



Department of Justice

FOR IMMEDIATE RELEASE
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AT
(202) 616-2771
TDD (202) 514-1888

JUSTICE DEPARTMENT AND TEXAS ATTORNEY GENERAL REQUIRE SALE OF LANDFILL SPACE IN SETTLEMENT WITH ALLIED AND USA WASTE

Without Settlement, Residents and Businesses of Tarrant County Would Have Paid More for Waste Hauling and Disposal Services

WASHINGTON, D.C. -- In a joint antitrust settlement, the Department of Justice and the Texas Attorney General's Office today cleared a proposed Texas landfill acquisition involving two of the largest waste hauling and disposal companies in North America--Allied and USA Waste--after the companies agreed to divest landfill disposal space and meet other conditions to eliminate antitrust concerns.

The Department's Antitrust Division and the Texas Attorney General said that if Phoenix-based Allied's acquisition of Houston-based USA Waste's Crow Landfill had gone forward as originally proposed, it would have eliminated head-to-head competition in the Tarrant County area of Texas--where Ft. Worth is located--resulting in higher prices for waste disposal and hauling.

The Department said that under the restructured deal, residents and businesses in Tarrant County will continue to enjoy the benefits of competition for municipal solid waste landfill disposal services.

Joel I. Klein, Acting Assistant Attorney General of the Department's Antitrust Division, said, "This is the latest in a series of settlements in the waste industry which preserves competition and protects consumers from higher prices. Without this settlement, businesses and residents of Tarrant County would have suffered increased prices for waste hauling and disposal services."

Municipal solid waste includes residential and commercial trash and garbage. Municipal solid waste generated in Tarrant County is collected by haulers that transport the waste to nearby landfills for disposal.

Allied is the fourth largest hauling and disposal company in the U.S., with operations in 22 states. In 1996, it had sales of about \$806 million and served 1.8 million customers.

USA Waste is the third largest waste management company in North America, with operations in 36 states, the District of Columbia, Canada, Mexico and Puerto Rico, and sales of \$1.3 billion in 1996.

A complaint and proposed settlement were filed today in U.S. District Court in Fort Worth, Texas by the Department's Antitrust Division and the Texas Attorney General. The complaint stated that the acquisition, as originally proposed, would have substantially lessened competition in the Tarrant County area by concentrating the landfill capacity in that area into the hands of only three companies--Allied, Waste Management and the City of Farmers Branch.

The proposed settlement, which must be approved by the court, will maintain competition by requiring:

- The divestiture of more than 1.4 million cubic yards of landfill space over a 5-10 year period at the two landfills Allied will own after the acquisition in the Tarrant County area.
- The acceptance of waste at each of the two Allied landfills in the Tarrant County area from haulers not affiliated with Allied on non-price terms and conditions identical to those provided to Allied.
- The sale of additional landfill space in the event that Allied expands its capacity at the Crow Landfill or develops a new landfill near the Crow Landfill within the next 10 years.

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 in Fort Worth, Texas may enter the consent decree upon a finding that it serves the public interest.

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