



Office of the Secretary

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

May 1, 2007

Stephen D. Yslas
Vice President and Deputy General Counsel
Northrop Grumman Corporation
1840 Century Park East
Los Angeles, CA 90067-2199

Re: Lockheed Martin Corporation, The Boeing Company and United Launch Alliance,
L.L.C. , File No. 051-0165

Dear Mr. Yslas:

Thank you for your comments regarding the proposed consent order accepted by the Federal Trade Commission for public comment in the above-captioned matter. Your letter indicates that you are concerned that the proposed consent order does not fully protect Northrop's confidential information. The Commission has reviewed your comments in connection with its decision whether to accord final approval to the proposed consent order, and has also placed your comments on the public record.

The concerns expressed in your letter focus on the intersection of Paragraphs V.E.5 and V.E.6 with language in the Transition Services Agreement ("TSA") between and among Boeing, Lockheed, and ULA. The TSA is incorporated by reference into the Consent Order. The purpose of the TSA was to allow Personnel of Boeing and Lockheed to provide support and infrastructure related services to ULA during the new company's initial period of operation and, if necessary, for a potentially longer period. During the crafting of the Consent Order, Commission staff worked closely with the Department of Defense ("DOD") to ensure that third-party confidential information would be protected without hindering the efficient operation of ULA. To prevent the Consent Order's restriction on information sharing from frustrating the purpose of the TSA, Paragraphs V.E.5 and V.E.6 were included in the order, so that Boeing and Lockheed Personnel would be able to obtain Non-Public Space Vehicle Information if necessary to perform their duties under the TSA.

To deter abuse of Paragraphs V.E.5 and V.E.6, the proposed order includes several prophylactic measures. First, Paragraphs V.E. 5 and V.E. 6 require that Boeing, Lockheed and ULA comply with the confidentiality provisions of the TSA. Second, Paragraph V.G. prohibits Boeing or Lockheed Personnel that receive Non-Public Space Vehicle Information from participating in a proposal or a Program for at least one year. Third, Paragraph V.H. provides the Compliance Officer with broad authority to remedy any violations of Paragraph V.

The Commission is also aware that by a letter dated March 13, 2007, Boeing, Lockheed and ULA have clarified the TSA's language by explicitly extending the application of the confidentiality provisions to cover third-party Proprietary Information. The Commission is further aware that Northrop has informed Commission staff and DOD that it no longer has any concerns relating to the proposed order.

For these reasons, the Commission has determined that the public interest would best be served by issuing the Decision and Order in final form without modification. A copy of the final Decision and Order is enclosed for your information. Relevant materials also are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources in its work on antitrust and consumer protection issues, and we appreciate your interest in this matter.

By direction of the Commission.

Donald S. Clark
Secretary