



# Department of Justice

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## **JUSTICE DEPARTMENT REQUIRES DIVESTITURES IN WASTE MANAGEMENT'S ACQUISITION OF DEFFENBAUGH DISPOSAL**

### *Divestitures Will Preserve Competition in Three Small Container Commercial Waste Service Markets*

WASHINGTON – The Department of Justice announced today that it will require Waste Management Inc. (WMI) and Deffenbaugh Disposal Inc. (DDI) to divest small container commercial waste service routes, in the Topeka, Kansas, area and in two areas in Northwestern Arkansas – Van Buren/Fort Smith and Springdale – in order for WMI to proceed with its acquisition of DDI. Without these divestitures, the department said, the transaction would have likely resulted in higher rates for customers in those areas.

The Antitrust Division filed a civil antitrust lawsuit today in the U.S. District Court for the District of Columbia to block the proposed acquisition. At the same time the department filed a proposed settlement that, if approved by the court, would resolve the competitive concerns alleged in the lawsuit.

“This deal threatened to weaken competition in small container commercial waste service in three cities and surrounding areas,” said Assistant Attorney General Bill Baer of the Antitrust Division. “Competition between Waste Management and Deffenbaugh historically has resulted in lower prices and better service. By requiring the divestiture of Deffenbaugh’s small container commercial waste service routes in these cities, today’s proposed settlement will ensure that businesses in Kansas and Arkansas will benefit from continuing competition among waste haulers.”

According to the department’s complaint, WMI’s acquisition of DDI would significantly reduce competition in three local small container commercial waste service markets. Small container commercial waste service is the collection of municipal solid waste from commercial businesses, such as office and apartment buildings, and retail establishments, such as stores and restaurants. In and around Topeka and in the Van Buren/Fort Smith, WMI and DDI are currently two of three major providers of these services. In these areas the combination of WMI and DDI would have resulted in only two major competitors. In the Springdale area, WMI and DDI are currently two of four major providers. In this area the combination of WMI and DDI would have resulted in only three competitors. In each of these areas, the loss of competition would likely result in higher prices and reduced quality in small container waste collection service.

The proposed divestitures address these competitive concerns. Under the terms of the proposed consent decree, WMI must divest DDI's small container commercial waste routes in each of these three markets.

WMI is a Delaware corporation with its headquarters in Houston. WMI provides collection, transfer, recycling and disposal services throughout the United States. In 2014, WMI had estimated total revenue of \$14 billion.

DDI is a Delaware corporation, with its headquarters in Kansas City, Kansas. DDI offers collection, transfer, recycling and disposal services in Kansas, Missouri, Arkansas, Nebraska and Iowa. DDI's revenues for 2013 were approximately \$180 million.

As required by the Tunney Act, the proposed settlement, along with a competitive impact statement, will be published in the *Federal Register*. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to James Tierney, Chief, Networks and Technology Section, Antitrust Division, U.S. Department of Justice, 450 Fifth Street, N.W., Suite 7700, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the U.S. District Court for the District of Columbia may approve the proposed settlement upon finding that it is in the public interest.

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