



Department of Justice

FOR IMMEDIATE RELEASE
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JUSTICE DEPARTMENT, TEXAS & PENNSYLVANIA ATTORNEY GENERAL OFFICES REACH AGREEMENT IN WASTE COMPANY ACQUISITION

Preserves Competition in Houston, Texas & Johnstown, Pennsylvania

WASHINGTON, D.C. -- In a joint antitrust settlement, the Department of Justice and Attorney General offices in Texas and Pennsylvania today cleared a \$1.5 billion deal between two of the largest waste hauling and disposal companies in North America after the companies agreed to divestitures and other conditions to eliminate antitrust concerns.

The Department said that under the restructured deal between USA Waste Services Inc. and Sanifill Inc., restaurants and stores will continue to have the benefits of competition for commercial hauling and landfill disposal services in Houston, Texas and Johnstown, Pennsylvania.

Anne K. Bingaman, Assistant Attorney General said, "This joint settlement preserves competition and protects consumers from higher prices in the waste industry, and will insure the existing level of competition in the Houston and Johnstown markets."

In Houston, USA Waste and Sanifill each compete in landfill disposal services, and are two of only a few competitive waste haulers. In Johnstown, each compete in waste hauling.

USA Waste, based in Dallas, is the third largest hauling and disposal company in North America, with operators in 24 states and sales of \$730 million in 1995.

Sanifill, based in Houston, is among the top 10 companies in North America and has operations in 23 states, the District of Columbia, Puerto Rico, Mexico and Canada. Last year it had sales of \$257 million.

Commercial waste hauling services involve providing customers with metal waste containers of between one and 10 cubic yards that are generally picked up by a frontload truck. Once picked up by a hauler, the waste is generally taken to a municipal solid waste landfill and disposed of there. This service is typically used by commercial establishments such as restaurants, retail and wholesale stores and office buildings.

The joint antitrust suit, filed in U.S. District Court in Washington, D.C., said that without the settlement the acquisition would substantially lessen competition in the markets for small containerized hauling and disposal in Houston and the market for small containerized hauling in Johnstown by reducing the number of haulers in both markets and by concentrating much of the landfill capacity in Houston.

At the same time, a proposed settlement was filed that, if approved by the court, would settle the suit. The proposed settlement requires:

- The sale of Sanifill's small containerized hauling services and residential hauling services operated out of the Channel View facility in the Houston area.

- The sale of a dry waste landfill operated by USA Waste in Houston.
- Making available to independent haulers for 10 years municipal solid waste landfill capacity in Houston and Johnstown.
- Offering new, less restrictive contracts to small containerized hauling service customers in Johnstown.

The proposed settlement also prohibits the defendants from opposing any application by a new entrant to obtain regulatory approval for landfill operations.

This is the eighth joint enforcement action by the Antitrust Division and State Attorneys General in the past two years. Working closely with state enforcers on matters of mutual interest has been a priority of the Antitrust Division.

As required by the Tunney Act, the proposed consent decree will be published in the Federal Register, along with the Department's competitive impact statement. Any person may submit written comments concerning the proposed decree during a 60-day comment period to J. Robert Kramer II, Chief, Litigation II Section, Antitrust Division, U.S. Department of Justice, 1401 H St., N.W., Suite 3000, Washington, D.C. 20530 (202/307-0924).

At the conclusion of the 60-day comment period, the U.S. District Court for the District of Columbia may enter the consent decree upon a finding that it serves the public interest.

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