



Department of Justice

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JUSTICE DEPARTMENT REQUIRES DIVESTITURE IN STERICYCLE INC.'S ACQUISITION OF HEALTHCARE WASTE SOLUTIONS

Divestiture Will Preserve Competition for Infectious Waste Treatment Services in the New York City Metropolitan Area

WASHINGTON – The Department of Justice announced today that it will require Stericycle Inc. to divest an asset used in the treatment of infectious waste in order to proceed with its acquisition of Healthcare Waste Solutions Inc. (HWS). The department said the transaction, as originally proposed, would substantially lessen competition in the provision of infectious waste treatment services to hospitals and other health care facilities in the New York City metropolitan area, resulting in higher prices and reduced service.

The department's Antitrust Division, along with the attorney general of the state of New York, filed a civil antitrust lawsuit today in U.S. District Court in Washington, D.C., to block the proposed transaction. At the same time, the department and the New York attorney general filed a proposed settlement that, if approved by the court, would resolve the competitive concerns alleged in the lawsuit.

"Without the divestiture required by the department, critical healthcare facilities in the New York City metropolitan area would have lost the benefits of competition for the provision of infectious waste treatment services and faced higher prices for those services," said Christine Varney, Assistant Attorney General in charge of the Department of Justice's Antitrust Division.

According to the complaint, the acquisition would remove a significant competitor in the treatment of infectious waste in an already highly concentrated market. The proposed acquisition would reduce from three to two the number of competitors with local transfer stations, leaving Stericycle and HWS with approximately 90 percent of the New York City metropolitan area's infectious waste treatment market. This loss of competition likely would have resulted in higher prices and lesser quality of service for New York City area health care providers.

Under the proposed settlement, Stericycle and HWS must divest HWS's transfer station located in the Bronx, N.Y., to a viable purchaser approved by the department. Transfer stations are facilities at which infectious waste collected by daily route trucks is transferred onto tractor trailers for efficient shipment of the waste to distant treatment facilities.

Stericycle is a Delaware corporation with its principal place of business in Lake Forest, Ill. Stericycle is a worldwide provider of infectious waste treatment services, and the largest provider in the United States, with operations in all 50 states. In 2009, Stericycle's U.S. revenues totaled \$913 million.

HWS is a Delaware corporation with its principal place of business in Cincinnati, Ohio. It is the second largest U.S. provider of infectious waste treatment services, with operations in 15 states. Its total revenues in 2009 were about \$31 million.

As required by the Tunney Act, the proposed settlement will be published in the Federal Register. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to Maribeth Petrizzi, Chief, Litigation II Section, Antitrust Division, U.S. Department of Justice, 450 Fifth Street, N.W., Suite 8700, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the U.S. District Court for the District of Columbia may enter the proposed settlement upon finding that it is in the public interest.

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