

## Timeline and Next Steps for the Merger of Republic Services and Allied Waste

### Current Status in Brief –

The Republic-Allied merger was preliminarily approved on December 3<sup>rd</sup>, and included a part of the two major reforms that the Center and some haulers and states proposed. Although the two firms closed the deal on December 5<sup>th</sup>, the case is not over. DOJ published its proposed settlement in the Federal Register on December 16<sup>th</sup>, which triggered a 60 day period for public comment, until February 14<sup>th</sup> before the matter is submitted to the Court for final approval. Changes to fix serious flaws in the proposed remedies are not out of the question if they are advanced effectively. The final decision probably will not occur until May or June of 2009. ➡

## Timeline

- 1995           ▶     Wayne Huizenga, co-founder of Waste Management, acquires control over Republic Services
- 1998           ▶     Huizenga hires James O'Connor to be Chief Executive Officer of Republic
- 1999           ▶     Republic purchases divested assets from the 1998 merger of USA Waste, Waste Management and Eastern Environmental; increases its revenues from the fifth ranked waste company to the third
- 1999           ▶     Allied Waste merges with Browning Ferris Industries
- 2003           ▶     Republic Services' CEO James O'Connor and Allied Waste's CEO John Zilmer first enter into negotiations for a merger between the two firms

June 23, 2008

- ▶ Republic and Allied publicly announce their agreement to merge in an all stock transaction; Allied would become a wholly owned subsidiary of Republic; Republic would exchange 0.45 shares of its stock for shares of Allied's, whose shareholders would hold approximately 51.7% of the new company's common stock; the combined firm would be headed by Mr. O'Connor, called Republic Services, and be headquartered in Phoenix; Republic executives to receive approximately \$21 million, and Allied executives, \$50 million, when the merger is completed, and another \$50 million in three years if integration of the two firms is successful.

	Republic	Allied
2007 Revenues	\$3.2 billion	\$6.1 billion
2007 Net Income	\$290 million	\$274 million
Employees	13,000	23,000
Landfills	58	161
Customers	5.5 million	8 million

The companies simultaneously file notice under the Hart-Scott-Rodino Antitrust Improvements Act (HSR), commencing a review of the merger by the Antitrust Division of the U.S. Department of Justice; parties reach a timing agreement to complete the HSR review by December 1, 2008.

July 14, 2008

- ▶ Waste Management makes an unsolicited cash offer to purchase Republic for \$34 per share, later raised to \$37 per share, which is repeatedly resisted by Republic

July 23, 2008

- ▶ Republic receives DOJ's second data requests under the HSR Act.

October 13, 2008

- ▶ Waste Management withdraws its cash offer to purchase Republic

November 13, 2008

- ▶ The Center for a Competitive Waste Industry submits 37 pages of comments opposing the merger, or in the alternative, limiting reliance on the DOJ's traditional asset divestiture remedies to the few markets with large independent haulers, and otherwise elsewhere requiring the combined company to provide long-term airspace contracts to independent haulers at competitive rates

November 14, 2008

- ▶ Shareholders of Republic and Allied vote to approve the merger

- December 3, 2008   ▶    Republic and Allied reach a proposed settlement with the U.S. Department of Justice (DOJ), and seven states (California, Kentucky, Michigan, North Carolina, Ohio, Pennsylvania and Texas); the settlement with the two companies requires the sale of 9 landfills, 10 transfer stations and 87 commercial waste collection routes in 15 markets; and for the first time, in three markets providing for airspace contracts to independent haulers and in four markets restricting asset sales to other oligopoly members; the settlement cannot be completed until complies with the Antitrust Procedures and Penalties Act (APPA) allowing 60-days for public comment after publication of the proposed settlement in the Federal Register
- December 5, 2008   ▶    Republic and Allied complete merger creating a combined company with approximately \$8 billion in annual revenues and 35,000 employees serving more than 13 million customers in 40 states
- December 16, 2008   ▶    DOJ publishes notice of its proposed settlement, and the availability of the competitive impact statement, triggering a 60-day comment period under the Tunney Act.

## Next Steps

- *Submission of proposed settlement to court.* DOJ has submitted its proposed settlement to the D.C. Circuit Court on December 3, 2008, which triggers the next procedural step in HSR merger reviews to provide an opportunity for public comment before the proposed settlement can be submitted to the Court for its approval. See [Links](#) for a copy.
- *Publication in Federal Register.* DOJ published notice in the Federal Register of the proposed settlement and its Competitive Impact Statement, triggering a 60 day period for public comment that will end on February 16<sup>th</sup>, which should be sent to Maribeth Petrizzi, Chief, Litigation II Section, Antitrust Division, U.S. Department of Justice, 1401 H Street, NW., Suite 3000, Washington, DC 20530. See [Links](#) for a copy.
- *Public comment.* After completion of the public comment period, DOJ must respond to the comments, along with any changes it deems necessary in the final judgment, and submit that to the Court.
- *Court hearing.* Objecting parties may request a hearing before the Court prior to its reaching a decision on whether to accept or reject the parties proposed settlement, which leaves the final decisions to the next Administration.

**Parties interested in commenting on the proposed settlement should consider contacting Peter Anderson, Executive Director for the Center for a Competitive Waste Industry at [anderson@competitivewaste.org](mailto:anderson@competitivewaste.org) or call 800-449-1010.**

**All communications will be treated as strictly confidential**