

IN THE MATTER OF

ALLIANT TECHSYSTEMS INC.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 7 OF THE CLAYTON ACT AND SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT*Docket 9254. Complaint, Dec. 7, 1992--Decision, March 16, 1993*

This consent order requires, among other things, a Minnesota-based defense systems contractor that provides ammunition, for a 10-year period, to obtain Commission approval before: acquiring the assets or stock of any company engaged in systems contracting for certain tank or lightweight ammunition; or selling or transferring Alliant's stock or assets to a company engaged in systems contracting for certain types of ammunition. In addition, the order requires the respondent to terminate its proposed acquisition of certain Olin Corporation assets.

Appearances

For the Commission: *Laura A. Wilkinson.*

For the respondent: *Ira S. Sacks, Fried, Frank, Harris, Shriver & Jacobson, New York, N.Y.*

COMPLAINT

The Federal Trade Commission ("Commission"), having reason to believe that the Respondent, Alliant Techsystems-Inc. ("Alliant"), a corporation subject to the jurisdiction of the Commission, has entered into an agreement to acquire certain stock and assets of Olin Corporation and the proposed acquisition, if consummated, would violate the provisions of Section 7 of the Clayton Act, as amended, 15 U.S.C. 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. 45; that said acquisition agreement constitutes a violation of Section 5 of the FTC Act, 15 U.S.C. 45; and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, pursuant to Section 11 of the Clayton Act, 15 U.S.C. 21, and Section

5(b) of the Federal Trade Commission Act, 15 U.S.C. 45(b), stating its charges as follows:

I. DEFINITIONS

1. For the purposes of this complaint, the following definitions will apply:

(a) “*Alliant*” means Alliant Techsystems Inc., a corporation organized, existing, and doing business under and by virtue of the laws of Delaware with its principal offices at 5901 Lincoln Drive, Edina, Minnesota, as well as its officers, employees, agents, parents, divisions, subsidiaries, successors, assigns, and the officers, employees, or agents of Alliant’s divisions, subsidiaries, successors and assigns; and

(b) “*Olin*” means Olin Corporation, a corporation organized, existing, and doing business under and by virtue of the laws of Virginia with its principal offices at 120 Long Ridge Road, Stamford, Connecticut, as well as its officers, employees, agents, divisions, subsidiaries, successors, assigns, and the officers, employees or agents of Olin’s divisions, subsidiaries, successors and assigns.

II. THE RESPONDENT

2. Alliant is a corporation organized and existing under the laws of Delaware, with its principal place of business at 5901 Lincoln Drive, Edina, Minnesota.

3. In fiscal year 1992, Alliant’s sales of 120mm tank ammunition and 30mm lightweight ammunition were approximately \$240 million in the United States.

4. Alliant is, and at all times relevant herein has been, engaged in commerce as “commerce” is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. 12, and is a corporation whose business affects commerce as “commerce” is defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. 44.

III. THE PROPOSED ACQUISITION

5. On or about August 4, 1992, Alliant and Olin signed a definitive transaction agreement under which Olin would exchange its Ordinance Division and Physics International subsidiary for approximately 2.82 million shares of newly issued Alliant common stock plus Alliant's assumption of \$65 million of Olin debt. The transaction is valued at approximately \$127 million. Alliant is a systems contractor for various rounds of 120mm tank ammunition and 30mm lightweight ammunition. Olin is a systems contractor for various rounds of 120mm tank ammunition and 30mm lightweight ammunition. The effect of the proposed acquisition, if consummated, may be substantially to lessen competition or tend to create a monopoly in systems contracting for: (a) 120mm kinetic energy ("KE") training ammunition, *i.e.*, M865; (b) 120mm KE tactical ammunition, *i.e.*, M829A1; (c) 120mm advanced KE tactical ammunition, *i.e.*, M829A2; (d) 120mm chemical energy ("CE") training ammunition, *i.e.*, M831E2; (e) 120mm CE tactical ammunition, *i.e.*, M830; (f) 120mm advanced CE tactical ammunition, *i.e.*, M830A1; (g) all types of 120mm tank ammunition; and (h) 30mm lightweight training ammunition, *i.e.*, M788, in the United States.

IV. TRADE AND COMMERCE

6. The relevant lines of commerce in which to analyze the proposed acquisition are systems contracting for: (a) 120mm kinetic energy ("KE") training ammunition, *i.e.*, M865; (b) 120mm KE tactical ammunition, *i.e.*, M829A1; (c) 120mm advanced KE tactical ammunition, *i.e.*, M829A2; (d) 120mm chemical energy ("CE") training ammunition, *i.e.*, M831E2; (e) 120mm CE tactical ammunition, *i.e.*, M830; (f) 120mm advanced CE tactical ammunition, *i.e.*, M830A; (g) all types of 120mm tank ammunition; and (h) 30mm lightweight training ammunition, *i.e.*, M788.

7. The relevant geographic market for each line of commerce specified in paragraph 6 above is the United States.

V. MARKET STRUCTURE

8. The relevant markets are highly concentrated. Alliant and Olin are the only two systems contractors supplying or capable of supplying (a) 120mm kinetic energy (“KE”) training ammunition, *i.e.*, M865; (b) 120mm KE tactical ammunition, *i.e.*, M829A1; (c) 120mm advanced KE tactical ammunition, *i.e.*, M829A2; (d) 120mm chemical energy (“CE”) training ammunition, *i.e.*, M831E2; (e) 120mm CE tactical ammunition, *i.e.*, M830; (f) 120mm advanced CE tactical ammunition, *i.e.*, M830A1; (g) all types of 120mm tank ammunition; and (h) 30mm lightweight training ammunition, *i.e.*, M788, in the United States.

VI. ENTRY CONDITIONS

9. Entry into the relevant markets is difficult or unlikely.

VII. COMPETITION

10. Alliant and Olin are actual or potential competitors in the relevant markets and this acquisition would create a monopoly in the relevant markets.

VIII. EFFECTS

11. The effect of the proposed acquisition, if consummated, may be substantially to lessen competition or tend to create a monopoly in the relevant lines of commerce in the United States in violation of Section 7 of Clayton Act, 15 U.S.C. 18, and Section 5 of the Federal Trade Commission Act, 15 U.S.C. 45.

IX. VIOLATIONS CHARGED

12. The proposed acquisition by Alliant of Olin violates Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. 45, and would, if consummated, violate Section 7 of the Clayton Act, 15

U.S.C. 18, and Section 5 of the Federal Trade Commission Act, 15 U.S.C. 45.

DECISION AND ORDER

The Commission having heretofore issued its complaint charging the respondent, Alliant Techsystems Inc., with violation of Section 7 of the Clayton Act, as amended, and Section 5 of the Federal Trade Commission Act, as amended, and the respondent having been served with a copy of that complaint, together with a notice of contemplated relief; and

The respondent, its attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, and waivers and other provisions required by the Commission's Rules; and

The Secretary of the Commission having thereafter withdrawn this matter from adjudication in accordance with Section 3.25(c) of its Rules; and

The Commission having considered the matter and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, now in further conformity with the procedure prescribed in Section 3.25(f) of its Rules, the Commission hereby makes the following jurisdictional findings and enters the following order:

1. Respondent Alliant is a corporation organized and existing under the laws of Delaware, with its principal place of business at 5901 Lincoln Drive, Edina, Minnesota.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

I.

For purposes of this order, the following definitions shall apply:

“*Alliant*” means Alliant Techsystems Inc., as well as the directors, officers, employees, representatives, agents, parents, divisions, subsidiaries, successors, and assigns, as well as the directors, officers, employees and agents of its parents, divisions and subsidiaries, successors, and assigns.

“*Olin*” means Olin Corporation, as well as its directors, officers, employees, representatives, agents, parents, divisions, subsidiaries, successors, and assigns, as well as the directors, officers, employees and agents of its parents, divisions and subsidiaries, successors, and assigns.

“*Systems contractor for 30mm lightweight ammunition or 120mm tank ammunition*” means any company that supplies or has supplied completed rounds of 30mm lightweight ammunition or completed rounds of 120mm tank ammunition to any customer in the United States, including but not limited to the United States Army, or that is developing completed rounds of 30mm lightweight ammunition or completed rounds of 120mm tank ammunition for any customer in the United States, including but not limited to the United States Army.

II.

It is ordered, That, for a period commencing on the date this order becomes final and continuing for ten (10) years, Alliant shall not, without the prior approval of the Commission, directly or indirectly, through subsidiaries or otherwise, acquire: (1) any interest in the whole or any part of the stock, share capital, or equity of any systems contractor for 30mm lightweight ammunition or 120mm tank ammunition; or (2) any assets of a systems contractor for 30mm lightweight ammunition or 120mm tank ammunition.

Provided, however, that this paragraph II shall not apply to the acquisition of products or services in the ordinary course of business.

III.

It is further ordered, That, for a period commencing on the date this order becomes final and continuing for ten (10) years, Alliant shall not, without the prior approval of the Commission, directly or indirectly, through subsidiaries or otherwise, sell or otherwise transfer to any systems contractor for 30mm lightweight ammunition or 120mm tank ammunition: (1) any interest in or any part of the stock, share capital, or equity of Alliant, or (2) any assets used for or previously used for (and still suitable for use for) systems contracting of 30mm lightweight ammunition or 120mm tank ammunition. *Provided, however,* that this paragraph III shall not apply to the sale of products or services in the ordinary course of business.

IV.

It is further ordered, That, for a period commencing on the date this order becomes final and continuing for ten (10) years, Alliant shall notify the Commission at least thirty (30) days prior to any proposed change in the corporation that may affect compliance obligations arising out of the order, such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of any subsidiary engaged as systems contractor for 30mm lightweight ammunition or 120mm tank ammunition, or any other change that may affect compliance obligations arising out of the order.

V.

It is further ordered, That, unless Alliant has already done so, it will, not later than fourteen (14) days after this order becomes final:

(1) terminate any agreement that provides for or contemplates the acquisition of, or exchange of stock for, Olin's Ordinance Division and/or its Physics International subsidiary, including but not limited to the transaction agreement signed on or about August 4, 1992; (2) return or destroy all documents containing or recording confidential information provided to Alliant by Olin in connection with acquisition negotiations or agreements; and (3) recover from Olin or have Olin destroy all documents containing or recording confidential information provided to Olin by Alliant in connection with acquisition negotiations or agreements. Nothing herein contained shall relieve Alliant from any obligation of confidentiality imposed by agreement among Alliant and Olin.

VI.

It is further ordered, That Alliant shall, within sixty (60) days after the date this order becomes final, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with this order. Within one year after the order becomes final, and annually for the next nine years, Alliant shall submit to the Commission a verified written report setting forth in detail the manner and form in which it intends to comply, is complying, or has complied with the order.

Complaint

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IN THE MATTER OF

S.C. JOHNSON & SON, INC.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 7 OF THE CLAYTON ACT AND SEC. 5 OF
THE FEDERAL TRADE COMMISSION ACT

Docket C-3418. Complaint, March 16, 1993--Decision, March 16, 1993

This consent order requires, among other things, a Wisconsin-based manufacturer of home care products to divest its assets used in the production, manufacture and sale of continuous action and aerosol air freshener products and furniture care products, in order to acquire certain assets of the Drackett Company, a subsidiary of Bristol-Myers Squibb Company. In addition, for a 10-year period, Johnson must obtain Commission approval before acquiring any interest in any air freshener or furniture care product manufacturer or distributor.

Appearances

For the Commission: *Steven A. Newborn* and *Jane R. Seymour*.

For the respondent: *Tefft W. Smith, Kirkland & Ellis*,
Washington, D.C.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission ("Commission"), having reason to believe that respondent, S.C. Johnson & Son, Inc. ("Johnson"), a corporation, proposes to acquire all of the voting securities of The Drackett Company ("Drackett"), a wholly-owned subsidiary of Bristol-Myers Squibb Company ("BMS"), from BMS, and certain assets of BMS relating to Drackett's international business, in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. 18, and Section 5 of the Federal Trade Commission Act ("FTC Act"), as amended, 15 U.S.C. 45, and it appearing to the Commission that a proceeding in respect