

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

UNITED STATES OF AMERICA,

Plaintiff,

v.

GENERAL ELECTRIC COMPANY,

ALSTOM S.A., and

POWER SYSTEMS MFG., LLC,

Defendants.

DATE: November 23, 2015

CASE NO.: 1:15-cv-01460-ABJ

JUDGE: Amy Berman Jackson

PLAINTIFF UNITED STATES'S STATUS REPORT

Pursuant to the Court's Minute Order of October 1, 2015, Plaintiff United States of America respectfully submits the following status report.

Background

1. On September 8, 2015, the United States filed a Complaint in the United States District Court for the District of Columbia alleging that General Electric Company's ("GE") proposed acquisition of Alstom S.A.'s power-related businesses, including Power Systems Mfg., LLC ("PSM"), likely would lessen competition substantially in the development, manufacture, and sale of aftermarket parts and service for GE 7FA gas turbines in the United States in violation of Section 7 of the Clayton Act, 15 U.S.C. § 18. At the same time the Complaint was filed, the United States filed a Hold Separate Stipulation and Order and a proposed Final Judgment requiring the divestiture of PSM.

2. On the same date the United States filed its proposed settlement with Defendants, the European Commission approved a set of remedy commitments from GE. In its commitments, GE agreed to the same divestiture of PSM required by the United States as part of GE's resolution of the European Commission's competitive concerns.

Tunney Act Proceeding

3. The United States published the proposed Final Judgment and the Competitive Impact Statement in the *Federal Register* on September 22, 2015 and caused to be published a summary of the terms of the proposed Final Judgment and the Competitive Impact Statement in the *Washington Post* from September 14 to September 20, 2015. The public comment period will close today, and no comments have been received thus far. The United States typically allows some additional time to receive comments mailed but not delivered within the sixty (60) day public comment period envisioned by the Antitrust Procedures and Penalties Act, 15 U.S.C. §16 (the "APPA"), particularly when a federal holiday closely follows the deadline. Accordingly, the United States plans to file a Certificate of Compliance with the provisions of the APPA and an Unopposed Motion and Memorandum of the United States in Support of Entry of Final Judgment after the appropriate time period has been completed.

Divestiture of PSM

4. On October 19, 2015, GE signed a comprehensive agreement with Ansaldo Energia S.P.A. ("Ansaldo") for the sale of the divestiture assets required by the proposed Final Judgment and GE's commitments with the European Commission. Also on October 19, 2015, pursuant to Paragraph VI(A) of the proposed Final Judgment, GE requested that the United States approve the proposed divestiture of PSM to Ansaldo. In accordance with Paragraph VI(B) of the proposed Final Judgment, the United States requested, received, and reviewed documents

and information from the parties and Ansaldo. The United States also interviewed customers, the parties, and Ansaldo.

5. On October 24, 2015, the European Commission approved Ansaldo as the purchaser of the assets to be divested under GE's commitments to the European Commission.

6. After a thorough investigation, the United States approved Ansaldo as the purchaser of PSM on November 6, 2015. Under Paragraph IV(H) of the Proposed Final Judgment, the divestiture assets must be sold to an Acquirer who will use them "as part of a viable, ongoing business in the development, manufacture and sale of aftermarket parts and service for GE 7FA gas turbines." The United States approved Ansaldo after considering the company's long history in the power generation industry, its large installed capability outside of the United States, and its significant sales and operating profit. The United States has also reviewed Ansaldo's business plans for PSM and carefully evaluated Ansaldo's financial records. Accordingly, the United States approved Ansaldo as the purchaser of PSM.

7. Under Paragraph IV(A) of the proposed Final Judgment, GE is ordered and directed to divest PSM within 90 calendar days after the filing of the Complaint in this matter (December 7, 2015), or five calendar days after notice of entry of the Final Judgment by the Court, whichever is later.

Cooperation with the Monitoring Trustee

9. Paragraph X(A) of the proposed Final Judgment provides that the United States may request that the Court appoint a Monitoring Trustee. On September 23, 2015, the United States filed an unopposed motion with the Court to appoint ING Financial Markets LLC as Monitoring Trustee. On September 24, 2015, the Court issued an order approving ING as Monitoring Trustee. GE and ING are in regular contact, including regularly scheduled calls, and

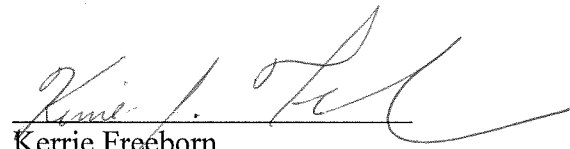
GE has submitted information in response to requests for information from the Monitoring Trustee. ING has also been in regular contact with Ansaldo and PSM. ING submitted its first monthly report on November 20, 2015. ING has monitored the divestiture process and has raised no material concerns about the selection of Ansaldo as the purchaser of PSM.

Ongoing Reporting

10. Pursuant to Paragraph IX(A) of the proposed Final Judgment, GE submitted its first Affidavit of Compliance and other information to the United States on October 26, 2015, providing descriptions of its efforts to sell the divestiture assets and its compliance with other requirements under the proposed Final Judgment and the Hold Separate Stipulation and Order.

Dated: November 23, 2015

Respectfully submitted,



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