



# Department of Justice

FOR IMMEDIATE RELEASE  
THURSDAY, JULY 16, 1998

AT  
(202) 616-2771  
TDD (202) 514-1888

**JUSTICE DEPARTMENT AND THIRTEEN STATES CLEAR  
USA WASTE SERVICES INC.'S ACQUISITION OF WASTE MANAGEMENT INC.**

**USA Waste Services Required to Divest Waste Operations in  
21 Geographic Areas**

WASHINGTON, D.C. -- The Department of Justice and thirteen state attorneys general reached a settlement today allowing USA Waste Services Inc. to go forward with its proposed \$13.5 billion acquisition of Waste Management Inc., after USA Waste agreed to sell waste collection and disposal operations in thirteen states, covering twenty-one metropolitan areas. USA Waste and Waste Management are two of the nation's largest waste collection and disposal companies.

"Without this settlement, businesses, government entities, and residents in many local markets would have paid higher prices for waste collection and disposal," stated Joel I. Klein, Assistant Attorney General in charge of the Department's Antitrust Division. "The divestiture ensures consumers will continue to have the benefits of competition."

The Department's Antitrust Division and the state attorneys general filed suit today in U.S. District Court for the Northern District of Ohio to block USA Waste's original proposal to acquire Waste Management. At the same time, a proposed settlement was filed that, if approved by the court, would settle the case.

The states joined in the lawsuit are: Ohio, Arizona, California, Colorado, Florida, Kentucky, Maryland, Michigan, New York, Pennsylvania, Texas, Washington, and Wisconsin.

According to the complaint, the proposed merger would substantially lessen competition for waste collection and disposal services in twenty-one markets. In most of the markets, the combination of USA Waste and Waste Management would leave only two or three major competitors. As a result, those competitors would be able to coordinate their pricing and more easily raise prices to their customers.

"As originally proposed, the merger would have given USA Waste the ability to control solid waste disposal and commercial waste collection markets in many of the largest metropolitan areas of the country, including several in Ohio," said Ohio Attorney General Betty Montgomery, speaking on behalf of the states. "Reducing competition in any industry almost always reduces the quality of service and leads to higher consumer prices."

Waste collection firms, like USA Waste and Waste Management, contract to collect municipal solid waste (i.e., garbage and trash) from residential and commercial customers. They transport the waste to disposal facilities such as transfer stations, incinerators and landfills, which process and legally dispose of waste for a fee. USA Waste and Waste Management compete both in waste collection and waste disposal facilities.

The divestiture includes waste collection and/or disposal operations in the following areas: Tucson, AZ; Los Angeles, CA; Denver, CO; Gainesville and Miami, FL; Louisville, KY; Baltimore, MD; Detroit, Flint and Northeast, MI; New York, NY; Akron, Canton, Cleveland and Columbus, OH; Portland, OR; Allentown, Philadelphia and Pittsburgh, PA; Houston, TX; and Milwaukee, WI.

USA Waste Services Inc., based in Houston, is the third largest hauling and disposal company in the United States, with sales of \$2.6 billion in 1997.

Waste Management Inc., is headquartered in Oak Brook, Illinois. In 1997, it had sales of \$9.2 billion.

As required by the Tunney Act, the proposed consent decree resolving the USA Waste/Waste Management lawsuit will be published in the Federal Register, along with the Department's competitive impact statement. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to J. Robert Kramer II, Chief, Litigation II Section, Antitrust Division, U.S. Department of Justice, 1401 H Street, NW, Suite 3000, Washington, D.C. 20008 (202/307-0924).

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

###