



August 23, 2021

The Hon. Lina Khan  
Chair  
Federal Trade Commission  
600 Pennsylvania Ave., N.W.  
Washington, D.C. 20580

The Hon. Rohit Chopra  
Commissioner  
Federal Trade Commission  
600 Pennsylvania Ave., N.W.  
Washington, D.C. 20580

The Hon. Noah Joshua Phillips  
Commissioner  
Federal Trade Commission  
600 Pennsylvania Ave., N.W.  
Washington, D.C. 20580

The Hon. Rebecca Kelly Slaughter  
Commissioner  
Federal Trade Commission  
600 Pennsylvania Ave., N.W.  
Washington, D.C. 20580

The Hon. Christine S. Wilson  
Commissioner  
Federal Trade Commission  
600 Pennsylvania Ave., N.W.  
Washington, D.C. 20580

Dear Chair Khan and Commissioners Chopra, Phillips, Slaughter and Wilson:

Military contractor monopolies lead to billions of dollars of waste every year. They divert tax dollars from life-saving research, treatments, and assistance, and they diminish the federal government's return on defense-related investments. Respectfully, you can help address this problem by thoroughly reexamining existing mergers between companies within the defense industrial base and scrutinizing more closely proposed mergers between such entities. More specifically, you could immediately begin the process of unwinding the existing merger between Northrop Grumman and Orbital ATK and block the proposed merger between Lockheed Martin and Aerojet Rocketdyne.

The result of over-consolidation of defense contractors is clear – increased defense spending and waste. The Department of Defense regularly laments cost increases due to lack of competition in its annual industrial capabilities report, and when approving the Northrop and Orbital merger in 2018 your own agency expressed concern that the merger could “potentially [dampen] Northrop’s incentive to provide DOD with the most sophisticated systems at a competitive price.”<sup>1</sup>

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<sup>1</sup> [https://www.ftc.gov/system/files/documents/cases/1810005\\_northrop\\_bureau\\_statement\\_6-5-18.pdf](https://www.ftc.gov/system/files/documents/cases/1810005_northrop_bureau_statement_6-5-18.pdf)

Today, post-merger, Northrop has virtually unilateral power to set prices for some of the most expensive military weapons on the planet – nuclear missiles, and it has dramatically reduced safety redundancies within the nuclear triad. Northrop Grumman now builds the Air Force’s B-21 bomber, the motors that power submarine launched Trident missiles, and the next generation of intercontinental ballistic missiles.<sup>2</sup> Nuclear weapons are a horrific idea, permitting their production and deployment in this manner is even more unwise.

Unfortunately, past approval of the Northrup and Orbital merger foreshadows similar, possible mergers moving forward. In fact, in December, the world’s largest military contractor, Lockheed Martin, disclosed plans to acquire Aerojet Rocketdyne – the second-largest builder of rocket engines in the U.S.<sup>3</sup> Absent an unwinding of the Northrup/Orbital merger, it appears unlikely that the Lockheed/Aerojet merger will be opposed since Orbital was much larger than Aerojet when the FTC approved its merger.

At some point, this madness must stop. Our nation’s runaway defense spending, the resulting rampant profiteering, and the increasing vulnerabilities created by contractor consolidation and lack of competition can all be curtailed. And you can be the ones to do it. Again, I respectfully request that you immediately begin the process of unwinding the existing merger between Northrop Grumman and Orbital ATK and that you block the proposed merger between Lockheed Martin and Aerojet Rocketdyne.

Sincerely,



Mark Pocan  
Member of Congress

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<sup>2</sup> <https://www.pogo.org/analysis/2019/09/the-broken-leg-of-americas-nuclear-triad/>

<sup>3</sup> <https://www.forbes.com/sites/lorenthompson/2021/02/16/five-issues-washington-should-consider-in-reviewing-a-lockheed-aerojet-merger/>