

# Mergers: Commission approves acquisition of L3 Technologies by Harris Corporation, subject to conditions

The European Commission has approved, under the EU Merger Regulation, the proposed acquisition of L3 Technologies by Harris Corporation, both aerospace and defence companies based in the US. The approval is conditional on the divestiture of Harris Corporation's global night vision business.

Both L3 Technologies and Harris Corporation are suppliers of intelligence, surveillance and reconnaissance, communications and electronic systems for military, law enforcement, civil government and commercial customers.

## **The Commission's investigation**

The Commission examined in particular the effects of the proposed transaction on competition in certain markets related to:

- **night vision devices**, which are opto-electric devices that provide users (typically soldiers and law enforcement personnel) with improved vision in low-light environments and total darkness; and
- **hand held video data links**, which are hand held communication devices that enable the transmission of high-bandwidth, real-time full motion video from aircraft, including drones.

In certain markets related to these devices the activities of the two companies overlap in the European Economic Area (EEA).

As regards **night vision devices**, the Commission found that Harris Corporation and L3 Technologies compete head-to-head in the markets for **image intensification night vision devices** and **image intensification tubes** in the EEA. The proposed transaction, as initially notified, would have significantly reduced competition in these markets. As a result, the Commission was concerned that the transaction would lead to higher prices and less choice for governmental defence departments, commercial customers and other customers of the companies' night vision products in the EEA.

As regards **hand held video data links**, the Commission concluded that the proposed merger would raise no competition concerns, given that the merged entity would continue to face a number of credible competitors in the EEA.

## **The proposed remedies**

To address the Commission's competition concerns, the companies offered to divest Harris Corporation's global night vision business.

These commitments fully address the Commission's concerns as they remove the

global overlap between L3 Technologies' and Harris Corporation's activities related to night vision devices.

Therefore, the Commission concluded that the proposed transaction, as modified by the commitments, would no longer raise competition concerns in the EEA or any substantial part of it. The Commission's decision is conditional upon Harris Corporation's full compliance with the commitments.

## **Companies and products**

**Harris Corporation**, based in the US, is an international aerospace and defence technology company that supplies products, systems and services for defence, civil government and commercial applications.

**L3 Technologies**, based in the US, is an international aerospace and defence systems company that supplies intelligence, surveillance and reconnaissance, communications and electronic systems for military, homeland security and commercial aviation customers.

## **Merger control rules and procedures**

The transaction was notified to the Commission on 26 April 2019.

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the [Merger Regulation](#)) and to prevent concentrations that would significantly impede effective competition in the European Economic Area or any substantial part of it.

The vast majority of notified mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has a total of 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

More information will be available on the Commission's [competition website](#), in the public [case register](#) under the case number [M.9234](#).