

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
v.)	Civil No.
)	
ALLIED WASTE INDUSTRIES, INC., and)	Filed:
REPUBLIC SERVICES, INC.,)	
)	
Defendants.)	

HOLD SEPARATE STIPULATION AND ORDER

It is hereby stipulated and agreed by and between the undersigned parties, subject to approval and entry by the Court, that:

I.

DEFINITIONS

As used in this Hold Separate Stipulation and Order:

A. “Acquirer” or “Acquirers” means the entity or entities to whom defendants divest the Divestiture Assets.

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

C. “Republic” means defendant Republic Services, Inc., a Delaware corporation with its headquarters in Ft. Lauderdale, Florida, and includes its successors and assigns, and its

subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

D. “Relevant Allied Assets” means all Relevant Allied Disposal Assets and Relevant Allied Hauling Assets, as further defined below.

E. “Relevant Allied Disposal Assets” means, unless otherwise noted, with respect to each transfer station listed and described herein, all of Allied’s rights, titles and interests in any tangible assets, including all fee and leasehold and renewal rights in the listed transfer station; the garage and related facilities; offices; all related assets including capital equipment, trucks and other vehicles, scales, power supply equipment, interests, permits, and supplies; and all of Allied’s rights, titles and interests in any intangible assets, including all customer lists, contracts, and accounts, or options to purchase any adjoining property.

Relevant Allied Disposal Assets, as used herein, includes each of the following properties:

1. Transfer Stations

a. Anderson, IN

Allied’s BFI Anderson Transfer Station, located at 201 North Delaware, Anderson, IN 46016.

b. Macon, GA

Allied’s S&S Byron Transfer Station, located at 750 Dunbar Road, Byron, GA 31008.

F. “Relevant Allied Hauling Assets,” unless otherwise noted, 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, permits, supplies; and 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, and

accounts.

Relevant Allied Hauling Assets (to be held separate by Republic), as used herein, includes the assets in the following locations:

1. Columbus, OH

Allied's front-end and rear-end loader truck small container routes (hereinafter, "commercial routes") 31, 51, 54, 91, 92, 96, and 97 that serve the City of Columbus and Franklin and Delaware counties, Ohio;

2. Lakeland, FL

Allied's commercial routes 901 and 904, that serve Polk County, FL; and

3. Macon, GA

Allied's commercial routes 902 and 903 that serve the City of Macon; and Bibb and Jones counties, Georgia.

For purposes of this Hold Separate Stipulation and Order, the Relevant Allied Hauling Assets to be held separate by Republic shall also include the following:

4. Louisville, KY/Sellersburg, IN

Republic's commercial routes 4, 8, 17, 18 and 26 that serve the cities of Louisville, KY and Sellersburg, IN; Jefferson County, KY; and the parts of Floyd and Clark counties, IN abutting Jefferson County, KY.

G. "Relevant Republic Assets" means all Relevant Republic Disposal Assets and Relevant Republic Hauling Assets, as further defined below.

H. "Relevant Republic Disposal Assets" means Republic's All City Transfer Station, also known as Republic Services of New York II, LLC, located at 246-252 Plymouth Street,

New York, New York. Relevant Republic Disposal Assets includes, with respect to the transfer station listed and described herein, all of Republic’s rights, titles and interests in any tangible assets, including all fee and leasehold and renewal rights in the transfer station; the garage and related facilities; offices; all related assets including capital equipment, trucks and other vehicles, scales, power supply equipment, interests, permits, and supplies; and all of Republic’s rights, titles and interests in any intangible assets, including all customer lists, contracts, and accounts, or options to purchase any adjoining property.

I. “Relevant Republic Hauling Assets,” unless otherwise noted, 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, permits, supplies; and 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, and accounts.

Relevant Republic Hauling Assets (to be divested by Allied), as used herein, includes the assets in the following locations:

1. Augusta, GA

Republic’s commercial routes 204 and 238 that serve the City of Augusta, GA; Richmond and Columbia counties, GA; and Aiken County, SC;

2. Gulf Coast, FL

Republic’s commercial routes 1, 4 (a Saturday-only route) and 5 that serve Escambia, Santa

Rosa and Okaloosa counties, FL, except for those contracts with route 4 customers also being

served on a Republic Gulf Coast route not being divested pursuant to this Final Judgment;

3. Memphis, TN

Republic's commercial routes 51, 52 and 53 that serve Shelby County, TN; Desoto County, MS; and Crittendon County, AR;

4. Nashville, TN

Republic's commercial routes 12, 16, 20, 24 and 30 that serve the City of Nashville, TN; and Davidson, Sumner, Williamson, Rutherford, Wilson, the southeastern part of Robertson, and the eastern part of Cheatham counties, TN; and

5. Norfolk, VA

Republic's commercial routes 1, 2, 3 (except for the Virginia Beach municipal contract), 6, 7, 9, and 10, that serve the cities of Chesapeake, Suffolk, Virginia Beach, Norfolk, Pogooson, Newport News and Plymouth, VA; and York, Surry, James City, Southampton, and Isle of Wright counties, VA.

II.

OBJECTIVES

The Final Judgment filed in this case is meant to ensure defendants' prompt divestiture of the Relevant Allied Assets and Relevant Republic Assets for the purpose of establishing viable competitors in the municipal solid waste ("MSW") disposal business and the small container commercial waste collection business, to remedy the effects that the United States alleges would otherwise result from the exchange of assets between Allied and Republic. This Hold Separate Stipulation and Order ensures, prior to such divestitures, that the Relevant Allied Assets and Relevant Republic Assets remain independent, economically viable, and

ongoing business concerns that will remain independent and uninfluenced by Allied or Republic, and that competition is maintained during the pendency of the ordered divestitures.

III.

JURISDICTION AND VENUE

The Court has jurisdiction over the subject matter of this action and over each of the parties hereto, and venue of this action is proper in the United States District Court for the District of Columbia.

IV.

COMPLIANCE WITH AND ENTRY OF FINAL JUDGMENT

A. The parties stipulate that a Final Judgment in the form attached hereto as Exhibit A may be filed with and entered by the Court, upon the motion of any party or upon the Court's own motion, at any time after compliance with the requirements of the Antitrust Procedures and Penalties Act (15 U.S.C. § 16), and without further notice to any party or other proceedings, provided that the United States has not withdrawn its consent, which it may do at any time before the entry of the proposed Final Judgment by serving notice thereof on defendants and by filing that notice with the Court.

B. Defendants shall abide by and comply with the provisions of the proposed Final Judgment, pending the Judgment's entry by the Court, or until expiration of time for all appeals of any Court ruling declining entry of the proposed Final Judgment, and shall, from the date of the signing of this Stipulation by the parties, comply with all the terms and provisions of the proposed Final Judgment as though the same were in full force and effect as an order of the

Court.

C. Defendants shall not consummate the transactions sought to be enjoined by the Complaint herein before the Court has signed this Hold Separate Stipulation and Order.

D. This Stipulation shall apply with equal force and effect to any amended proposed Final Judgment agreed upon in writing by the parties and submitted to the Court.

E. In the event (1) the United States has withdrawn its consent, as provided in Section IV (A) above, or (2) the proposed Final Judgment is not entered pursuant to this Stipulation, the time has expired for all appeals of any Court ruling declining entry of the proposed Final Judgment, and the Court has not otherwise ordered continued compliance with the terms and provisions of the proposed Final Judgment, then the parties are released from all further obligations under this Stipulation, and the making of this Stipulation shall be without prejudice to any party in this or any other proceeding.

F. Defendants represent that the divestitures ordered in the proposed Final Judgment can and will be made, and that defendants will later raise no claim of mistake, hardship or difficulty of compliance as grounds for asking the Court to modify any of the provisions contained therein.

V.

HOLD SEPARATE PROVISIONS

Until the divestitures required by the Final Judgment have been accomplished:

A. Defendants shall preserve, maintain, and operate the Relevant Allied Assets and Relevant Republic Assets as independent, ongoing, economically viable competitive businesses, with management, sales and operations of such assets held entirely separate, distinct and apart

from the other operations of Republic, in the case of the Relevant Allied Assets, and from Allied, in the case of the Relevant Republic Assets. Republic shall not coordinate its service, marketing, negotiation of sales or other business operations with those of any Relevant Allied Asset. Allied shall not coordinate its service, marketing, negotiation of sales or other business operations with those of any Relevant Republic Asset. Within twenty (20) days after the filing of the Hold Separate Stipulation and Order, defendants will inform the United States of the steps defendants have taken to comply with this Hold Separate Stipulation and Order.

B. Defendants shall take all steps necessary to ensure that (1) the Relevant Allied Assets and Relevant Republic Assets will be maintained and operated as independent, ongoing, economically viable and active competitors in the MSW disposal business and the small container commercial waste collection business; (2) the management of the Relevant Republic Assets will not be influenced by Allied, and the management of the Relevant Allied Assets will not be influenced by Republic; and (3) the books, records, competitively sensitive sales, marketing and pricing information, and decision-making concerning the Relevant Republic Assets will be kept separate and apart from Allied's other operations, and the books, records, competitively sensitive sales marketing, and pricing information, and decision-making concerning the Relevant Allied Assets will be kept separate and apart from Republic's other operations. Republic's influence over the Relevant Allied Assets and Allied's influence over the Relevant Republic Assets shall be limited to that necessary to carry out defendants' obligations under this Hold Separate Stipulation and Order and the proposed Final Judgment.

C. Defendants shall use all reasonable efforts to maintain and increase the sales and revenues of the Relevant Allied Assets and Relevant Republic Assets, and shall maintain at 1999

or at previously approved levels for 2000, whichever are higher, all promotional, advertising, sales, technical assistance, marketing and merchandising support for the Relevant Allied Assets and Relevant Republic Assets.

D. Defendants shall provide sufficient working capital and lines and sources of credit to continue to maintain the Relevant Allied Assets and Relevant Republic Assets as economically viable and competitive ongoing businesses consistent with the requirements of Sections V (A) and (B).

E. Defendants shall take all steps necessary to ensure that the Relevant Allied Assets and Relevant Republic Assets are fully maintained in operable condition at no less than their current capacity and sales, and shall maintain and adhere to normal repair and maintenance schedules for the Relevant Allied Assets and Relevant Republic Assets.

F. Defendants shall not, except as part of a divestiture approved by the United States in accordance with the terms of the proposed Final Judgment, remove, sell, lease, assign, transfer, pledge or otherwise dispose of any of the Relevant Allied Assets or Relevant Republic Assets.

G. Defendants shall maintain, in accordance with sound accounting principles, separate, accurate and complete financial ledgers, books and records that report on a periodic basis, such as the last business day of every month, consistent with past practices, the assets, liabilities, expenses, revenues and income of the Relevant Allied Assets and Relevant Republic Assets.

H. Except in the ordinary course of business or as is otherwise consistent with this Hold Separate Stipulation and Order, defendants shall not hire, transfer, terminate, or otherwise

alter the salary agreements for any Allied or Republic employee who, on the date of defendants' signing of this Hold Separate Stipulation and Order, either: (1) works with a Relevant Allied Asset or a Relevant Republic Asset, or (2) is a member of management referenced in Section V(I) of this Hold Separate Stipulation and Order.

I. Until such time as the Relevant Allied Assets and Relevant Republic Assets are divested pursuant to the terms of the Final Judgment, the Relevant Republic Assets shall be managed by Richard J. Wojahn and the Relevant Allied Assets shall be managed by Raul Rodriguez, Jr. Messrs. Wojahn and Rodriguez shall have complete managerial responsibility for the Relevant Allied Assets and Relevant Republic Assets, subject to the provisions of this Order and the proposed Final Judgment. In the event that either Mr. Wojahn or Mr. Rodriguez is unable to perform his duties, defendants shall appoint, subject to the approval of the United States, a replacement within ten (10) working days. Should defendants fail to appoint a replacement acceptable to the United States within ten (10) working days, the United States shall appoint a replacement.

J. Defendants shall take no action that would interfere with the ability of any trustee appointed pursuant to the Final Judgment to complete the divestitures pursuant to the Final Judgment to an Acquirer or Acquirers acceptable to the United States.

K. This Hold Separate Stipulation and Order shall remain in effect until consummation of the divestitures contemplated by the proposed Final Judgment or until further

order of the Court.

FOR PLAINTIFF
UNITED STATES OF AMERICA

_____/s/_____
David R. Bickel, DC Bar # 393409
U.S. Department of Justice
Antitrust Division
Litigation II Section
1401 H Street, NW, Suite 3000
Washington, DC 20530
(202) 307-1168

FOR DEFENDANT
ALLIED WASTE INDUSTRIES, INC.

_____/s/_____
Tom D. Smith
Jones, Day, Reavis & Pogue
51 Louisiana Avenue, NW
Washington, DC 20001-2113
(202) 879-3971

FOR DEFENDANT
REPUBLIC SERVICES, INC.

_____/s/_____
Paul B. Hewitt
Akin, Gump, Strauss, Hauer & Feld, L.L.P.
1333 New Hampshire Ave., N.W.
Suite 400
Washington, DC 20036
(202) 887-4000

Date: __June 21, 2000__

ORDER

IT IS SO ORDERED ON THIS ___ DAY OF _____, 2000.

United States District Judge