



Department of Justice

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The Department of Justice announced today it has reached an agreement in principle with General Electric Company under which GE will sell its vidicon tube business to resolve antitrust concerns about GE's proposed merger with RCA Corporation.

Douglas H. Ginsburg, Assistant Attorney General in charge of the Antitrust Division, said a complaint alleging that the combination of the vidicon tube businesses of the two firms would violate Section 7 of the Clayton Act was filed today in U.S. District Court in Washington, along with a consent decree settling the suit. Section 7 prohibits anticompetitive mergers.

As a result of the agreement in principle, the Department will not seek to block GE's acquisition of RCA, Ginsburg said. Under the consent decree, General Electric must sell its vidicon tube business by November 30, 1986.

Vidicon tubes are image tubes that convert an optical image into an electrical signal. They are used in camera systems for television broadcasting, closed-circuit monitor services, medical applications, industrial processes, and military applications, such as tracking and surveillance.

Silicon target vidicon tubes are used in cameras in weapons systems that require low-light tracking and surveillance, while antimony trisulfide target vidicon tubes are used in cameras in weapons systems for daylight tracking and surveillance.

"The proposed merger would eliminate competition between the only two domestic firms that produce silicon target vidicon tubes for U. S. military applications and between two of only five domestic producers of antimony trisulfide target vidicon tubes for U. S. military applications," Ginsburg said.

General Electric, through its Microwave Products Department in Owensboro, Kentucky, is the leading producer of silicon and antimony trisulfide target vidicon tubes for United States military applications. RCA's New Products Division, at a facility in Lancaster, Pennsylvania, is the second largest producer of silicon and antimony trisulfide target vidicon tubes for U. S. military applications.

The two firms together accounted for approximately 99 percent of all silicon target vidicon tube sales for military applications in 1985 and about 90 percent of all antimony trisulfide target vidicon tube sales for such applications. Annual sales of vidicon tubes for military applications are approximately \$7 million--\$2 million for silicon target vidicon tubes and \$5 million for antimony trisulfide target vidicon tubes. By 1990, annual sales are projected to quadruple to about \$30 million, split nearly even between the two types of vidicon tubes.