



NATIONAL ASSOCIATION OF POLICE ORGANIZATIONS, INC.

Representing America's Finest

317 South Patrick Street ~ Alexandria, Virginia ~ 22314-3501
(703) 549-0775 ~ (800) 322-NAPO ~ Fax: (703) 684-0515
www.napo.org ~ info@napo.org

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Association

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Executive Director and
General Counsel

The Honorable Merrick Garland
Attorney General of the United States
U.S. Department of Justice
950 Pennsylvania Ave., NW
Washington, D.C. 20530

Re: Potential Sale of Vista Outdoor's Sporting Products

Dear Mr. Attorney General,

On behalf of the National Association of Police Organizations (NAPPO), representing more than 1,000 police units and associations, and more than 241,000 sworn law enforcement officers across the United States, I write to follow up on a letter that was sent on April 26, 2024, emphasizing our security concerns with the proposed acquisition of Vista Outdoor's Sporting Products business by the Czechoslovak Group (CSG). I understand that the Department of Justice is closely reviewing this matter under your leadership and would like to share some additional information that will be critical to your ongoing investigation, much of this we have learned since April 2024.

As you know, the Federal Trade Commission (FTC) was assigned to review this proposed merger to ensure it is not likely to substantially harm competition. However, the FTC did not issue a second request during the initial review period and Vista Outdoor subsequently issued a press release announcing to shareholders that it received antitrust clearance for the proposed merger on December 12, 2023.¹ Since that time, several outside parties to the transaction in addition to NAPPO, including the National Sheriffs' Association, Representative Clay Higgins (R-LA-3), and Senator John Kennedy (R-LA) have raised concerns about the possibility of the proposed transaction's substantial harm to competition within the primers market. The primer being the core component in ammunition that ignites the propellant powder.

Importantly, since law enforcement officers routinely conduct training at indoor ranges, it is necessary for them to have reliable access to high-quality ammunition that uses lead-free primers. Vista Outdoor – primarily through its subsidiaries Federal Premium Ammunition, CCI, and Speer Ammunition – is the leading supplier of high-quality ammunition (including with lead-free primers) to law enforcement officers. In fact, thousands of law enforcement agencies across the country rely on Speer's duty and training ammunition such as Speer Gold Dot and Clean-Fire ammunition,

¹ <https://news.vistaoutdoor.com/newsroom/press-releases/press-release-details/2023/Vista-OutdoorandCzechoslovak-Group-Receive-Antitrust-Clearance-for-Proposed-Merger/default.aspx>

including the New York City Police Department, California Highway Patrol, New Jersey State Police, Pennsylvania State Police, and Austin Police, to name a few.² Another significant actor regarding ammunition and lead-free primers in the U.S. market is Fiocchi, which was acquired by CSG in November 2022.³ In addition to importing lead-free primers from its current facility in Italy, Fiocchi also announced in November 2022 plans to build a lead-free primer manufacturing facility in Little Rock, Arkansas.⁴ Therefore, if this proposed transaction were approved, not only would CSG own the leading supplier of lead-free ammunition to law enforcement officers, but the company would also increase its market share in this space due to its current ownership stake in Fiocchi – potentially leading to greater pricing power.

Beyond the competition concerns that this transaction poses, it is also important to consider recent media coverage that seems to question CSG's ability to deliver high-quality ammunition in a timely manner to the Ukrainian military as part of the Czech Ammunition Initiative. For example, during a recent televised debate by CNN Prima between Czech Republic Prime Minister Petr Fiala and former Prime Minister Adrej Babiš in advance of the European Parliament elections, accusations were made about the poor quality of ammunition that CSG is providing to Ukraine.⁵ This is not the first time CSG has been accused of sourcing poor quality ammunition, as the *Financial Times* recently published an article about delays in the delivery of ammunition to Ukraine from the Czech government due, in part, to the sourcing of low quality ammunition from places such as Africa and Asia.⁶

In sum, given the importance of Vista Outdoor to the thousands of law enforcement entities which we represent, along with growing concerns related to the impact of this transaction on the ammunition and primers market, I urge you to continue to investigate this matter closely and recommend President Biden disapprove this transaction. As noted in our previous letter, American ownership matters – especially when it comes to vital American law enforcement agencies and strategic national security assets like Vista Outdoor. I would welcome the opportunity to meet with you to further discuss our views.

Thank you for your continued attention to this important matter.

Sincerely,



William J. Johnson
Executive Director

CC: The Honorable Jonathan Kanter, Assistant Attorney General for the Antitrust Division, Department of Justice
CC: The Honorable Matthew Olsen, Assistant Attorney General for National Security, Department of Justice

² <https://www.speer.com/law-enforcement.html>

³ <https://fiocchi.com/en/blog/post/czechoslovak-group-announces-acquisition-70-stake-fiocchi-munizioni/>

⁴ <https://www.arkansasedc.com/news-events/newsroom/detail/2022/11/15/fiocchi-usa-selects-little-rock-arkansas-for-new-primer-manufacturing-facility>

⁵ https://www-securitymagazin-cz.translate.google/defence/babis-kritizuje-fialu-za-lobbing-pro-csg-michala-strnada-1404072238.html?prw=1&_x_tr_sl=auto&_x_tr_tl=en&_x_tr_hl=en&_x_tr_pto=wapp#google_vignette

⁶ <https://www.ft.com/content/028c4115-4f7e-4663-949a-7cd7ffa7fa56>