



Department of Justice

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The Department of Justice today filed a civil antitrust suit challenging the proposed merger of Waste Management Inc. and EMW Ventures Incorporated.

Attorney General William French Smith said that the suit was filed in the U.S. District Court in New York City.

Waste Management Inc. is headquartered in Oak Brook, Illinois. It is the second largest company in the United States engaged in the waste management business, operating solid waste collection services in 27 states.

EMW Ventures is headquartered in New York, New York. It controls Waste Resources Corporation, which is the fourth largest waste management company in the nation, with operations in ten states.

The complaint alleges that the proposed merger would violate Section 7 of the Clayton Act because it may substantially lessen competition in collection of solid wastes, principally trash and garbage, in the Dallas, Texas, area and in the Houston, Texas, area. It asks that the parties be enjoined from consummating the proposed merger pending trial of the case.

Solid waste is generally collected by rear or side-loading, front-loading and roll-off vehicles. Rear and side-loading vehicles are generally used to collect solid waste from residential customers. Front loading vehicles generally collect solid waste from commercial customers. These customers deposit their waste into containers, which are emptied into front-load vehicles. Roll-off trucks are generally used to collect

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waste from industrial and construction customers, who generate very large amounts of solid waste. Roll-off customers use very large containers, which when full are hauled individually by roll-off trucks to the disposal site.

The complaint alleges that the merger would eliminate actual and potential competition between subsidiaries of Waste Management and EMW in front-loader service and roll-off service to contract customers in Dallas, and in front-loader service to contract customers in Houston.

Sanford M. Litvack, Assistant Attorney General in charge of the Antitrust Division, said that in 1980 Waste Management and EMW subsidiaries were the first and second largest providers of these services in Dallas, having combined shares in each type of service of about 67 per cent. Total revenues in the markets were approximately \$18 million in front loader service and \$9 million in roll-off services. The two firms were the second and third largest in the Houston front-loader market, having combined shares of about 24 per cent. Total revenues in that market were about \$33 million.

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