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Department of Justice

Office of Public Affairs

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Justice Department Requires Divestiture in Order for Communications and Power Industries to Proceed with Acquisition of General Dynamics Satcom Technologies

Divestiture Will Preserve Competition for Large Satellite Ground Station Antennas for Geostationary Satellites in the United States

The Department of Justice announced today that it is requiring Odyssey Investment Partners Fund V, LP (Odyssey), its portfolio company Communications and Power Industries LLC (CPI), and General Dynamics Corporation (General Dynamics) to divest CPI's wholly-owned subsidiary, CPI ASC Signal Division Inc. (ASC Signal), in order for CPI to proceed with its proposed acquisition of General Dynamics SATCOM Technologies, Inc. (GD SATCOM), a subsidiary of General Dynamics. Without the divestiture, the proposed acquisition would substantially lessen competition for the sale of large geostationary satellite antennas in the United States.

The Justice Department's Antitrust Division filed a civil antitrust lawsuit today in the U.S. District Court for the District of Columbia to block the proposed merger. At the same time, the department filed a proposed settlement that, if approved by the court, would resolve the competitive harm alleged in the lawsuit.

"The merger, as originally structured, would have eliminated competition for large geostationary satellite antennas, an essential component of government, military, and commercial satellite communication networks," said Assistant Attorney General Makan Delrahim of the Justice Department's Antitrust Division. "Today's settlement will ensure that the Department of Defense and other purchasers of large geostationary satellite antennas continue to benefit from vigorous competition in the design, manufacture, and sale of these products."

According to the Justice Department's complaint, CPI and GD SATCOM are two of only a few firms that design, manufacture, and sell large geostationary satellite antennas. These antennas are critical components in satellite networks that enable secure communications links in remote areas that lack access to the main telecommunications grid. The department's complaint alleges that competition between CPI and GD SATCOM has resulted in higher quality, lower prices, and shorter delivery times, and has fostered innovation, resulting in large geostationary satellite antennas that are more robust and operate at higher bandwidths. According to the complaint, the combination of CPI and GD SATCOM would leave customers, including the Department of Defense, without a competitive alternative for this critical component of communications networks and likely result in higher prices, less favorable contract terms, and reduced research and development efforts.

Under the terms of the proposed settlement, Odyssey, CPI and General Dynamics must divest the entirety of CPI's ASC Signal subsidiary, including its facilities in Texas and Ontario, Canada, as well as other assets related to large geostationary satellite antennas.

Odyssey, a private equity fund managed by Odyssey Investment Partners, is a limited partnership organized in Delaware with its headquarters in New York, New York. Odyssey Investment Partners has raised over \$5 billion since its inception.

CPI, a portfolio company of Odyssey, is a Delaware corporation headquartered in Palo Alto, California. CPI had sales of approximately \$500 million in 2019.

General Dynamics is a Delaware corporation headquartered in Reston, Virginia. Its subsidiary GD SATCOM earned between \$200 million and \$300 million in revenues in 2019.

As required by the Tunney Act, the proposed settlement, along with a competitive impact statement, will be published in the *Federal Register*. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to Katrina Rouse, Chief, Defense, Industrials, and Aerospace Section, Antitrust Division, U.S. Department of Justice, 450 Fifth Street, N.W., Suite 8700, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the U.S. District Court for the District of Columbia may enter the final judgment upon finding it is in the public interest.

Attachment(s):[Download Complaint](#)[Download Explanation of Consent Decree Procedures](#)[Download Hold Separate Stipulation and Order](#)[Download Proposed Final Judgment](#)[Download Competitive Impact Statement](#)**Topic(s):**

Antitrust

Component(s):[Antitrust Division](#)**Press Release Number:**

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