

Section, 1401 H Street, N.W., Suite 3000,
Washington, D.C. 20530, (202) 307-0924.

FOR PLAINTIFF STATE OF FLORIDA:

CHARLES J. CRIST, Jr.
Attorney General.

By:
/s/ _____

L. CLAYTON ROBERTS
Executive Deputy Attorney General.

PATRICIA A. CONNERS
Director, Antitrust Division

LIZABETH A. LEEDS
Senior Assistant Attorney General
Florida Bar No. 0457991
NICHOLAS J. WEILHAMMER
Assistant Attorney General, Office of the
Attorney General, Antitrust Division,
PL-01, The Capitol, Tallahassee, Florida
32399-1050, Phone: (850) 414-3600,
Fax: (850) 488-9134.

Appendix A—Herfindahl-Hirschman Index Calculations

“HHI” means the Herfindahl-Hirschman Index, a commonly accepted measure of market concentration. It is calculated by squaring the market share of each firm competing in the market and then summing the resulting numbers. For example, for a market consisting of four firms with shares of thirty, thirty, twenty, and twenty percent, the HHI is 2600 ($30^2 + 30^2 + 20^2 + 20^2 = 2600$). The HHI takes into account the relative size and distribution of the firms in a market and approaches zero when a market consists of a large number of firms of relatively equal size. The HHI increases both as the number of firms in the market decreases and as the disparity in size between those firms increases.

Markets in which the HHI is between 1000 and 1800 points are considered to be moderately concentrated, and those in which the HHI is in excess of 1800 points are considered to be highly concentrated. Transactions that increase the HHI by more than 100 points in highly concentrated markets presumptively raise antitrust concerns under the Horizontal Merger Guidelines issued by the U.S. Department of Justice and the Federal Trade Commission. See *Merger Guidelines* § 1.51.

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, and
STATE OF FLORIDA, Plaintiffs, v. WASTE
MANAGEMENT, INC., and ALLIED WASTE
INDUSTRIES, INC., Defendants.

Civil No: 1:03CV02076.

JUDGE: James Robertson.

DECK TYPE: Antitrust.

FILED: October 14, 2003.

Final Judgment

Whereas, Plaintiffs, the United States of America (“United States”) and the State of Florida (“Florida”), filed their Complaint on October 14, 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 fact or law;

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 certain assets by Defendant Waste Management to ensure that competition is not substantially lessened;

And whereas, Plaintiffs 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 assets to be divested, except as provided in this Final Judgment;

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 Hauling Assets.

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

C. *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.

D. *Relevant Hauling Assets* means Allied’s small container commercial hauling routes 501, 901, 902, 903, 904, 906, 907, 909, 912, 914, and 915 that operate out of Allied’s Broward County, Florida division located at 2380 College Avenue, Davie, Florida 33317 including:

(1) 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);

(2) All intangible assets, including hauling-related customer lists, leasehold interests, permits, and contracts and accounts related to each small container commercial hauling route, and any contract or account serviced in whole or in part on any of the routes listed above; and

(3) Relevant Hauling Assets does not include accounts and contracts serviced in unincorporated Broward County, accounts serviced through a franchise agreement, and accounts and contracts serviced in the City of Margate.

E. *Small container commercial hauling* means the business of collecting MSW from commercial and industrial accounts, usually in “dumpsters” (i.e., a small container with one to ten 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 small container commercial hauling customers include office and apartment buildings and retail establishments (e.g., stores and restaurants). Small container commercial hauling, as used herein, does not include collection of roll-off containers.

F. *Waste Management* means Defendant Waste Management, Inc., a Delaware corporation with its headquarter in Houston, Texas, 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 the Relevant Hauling Assets, that the Acquirer agree to be bound by the provisions of this Final Judgment.

IV. Divestiture

A. Defendant Waste Management is ordered and directed, within ninety calendar days after the filing of the Complaint in this matter, or five days after notice of the entry of this Final Judgment by the Court, whichever is later, to divest the Relevant Hauling Assets in a manner consistent with this Final Judgment to an Acquirer acceptable to the United States in its sole discretion, after consultation with Florida. The United States, in its sole discretion, after consultation with Florida, may agree to an extension of this time period of up to sixty calendar days, and shall notify the Court in such circumstances. Defendants agree to use their best efforts to divest the Relevant Hauling Assets as expeditiously as possible.

B. In accomplishing the divestiture ordered by this Final Judgment, Defendant Waste Management promptly shall make known, by