

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, and
STATE OF NEW JERSEY,

Plaintiffs,

v.

WASTE MANAGEMENT, INC., and
ALLIED WASTE INDUSTRIES, INC.,

Defendants.

Civil No:

03 1409

Filed:

FINAL JUDGMENT

WHEREAS, Plaintiffs, the United States of America ("United States") and the State of New Jersey ("New Jersey"), filed their Complaint on June 27, 2003, and Plaintiffs and Defendants, Waste Management, Inc. ("Waste Management") and Allied Waste Industries, Inc. ("Allied"), by their respective attorneys, have consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or law, and without this Final Judgment constituting any evidence against or admission by any party regarding any issue of law or fact;

AND WHEREAS, Defendants agree to be bound by the provisions of this Final Judgment pending its approval by the Court;

AND WHEREAS, the essence of this Final Judgment is the prompt and certain divestiture of the Relevant Hauling Assets and Relevant Disposal Assets by Defendant Waste Management to assure that competition is not substantially lessened;

AND WHEREAS, the United States requires Defendant Waste Management to amend certain provisions of waste hauling contracts and the United States and New Jersey require Defendant Waste Management to make certain divestitures in order to remedy the loss of competition alleged in the Complaint;

AND WHEREAS, Defendants have represented to Plaintiffs that the divestitures required below can and will be made and that Defendants will later raise no claims of hardship or difficulty as grounds for asking the Court to modify any of the divestitures or other injunctive provisions contained below;

AND WHEREAS, Defendant Waste Management shall be enjoined from acquiring the Relevant Tulsa and Muskogee Disposal Assets, except as provided in this Final Judgment;

AND WHEREAS, with respect to the New Jersey voting securities and assets to be acquired by Waste Management from Allied pursuant to the stock and asset purchase agreements between them dated January 29, 2003, as amended, this Final Judgment resolves all claims of the State of New Jersey arising under federal and state antitrust laws, including N.J. Stat. Ann. § 56:9-1 *et seq.*;

NOW, THEREFORE, before any testimony is taken, and without trial or adjudication of any issue of fact or law, and upon consent of the parties, it is ORDERED, ADJUDGED, AND DECREED:

I. Jurisdiction

This Court has jurisdiction over the subject matter of and each of the parties to this action. The Complaint states a claim upon which relief may be granted against Defendants under Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18.

II. Definitions

As used in this Final Judgment:

A. “Acquirer” means the entity or entities to whom Waste Management divests the Relevant Disposal Assets, Relevant Hauling Assets, or the Alternative Disposal Asset.

B. “Allied” means Defendant Allied Waste Industries, Inc., a Delaware corporation with its headquarters in Scottsdale, Arizona, and its successors and assigns, its subsidiaries, divisions, groups, affiliates, partnerships, joint ventures, and their directors, officers, managers, agents, and employees.

C. “Alternative Disposal Asset” means, unless otherwise noted, with respect to each transfer station listed and described herein, all of Defendants’ rights, titles, and interests in any tangible asset, related to the operation of each transfer station listed, including all fee simple or ownership rights to offices, garages, related facilities, capital equipment, trucks and other vehicles, scales, power supply equipment, and supplies; and all Defendants’ rights, titles, and interests in any related intangible assets, including all leasehold interests and renewal rights thereto, permits, customer lists, contracts, and accounts, or options to purchase any adjoining property.

Alternative Disposal Asset, as used herein, means one of the following three properties, as selected by Defendant Waste Management in accordance with the terms provided in Sections IV.I., V.B., and V.C. of the Final Judgment:

1. **Park Ridge, New Jersey**

Waste Management’s Park Ridge Transfer Station, located at 94 Perry Street, Park Ridge, New Jersey 07656; or

2. **Fairview, New Jersey**

Allied's Fairview Transfer Station (formerly permitted to BFI Transfer Systems of New Jersey, Inc.), located at 61 Broad Avenue, Fairview, New Jersey 07022; or

3. **Hillsdale, New Jersey**

Waste Management's Hillsdale Transfer Station, located at 131 Patterson Street, Hillsdale, New Jersey 07642.

D. "Disposal" means the business of disposing of waste into approved disposal sites (*i.e.*, landfills, incinerators, and transfer stations).

E. "Hauling" means the collection of waste from customers and the shipment of the collected waste to disposal sites. Hauling, as used herein, does not include collection of roll-off containers.

F. "Fully Permitted" means a renewal of the operating permit, currently held by Waste Management's Chestnut Ridge Solid Waste Transfer Station of Chestnut Ridge, New York and scheduled to expire on November 30, 2003, by the New York State Department of Environmental Conservation ("NYDEC") for an additional five (5) years under terms and conditions comparable to those in the currently held permit; and further means that all additional zoning, environmental, and other permits required to operate the facility are valid and lawful. The renewed permit must be granted by NYDEC prior to expiration of the time period set forth in Section IV.A. of the Final Judgment, which time period shall include the sixty (60) day extension.

G. "Landfill" means a facility where waste is placed into the land.

H. "MSW" means municipal solid waste, a term of art used to describe solid putrescible waste generated by households and commercial establishments such as retail stores, offices, restaurants, warehouses, and non-manufacturing activities in industrial facilities. MSW does not include special handling waste (*e.g.*, waste from manufacturing processes, regulated medical waste, sewage, and sludge), hazardous waste, or waste generated by construction or demolition sites.

I. "New Jersey Assets" means the Relevant Disposal Assets and the Relevant Hauling Assets located in New Jersey.

J. "Relevant Disposal Assets" means, unless otherwise noted, with respect to each transfer station listed and described herein, all of Defendants' rights, titles, and interests in any tangible asset related to each transfer station listed, including all fee simple or ownership rights to offices, garages, related facilities, capital equipment, trucks and other vehicles, scales, power supply equipment, and supplies; and all Defendants' rights, titles, and interests in any related intangible assets, including all leasehold interests and renewal rights thereto, permits, customer lists, contracts, and accounts, or options to purchase any adjoining property.

Relevant Disposal Assets, as used herein, includes the following transfer stations, or throughput or tolling disposal rights:

1. **Garfield, New Jersey**

Allied's Garofalo Recycling and Transfer Station (formerly permitted to Garofalo Brothers, Inc., and Garofalo Recycling and Transfer Station Co., Inc.), located at 19-35 Atlantic Street, Garfield, New Jersey 07026.

2. Chestnut Ridge, New York

Waste Management's Fully Permitted Chestnut Ridge Solid Waste Transfer Station (owned by and permitted to Waste Management's subsidiary Marangi Bros., Inc.), located at 560 Chestnut Ridge Road, Chestnut Ridge, New York 10977.

3. North Arlington, New Jersey

Throughput or tolling disposal rights of a maximum of 1,925 tons per week, for the remainder of Waste Management's current lease and if the lease is renewed, for the duration of the period in which Waste Management has contractual rights to operate the facility, not to exceed the termination date of this Final Judgment. These disposal rights are exercisable by the Acquirer (or its designee), at the New Jersey Meadowlands Commission's HMDC Solid Waste Baler Facility ("HMDC Facility"), located at 100 Baler Boulevard, North Arlington, New Jersey 07031, under the following terms and conditions:

- a. At the Acquirer's option, Waste Management shall set aside and operate or, allow the Acquirer (or its designee) to operate one (1) disposal bay and a scale and scale house for the sole use of the Acquirer (or its designee);
- b. Waste Management shall permit the Acquirer (or its designee) to deliver waste to the HMDC Facility during operating hours from Monday through Saturday up to the weekly maximum of 1,925 tons. Waste Management shall have the right to stop accepting waste from any additional truck owned or operated by the Acquirer (or its designee) and entering the premises after Waste Management has accepted 350 tons of waste from the Acquirer (or its designee) on any day the HMDC Facility is operating;

- c. Under the throughput or tolling arrangement, Waste Management shall permit the Acquirer (or its designee) to deliver waste to the HMDC Facility for processing and, at the option of the Acquirer (or its designee), load the processed waste into vehicles designated by the Acquirer (or its designee) for ultimate disposal; and
- d. Waste Management shall operate all HMDC Facility gates, scales, scale houses, and disposal areas described in the Acquirer's contract under terms and conditions no less favorable to the Acquirer (or its designee) than those provided to Waste Management or its customers, including any municipality.

K. "Relevant Hauling Assets" means with respect to each commercial waste collection route or other hauling asset described herein, all tangible assets, including capital equipment, trucks and other vehicles, containers, interests, supplies, and if requested by the purchaser, real property and improvements to real property (*i.e.*, buildings and garages). It also includes all intangible assets, including hauling-related customer lists, contracts, leasehold interests, permits and accounts.

Relevant Hauling Assets, as used herein, includes the assets in the following locations:

1. Augusta, Georgia

Allied's commercial waste collection routes 903, 904, 916, and 922 that operate out of Allied's Augusta division located at 683 Commerce Court, Evans, Georgia 30809.

2. Myrtle Beach, South Carolina

Allied's commercial waste collection routes 711, 714, and 715 that operate out of

Allied's Rural Sanitation Services Hauling facility located at 3512 Highway 501, Myrtle Beach, South Carolina, 29579.

3. Pitkin and Garfield Counties, Colorado

Waste Management's waste collection routes 730, 824, 825, 831, 850, 851, and 853 that operate out of Waste Management's facility located at 226 North 12th Street, Carbondale, Colorado 81623.

4. Bergen and Passaic Counties, New Jersey

Allied's commercial waste collection routes 700, 705, 706, 401, and 405 that operate out of Allied's VMI Waste Services Hauling facility located at 75 Broad Avenue, Fairview, New Jersey 07022, except that Waste Management is not required to divest real property or improvements to real property (i.e., buildings, garages, or leasehold rights related thereto).

5. Morris County, New Jersey

Allied's commercial waste collection route 702 that operates out of Allied's VMI Waste Services Hauling facility located at 75 Broad Avenue, Fairview, New Jersey 07022, except that Waste Management is not required to divest real property or improvements to real property (i.e., buildings, garages, or leasehold rights related thereto).

L. "Relevant Tulsa and Muskogee Disposal Assets" means Allied's Porter Landfill (also referred to as 51B Landfill), located at Route 2, Box 120, Porter, Oklahoma 74454, or any other landfill owned by Allied or any third party located within twenty-five (25) miles from the center of either the city of Tulsa or the city of Muskogee, Oklahoma.

M. "Small container commercial waste collection service" means the business of collecting MSW from commercial and industrial accounts, usually in "dumpsters" (i.e., a small

container with one (1) to ten (10) cubic yards of storage capacity), and transporting or "hauling" such waste to a disposal site by use of a front- or rear-end loader truck. Typical commercial waste collection customers include office and apartment buildings and retail establishments (*e.g.*, stores and restaurants).

N. "Waste Management" means Defendant Waste Management, Inc., a Delaware corporation with its headquarters in Houston, Texas, and includes its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships, joint ventures, and their directors, officers, managers, agents, and employees.

III. Applicability

A. This Final Judgment applies to Waste Management and Allied, as defined above, and all other persons in active concert or participation with any of them who receive actual notice of this Final Judgment by personal service or otherwise.

B. Defendants shall require, as a condition of the sale or other disposition of all or substantially all of their assets, or of lesser business units that include Defendants' Relevant Disposal Assets, Relevant Hauling Assets, or the Alternative Disposal Asset, that the Acquirer agree to be bound by the provisions of this Final Judgment.

IV. Divestitures

A. Defendant Waste Management is ordered and directed, within ninety (90) calendar days after the filing of the Complaint in this matter, or five (5) days after notice of the entry of this Final Judgment by the Court, whichever is later, to divest the Relevant Disposal Assets and Relevant Hauling Assets, except for the New Jersey Assets, in a manner consistent with this Final Judgment to an Acquirer acceptable to the United States in its sole discretion.

The United States, in its sole discretion, may agree to an extension of this time period of up to sixty (60) calendar days, and shall notify the Court in such circumstances. Defendants agree to use their best efforts to divest the Relevant Disposal Assets and Relevant Hauling Assets as expeditiously as possible.

B. Defendants are ordered and directed, within ninety (90) calendar days after the approval by the New Jersey Department of Environmental Protection of Waste Management's request to acquire Allied's assets in New Jersey, to divest the New Jersey Assets in a manner consistent with this Final Judgment and state law to an Acquirer acceptable to the United States, in its sole discretion, after consultation with New Jersey. The United States, in its sole discretion, after consultation with New Jersey, may agree to an extension of this time period of up to sixty (60) calendar days, and shall notify the Court in such circumstances. Defendants agree to use their best efforts to divest the New Jersey Assets as expeditiously as possible. If the Defendants have not received approval by the New Jersey Department of Environmental Protection of Waste Management's request to acquire Allied's assets in New Jersey within ninety (90) calendar days after the filing of the Complaint in this matter, plus any extension of time granted by the United States of up to sixty (60) calendar days, Waste Management shall not purchase from Allied any of the voting securities or assets located in New Jersey and identified in the January 29, 2003 purchase agreements, as amended.

C. In accomplishing the divestitures ordered by this Final Judgment, Defendant Waste Management promptly shall make known, by usual and customary means, the availability of the Relevant Disposal Assets and Relevant Hauling Assets. Defendants shall inform any person making inquiry regarding a possible purchase of the Relevant Disposal Assets or Relevant

Hauling Assets that they are being divested pursuant to this Final Judgment and provide that person with a copy of this Final Judgment. Defendants shall offer to furnish to all prospective Acquirers, subject to customary confidentiality assurances, all information and documents relating to the Relevant Disposal Assets and Relevant Hauling Assets, whichever is then available for sale, customarily provided in a due diligence process except such information or documents subject to the attorney-client or work-product privileges. Defendants shall make available such information to the United States, or both the United States and New Jersey as to the New Jersey Assets and the Alternative Disposal Asset, at the same time that such information is made available to any other person.

D. Defendants shall provide the United States, or both the United States and New Jersey as to the New Jersey Assets and the Alternative Disposal Asset, and each prospective Acquirer of the Relevant Disposal Assets or Relevant Hauling Assets information relating to the personnel involved in the operation and management of the Relevant Disposal Assets or Relevant Hauling Assets to enable the Acquirer to make offers of employment. Defendants will not interfere with any negotiations by the Acquirer to employ any Defendant employee whose primary responsibility is the operation or management of the Relevant Disposal Assets or Relevant Hauling Assets.

E. Defendants shall permit each prospective Acquirer of the Relevant Disposal Assets or Relevant Hauling Assets to have reasonable access to personnel and to make inspections of the physical facilities; access to any and all environmental, zoning, and other permit documents and information; and access to any and all financial, operational, or other documents and information customarily provided as part of a due diligence process.

F. With the exception of the facility described in Section II.J.2, Defendant Waste Management shall warrant to the Acquirer of the Relevant Disposal Assets or Relevant Hauling Assets that each asset will be operational on the date of sale.

G. Defendants shall not take any action that will impede in any way, the permitting, operation, or divestiture of the Relevant Disposal Assets or Relevant Hauling Assets.

H. With the exception of the facility described in Section II.J.2, Defendant Waste Management shall warrant to the Acquirer of the Relevant Disposal Assets or Relevant Hauling Assets that there are no material defects in the environmental, zoning or other permits pertaining to the operation of each asset, and that following the sale of the Relevant Disposal Assets and Relevant Hauling Assets, Defendants will not undertake, directly or indirectly, any challenges to the environmental, zoning, or other permits relating to the operation of the Relevant Disposal Assets and Relevant Hauling Assets.

I. Defendant Waste Management warrants that there is an existing NYDEC operating permit for the Chestnut Ridge Solid Waste Transfer Station, which expires November 30, 2003. Waste Management's failure to divest the Chestnut Ridge Solid Waste Transfer Station in accordance with the conditions set forth in this Final Judgment shall result in the appointment of a trustee and the divestiture of the Alternative Disposal Asset as provided in Sections V.A., V.B., and V.C. Should Waste Management be required to divest the Alternative Disposal Asset pursuant to Section V.B., it shall be bound by the same terms and provide warranties for the Alternative Disposal Asset comparable to those specified in Sections IV.C. through IV.H.

J. Unless the United States, in its sole discretion, and after consultation with New Jersey as to the New Jersey Assets and the Alternative Disposal Asset, otherwise consents in writing, the divestitures pursuant to Section IV, or by trustee appointed pursuant to Section V, of this Final Judgment, shall include either the entire Relevant Hauling Assets and Relevant Disposal Assets, or the entire Relevant Hauling Assets, the Relevant Disposal Assets (excluding the Chestnut Ridge Solid Waste Transfer Station), and the Alternative Disposal Asset, and shall be accomplished in such a way as to satisfy the United States, in its sole discretion, and after consultation with New Jersey as to the New Jersey Assets and the Alternative Disposal Asset, that the divested assets will be used by the Acquirer, as part of a viable, ongoing disposal or hauling business. Divestiture of the Relevant Disposal Assets, Relevant Hauling Assets and the Alternative Disposal Asset may be made to an Acquirer, provided that in each instance it is demonstrated to the sole satisfaction of the United States, after consultation with New Jersey as to the New Jersey Assets and the Alternative Disposal Asset, that the Relevant Disposal Assets, Relevant Hauling Assets and the Alternative Disposal Asset will remain viable and the divestiture of such assets will remedy the competitive harm alleged in the Complaint. The divestitures, whether pursuant to Section IV or Section V of this Final Judgment,

1. Shall be made to an Acquirer that, in the United States' sole judgment, after consultation with New Jersey as to the New Jersey Assets and the Alternative Disposal Asset, has the intent and capability, including managerial, operational, and financial capability, to compete effectively in the disposal or hauling business; and

2. Shall be accomplished so as to satisfy the United States, in its sole discretion, after consultation with New Jersey as to the New Jersey Assets and the Alternative Disposal Asset, that none of the terms of any agreement between an Acquirer and Defendant Waste Management gives Defendants the ability unreasonably to raise the Acquirer's costs, to lower the Acquirer's efficiency, or otherwise to interfere in the ability of the Acquirer to compete effectively.

V. Appointment of Trustee

A. If Defendant Waste Management has not divested either the Relevant Disposal Assets, or the Relevant Hauling Assets, or both, within the time period specified in Section IV.A., Defendant Waste Management shall notify United States, or both the United States and New Jersey as to the New Jersey Assets and the Alternative Disposal Asset, of that fact in writing. Upon application of the United States, in its sole discretion, after consultation with New Jersey as to the New Jersey Assets and the Alternative Disposal Assets, the Court shall appoint a trustee selected by the United States and approved by the Court to effect the divestiture of either the Relevant Disposal Assets, or the Relevant Hauling Assets, or both.

B. After the appointment of a trustee becomes effective, only the trustee shall have the right to sell either the Relevant Disposal Assets, or the Relevant Hauling Assets, or both. In the event the Chestnut Ridge Solid Waste Transfer Station (as defined in Sections II.F. and II.J.2) cannot be sold prior to the expiration of the time period provided in Section IV.A., the trustee shall divest the Alternative Disposal Asset selected by Waste Management from the three facilities identified in Section II.C. of the Final Judgment. Waste Management's selection of one

of the three alternative facilities must be communicated to the trustee in writing within three (3) days following a request from the trustee to make the election.

C. Notwithstanding the provisions contained in Sections IV.I. and V.B. of this Final Judgment, if the sole reason for requiring the divestiture of the Alternative Disposal Asset is that the Chestnut Ridge Solid Waste Transfer Station is not Fully Permitted within the time allowed herein, Waste Management, following the direction of the United States to divest the Alternative Disposal Asset, shall have sixty (60) days to do so.

D. Notwithstanding the provisions contained in Section V.B., the United States may, in its sole discretion, extend the expiration of the time period provided in Section IV.A. relating to the sale of the Chestnut Ridge Solid Waste Transfer Station for an additional ninety (90) days. This extension may occur only if the following conditions are satisfied as of the expiration of the time period provided in Section IV.A.:

1. Waste Management has sold the Chestnut Ridge Solid Waste Transfer Station to an Acquirer acceptable to the United States in its sole discretion, even though the facility is not yet Fully Permitted;
2. The Chestnut Ridge Solid Waste Transfer Station is being operated by the Acquirer or by another party, approved by the United States in its sole discretion, on behalf and for the benefit of the Acquirer, and
3. The United States, in its sole discretion, is satisfied that the Chestnut Ridge Solid Waste Transfer Station is likely to be Fully Permitted by the New York Department of Environmental Conservation within the ninety (90) day extension of time granted under this Section.

E. The trustee shall have the power and authority to accomplish the divestiture to an Acquirer acceptable to the United States, in its sole discretion, after consultation with New Jersey as to the New Jersey Assets and the Alternative Disposal Asset, at such price and on such terms as are then obtainable upon reasonable effort by the trustee, subject to the provisions of Sections IV, V, and VI of this Final Judgment, and shall have such other powers as this Court deems appropriate. Subject to Section V.G. of this Final Judgment, the trustee may hire at the cost and expense of Defendant Waste Management any investment bankers, attorneys, or other agents, who shall be solely accountable to the trustee, reasonably necessary in the trustee's judgment to assist in the divestiture.

F. Defendant Waste Management shall not object to a sale by the trustee on any ground other than the trustee's malfeasance. Any such objections by Defendant Waste Management must be conveyed in writing to the United States, or both the United States and New Jersey as to the New Jersey Assets and the Alternative Disposal Asset, and the trustee within ten (10) calendar days after the trustee has provided the notice required under Section VI.

G. The trustee shall serve at the cost and expense of Defendant Waste Management, on such terms and conditions as the United States approves, and shall account for all monies derived from the sale of the Relevant Disposal Assets, Relevant Hauling Assets, and the Alternative Disposal Asset sold by the trustee and all costs and expenses so incurred. After approval by the Court of the trustee's accounting, including fees for its services and those of any professionals and agents retained by the trustee, all remaining money shall be paid to Defendant Waste Management and the trust shall then be terminated. The compensation of the trustee and any professionals and agents retained by the trustee shall be reasonable in light of the value of the Relevant Disposal Assets, Relevant Hauling Assets, and any Alternative Disposal Asset selected by Waste

Management, and based on a fee arrangement providing the trustee with an incentive based on the price and terms of the divestiture and the speed with which it is accomplished, but timeliness is paramount.

H. Defendants shall use their best efforts to assist the trustee in accomplishing the required divestiture. The trustee and any consultants, accountants, attorneys, and other persons retained by the trustee shall have full and complete access to the personnel, books, records, and facilities of the business to be divested, and Defendants shall develop financial and other information relevant to such business as the trustee may reasonably request, subject to customary confidentiality protection for trade secret or other confidential research, development, or commercial information. Defendants shall take no action to interfere with or to impede the trustee's accomplishment of the divestiture.

I. After its appointment, the trustee shall file monthly reports with the United States, or both the United States and New Jersey as to the New Jersey Assets and the Alternative Disposal Asset, and the Court setting forth the trustee's efforts to accomplish the divestiture ordered under this Final Judgment. To the extent that such reports contain information that the trustee deems confidential, such reports shall not be filed in the public docket of the Court. Such reports shall include the name, address, and telephone number of each person who, during the preceding month, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in the Relevant Disposal Assets, Relevant Hauling Assets, or the Alternative Disposal Asset, and shall describe in detail each contact with any such person. The trustee shall maintain full records of all efforts made to divest the Relevant Disposal Assets, Relevant Hauling Assets, and any

Alternative Disposal Asset.

J. If the trustee has not accomplished such divestiture within six (6) months after its appointment, the trustee shall promptly file with the Court a report setting forth (1) the trustee's efforts to accomplish the required divestiture, (2) the reasons, in the trustee's judgment, why the required divestiture has not been accomplished, and (3) the trustee's recommendations. To the extent that such reports contain information that the trustee deems confidential, such reports shall not be filed in the public docket of the Court. The trustee shall, at the same time, furnish such report to the United States, or both the United States and New Jersey as to the New Jersey Assets and the Alternative Disposal Asset, who shall have the right to make additional recommendations consistent with the purpose of the trust. The Court thereafter shall enter such orders as it shall deem appropriate to carry out the purpose of the Final Judgment, which may, if necessary, include extending the trust and the term of the trustee's appointment by a period requested by the United States.

VI. Notice of Proposed Divestiture

A. Within two (2) business days following execution of a definitive divestiture agreement, Defendant Waste Management or the trustee, whichever is then responsible for effecting the divestiture required herein, shall notify the United States, or both the United States and New Jersey as to the New Jersey Assets and the Alternative Disposal Assets, of any proposed divestiture required by Section IV or V of this Final Judgment. If the trustee is responsible, it shall similarly notify Defendant Waste Management. The notice shall set forth the details of the proposed divestiture and list the name, address, and telephone number of each person not previously identified who offered or expressed an interest in or desire to acquire any ownership

interest in the Relevant Disposal Assets, Relevant Hauling Assets, or the Alternative Disposal Asset together with full details of the same.

B. Within fifteen (15) calendar days of receipt by United States, or both the United States and New Jersey as to the New Jersey Assets and the Alternative Disposal Assets, of such notice, the United States, in its sole discretion, after consultation with New Jersey as to the New Jersey Assets and the Alternative Disposal Assets, may request from Defendants, the proposed Acquirer or Acquirers, any other third party, or the trustee, if applicable, additional information concerning the proposed divestiture, the proposed Acquirer, and any other potential Acquirer. Defendants and the trustee shall furnish any additional information requested within fifteen (15) calendar days of the receipt of the request, unless the parties shall otherwise agree.

C. Within thirty (30) calendar days after receipt of the notice or within twenty (20) calendar days after the United States has been provided the additional information requested from Defendants, the proposed Acquirer, any third party, and the trustee, whichever is later, the United States, in its sole discretion, after consultation with New Jersey as to the New Jersey Assets and the Alternative Disposal Asset, shall provide written notice to Defendants and the trustee, if there is one, stating whether or not it objects to the proposed divestiture. If the United States provides written notice that it does not object, the divestiture may be consummated, subject only to Defendant Waste Management's limited right to object to the sale under Section V.F. of this Final Judgment. Absent written notice that the United States does not object to the proposed Acquirer or upon objection by the United States, a divestiture proposed under Section IV or Section V shall not be consummated. Upon objection by Defendant Waste Management under Section V.F., a divestiture proposed under Section V shall not be consummated unless

approved by the Court.

VII. Financing

Defendants shall not finance all or any part of any purchase made pursuant to Section IV or V of this Final Judgment.

VIII. Hold Separate

Until the divestitures required by this Final Judgment has been accomplished, Defendants shall take all steps necessary to comply with the Hold Separate Stipulation and Order entered by this Court. Defendants shall take no action that would jeopardize the divestitures ordered by this Court.

IX. Affidavits

A. Within twenty (20) calendar days of the filing of the Complaint in this matter, and every thirty (30) calendar days thereafter until the divestiture has been completed under Section IV or V, Defendants shall deliver to the United States, or both the United States and New Jersey as to the New Jersey Assets and the Alternative Disposal Asset, an affidavit as to the fact and manner of its compliance with Section IV or V of this Final Judgment. Each such affidavit shall include the name, address, and telephone number of each person who, during the preceding thirty (30) days, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in the Relevant Disposal Assets, Relevant Hauling Assets, or the Alternative Disposal Asset, and shall describe in detail each contact with any such person during that period. Each such affidavit shall also include a description of the efforts Defendants have taken to solicit buyers for the Relevant Disposal Assets, Relevant Hauling Assets, or the Alternative Disposal Asset, and to provide

required information to each prospective Acquirer, including the limitations, if any, on such information. Assuming the information set forth in the affidavit is true and complete, any objection by the United States, after consultation with New Jersey, to information provided by Defendants, including limitations on information, shall be made within fourteen (14) days of receipt of such affidavit.

B. Within twenty (20) calendar days of the filing of the Complaint in this matter, Defendants shall deliver to the United States, or both the United States and New Jersey as to the New Jersey Assets and the Alternative Disposal Asset, an affidavit that describes in reasonable detail all actions Defendants have taken and all steps Defendants have implemented on an ongoing basis to comply with Section VIII of this Final Judgment. Defendants shall deliver to the United States, or both the United States and New Jersey as to the New Jersey Assets and the Alternative Disposal Asset, an affidavit describing any changes to the efforts and actions outlined in Defendants' earlier affidavits filed pursuant to this section within fifteen (15) calendar days after the change is implemented.

C. Defendants shall keep all records of all efforts made to preserve the Relevant Disposal Assets, Relevant Hauling Assets, and the Alternative Disposal Asset, and to divest the Relevant Disposal Assets, Relevant Hauling Assets, and Alternative Disposal Asset until one year after such divestiture has been completed.

X. Compliance Inspection

A. For purposes of determining or securing compliance with this Final Judgment, or of determining whether the Final Judgment should be modified or vacated, and subject to any legally recognized privilege, from time to time duly authorized representatives of the United

States Department of Justice, including consultants and other persons retained by the United States, upon written request of a duly authorized representative of the Assistant Attorney General in charge of the Antitrust Division, or upon written request of a duly authorized representative of the New Jersey Attorney General's Office, and on reasonable notice to Defendants, be permitted:

1. Access during Defendants' office hours to inspect and copy, or at the United States' option, to require Defendants to provide copies of, all books, ledgers, accounts, records and documents in the possession, custody or control of Defendants, relating to any matters contained in this Final Judgment; and
2. To interview, either informally or on the record, Defendants' officers, employees, or agents, who may have their individual counsel present, regarding such matters. The interviews shall be subject to the reasonable convenience of the interviewee and without restraint or interference by Defendants.

B. Upon the written request of a duly authorized representative of the Assistant Attorney General in charge of the Antitrust Division, or upon the written request of the New Jersey Attorney General's Office, Defendants shall submit such written reports, under oath if requested, relating to any of the matters contained in this Final Judgment as may be requested.

C. No information or documents obtained by the means provided in this section shall be divulged by the Plaintiffs to any person other than an authorized representative of the executive branch of the United States, or the New Jersey Attorney General's Office, except in the course of legal proceedings to which the United States or New Jersey is a party (including grand

jury proceedings), or for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

D. If at the time information or documents are furnished by Defendants to Plaintiffs, Defendants represent and identify in writing the material in any such information or documents to which a claim of protection may be asserted under Rule 26(c)(7) of the Federal Rules of Civil Procedure, and Defendants mark each pertinent page of such material, "Subject to claim of protection under Rule 26(c)(7) of the Federal Rules of Civil Procedure," then Plaintiffs shall give Defendants ten (10) calendar days notice prior to divulging such material in any legal proceeding (other than a grand jury proceeding).

XI. Relevant Tulsa and Muskogee Disposal Assets

Waste Management shall not directly or indirectly acquire or propose to acquire any assets of or any interest, including any financial, security, loan equity or management interest, in the Relevant Tulsa and Muskogee Disposal Assets without thirty (30) days advance notification to the Antitrust Division of the United States Department of Justice of any such acquisition. The obligation to provide notice under this Section is met by either a written notification, or if applicable, a premerger notification pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, 15 U.S.C. § 18(a) (the "HSR Act"). In the event that a proposed acquisition of Allied's Porter Landfill (also referred to as 51B Landfill), located at Route 2, Box 120, Porter, Oklahoma 74454 is not subject to the reporting and waiting period requirements of the HSR Act, notification under this Section shall be provided to the Antitrust Division in the same format as, and in accordance with, the instructions relating to the Notification and Report Form set for in the appendix to Part 803 of Title 16 of the Code of Federal Regulations as

amended, except that the information requested in items 5 through 9 of the instructions must be provided only about the Tulsa and Muskogee, Oklahoma area. The notification required by this Section shall include, beyond what may be required by the applicable instructions, the names of the principal representatives of the parties to the agreement who negotiated the agreement, and any management or strategic plans discussing the proposed transaction. If, within the thirty (30) day period after notification of a proposed acquisition of Allied's Porter Landfill, representatives of the Antitrust Division make a written request for additional information, Waste Management shall not consummate the proposed transaction or agreement until thirty (30) days after submitting all such additional information. Early termination of the waiting periods in this Section may be requested and, where appropriate, granted. This Section shall be broadly construed, and any ambiguity or uncertainty regarding the filing of notice under this Section shall be resolved in favor of filing notice.

XII. No Reacquisition

Defendant Waste Management may not reacquire any part of the Relevant Disposal Assets, Relevant Hauling Assets, or the Alternative Disposal Asset during the term of this Final Judgment, provided that if Waste Management is required to divest the Alternative Disposal Asset, Waste Management may reacquire the Chestnut Ridge Solid Waste Transfer Station.

XIII. Revisions to Contracts

A. Waste Management shall alter the contracts it uses with its small container commercial waste collection customers in each of the markets specified below to the form contained in Section XIII.B. below.

B. In each of the markets specified below, Waste Management shall offer contracts to all new small container commercial waste collection customers as well as to existing customers that sign new contracts for small container commercial waste collection service effective on or after the date that it acquires Allied's assets in accordance with the following conditions. No contract shall:

1. Have an initial term longer than two (2) years;
2. Have any renewal term longer than one (1) year;
3. Require that the customer give Waste Management notice of termination more than thirty (30) days prior to the end of any initial term or renewal term;
4. Require that the customer pay liquidated damages in excess of three times its average monthly charge during the first year the customer has had service with Waste Management; and
5. Require that the customer pay liquidated damages in excess of two (2) times its average monthly charge after the first year the customer has had service with Waste Management.

Waste Management shall offer such contracts to all other current small container commercial waste collection service customers in the respective markets detailed below on or before January 1, 2005:

Defendant	Cities	Counties or Areas
Waste Management	Myrtle Beach, SC	Georgetown and Horry Counties, SC
Waste Management	Augusta, GA	Columbia, Lincoln, McDuffie, Richmond, and Warren Counties, GA

Waste Management agrees that it will not attempt to enforce any contract term affecting commercial waste collection customers in the specified areas that conflicts with or is inconsistent with the above terms, even if those customers choose not to sign a contract with the new terms.

XIV. Retention of Jurisdiction

This Court retains jurisdiction to enable any party to this Final Judgment to apply to this Court at any time for further orders and directions as may be necessary or appropriate to carry out or construe this Final Judgment, to modify any of its provisions, to enforce compliance, and to punish violations of its provisions.

XV. Expiration of Final Judgment

Unless this Court grants an extension, this Final Judgment shall expire ten (10) years from the date of its entry.

XVI. Public Interest Determination

Entry of this Final Judgment is in the public interest.

Date: Dec. 19, 2003

Court approval subject to procedures
of Antitrust Procedures and Penalties
Act, 15 U.S.C. § 16

Gladys Kessler
UNITED STATES DISTRICT JUDGE