



Department of Justice

FOR IMMEDIATE RELEASE
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ATD

The Department of Justice filed a civil antitrust suit today charging five Los Angeles area trash-hauling trade associations with conspiring to allocate customers and to rig bids in violation of the Sherman Act.

Attorney General William B. Saxbe said that the civil suit and a proposed consent judgment -- which will become final in 30 days upon approval by the court -- were filed in U.S. District Court in Los Angeles, California.

The trade associations named in the complaint were:

- Greater Los Angeles Solid Wastes Management Association;
- Los Angeles Solid Wastes Management Association;
- San Fernando Valley Refuse Removal Association, Inc.;
- West Los Angeles Refuse Removal Association; and
- South Los Angeles Refuse Removal Association.

Assistant Attorney General Thomas E. Kauper, in charge of the Antitrust Division, said that the complaint charges the defendants with conspiracy to refrain from competing for trash hauling customers; to impose special payments upon trash haulers who fail to conform to this conspiracy; and to submit noncompetitive, collusive and rigged bids to potential customers for the purpose of discouraging them from switching their trash hauling business from one trash hauler to another.

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According to the complaint, the results of the conspiracy were:

- customers were deprived of the opportunity to purchase trash hauling services from trash haulers of their choice in a free and open market;
- prices of trash hauling services in the Los Angeles area have been maintained and stabilized at artificial and noncompetitive levels.

The proposed consent judgment orders each defendant association to eliminate from its charter, constitution, by-laws, code of ethics, rules and regulations any provision which restrains members from encroaching upon or competing for other members' customers or routes.

The proposed judgment would also enjoin the defendants from entering into any contract, agreement, combination or understanding to refrain from soliciting or competing for each other's customers; to impose requirements of compensation on trash haulers who solicit or compete for each other's customers; to submit noncompetitive, collusive and rigged bids or quotations to customers or to potential customers; or to fix prices for trash hauling.

According to the complaint, the trash hauling revenues of the defendants and co-conspirators amount to approximately \$30 million annually.

Comments to the Department of Justice and the court regarding the proposed judgment are invited from members of the public during the 30-day waiting period prior to the judgment becoming final.