

JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Monday, June 12, 2017

Justice Department Requires Divestiture of General Electric Company's Water & Process Technologies Business Before Merger with Baker Hughes Incorporated**Divestiture Will Preserve Competition for Refinery Process Chemicals and Services in the United States**

The Department of Justice announced that it will require General Electric Co. and Baker Hughes Incorporated to divest GE's Water & Process Technologies business in order to proceed with their merger. The department said that the proposed transaction, without the divestiture, would substantially lessen competition for refinery chemicals and services in the United States, leading to higher prices and a reduction in service quality.

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

"Competition to provide refinery chemicals and services benefits a vital sector of our economy," said Acting Assistant Attorney General Andrew Finch of the Antitrust Division. "Today's action will ensure that oil and gas refiners continue to receive competitive prices for the chemicals and services needed to produce oil, gasoline, and other refined petroleum and natural gas products."

According to the department's complaint, the merger would create one of the largest oilfield service companies in the United States with \$32 billion of combined revenue. The merger would unite two of the four companies that provide the sophisticated chemicals and services required to refine crude oil and natural gas. The complaint states that this reduction in the number of competitive alternatives would lead to higher prices and reduced service quality.

In conducting its investigation, the department's Antitrust Division cooperated closely with its counterparts in a number of jurisdictions, including the European Commission, Canada, and Australia.

General Electric Co. is a New York corporation headquartered in Boston, Massachusetts. GE is a large, diversified corporation that, among other lines of business, supplies the oil and gas industry with a variety of products and services. GE generated \$16 billion in revenues from oil- and natural gas-related products and services in 2015.

Baker Hughes Incorporated is a Delaware corporation headquartered in Houston, Texas. Baker Hughes serves customers across the oil and natural gas industries. Baker Hughes generated \$15.7 billion in revenues in 2015.

As required by the Tunney Act, the proposed consent decree, along with the department's competitive impact statement, will be published in the Federal Register. Any person may submit written comments by mail concerning the proposed settlement during a 60-day comment period to Kathleen S. O'Neill, Chief, Transportation, Energy and Agriculture Section, Antitrust Division, U.S. Department of Justice, 450 Fifth St. N.W., Suite 8000, Washington DC 20530. At the conclusion of the 60-day comment period, the court may enter the final judgment upon a finding that it serves the public interest.

Attachment(s):[Download 1 Complaint](#)[Download 2-2 PFJ](#)**Topic(s):**

Antitrust

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

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