

1. Pitkin County, Colorado and Garfield County, Colorado

The divestiture provisions of the proposed Final Judgment will eliminate the anticompetitive effects of the acquisition in small container commercial waste collection services in Pitkin County, Colorado and Garfield County, Colorado. Under the proposed Final Judgment, Waste Management is required to divest seven routes that serve small container commercial waste collection customers, among others, in Pitkin County, Colorado and Garfield County, Colorado to a new, independent, and economically viable competitor in these areas. These divestitures include all of Waste Management's existing small container commercial waste collection routes in the two counties. Many of Waste Management's small container commercial accounts in Pitkin County, Colorado and Garfield County, Colorado are not allocated, however, to a specific route, and their collective sale would not likely produce an efficient divestiture package. Accordingly, a majority of the routes that Waste Management must divest serve a mixture of small container commercial customers and residential customers. The package of routes to be divested produces annual revenues roughly equivalent to the \$2 million in annual revenues generated by all of Waste Management's small container commercial accounts in Pitkin County, Colorado and Garfield County, Colorado.

2. Myrtle Beach, South Carolina Area and Augusta, Georgia Area

In the Myrtle Beach, South Carolina and Augusta, Georgia areas, the United States determined that competition would be best maintained by requiring a combination of divestiture and contract relief. The divestiture relief in the Myrtle Beach, South Carolina and Augusta, Georgia areas requires Waste Management to divest all but one of Allied's small container commercial waste collection routes in each area. The divestitures of these routes to a new, independent, and economically viable competitor will help to eliminate the anticompetitive effects of the acquisition in small container commercial waste collection in the Myrtle Beach, South Carolina and Augusta, Georgia areas by creating a competitor capable of restoring competition that otherwise would have been lost.

Because these divestitures alone will not fully eliminate the anticompetitive effects of the acquisition in each area,

they are augmented by decree provisions that obligate Waste Management to alter all of its contracts with its small container commercial waste customers. The new contracts are less restrictive in duration, renewal terms, and the liquidated damages imposed on a customer who wishes to switch its service to a new hauler. Contract relief is significant because it lowers entry barriers and effectively enables smaller competitors to grow and new competitors to enter. This contract relief will make it easier for customers to consider competitive alternatives, easier for existing small haulers to compete and expand in the future, and more difficult for incumbent haulers to price discriminate successfully. The contract provisions also make it easier for new haulers to enter a market, and raise the prospect that the markets will become less concentrated and more competitive than they were pre-acquisition by enabling smaller firms to compete for customers under contract with incumbent hauling firms.

Waste Management's implementation of the contract relief specified in the proposed Final Judgment should permit the purchaser of the divested assets, and other competitors, to maintain efficient routes and gain customers more easily if Waste Management seeks to raise prices in these markets. The combined route divestitures and contract relief sought in the Myrtle Beach, South Carolina area and Augusta, Georgia area, will ensure that consumers of small container commercial waste collection services will continue to receive the benefits of competition.

3. Morris County, New Jersey and Bergen and Passaic Counties, New Jersey

The proposed Final Judgment requires partial divestitures of the Allied small container commercial waste collection assets being acquired by Waste Management in Morris County, New Jersey and in Bergen and Passaic Counties, New Jersey. The proposed acquisition raised competitive concerns in these areas based upon the significant post-acquisition market concentration and Waste Management's post-acquisition market share. The United States, however, determined that partial divestitures of Allied's small container commercial waste collection routes would be acceptable in each area in light of the other, albeit less substantial, third-party competitors located therein. In addition, the post-acquisition market concentrations identified in Morris County, New Jersey and Bergen and Passaic Counties, New Jersey were lower than those found in other areas

addressed in the proposed Final Judgment. These divestitures will ensure that consumers of small container commercial waste collection services in Morris County, New Jersey and Bergen and Passaic Counties, New Jersey will continue to receive the benefits of competition—lower prices and better service.

B. Disposal of Municipal Solid Waste in the Bergen and Passaic Counties, New Jersey Disposal Area and the Tulsa and Muskogee, Oklahoma Area

1. Bergen and Passaic Counties, New Jersey Disposal Area

Waste Management's proposed acquisition of two Allied transfer station disposal facilities in Bergen County, New Jersey raised significant concerns about the availability of sufficient disposal capacity for haulers of MSW generated in Bergen and Passaic Counties, New Jersey. To remedy the anticompetitive effects of the proposed acquisition, the proposed Final Judgment requires Waste Management to divest the Garofalo Transfer Station in Garfield, New Jersey and the Chestnut Ridge Solid Waste Transfer Station in Chestnut Ridge, New York. In addition to the divestitures, the proposed Final Judgment requires that Waste Management sell throughput disposal rights to a third party at the New Jersey Meadowlands Commission's HMDC Transfer Station 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 the proposed Final Judgment. Collectively, the throughput disposal rights and divestitures provide haulers of MSW generated in Bergen and Passaic Counties, New Jersey with a range of options providing at least 1,200 tons per day of uncommitted MSW disposal capacity. In the event that Waste Management is unable to divest the Chestnut Ridge Solid Waste Transfer Station by the date specified in the proposed Final Judgment, it will, in the alternative, divest one of three Bergen County, New Jersey transfer stations. The divestiture and throughput disposal provisions of the proposed Final Judgment will fully eliminate the anticompetitive effects of the acquisition for MSW disposal services in the Bergen and Passaic Counties, New Jersey disposal area.

The proposed Final Judgment requires that all divested assets be acquired by a new, independent, and economically viable competitor. The proposed relief