## Congress of the United States Washington, DC 20515

August 31, 2021

The Honorable Kathleen Hicks Deputy Secretary of Defense 1000 Defense Pentagon Washington, D.C. 20301-1000

## Dear Secretary Hicks:

Thank you for your work on behalf of our warfighters and their families to ensure they have the proper resources, tools, and support to compete and win in this era of great power competition.

We understand the proposed Lockheed Martin acquisition of Aerojet Rocketdyne is currently under review by the Defense Department. We appreciate your consideration of this transaction and wanted to share our perspective as you weigh the national security benefits of this acquisition.

We believe it is in both our national security interests and the U.S. taxpayers' best interest to approve this proposed acquisition. We believe this is necessary to ensure that our defense industrial base is on the strongest footing possible to enable the continued research, development, and manufacture of leading-edge rocket propulsion, while sustaining a competitive playing field in this sector for decades to come.

As you know, missile technology continues to advance rapidly, and America's potential adversaries are developing an array of tactical and strategic missile systems that threaten U.S. national security interests. In order to prevail against these emerging threats, our nation is placing more and more demands on the development of new rocket propulsion capabilities, whether for strategic ballistic missile systems, such as the Ground Based Strategic Deterrent, or in hypersonic missiles, where China and Russia are the pacing competitors. We must also continue to make improvements to America's missile defense systems, which are similarly dependent on reliable sources of advanced rocket propulsion that can counter the growing threats from abroad.

Aerojet Rocketdyne is the last standalone rocket propulsion manufacturer of any appreciable size. Structural changes in the U.S. rocket propulsion and missile system marketplace over the last several years have significantly altered the competitive environment, with larger prime system contractors emerging in both the defense and space sectors. The most recent of these changes was the acquisition of Aerojet Rocketdyne's major rocket propulsion competitor, Orbital ATK, by Northrop Grumman. In addition, the U.S. Government has supported the development of vertically integrated primes in the space sector.

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Simply stated, allowing Aerojet Rocketdyne to join with Lockheed Martin will restore competitive balance to the rocket propulsion marketplace. The type of competitive safeguards that DOD and FTC put in place for Northrop Grumman's acquisition of Orbital ATK can be used in this case to ensure that vibrant competition continues in the rocket propulsion industrial base.

We believe the only reasonable assurance we have that the American rocket propulsion manufacturing sector remains strong and has at least two well-resourced merchant suppliers for all defense and space propulsion products is to approve the merger with Lockheed Martin.

The Defense Department and the FTC have demonstrated that they already have the necessary mechanisms in place to ensure DoD can adequately monitor any necessary remedies to ensure that Aerojet Rocketdyne is stabilized in the competitive marketplace, maintains its merchant supplier status to all customers, and is sustained as an essential part of the defense industrial base.

Your authority to weigh the national security implications of this proposed acquisition is of critical importance. We respectfully ask that any concerns about the degree of consolidation in the defense sector be addressed holistically and with special regard to the benefits of this proposed acquisition in terms of restoring a competitive playing field to the rocket propulsion industrial base, ensuring the highly capable workforce at Aerojet Rocketdyne is sustained and grows, significantly decreasing costs to the Department and NASA, and accelerating the innovation that will be unleashed to prevail against the threats of tomorrow.

The United States and its allies face potent adversaries around the world. Missiles of all kinds, and the propulsion that powers them, are a key required capability to execute the National Security Strategy. We appreciate your careful attention to this matter and your thoughtful consideration of allowing this proposed acquisition to proceed to ensure America maintains its edge over its adversaries, maintains our critical technological industrial advantage, and sustains our tremendous rocket propulsion workforce.

Thank you for your service to our country.

Sincerely,

Steve Womack

Member of Congress

Marc Veasey

Member of Congress

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Robert B. Aderholt Member of Congress

Julia Brownley Member of Congress

Tom Cole Member of Congress

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Brad Sherman Member of Congress

Bruce Westerman Member of Congress

cc:

The Honorable Lina Khan, Chair, Federal Trade Commission

Stephanie I. Bice

Stephanie Bice Member of Congress

John R. Carter Member of Congress

Eric A. "Rick" Crawford Member of Congress

Doug Lamborn Member of Congress

Tony Cárdenas Member of Congress