarters in Minneapolis, Minnesota, and its successors, assigns, subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and directors, officers, managers, agents, and employees.

E. ''TCAS Business'' means the traffic alert and collision avoidance systems (''TCAS'') business of Honeywell, as defined in the proposed Final Judgment filed in this case.

F. ''SSWR Business'' means the search and surveillance weather radar (''SSWR'') business of AlliedSignal, as defined in the proposed Final Judgment filed in this case.

G. ''Teterboro Business'' means AlliedSignal's entire Space and Navigation business in Teterboro, New Jersey, as defined in the proposed Final Judgment filed in this case.

H. ''Cheshire Business'' means the entire business of AlliedSignal in Cheshire, Connecticut that produces mechanical inertial measurement units and components, as defined in the proposed Final Judgment filed in this case.

I. ''AlliedSignal Micro SCIRAS Business'' means the micro SCIRAS business of AlliedSignal, as defined in the proposed Final Judgment filed in this case.

J. ''Honeywell MEMS Business'' means the micro-electro-mechanical systems (''MEMS'') business of Honeywell, as defined in the proposed Final Judgment filed in this case.

K. ''AlliedSignal MSA and MAG Technology Business'' means the business owned by AlliedSignal and relating directly to the ''Micromachined Silicon Accelerometer ('MSA')'' and the ''Micromachined Accelerometer Gyroscope ('MAG')'', as defined in the proposed Final Judgment filed in this case.

L. ''Divested Businesses'' means the TCAS Business, the SSWR Business, the Teterboro Business, the Cheshire Business, the AlliedSignal Micro SCIRAS Business (or, as provided in the proposed Final Judgment filed in this case, the Honeywell MEMS Business), and the AlliedSignal MSA and MAG Technology Business.

M. ''Post-merger Company'' means that company resulting from the merger of defendants AlliedSignal and Honeywell, in accordance with the terms contained in the proposed Final Judgment in this case.

N. ''Merger Agreement'' means the Agreement and Plan of Merger entered into by AlliedSignal and Honeywell on June 4, 1999, and any subsequent agreement relating to or amending the June 4, 1999 agreement.

II. Objectives

The proposed Final Judgment filed in this case is meant to ensure prompt divestiture by defendants of the Divested Businesses for the purposes of creating viable competitors in the innovation, development, production, marketing and sale of the products of the Divested Businesses and to remedy the effects that the United States alleges would otherwise result from defendants' proposed merger. This Hold Separate Stipulation and Order ensures the timely and complete transfer of the Divested Businesses and maintains each of the Divested Businesses as an independent, viable competitor until the divestitures are complete.

III. Jurisdiction and Venue

The Court has jurisdiction over the subject matter of this action and over each of the parties hereto, and venue of this action is proper in the United States District Court for the District of Columbia.

IV. Compliance With and Entry of Proposed Final Judgment

A. The parties stipulate that a proposed Final Judgment in the form attached hereto as Exhibit A may 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 Antitrust Procedures and Penalties Act (15 U.S.C. 16), and without further notice to any party or other proceedings, provided that the United States has not withdrawn its consent, which it may do at any time before the entry of the proposed Final Judgment by serving notice thereof on defendants and by filing that notice with the Court.

B. Defendants shall abide by and comply with the provisions of the proposed Final Judgment, pending the Judgment's entry by the Court, or until expiration of time for all appeals of any Court ruling declining entry of the proposed Final Judgment, and shall, from the date of the signing of this Hold Separate Stipulation and Order by the parties, comply with all the terms and provisions of the proposed Final Judgment as though the same were in full force and effect as an order of the Court.

C. Defendants shall not consummate the transaction sought to be enjoined by the Complaint herein before the Court has signed this Hold Separate Stipulation and Order.

D. This Hold Separate Stipulation and Order shall apply with equal force and effect to any amended proposed Final Judgment agreed upon in writing by the parties and submitted to the Court.

E. In the event (1) The United States has withdrawn its consent, as provided in Section IV(A) above, or (2) The proposed Final Judgment is not entered pursuant to this Hold Separate Stipulation and Order, the time has expired for all appeals of any Court ruling declining entry of the proposed Final Judgment, and the Court has not otherwise ordered continued compliance with the terms and provisions of the proposed Final Judgment, then the parties are released from all further obligations under this Hold Separate Stipulation and Order, and the making of this Hold Separate Stipulation and Order shall be without prejudice to any party in this or any other proceeding.

F. Defendants represent that the divestitures ordered in the proposed Final Judgment can and will be made, and that defendants will later raise no claim of mistake, hardship or difficulty of compliance as grounds for asking the Court to modify any of the provisions contained therein.

V. Hold Separate Provisions

A. Defendants shall expressly undertake to compete with each of the Divested Businesses in the applicable market in the exercise of their best judgments and without regard to the Merger Agreement, as if the Post-merger Company and the Divested Businesses were in all respects separate and independent business entities.

B. Defendants shall preserve, maintain, and operate each of the Divested Businesses as an independent competitor with management, research, development, production, sales and operations held entirely separate, distinct and apart from the other businesses of defendants. None of the Divested Businesses shall coordinate its innovation, development, production, marketing or sales with that of the Post-merger Company, except to the limited extent provided in V(D) below, or to provide the accounting, management information services or other necessary support functions afforded by AlliedSignal or Honeywell prior to the merger. Within fifteen (15) days of the entering of this Hold Separate Stipulation and Order, defendants shall inform the United States and DoD of the steps taken to comply with this provision.

C. Defendants shall take all steps necessary to ensure that each of the Divested Businesses will be maintained and operated as an independent, ongoing, and economically viable and active competitor in the innovation, research and development, production, and sale of products it develops, produces, and sells; that all planned innovation, research, and product development be continued; that the management of each of the Divested Businesses will not be influenced by defendants; and that the books, records, competitively sensitive sales, marketing and pricing information, and decision-making associated with each of the Divested Businesses, including the performance and decision-making functions regarding internal innovation, research and development, sales and pricing, will be kept separate and apart from the business of the Post-merger Company. Defendants' influence over each of the Divested Businesses shall be limited to that necessary to carry out their obligations under this Hold Separate Stipulation and Order and the proposed Final Judgment.

D. Defendants shall provide and maintain sufficient working capital to maintain each of the Divested Businesses as economically viable, ongoing businesses, consistent with current business plans.

E. Defendants shall provide and maintain sufficient lines and sources of credit to maintain each of the Divested Businesses as economically viable, ongoing businesses.

F. Defendants shall maintain on behalf of each of the Divested Businesses in accordance with sound accounting practices, separate, true and complete financial ledgers, books and records reporting the assets, liabilities, expenses, revenues and income of each of the Divested Businesses on a periodic basis, such as the last business day of each month, consistent with past practices.

G. Defendants shall use all reasonable efforts to maintain and increase sales and revenues of each of the Divested Businesses and shall maintain at 1998 or previously approved levels for 1999, whichever are higher, all internal research and development funding, promotional, advertising, sales, technical assistance, marketing, and merchandising support for products produced or under development of each of the Divested Businesses.

H. Defendants shall not sell, lease, assign, transfer or otherwise dispose of, or pledge as collateral for loans, assets that may be required to be divested pursuant to the proposed Final Judgment filed in this case.

I. Defendants shall preserve the assets that may be required to be divested pursuant to the proposed Final Judgment filed in this case in a state of repair equal to their state of repair as of the date of this Hold Separate Stipulation and Order, ordinary wear and tear excepted, and shall maintain and adhere to normal repair and maintenance schedules for these assets.

J. Except in the ordinary course of business or as is otherwise consistent with this Hold Separate Stipulation and Order, defendants shall not transfer or terminate any employee who, on the date of the filing of the Complaint in this mater, works for any of the Divested Businesses, or alter, to the detriment of any such employee, the employee's current employment, benefits, or salary agreement.

K. Until such time as this Hold Separate Stipulation and Order is terminated, defendants shall not change the management of any of the Divested Businesses, except in the ordinary course of business. The TCAS Business shall be managed by Joseph Hoffman; the SSWR Business shall be managed by Walter Mores; the Teterboro Business shall be managed by Christopher D. Clayton; the Cheshire Business shall be managed by Wayne R. Demmons; the AlliedSignal MicroSCRIRAS Business and the AlliedSignal MSA and MAG Technology Business shall be managed by Randy Sprague; and the Honeywell MEMS Business shall be managed by David S. Willits. Each identified manager shall have complete managerial responsibility for his respective Divested Business, subject to the provisions of this Hold Separate Stipulation and Order and the proposed Final Judgment. In the event that any identified manager of any of the Divested Businesses is unable to perform his duties, defendants shall appoint a replacement within ten (10) days from the current management of the applicable Divested Business, subject to DOJ approval. Should defendants fail to appoint a replacement acceptable to the DOJ within ten (10) working days, the DOJ, after consultation with DoD, shall appoint a replacement.

L. Defendants shall take no action that would interfere with the ability of the trustees appointed pursuant to the proposed Final Judgment filed in this case to complete the divestitures required by that Final Judgment.

M. Defendants shall ensure to the satisfaction of DoD that the operations of each of the Divested Businesses, including its support of DoD programs, not be disrupted during the required divestitures.

N. This Hold Separate Stipulation and order shall remain in effect until all of the divestitures required by the proposed Final Judgment filed in this case are complete or until further Order of the Court.

Dated: November 8, 1999.

For Plaintiff United States of America:

Michael K. Hammaker,

DC Bar #233684, U.S. Department of Justice, Antitrust Division, Litigation II, Suite 3000, Washington, D.C. 20005, (202) 307–0924.

For Defendant AlliedSignal Inc.:

William J. Kolasky,

DC Bar #217539, Wilmer, Cutler & Pickering, 2445 M Street, NW, Washington, DC 20037, 202–663–6357.

For Defendant Honeywell Inc.:

C. Benjamin Crisman, Jr.,

DC Bar #240135, Skadden, Arps, Slate, Meagher & Flom LLP, 1440 New York Avenue, NW, Washington, DC 20005, 202–371–7330.

It Is So Ordered by the Court, this _____ day of November, 1999.

_____

United States District Judge

Parties Entitled to Notice of Entry of Order:

Counsel for Plaintiff United States of America.

Michael K. Hammaker, U.S. Department of Justice, Antitrust Division, Suite 3000, 1401 H Street, NW, Washington, D.C. 20503.

Counsel for Defendant AlliedSignal Inc.

William J. Kolasky,

Wilmer, Cutler & Pickering, 2445 M Street, NW, Washington, DC 20037.

Counsel for Honeywell Inc.

C. Benjamin Crisman, Jr.,

Skadden, Arps, Slate, Meagher & Flom LLP, 1440 New York Avenue, NW, Washington, DC 20005.

Final Judgment

Whereas, plaintiff, the United States of America (''United States''), and defendants AlliedSignal Inc. and Honeywell Inc., by their respective attorneys, having consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or law herein, and without this Final Judgment constituting any evidence against or an admission by any party with respect to any issue of law or fact herein;

And Whereas, defendants have agreed to be bound by the provisions of this Final Judgment pending its approval by the Court;

And Whereas, the essence of this Final Judgment is, in the event of a merger between the defendants, the prompt and certain divestiture of the businesses identified below to assure that competition is not substantially lessened;

And Whereas, the United States requires defendants to make the divestitures ordered herein for the purpose of remedying the loss of competition alleged in the Complaint;

And Whereas, defendants have represented to the United States that the divestitures ordered herein can and will be made promptly and that defendants later will raise no claim of hardship or difficulty as grounds for asking the Court to modify any of the divestiture provisions contained below;

Now, Therefore, before taking any testimony, and without trial or adjudication of any issue of fact or law herein, and upon consent of the parties hereto, it is hereby Ordered, Adjudged, and Decreed as follows:

I. Jurisdiction

This Court has jurisdiction over each of the parties hereto and over the subject matter of this action. The Complaint states a claim upon which relief may be granted against defendants, as hereinafter defined, under Section 7 of the Clayton Act, as amended (15 U.S.C. 18).

II. Definitions

As used in this Final Judgment:

A. ''AlliedSignal'' means defendant AlliedSignal Inc., a Delaware corporation with its headquarters in Morristown, New Jersey, and includes its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships, joint ventures, directors, officers, managers, agents, and employees.

B. ''Honeywell'' means defendant Honeywell Inc., a Delaware corporation with its headquarters in Minneapolis, Minnesota, and includes its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships, joint ventures, directors, officers, managers, agents, and employees.

C. ''DoD'' means the United States Department of Defense.

D. ''TCAS Business'' means the traffic alert and collision avoidance systems (''TCAS'') business of Honeywell, which it operates at its Glendale and Phoenix, Arizona facilities. The TCAS Business does not include the building or related fixtures housing the Glendale and Phoenix operations. The TCAS Business includes, but is not limited to, Honeywell's TCAS II computer, TCAS 2000 computer, TCAS 1500 computer (still under development), TCAS directional antenna, dedicated TCAS controller, and the dedicated TCAS display (''TCAS System'') and all employees listed in Confidential Attachment A. Also included, as common to the TCAS System and other systems of Honeywell, are the Vertical Speed Indicator/Traffic Resolution Advisory (''VSI/TRA''), pressure transducer and ARINC Diversity/Mode S transponder used with the basic TCAS System, and the following:

(1) All tangible assets used in the TCAS Business, including, but not limited to, research and development activities; all manufacturing equipment and fixed assets, personal property, inventory, office furniture, materials, supplies, and other tangible property used in the TCAS Business; all licenses, permits and authorizations issued by any governmental organization for the TCAS Business; all contracts, teaming arrangements, agreements, leases, commitments and understandings of the TCAS Business, including supply agreements; all customer lists and credit records; all other records of the TCAS Business; and, at the purchaser's request, a lease to any real property currently utilized for the TCAS Business;

(2) Any and all intangible assets used in the TCAS Business, including, but not limited to, (a) All intellectual property rights used exclusively in the TCAS Business, (b) With respect to all other intellectual property rights used in both the TCAS Business and other Honeywell businesses, a transferable, paid-up license, exclusive in the TCAS Business field of use;

(c) All existing licenses and sublicenses relating exclusively to the TCAS Business; and (d) A transferable, paid-up sublicense, exclusive in the TCAS Business field of use, to all other existing licenses and sublicenses relating to the TCAS Business. Intellectual property rights comprise, but are not limited to, patents, copyrights, technical information, computer software and related documentation, know-how, trade secrets, drawings, blueprints, designs, design protocols, specifications for materials, parts and devices, safety procedures for the handling of materials and substances, quality assurance and control procedures, design tools and simulation capability, manuals, and all research data concerning historic and current research and development efforts relating to the TCAS Business, including, but not limited to, designs of experiments, and the results of successful and unsuccessful designs and experiments (Intellectual property does not include the mark HONEYWELL).

E. ''SSWR Business'' means the search and surveillance weather radar (''SSWR'') business of AlliedSignal, which it operates at its Olathe, Kansas facility. The SSWR Business does not include the building or related fixtures housing the Olathe operations. The SSWR Business includes, not is not limited to, AlliedSignal's RDR–1400 and RDR–1500 product lines, all employees listed in Confidential Attachment A, and the following:

(1) All tangible assets used in the SSWR Business, including, but not limited to, research and development activities; all manufacturing equipment and fixed assets, personal property, inventory, office furniture, materials, supplies, and other tangible property used in the SSWR Business; all licenses, permits and authorizations issued by any governmental organization for the SSWR Business; all contracts, teaming arrangements, agreements, leases, commitments and understandings of the SSWR Business, including supply agreements; all customer lists and credit records; all other records of the SSWR Business; and, at the purchaser's request, a lease to any real property currently utilized for the SSWR Business;

(2) Any and all intangible assets used in the SSWR Business, including, but not limited to, (a) All intellectual property rights used exclusively in the SSWR Business, (b) With respect to all other intellectual property rights used in both the SSWR Business and other AlliedSignal businesses, a transferable, paid-up license, exclusive in the SSWR Business field of use; (c) All existing licenses and sublicenses relating exclusively to the SSWR Business and (d) A transferable, paid-up sublicense, exclusive in the SSWR Business field of use, to all other existing licenses and sublicenses relating to the SSWR Business. Intellectual property rights comprise, but are not limited to, patents, copyrights, technical information, computer software and related documentation, know-how, trade secrets, drawings, blueprints, designs, design protocols, specifications for materials, parts and devices, safety procedures for the handling of materials and substances, quality assurance and control procedures, design tools and simulation capability, manuals, and all research data concerning historic and current research and development efforts relating to the SSWR Business, including, but not limited to, designs of experiments, and the results of successful and unsuccessful designs and experiments (Intellectual property does not include the marks AlliedSignal, Bendix King, or Bendix).

F. ''Teterboro Space and Navigation Business'' means AlliedSignal's entire Space and Navigation Systems business in Teterboro, New Jersey (including an option to buy or lease the facility in

which the business is housed or to lease a portion of the facility, including fixtures and improvements). The Teterboro Space and Navigation Business includes, but is not limited to, ring laser gyroscopes (''RLGs''), fiber optic gyroscopes (''FOGs''), inertial measurement units, reaction and momentum wheels, control moment gyroscopes, star sensors, sun shades, navigation and pointing systems and fire control systems. The Teterboro Space and Navigation Business does not include avionics products, avionics test products, the rate grade mechanical inertial measurement units manufactured in Cheshire, or RLV (''reusable launch vehicle'') integration systems (X–33 and Kistler). The Teterboro Space and Navigation Business includes all employees listed in Confidential Attachment A, and the following:

(1) All tangible assets used in the Teterboro Space and Navigation Business, including, but not limited to, research and development activities; all manufacturing equipment and fixed assets, personal property, inventory, office furniture, materials, supplies, and other tangible property used in the Teterboro Space and Navigation Business; all licenses, permits and authorizations issued by any governmental organization for the Teterboro Space and Navigation Business; all contracts, teaming arrangements, agreements, leases, commitments and understandings of the Teterboro Space and Navigation Business, including supply agreements, all customer lists and credit records; and all other records of the Teterboro Space and Navigation Business;

(2) Any and all intangible assets used in the Teterboro Space and Navigation Business, including, but not limited to, (a) All intellectual property rights used exclusively in the Teterboro Space and Navigation Business, (b) With respect to all other intellectual property rights used in both the Teterboro Space and Navigation Business and other AlliedSignal businesses, a transferable, paid-up license, exclusive in the Teterboro Space and Navigation Business field of use; (c) All existing licenses and sublicenses relating exclusively to the Teterboro Space and Navigation Business; and (d) A transferable, paid-up sublicense, exclusive in the Teterboro Space and Navigation Business field of use, to all other existing licenses and sublicenses relating to the Teterboro Space and Navigation Business. Intellectual property rights comprise, but are not limited to, patents, copyrights, technical information, computer software and related documentation, know-how, trade secrets, drawings, blueprints, designs, design protocols, specifications for materials, parts and devices, safety procedures for the handling of materials and substances, quality assurance and control procedures, design tools and simulation capability, annuals, and all research data concerning historic and current research and development efforts relating to the Teterboro Space and Navigation Business, including, but not limited to, designs of experiments, and the results of successful and unsuccessful designs and experiments (Intellectual property does not include the mark AlliedSignal).

G. ''Cheshire Business'' means the entire business of AlliedSignal in Cheshire, Connecticut that produces rate-grade mechanical inertial measurement units and components. The Cheshire Business includes, but is not limited to, AlliedSignal's Newark, Ohio repair and overhaul business, all employees listed in Confidential Attachment A, and the following:

(1) All tangible assets used in the Cheshire Business, including, but not limited to, research and development activities, all leases for real property housing the Cheshire and Newark operations; all manufacturing equipment and fixed assets, personal property, inventory, office furniture, materials, supplies, and other tangible property or improvements used in the Cheshire Business; all licenses, permits and authorizations issued by any governmental organization for the Cheshire Business; all contracts, teaming arrangements, agreements, leases, commitments and understandings of the Cheshire Business, including supply agreements, all customer lists and credit records; and all other records of the Cheshire Business;

(2) Any and all intangible assets used in the Cheshire Business, including, but not limited to, (a) All intellectual property rights used exclusively in conducting the Cheshire Business, (b) With respect to all other intellectual property rights used in both the Cheshire Business and other AlliedSignal businesses, a transferable, paid-up license, exclusive in the Cheshire Business field of use, (c) All existing licenses and sublicenses relating exclusively to the Cheshire Business, and (d) A transferable, paid-up sublicense, exclusive in the Cheshire Business field of use, to all other existing licenses and sublicenses relating to the Cheshire Business. Intellectual property rights comprise, but are not limited to, patents, copyrights, technical information, computer software and related documentation, know-how, trade secrets, drawings, blueprints, designs, design protocols, specifications for materials, parts and devices, safety procedures for the handling of materials and substances, quality assurance and control procedures, design tools and simulation capability, manuals, and all research data concerning historic and current research and development efforts relating to the Cheshire Business, including, but not limited to, designs of experiments, and the results of successful and unsuccessful designs and experiments (Intellectual property does not include the Mark AlliedSignal).

H. ''AlliedSignal MicroSCIRAS Business'' means the MicroSCIRAS business of AlliedSignal, which it operates at its Richmond, Washington facility. The AlliedSignal MicroSCIRAS Business does not include the building or related fixtures housing the Redmond MicroSCIRAS operations. Subject to AlliedSignal's reasonable continued use of the engineering foundry with respect to its remaining businesses, the AlliedSignal MicroSCIRAS Business, but is not limited to, the right to use the existing silicon engineering foundry at the Redmond facility; an option to lease the existing engineering foundry in Redmond, and/or an option to purchase the equipment currently in or authorized for the foundry, on November 1, 2000 or the date that AlliedSignal's separate silicon production foundry is completed, whichever occurs first, all employees listed in Confidential Attachment A; and the following:

(1) All tangible assets used in the AlliedSignal MicroSCIRAS Business, including, but not limited to, research and development activities; all manufacturing equipment and fixed assets, personal property, inventory, office furniture, materials, supplies, and other tangible property used in the AlliedSignal MicroSCIRAS Business; all licenses, permits and authorizations issued by any governmental organization for the AlliedSignal MicroSCIRAS Business; all contracts, teaming arrangements, agreements, leases, commitments and understandings of the AlliedSignal MicroSCIRAS Business, including supply agreements; all customer lists and credit records; and all other records of the AlliedSignal MicroSCIRAS Business;

(2) Any and all intangible assets used in the AlliedSignal MicroSCIRAS Business, including, but not limited to, (a) all intellectual property rights used exclusively in conducting the AlliedSignal MicroSCIRAS Business, (b)

with respect to all other intellectual property rights used in both the AlliedSignal MicroSCIRAS Business and other AlliedSignal businesses, a transferable, paid-up license, exclusive in the AlliedSignal MicroSCIRAS Business field of use; (c) all existing licenses and sublicenses relating exclusively to the AlliedSignal MicroSCIRAS Business; and (d) a transferable, paid-up sublicense, exclusive in the AlliedSignal MicroSCIRAS Business field of use, to all other existing licenses and sublicenses relating to the AlliedSignal MicroSCIRAS Business. Intellectual property rights comprise, but are not limited to, patents, copyrights, technical information, maskwork rights, computer software and related documentation, know-how, trade secrets, drawings, blueprints, designs, design protocols, specifications for materials, parts and devices, safety procedures for the handling of materials and substances, quality assurance and control procedures, design tools and simulation capability, manuals, and all research data concerning historic and current research and development efforts relating to the AlliedSignal MicroSCIRAS Business, including, but not limited to, designs of experiments, and the results of successful and unsuccessful designs and experiments (Intellectual property does not include the mark AlliedSignal).

1. ''Honeywell MEMS Business'' means the entire micro-electro-mechanical systems (''MEMS'') inertial sensor business of Honeywell, located in Minneapolis and Plymouth, Minnesota. The Honeywell MEMS Business does not include the buildings or related fixtures housing the Minneapolis and Plymouth operations. The Honeywell MEMS Business includes, but is not limited to, all employees listed in Confidential Attachment A and the following:

(1) All tangible assets used in the Honeywell MEMS Business, including, but not limited to, research and development activities, all manufacturing equipment and fixed assets, personal property, inventory, office furniture, materials, supplies, and other tangible property used in the Honeywell MEMS; all licenses, permits and authorizations issued by any governmental organization for the Honeywell MEMS Business; all contracts, teaming arrangements, agreements, leases, commitments and understandings of the Honeywell MEMS Business, including supply agreements, all customer lists and credit records; all other records of the Honeywell MEMS Business; and, at the purchaser's request, a lease to any real property currently utilized for the Honeywell MEMS Business;

(2) Any and all intangible assets used in the Honeywell MEMS Business, including, but not limited to, (a) All intellectual property rights used exclusively in conducting the Honeywell MEMS Business, (b) With respect to all other intellectual property rights used in both the Honeywell MEMS Business and other Honeywell business, a transferable, paid-up license, exclusive in the Honeywell MEMS Business field of use; (c) All existing licenses and sublicenses relating exclusively to the Honeywell MEMS Business; and (d) A transferable, paid-up sublicense, exclusive in the Honeywell MEMS Business field of use, to all other existing licenses and sublicenses relating to the Honeywell MEMS Business. Intellectual property rights comprise, but are not limited to, patents, copyrights, technical information, maskwork rights, computer software and related documentation, know-how, trade secrets, drawings, blueprints, designs, design protocols, specifications for materials, parts and devices, safety procedures for the handling of materials and substances, quality assurance and control procedures, design tools and simulation capability, manuals, and all research data concerning historic and current research and development efforts relating to the Honeywell MEMS Business, including, but not limited to, designs of experiments, and the results of successful and unsuccessful designs and experiments (Intellectual property does not include the mark HONEYWELL).

J. ''AlliedSignal MSA and MAG Technology Business'' means AlliedSignal's business relating directly to the ''Micromachined Silicon Accelerometer (''MSA'') and the ''Micromachined Accelerometer Gyroscope (''MAG'') as defined in the agreements listed below.

Sales and License Agreement For MSA Technology Between Northrop Grumman Precision Products Plant and Endevco Corporation, dated August 4, 1994, as amended; and

Sales and License Agreement for MAG Technology Between Northrop Grumman Precision Products—Norwood and Endevco Corporation, dated April 12, 1995, as amended.

The business includes an assignment of AlliedSignal's interest in all intellectual property identified in one or more of these agreements, as well as the agreements themselves.

K. ''Divested Businesses'' mean the Teterboro Space and Navigation Business, the Cheshire Business, the TCAS Business, the SSWR Business, the AlliedSignal MicroSCIRAS Business (or as described below in Section VI, the Honeywell MEMS business), and the AlliedSignal MSA and MAG Technology Business. To the extent that employees of any of the Divested Businesses are still employed by defendants, the sale of each of the Divested Businesses shall include the purchaser's right to reasonable access to the technical, sales, production and administrative employees of the defendants for a period not to exceed eighteen months from the date of the purchase. The services furnished to each Divested Business will be provided free by defendants for the first six months following the respective closing date applicable to the sale of each of the Divested Businesses. Thereafter, the charges for such services will be set by the defendants at a rate sufficient to cover the service provider's reasonable estimate of its actual costs for providing the services and, if applicable, consistent with the prices the service provider would charge to an affiliate.

III. Applicability

A. The provisions of this Final Judgment apply to the defendants, their successors and assigns, their subsidiaries, directors, officers, managers, agents, and employees, and all other persons in active concert or participation with any of them who shall have received actual notice of this Final Judgment by personal service or otherwise.

B. Defendants shall require, as a condition of the sale of all or substantially all of their assets, or of lesser business units including AlliedSignal or Honeywell's business of developing and producing traffic alert and collision avoidance systems and Mode S transponders, search and surveillance weather radar systems, reaction and momentum wheels, or inertial system products or assets, that the purchaser or purchasers agree to be bound by the provisions of this Final Judgment.

IV. Divestiture

A. Defendants are hereby ordered and directed in accordance with the terms of this Final Judgment, by February 29, 2000, or within five (5) days of the approval of the proposed merger between defendants by the European Commission, or within five (5) days after notice of the entry of this Final Judgment by the Court, whichever is later, to sell the Divested Businesses as viable ongoing businesses to one or more purchasers acceptable to the

United States and DoD in their sole discretion.

B. Defendants shall use their best efforts to accomplish the divestitures ordered by this Final Judgment is expeditiously and timely as possible. The United States, in its sole discretion in consultation with DoD, may extend the time period for any divestiture for an additional period of time not to exceed sixty (60) days.

C. In accomplishing the divestitures ordered by this Final Judgment, defendants shall make known promptly, by usual and customary means, the availability of the businesses to be divested pursuant to this Final Judgment. Defendants shall inform all person making an inquiry regarding a possible purchase that the sale is being made pursuant to this Final Judgment and provide such person with a copy of this Final Judgment. Defendants also shall offer to furnish to all prospective purchasers, subject to section IV(I) and customary confidentiality assurances, all information regarding any business to be divested customarily provided in a due diligence process except such information subject to attorney-client privilege or attorney work-product privilege. Defendants shall make available such information to the United States and DoD at the same time that such information is made available to any other person.

D. Subject to Section IV(I), defendants shall permit all prospective purchasers of any business to be divested pursuant to this Final Judgment to have reasonable access to personnel relating to that business and to make such inspection of the physical facilities of that business and all financial, operation, or other documents and information customarily provided as part of a due diligence process.

E. For a period of two years from the filing of the Complaint in this matter, defendants shall not solicit to hire, or hire, any individual listed in Confidential Attachment A who, within six (6) months of the date of sale of the Divested Business that employs the individual, receives a reasonable offer of employment from the approved purchaser of the Divested Business, unless such employee is terminated or laid off by the purchaser. Defendants shall not interfere with any negotiations by the purchaser of a Divested Business to employ an AlliedSignal or Honeywell employee of that Business listed in Confidential Attachment A, including, but no limited to, offering to increase in any way the employee's salary or other benefits (other than company-wide increases in salary or other benefits). In order to foster the employment and retention of employees by the purchasers, AlliedSignal or Honeywell, as the case may be, shall, for each employee of the TCAS Business, the SSWR Business and the AlliedSignal MicroSCIRAS Business (or, as described below in Section VI, the Honeywell MEMS Business) who elects to be employed by the purchaser of the Divested Business, vest all unvested pension and other equity rights of that employee. For each such employee, AlliedSignal or Honeywell shall also provide all benefits to which the employee would have been entitled if terminated without cause, provided the employee is still employed by the purchaser at the end of the time period covered by such benefits.

F. Defendants shall take no action, direct or indirect, to impede in any way the operation of one or more of the businesses to be divested.

G. Defendants shall warrant to each purchaser of a business to be divested that the existing business will be operational on the date of sale.

H. Unless both the United States and DoD consent in writing, the divestiture of each business to be divested pursuant to Section IV of this Final Judgment, whether by defendants or by a trustee appointed pursuant to Section VI of this Final Judgment, shall include the entire business as defined in Section II. Prior to divestiture, each of the Divested Businesses shall be operated in place pursuant to the Hold Separate Stipulation and Order entered by this Court. Each such divestiture shall be accomplished by selling or otherwise conveying the business to be divested to a purchaser in such a way as to satisfy the United States and DoD, in their sole discretion, that the business to be divested can and will be used by the purchaser of the business as part of a viable ongoing business. Each divestiture, whether pursuant to Section IV or Section VI of this Final Judgment shall be made to a purchaser that has satisfied the United States and DoD, in their sole discretion, that it: (1) Has the capability and intent of competing effectively in the development, production and sale of the relevant products; (2) Has the managerial, operational, and financial capability to compete effectively in the development, production and sale of the relevant products; (3) Is eligible to receive applicable DoD security clearances; and (4) Is not hindered by the terms of any agreement between the purchaser and defendants that gives either defendant the ability unreasonably to raise the purchaser's costs, to lower the purchaser's efficiency, or otherwise to interfere with the ability to purchaser to compete effectively.

I. Defendants shall comply with all agreements with DoD and all applicable United States laws and regulations, including those regarding the protection of classified information and export control.

J. Defendants shall not charge to DoD any costs directly or indirectly incurred in complying with this Final Judgment.

V. Notice of Proposed Divestitures

A. Within two (2) business days following execution of a definitive agreement, contingent upon compliance with the terms of this Final Judgment, to effect, in whole or in part, any proposed divestitures pursuant to Sections IV or VI of this Final Judgment, defendants or the trustee, whichever is then responsible for effecting the divestitures, shall notify the United States and DoD of the proposed divestitures. If the trustee is responsible, it shall similarly notify defendants. The notice shall set forth the details of the proposed transaction and list the name, address, and telephone number of each person not previously identified who offered to, or expressed an interest in or a desire to, acquire any ownership interest in the business to be divested that is the subject of the binding contract, together with full details of same. Within fifteen (15) calendar days of receipt by the United States and DoD of such divestiture notice, the United States, in consultation with DoD, may request from defendants, the proposed purchaser, or any other third party additional information concerning the proposed divestiture and the proposed purchaser. Defendants and the trustee shall furnish any additional information requested from them within fifteen (15) calendar days of the receipt of the request, unless the parties shall otherwise agree. Within thirty (30) calendar days, after receipt of the notice or within twenty (20) calendar days after the United States and DoD have been provided the additional information requested from the defendants, the proposed purchaser, and any third party, whichever is later, the United States and DoD shall each provide written notice to defendants and the trustee, if there is one, stating whether or not it objects to the proposed divestiture. If the United States and DoD provide written notice to defendants (and the trustee if applicable) that they do not object, then the divestiture may be consummated, subject only to defendants' limited right to object to the sale under Section VI(B) of this Final Judgment. Absent written notice that the United States and DoD do not object to

the proposed purchaser or upon objection by the United States or DoD, a divestiture proposed under Section IV or Section VI may not be consummated. Upon objection by defendants under the provision in Section VI(B), a divestiture proposed under Section VI shall not be consummated unless approved by the Court.

B. Purchasers of the Teterboro Space and Navigation Business and the AlliedSignal MicroSCIRAS Business (or, as described below in Section VI, the Honeywell MEMS Business) must be identified simultaneously by defendants, or by the applicable trustee, in order that the proposed divestitures may be reviewed jointly and approved together by the United States and DoD in accordance with the terms and conditions of the Final Judgment.

VI. Appointment of Trustees

A. Immediately upon the filing of this Final Judgment, the United States may, in its sole discretion, nominate no more than two trustees, which the Court shall appoint. If two trustees are appointed, one trustee shall monitor the divestiture by defendants of the TCAS Business and the SSWR Business, and the other trustee shall monitor the divestiture by the defendants of the Teterboro Space and Navigation Business, the Cheshire Business, the AlliedSignal MicroSCIRAS Business, and the AlliedSignal MSA and MAG Technology Business. This procedure will enable each trustee to be familiar with all applicable divestiture issues in the event the trustee becomes responsible, pursuant to this Final Judgment, to divest all non-divested businesses the trustee is monitoring.

B. In the event that defendants have not divested all of the businesses required to be divested pursuant to this Final Judgment within the time specified in Section IV of this Final Judgment, only the trustee monitoring defendants' attempts to divest the non-divested business shall have the power and authority to accomplish the divestiture of the non-divested businesses. If the AlliedSignal MicroSCIRAS Business has not been divested, the trustee responsible for divesting that business may, in its sole discretion, divest the Honeywell MEMS Business instead. For each non-divested business, the trustee shall seek to attain the best price then obtainable for the non-divested business upon a reasonable effort by the trustee, subject to the provisions of Sections IV and VI of this Final Judgment, and shall have such other powers as the Court shall deem appropriate. Subject to Section VI(C) of this Final Judgment, each trustee shall have the power and authority to hire, after the time period described in section IV(A) and at the cost and expense of the defendants, any investment bankers, attorneys, or other agents reasonably necessary in the judgment of the trustee to assist in the divestitures, and such professionals and agent shall be accountable solely to the trustee. The trustees shall have the power and authority to accomplish the divestitures at the earliest possible time to a purchaser acceptable to the United States and DoD and shall have such other powers as this Court shall deem appropriate. Defendants shall not object to a divestiture by a trustee on any ground other than the trustee's malfeasance. Any such objections by defendants must be conveyed in writing to the United States and the appropriate trustee within ten (10) calendar days after the trustee has provided the notice required under Section V of this Final Judgment.

C. The trustees shall serve at the cost and expense of defendants, on customary and reasonable terms and conditions agreed to by the trustees and the United States, unless modified by the Court. Each trustee shall account for all monies derived from the sale of each asset sold by the trustee and all costs and expenses so incurred. After approval by the Court of the trustee's accounting, including fees for its services and those of any professionals and agents retained by the trustee, all remaining money shall be paid to defendants and the trust shall then be terminated. The compensation of the trustees and of any professionals and agents retained by any trustee shall be reasonable in light of the value of the divested businesses and based on a fee arrangement providing the trustees with an incentive based on the price and terms of the divestitures and the speed with which they are accomplished.

D. Defendants shall use their best efforts to assist the trustees to monitor carefully defendants' attempts to divest the businesses to be divested pursuant to the Final Judgment and, if necessary, to accomplish the required divestitures, including their best efforts to effect all necessary consents and regulatory approvals. Each trustee and any consultants, accountants, attorneys, and other persons retained by the trustee shall have, to the extent permitted by law, full and complete access to the personnel, books, records, and facilities of the businesses to be divested by the trustee, and defendants shall develop financial or other information relevant to the businesses to be divested customarily provided in a due diligence process as the trustee may reasonably request, subject to customary confidentiality assurances.

E. After its appointment, each trustee shall file monthly reports with the parties and the Court setting forth either the defendants' or the trustee's efforts, whichever is applicable, to accomplish the divestitures ordered under this Final Judgment; provided, however, that to the extent such reports contain information that the trustee or the defendants deem confidential, such reports shall not be filed in the public docket of the Court. After the time period described in Section IV(A), such reports shall include the name, address and telephone number of each person who, during the preceding month, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in the businesses to be divested, and shall describe in detail each contact with any such person during that period. The trustee shall maintain full records of all efforts made to divest the businesses to be divested.

F. If a trustee has not accomplished the divestiture of all non-divested businesses within six (6) months after it became responsible for selling the non-divested businesses, the trustee thereupon shall file promptly with the Court a report setting forth (1) The trustee's efforts to accomplish the required divestitures, (2) The reasons, in the trustee's judgment, why the required divestitures have not been accomplished, and (3) The trustees recommendations; provided, however, that to the extent such reports contain information that the trustee deems confidential, such reports shall not be filed in the public docket of the Court. The trustee shall at the same time furnish such report to the parties, who shall each have the right to be heard and to make additional recommendations consistent with the purpose of the trust. The Court shall enter thereafter such orders as it shall deem appropriate in order to carry out the purpose of the trust which may, if necessary, include extending the trust and the term of the trustee's appointment by a period requested by the United States.

VII. Affidavits

A. Within twenty (20) calendar days of the filing of the Complaint in this matter and every thirty (30) calendar days thereafter until the divestitures have been completed, whether pursuant to Section IV or Section VI of this Final Judgment, defendants shall deliver to the United States and DoD an affidavit as to the fact and manner of compliance with Sections IV or VI of this Final

Judgment. Each such affidavit shall include, inter alia, the name, address, and telephone number of each person who, at any time after the period covered by the last such report, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in the businesses to be divested, and shall describe in detail each contact with any such person during that period. Each such affidavit shall also include a description of the efforts that defendants have taken to solicit potential purchasers for the businesses to be divested and to provide required information to potential purchasers, including the limitations, if any, on such information. Assuming the information set forth in the affidavit is true and complete, any objection by the United States to information provided by defendants, including limitations on information, shall be made within fourteen (14) days of receipt of such affidavit.

B. Within twenty (20) calendar days of the filing of the Complaint in this matter, defendants shall deliver to the United States and DoD an affidavit which describes in detail all actions defendants have taken and all steps defendants have implemented on an on-going basis to preserve the businesses to be divested pursuant to Section VIII of this Final Judgment and the Hold Separate Stipulation and Order entered by the Court. The affidavit also shall describe, but not be limited to, defendants' efforts to maintain and operate each business to be divested as an active competitor, maintain the management, staffing, research and development activities, sales, marketing and pricing of each business to be divested and maintain each such business in operable condition at current capacity configurations. Defendants shall deliver to the United States and DoD an affidavit describing any changes to the efforts and actions outlined in defendants' earlier affidavit(s) filed pursuant to this Section within fifteen (15) calendar days after the change is implemented.

C. Until one year after each such divestiture has been completed, defendants shall preserve all records of all efforts made to preserve the business to be divested and to effect the ordered divestiture.

VIII. Hold Separate Order

Until the divestitures required by the Final Judgment have been accomplished, defendants shall take all steps necessary to comply with the Hold Separate Stipulation and Order entered by this Court. Defendants shall take no action that would jeopardize the divestitures ordered by this Court.

IX. Financing

Defendants are ordered and directed not to finance all or any part of any purchase made pursuant to Sections IV or VI of this Final Judgment.

X. Compliance Inspection

For the purposes of determining or securing compliance with this Final Judgment or of determining whether the Final Judgment should be modified or vacated, and subject to any legally recognized privilege, from time to time:

A. Duly authorized representatives of the United States Department of Justice, upon written request, of the Attorney General or of the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to defendants made to their principal offices, shall be permitted:

1. Access during office hours of defendants to inspect and copy all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of defendants, who may have counsel present, relating to the matters contained in this Final Judgment and the Hold Separate Stipulation and Order; and

2. Subject to the reasonable convenience of defendants and without restraint or interference from them, to interview, either informally or on the record, their officers, employees, and agents, who may have counsel present, regarding any such matters.

B. Upon the written request of the Attorney General or of the Assistant Attorney General in charge of the Antitrust Division, made to defendants' principal offices, defendants shall submit such written reports, under oath if requested, with respect to any matter contained in the Final Judgment and the Hold Separate Stipulation and Order.

C. No information or documents obtained by the means provided in Sections VII or X of this Final Judgment shall be divulged by a representative of the United States to any person other than a duly authorized representative of the Executive Branch of the United States, except in the course of legal proceedings to which the United States is a party (including grand jury proceedings), or for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

D. If at the time information or documents are furnished by defendants to the United States or DoD, defendants represent and identify in writing the material in any such information or documents to which a claim of protection may be asserted under Rule 26(c)(7) of the Federal Rules of Civil Procedure, and defendants mark each pertinent page of such material, ''Subject to claim of protection under Rule 26(c)(7) of the Federal Rules of Civil Procedure,'' then ten (10) calendar days notice shall be given to defendants by the United States or DoD prior to divulging such material in any legal proceeding (other than a grand jury proceeding) to which defendants are not a party.

XI. Retention of Jurisdiction

Jurisdiction is retained by this Court for the purpose of enabling any of the parties to this Final Judgment to apply to this Court at any time for such further orders and directions as may be necessary or appropriate for the construction or carrying out of this final Judgment, for the modification of any of the provisions hereof, for the enforcement of compliance herewith, and for the punishment of any violations hereof.

XII. Termination

Unless this Court grants an extension, this Final Judgment will expire upon the tenth anniversary of the date of its entry.

XIII. Public Interest

Entry of this Final Judgment is in the public interest.

Dated: January ____, 2000.

_____

United States District Judge

Confidential Attachment a to Final Judgment

To be filed under seal.

Competitive Impact Statement

The United States, pursuant to Section 2(b) of the Antitrust Procedures and Penalties Act (''APPA''), 15 U.S.C. 16(b)–(h), files this Competitive Impact Statement relating to the proposed Final Judgment submitted for entry in this civil antitrust proceeding.

I. Nature and Purpose of the Proceeding

On November 8, 1999, the United States filed a civil antitrust Complaint alleging that the proposed merger of AlliedSignal Inc. (''AlliedSignal'') and Honeywell Inc. (''Honeywell'') would violate Section 7 of the Clayton Act, 15 U.S.C. 18. The Complaint alleges that Honeywell and AlliedSignal are two of the leading manufacturers of aerospace products used by the U.S. military and by numerous commercial aviation and

space companies. AlliedSignal competes against Honeywell in the production of traffic alert and collision avoidance systems, search and surveillance weather radar, reaction and momentum wheels, and inertial systems used in a wide range of applications. The proposed merger of Honeywell and AlliedSignal would substantially lessen or eliminate competition in major product areas critical to the national defense and to the commercial aviation and space industries. Unless the merger is blocked, the loss of competition will likely result in higher prices, lower quality and less innovation for each of these products.

The prayer for relief in the Complaint seeks: (1) A judgment that the proposed merger would violate Section 7 of the Clayton Act; (2) A permanent injunction preventing AlliedSignal and Honeywell from merging; (3) An award to the United States of its costs in bringing the lawsuit; and (4) Such other relief as the Court deems proper.

When the Complaint was filed, the United States also filed a proposed settlement that would permit AlliedSignal and Honeywell to merge, but would require divestitures to preserve competition in the relevant markets. This settlement consists of a Hold Separate Stipulation and Order and a proposed Final Judgment.

The proposed Final Judgment orders the defendants to divest, by February 29, 2000, or within five (5) days of the approval of the proposed merger by the European Commission, which has concurrent jurisdiction over the proposed merger, or within (5) days after notice of the entry of the Final Judgment by the Court, whichever is later, certain businesses and associated assets as defined in Section II of the proposed Final Judgment. Specifically, the defendants must divest to a purchaser or purchasers acceptable to the United States and to the U.S. Department of Defense (''DoD'') the Traffic Alert and Collision Avoidance Systems (''TCAS'') Business of Honeywell; the Search and Surveillance Weather Radar (''SSWR'') Business of AlliedSignal; the Teterboro Space and Navigation Business of AlliedSignal; the Cheshire Business of AlliedSignal; the AlliedSignal MicroSCIRAS Business, or, in the alternative, the Honeywell MEMS Business; and the AlliedSignal Micromachined Silicon Accelerator (''MSA'') and Micromachined Accelerometer Gyroscope (''MAG'') Technology Business (collectively, the ''Divested Businesses''). Purchasers of the Teterboro Space and Navigation Business and the AlliedSignal MicroSCIRAS Business (or, as described in Section VI of the proposed Final Judgment, the Honeywell MEMS Business) must be approved simultaneously. The proposed Final Judgment authorizes the United States to nominate for appointment immediately up to two trustees to monitor the defendants' efforts to sell the Divested Businesses, and to sell those businesses if defendants cannot do so in the required time frame.

The terms of the Hold Separate Stipulation and Order ensure that each of the Divested Businesses shall be held separate and apart from the post-merger company and maintained as viable, independent competitors until such time as each business is divested.

The plaintiff and defendants have stipulated that the proposed Final Judgment may be entered after compliance with the APPA. Entry of the proposed Final Judgment would terminate the action, except that the Court would retain jurisdiction to construe, modify, or enforce the provisions of the proposed Final Judgment and to punish violations thereof.

II. Description of the Events Giving Rise to the Alleged Violation

A. The Defendants and the Proposed Transaction

AlliedSignal is a Delaware corporation headquartered in Morristown, New Jersey. The advanced technology and manufacturing company provides aerospace products and services, automotive products, chemicals, fibers, plastics and advanced materials. The company reported 1998 sales of about $15 billion, and sales to the U.S. Government (primarily aerospace-related) of about $1.9 billion. The aerospace business unit generated about half, or about $7.5 billion, of the company's 1998 revenues.

Honeywell, a Delaware corporation headquartered in Minneapolis, Minnesota, develops and supplies advanced technology controls and other products, systems and services to homes and buildings, industry, and space and aviation customers. The company had annual revenues of about $8.4 billion in 1998, approximately one-fourth of which were generated by Honeywell's space and aviation business.

Pursuant to an Agreement and Plan of Merger entered into by defendants on June 4, 1999, AlliedSignal proposes to merge its business with Honeywell.

B. The Relevant Markets

1. TCAS

A traffic alert and collision avoidance system is an avionics safety product that reduces the potential for mid-air collisions between aircraft. TCAS provides pilots with information on surrounding air traffic, alerts them when a nearby aircraft has the potential to be a hazard, and affords a means for coordinating evasive maneuvers for both aircraft. TCAS operates by transmitting to and eliciting replies from communications transponders installed on approaching aircraft. The system tracks aircraft within a specified range and altitude to determine whether they have the potential to become a collision threat.

2. Search and Surveillance Weather Radar

Weather radar uses radio wave reflections from water droplets and ice crystals to locate areas of rain, snow and other precipitation. Search and surveillance weather radar is a special type of weather radar often installed on helicopters and frequently used in rescue missions. The radar employs traditional radio frequency technology, but also has a beaconing capacity which allows the pilot to detect radio transmissions emitted by small objects, such as a boat or an oil drilling rig, during poor weather conditions.

3. Reaction and Momentum Wheels

Reaction and momentum wheels are mechanical devices that move and stabilize satellites by spinning and generating torque. The desired combination of torque and momentum generated by changes in wheel speed repositions the satellite. Satellites typically have one to three reaction and momentum wheels.

4. Inertial Systems

An inertial measurement unit (''IMU'') measures the linear acceleration and angular rate of rotation of a vehicle. A typical IMU includes three accelerometers and three gyroscopes. Accelerometers measure the linear acceleration of a vehicle, which is used to determine vehicle velocity and vehicle position. Gyroscopes measure the angular rate of rotation of a vehicle. From these measurements, a computer can calculate the vehicle's position and heading.

A variety of different types of gyroscopes are used in IMUs, including mechanical rate gyroscopes (''MRGs''), ring laser gyroscopes (''RLGs''), fiber optic gyroscopes (''FOGs''), and micro-electro-mechanical systems (''MEMS'') gyroscopes. Each of these gyroscopes may substitute with the others as an

input into an IMU, depending on performance, cost and size requirements.

MRGs include gas, spinning mass and other comparable mechanical gyroscopes. Based upon technology developed in the 1950s, these gyroscopes (often employing magnets, gases and other masses) are generally larger and more expensive than those produced using newer technologies. Mechanical gyroscopes are utilized in high accuracy space applications, strategic missiles, and tactical munitions.

An RLG uses two laser beams housed in an optical cavity with a set of highly reflective mirrors. One laser beam travels clockwise around the optical cavity while the other moves counter-clockwise. When the gyroscope is rotated, a small difference in the circulation time for each beam occurs because one beam travels less distance than the other. This difference is used to compute the rate of angular rotation. RLGs are commonly used in commercial and military aviation, land applications, satellites, space launch vehicles and high performance tactical missiles.

FOGs employ optical fiber wound on a spool. Each FOG has a light source and control electronics to provide two beams of light, one traveling clockwise and the other counter-clockwise, through the wound coil. A detector on the coil output senses phase shifts between the two light beams and converts the phase shift into an angular rate of rotation. FOGS were developed after RLGs and are beginning to be utilize in commercial and military aviation, land applications, satellites, space launch vehicles and high performance tactical missiles.

MEMS is a developing technology which produces IMUs using silicon wafers made from semiconductor manufacturing processes and sophisticated micro-machining. MEMS technology holds tremendous potential for the next-generation IMU. MEMS IMUs may permit manufacturers to achieve significant size, cost and weight reductions in the product. Depending on the ultimate degree of accuracy that MEMS IMUs provide, they could eventually supplement or replace numerous types of IMUs currently in the marketplace.

C. Harm to Competition as a Consequence of the Merger

AlliedSignal and Honeywell are two of only three manufacturers of TCAS used in U.S. military and commercial aircraft. Post merger, the comined firm would posses more than 60% of the TCAS market.

In addition, the merger of Allied Signal and Honeywell would eliminate competition in the development, production, and sale of search and surveillance weather radar and effectively give the combined firm a monopoly in this market.

AlliedSignal and Honey well are two of only four significant companies that produce reaction and momentum wheels for use in U.S. military and commercial space projects. Post merger, the combined firm would control over 50 percent of the reaction and momentum wheel market.

Finally, AlliedSignal and Honeywell are two of the leading inertial system manufacturers in the world. Each company competes to produce and sell inertial systems for tactical, strategic, navigation and space applications to the U.S. military and to numerous commercial and space customers. Allied Signal and Honeywell each manufacture MRGs, RLGs, and FOGs that are used in inertial systems. In addition, the defendants are leading competitors in the development of a MEMS IMU. The merger of these two inertial manufacturers would substantially limit competition in the production of inertial systems.

Entry by a new company would not be timely, likely or sufficient to prevent harm to competition in any of these markets. In each market, a successful entrant would have to design and develop sophisticated, high technology products, establish complex production processes, and meet rigorous qualification standards. Applicable laws and regulations may make it difficult, if not impossible, for manufacturers of the relevant products located outside the United States to sell their products to the U.S. military, a major purchaser. It is unrealistic to expect sufficient new entry in a timely fashion to protect competition in the relevant markets following the proposed merger.

The Complaint alleges that the effect of AlliedSignal's proposed merger with Honeywell would be to lessen competition substantially and to tend to create a monopoly in interstate trade and commerce in violation of Section 7 of the Clayton Act. The combined firm would have the ability to increase prices for each relevant product, either unilaterally or in coordination with other competitors. In particular, the proposed merger likely would have the following effects, among others: actual and potential competition between AlliedSignal and Honeywell in the development, production, and sale of products in each of the relevant markets would be eliminated; competition in the development, production, and sale of products in each of the relevant markets would be eliminated or substantially lessened; prices for products in each relevant market likely would increase and quality likely would decline; and innovation in each relevant market likely would decrease.

III. Explanation of the Proposed Final Judgment

A. The Divested Businesses

The provisions of the proposed Final Judgment are designed to eliminate the anticompetitive effects of the merger of Honeywell and AlliedSignal. The divestiture of the businesses required by the proposed Final Judgment, which collectively generate about $250 million in annual revenues, will ensure that competition will continue to flourish in the markets where AlliedSignal and Honeywell compete. Without the divestitures required by the proposed settlement, a broad range of commercial, space, and U.S. defense customers likely would suffer from higher prices for advanced avionics products essential to their businesses and from a decline in product quality and innovation.

Pursuant to the proposed Final Judgment, Honeywell will divest its TCAS Business, which it operates at its Glendale and Phoenix, Arizona facilities. The TCAS Business to be divested includes Honeywell's TCAS II computer, TCAS 2000 computer, TCAS 1500 computer (which is still under development), TCAS directional antenna, dedicated TCAS controller, and the dedicated TCAS display (''TCAS System''). The TCAS divestiture also includes, as common to the TACS System and other systems of Honeywell, the Vertical Speed Indicator/Traffic Resolution Advisory (''VSI/TRA''), pressure transducer and ARINC Diversity/Mode S transponder used with the basic Honeywell TCAS System. The divested TCAS Business will include all relevant tangible and intangible assets used in connection with the business and needed to make it a viable competitor in the TCAS marketplace.

AlliedSignal will, pursuant to the proposed Final Judgment, divest its SSWR Business, which it operates at its Olathe, Kansas facility. The SSWR Business includes AlliedSignal's RDR–1400 and RDR–1500 product lines. The divested SSWR Business will include all relevant tangible and intangible assets used in connection with the business and needed to make it a viable competitor in the SSWR marketplace.

AlliedSignal also will divest its Teterboro Space and Navigation Business located in Teterboro, New

Jersey. The Teterboro Space and Navigation Business produces ring laser gyroscopes, fiber optic gyroscopes, inertial measurement units, reaction and momentum wheels, control moment gyroscopes, star sensors, sun shades, navigation and pointing systems and fire control systems. The divested Teterboro Space and Navigation Business will include all relevant tangible and intangible assets used in connection with the business and needed to make it a viable competitor in both the IMU marketplace and the reaction and momentum wheel marketplace.

AlliedSignal also will divest its IMU business located in Cheshire, Connecticut that produces rate-grade mechanical inertial measurement units and components. The Cheshire Business also includes AlliedSignal's Newark, Ohio repair and overhaul business. The divested Cheshire Business will include all relevant tangible and intangible assets used in connection with the business and needed to make it a viable competitor in the rate-grade mechanical IMU marketplace.

AlliedSignal also will divest its MicroSCIRAS Business, which it operates at its Redmond, Washington facility. MicroSCIRAS is a silicon-based MEMS technology. The divested AlliedSignal MicroSCIRAS Business includes the right to use the existing silicon engineering foundry at the Redmond facility, an option to lease the existing Redmond engineering foundry, and/or an option to purchase the equipment currently in or authorized for the foundry, on November 1, 2000 or the date that AlliedSignal's separate silicon production foundry is completed, whichever occurs first. The divested MicroSCIRAS Business will include all relevant tangible and intangible assets used in connection with the business and needed to make it a viable competitor in the MEMS marketplace.

If AlliedSignal does not divest its MicroSCIRAS Business as required by the proposed Final Judgment, Honeywell's MEMS Business, which is located in Minneapolis and Plymouth, Minnesota, may be divested. The Honeywell MEMS Business will include all relevant tangible and intangible assets used in connection with the business and needed to make it a viable competitor in the MEMS marketplace.

Finally, AlliedSignal will divest its MSA and MAG Technology Business. IMUs to be produced with the technologies controlled by this business, which AlliedSignal acquired pursuant to two agreements identified in the proposed Final Judgment, potentially compete with the MEMS technology AlliedSignal is ordered to divest.

Each of the businesses to be divested is defined in detail in Section II of the proposed Final Judgment. The divestiture of the TCAS Business, the SSWR Business, the Teterboro Space and Navigation Business, and the Cheshire Business each involves the sale of production equipment or facilities which manufacture the identified products on a daily basis. In contrast, the divestiture of the AlliedSignal MicroSCIRAS Business, the Honeywell MEMS Business and the AlliedSignal MSA and MAG Technology Business each involves the sale or transfer of developing IMU technologies. With one exception,[1] these latter three businesses do not yet have the current capability to produce IMU products at production level volumes for sale to the public.

B. Employees

The proposed Final Judgment contains other provisions designed to protect competition in the relevant product markets. The most important of these provisions relate to employees of the Divested Businesses and the firms that purchase the businesses.

Confidential Attachment A to the proposed Final Judgment lists for each business to be divested a group of employees who are important to operating the business. The proposed Final Judgment provides that, for a period of two years from the filing of the Complaint in this matter, defendants shall not solicit to hire, or hire, any individual listed in Confidential Attachment A who, within six months of the date of sale of a Divested Business that employs the individual, receives a reasonable offer of employment from the approved purchaser of the Divested Business, unless such employee is terminated or laid off by the purchaser. Defendants shall not interfere with any negotiations by the purchaser of a Divested Business to employ anyone listed in Confidential Attachment A, including, but not limited to, offering to increase in any way the employee's salary or other benefits (other than company-wide increases in salary or other benefits). In addition, AlliedSignal or Honeywell, as the case may be, shall, for each employee of the TCAS Business, the SSWR Business and the AlliedSignal MicroSCIRAS Business (or, as described in Section VI of the proposed Final Judgment, the Honeywell MEMS Business) who elects to be employed by the purchaser of the Divested Business, vest all unvested pension and other equity rights of that employee. For each such employee, AlliedSignal or Honeywell shall also provide all benefits to which the employee would have been entitled if terminated without cause, provided the employee is still employed by the purchaser at the end of the time period covered by such benefit.

The proposed Final Judgment also directs that to the extent employees of any of the Divested Businesses remain employed by defendants, the sale of each Divested Business shall include the purchaser's right to reasonable access to such employees for up to eighteen (18) months from the date of the purchase. The services furnished will be provided free by defendants for the first six (6) months following the sale of the business. Thereafter, the charges for such services will be set by the defendants at a rate sufficient to cover the service provider's reasonable estimate of its actual costs for providing the services and, if applicable, consistent with the prices the service provider would charge to an affiliate.

C. Approval of Divested Business Purchasers and Appointment of Trustees

Each business divested pursuant to the proposed Final Judgment must be sold to a purchaser that can satisfy the United States and DoD, in their sole discretion, that the business will be a viable ongoing business. The purchaser must satisfy the United States and DoD, in their sole discretion, that it: (1) Has the capability and intent of competing effectively in the development, production, and sale of the relevant products; (2) Has the managerial, operational, and financial capability to compete effectively in the development, production, and sale of the relevant products; (3) Is eligible to receive applicable DoD security clearances; and (4) Is not hindered by the terms of any agreement between the purchaser and defendants that gives either defendant the ability unreasonably to raise the purchaser's costs, to lower the purchaser's efficiency, or otherwise to interfere with the ability of the purchaser to compete effectively.

Immediately upon the filing of the proposed Final Judgment, the United States may, in its sole discretion, nominate no more than two trustees for Court appointment. The trustees shall serve at the cost and expense of defendants, on customary and reasonable terms and conditions agreed to by the trustees and the United States,

[1] The AlliedSignal MSA and MAG Technology Business owns, among other assets, patents which are exclusively licensed to Endevco Corporation and permit Endevco to manufacture micromachined silicon accelerometers sold to the public.

unless modified by the Court. If two trustees are appointed, one trustee shall monitor the divestiture by defendants of the TCAS Business and the SSWR Business, and the other trustee shall monitor the divestiture by the defendants of the Teterboro Space and Navigation Business, the Cheshire Business, the AlliedSignal MicroSCIRAS Business, and the AlliedSignal MSA and MAG Technology Business.

In the event that defendants have not sold all of the businesses required to be divested pursuant to the proposed Final Judgment in the specified time frame, only the trustee monitoring defendants' attempts to divest each non-divested business shall have the power and authority to accomplish the divestiture. If the AlliedSignal Micro SCIRAS Business has not been divested, the trustee responsible for divesting that business may, in its sole discretion, divest the Honeywell MEMS Business instead. Defendants may not object to a divestiture by a trustee on any ground other than the trustee's malfeasance.

IV. Remedies Available to Potential Private Litigants

Section 4 of the Clayton Act (15 U.S.C. 15) provides that any person who has been injured as a result of conduct prohibited by the antitrust laws may bring suit in federal court to recover three times the damages the person has suffered, as well as costs and reasonable attorneys' fees. Entry of the proposed Final Judgment will neither impair nor assist the bringing of any private antitrust damage action. Under the provisions of Section 5(a) of the Clayton Act (15 U.S.C. 16(a)), the proposed Final Judgment has no *prima facie* effect in any subsequent private lawsuit that may be brought against defendants.

V. Procedures Available for Modification of The Proposed Final Judgment

The United States and defendants have stipulated that the proposed Final Judgment may be entered by the Court after compliance with the provisions of the APPA, provided that the United States have not withdrawn its consent. The APPA conditions entry upon the Court's determination that the proposed Final Judgment is in the public interest.

The APPA provides a period of at least sixty (60) days preceding the effective date of the proposed Final Judgment within which any person may submit to the United States written comments regarding the proposed Final Judgment. Any person who wishes to comment should do so within sixty (60) days of the date of publication of this Competitive Impact Statement in the **Federal Register.** The United States will evaluate and respond to the comments. All comments will be given due consideration by the Department of Justice, which remains free to withdraw its consent to the proposed final Judgment at any time prior to entry. The comments and the response of the United States will be field with the Court and published in the **Federal Register.** Written comments should be submitted to:

J. Robert Kramer II,

Chief, Litigation II Section, Antitrust Division, United States Department of Justice, 1401 H Street, N.W., Suite 3000, Washington, D.C. 20530.

The proposed Final Judgment provides that the Court retains jurisdiction over this action, and the parties may apply to the Court for any order necessary or appropriate for the modification, interpretation, or enforcement of the proposed Final Judgment.

VI. Alternatives to the Proposed Final Judgment

The United States considered, as an alternative to the proposed Final Judgment, a full trial on the merits against defendants. The United States could have brought suit and sought preliminary and permanent injunctions against the merger of AlliedSignal and Honeywell.

The United States is satisfied that the divestiture of the described businesses and assets pursuant to the proposed Final Judgment will encourage viable competition in the research, development, production, and sale of TCAS, SSWR, reaction and momentum wheels, and inertial systems. The United States is satisfied that the proposed relief will prevent the merger from having anticompetitive effects in any of these markets.

VII. Standard of Review Under the APPA for Proposed Final Judgment

The APPA requires that proposed consent judgments in antitrust cases brought by the United States be subject to a sixty-day comment period, after which the Court shall determine whether entry of the proposed Final Judgment ''is in the public interest.'' In making that determination, the Court may consider—

(1) The competitive impact of such judgment, including termination of alleged violations, provisions for enforcement and modification, duration or relief sought, anticipated effects of alternative remedies actually considered, and any other considerations bearing upon the adequacy of such judgment;

(2) The impact of entry of such judgment upon the public generally and individuals alleging specific injury from the violations set forth in the compliant 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). As the Court of Appeals for the District of Columbia Circuit held, the APPA permits a court to consider, among other things, the relationship between the secured and the specific allegations set forth in the government's complaint, whether the decree is sufficiently clear, whether enforcement mechanisms are sufficient, and whether the decree may positively harm third parties. *See United States* v. *Microsoft,* 56 F.3d 1448, 1458–62 (D.C. Cir. 1995). The courts have recognized that the term '' 'public interest' take[s] meaning from the purposes of the regulatory legislation.'' *NAACP* v. *Federal Power Comm'n,* 425 U.S. 662, 669 (1976). Since the purpose of the antitrust laws is to preserve ''free and unfettered competition as the rule of trade,'' *Northern Pacific Railway Co.* v. *United States,* 356 U.S. 1, 4 (1958), the focus of the ''public interest'' inquiry under the APPA is whether the proposed Final Judgment would serve the public interest in free and unfettered competition. *United States* v. *American Cyanamid Co.,* 719 F.2d 558, 565 (2d Cir 1983), *cert, denied,* 465 U.S. 1101 (1984); *United States* v. *Waste Management, Inc.,* 1985–2 Trade Cas., ¶ 66,651, at 63,046 (D.D.C. 1985). In conducting this inquiry, ''the Court is nowhere compelled to go to trial or to engage in extended proceedings which might have the effect of vitiating the benefits of prompt and less costly settlement through the consent decree process.'' [2] Rather,

[a]bsent a showing of corrupt failure of the government to discharge its duty, the Court, in making its public interest finding, should * * * carefully consider the explanations of the government in the competitive impact statement and its responses to comments in order to determine whether those explanations are reasonable under the circumstances.

[2] 119 Cong. Rec. 24598 (1973). *See United States* v. *Gillette Co.,* 406 F. Supp. 713, 715 (D.Mass. 1975). A ''public interest'' determination can be made properly on the basis of the Competitive Impact Statement and Response to Comments filed pursuant to the APPA. Although the APPA authorizes the use of additional procedures, 15 U.S.C. § 16(f), those procedures are discretionary. A court need not invoke any of them unless it believes that the comments have raised significant issues and that further proceedings would aid the court in resolving those issues. *See* H.R. 93–1463, 93rd Cong. 2d Sess. 8–9, *reprinted in* (1974) U.S. Code Cong. & Ad. News 6535, 6538.

United States v. *Mid-America Dairymen, Inc.* 1977–1 Trade Cas. ¶ 61,508, at 71,980 (W.D. Mo. 1977).

Accordingly, with respect to the adequacy of the relief secured by the decree, a court may not ''engage in unrestricted evaluation of what relief would best serve the public.'' *United States* v. *BNS, Inc.,* 858 F.2d 456, 462 (9th Cir. 1988), *quoting United States* v. *Bechtel Corp.,* 648 F.2d 660 (9th Cir.), *cert denied,* 454 U.S. 1083 (1981). *See also Microsoft,* 56 F.3d 1448 (D.C. Cir. 1995). Precedent requires that:

> The balancing of competing social and political interests affected by a proposed antitrust consent decree must be left, in the first instance, to the discretion of the Attorney General. The court's role in protecting the public interest is one of insuring that the government has not breached its duty to the public in consenting to the decree. The court is required to determine not whether a particular decree is the one that will best serve society, but whether the settlement is '*within the reaches of the public interest*' More elaborate requirements might undermine the effectiveness of antitrust enforcement by consent decree.[3]

A proposed consent decree is an agreement between the parties which is reached after exhaustive negotiations and discussions. Parties to not hastily and thoughtlessly stipulate to a decree because, in doing so, they

> waive their right to litigate the issues involved in the case the thus save themselves the time, expense, and inevitable risk of litigation. Naturally, the agreement reached normally embodies a compromise; in exchange for the saving of cost and the elimination of risk, the parties each give up something they might have won had they proceeded with the litigation.

United States v. *Armour & Co.,* 402 U.S. 673, 681 (1971).

The proposed Final Judgment, therefore, should not be reviewed under a standard of whether it is certain to eliminate every anticompetitive effect of a particular practice or whether it mandates certainty of free completion in the future. Court approval of a proposed final judgment requires a standard more flexible and less strict than the standard required for a finding of liability. ''[A] proposed decree must be approved even if it falls short of the remedy the court would impose on its own, as long as it falls within the range of acceptability or is 'within the reaches of public interest.' '' (citations omitted).[4]

VIII. Determinative Documents

No determinative materials or documents within the meaning of the APPA were considered by the United States in formulating the proposed Final Judgment.

Dated: November 22, 1999.

For Plaintiff United States of America:

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DEPARTMENT OF JUSTICE

Antitrust Division

Notice Pursuant to the National Cooperative Research and Production Act of 1993—Advanced Lead-Acid Battery Consortium (''ALABC'')

Notice is hereby given that, on July 13, 1999, pursuant to section 6(a) of the National Cooperative Research and Production Act of 1993, 15 U.S.C. 4301 *et seq.* (''the Act''), Advanced Lead-Acid Battery Consortium (''ALABC'') has filed written notifications simultaneously with the Attorney General and the Federal Trade Commission disclosing changes in its membership status. The notifications were filed for the purpose of extending the Act's provisions limiting the recovery of antitrust plaintiffs to actual damages under specified circumstances. Specifically, FIAMM SpA, Montecchio, Italy; and Southern Coalition for Advanced Transportation (SCAT), Atlanta, GA have been added as parties to this venture. Also, Omni Oxide, L.L.C., Indianapolis, IN; and Kyungwon Battery Co., Ltd., Kyungki-do, KOREA have been dropped as parties to this venture.

No other changes have been made in either the membership or planned activity of the group research project. Membership in this group research project remains open, and Advanced Lead-Acid Battery Consortium (''ALABC'') intends to file additional written notification disclosing all changes in membership.

On June 15, 1992, Advanced Lead-Acid Battery Consortium (''ALABC'') filed its original notification pursuant to section 6(a) of the Act. The Department of Justice published a notice in the **Federal Register** pursuant to section 6(b) of the Act on July 29, 1992 (57 FR 33522).

The last notification was filed with the Department on January 15, 1998. A notice was published in the **Federal Register** pursuant to section 6(b) of the Act on February 27, 1998 (63 FR 10040).

Constance K. Robinson,
Director of Operations, Antitrust Division.

[FR Doc. 99–32334 Filed 12–13–99; 8:45 am]
BILLING CODE 4410–11–M

DEPARTMENT OF JUSTICE

Antitrust Division

Notice Pursuant to the National Cooperative Research and Production Act of 1993 Auto Body Consortium: Near Zero Stamping

Notice is hereby given that, on April 20, 1999, pursuant to section 6(a) of the national Cooperative Research and Production Act of 1993, 15 U.S.C. 4301 *et seq.* (''the Act''), Auto body consortium, Inc. (''the Consortium'') has filed written notifications simultaneously with the Attorney General and the Federal Trade Commission disclosing a change in its membership status. The notifications were filed for the purpose of extending the Act's provisions limiting the recovery of antitrust plaintiffs to actual damages under specified circumstances. Specifically, DaimlerChrysler Corporation, Auburn Hills, MI has been added as a party to this venture. Also, Chrysler Corporation, Auburn Hills, MI has been dropped as a party to this venture.

No other changes have been made in either the membership or planned activity of the group research project. Membership in this group research project remains open, and the Consortium intends to file additional written notification disclosing all changes in membership.

[3] *United States* v. *Bechtel,* 648 F.2d at 666 (citations omitted)(emphasis added); *See United States* v. *BNS, Inc.,* 858 F.2d at 463; *United States* v. *National Broadcasting Co.,* 449 F. Supp. 1127, 1143 (C.D. Cal. 1978); *United States* v. *Gillette Co.,* 406 F. Supp. at 716. *See also United States* v. *American Cyanamid Co.,* 719 F.2d at 565.

[4] *United States* v. *American Tel. and Tel. Co.,* 552 F. Supp. 131, 150 (D.D.C. 1982), *aff'd sub nom, Maryland* v. *United States,* 460 U.S. 1001 (1983), *quoting United States* v. *Gillette Co., supra,* 406 F. Supp. at 716; *United States* v. *Alcan Aluminum, Ltd.,* 605 F. Supp. 619, 622 (W.D. Ky. 1985).