

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

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MAY 12 2004

CHAMBERS OF
JUDGE KESSLER

UNITED STATES OF AMERICA, and
STATE OF NEW JERSEY,

Plaintiffs,

v.

WASTE MANAGEMENT, INC., and
ALLIED WASTE INDUSTRIES, INC.,

Defendants.

Case No.: 1:03CV01409 (GK)

DATE STAMP:

STIPULATION AND ORDER MODIFYING FINAL JUDGMENT

It is hereby stipulated by and between the undersigned parties, subject to approval and entry by the Court, and without prejudice to the parties legal position in any other proceeding or in the event the Court does not approve the proposed modification, that:

1. The Court has jurisdiction to modify the Final Judgment entered in this matter on December 16, 2003 ("Final Judgment") pursuant to Section XIV of the Final Judgment and Fed. R. Civ. P. 60(b)(5).
2. On June 30, 2003, Allied Waste Industries, Inc. ("Allied") consummated its sale of waste hauling assets in Colorado, South Carolina and Georgia to Waste Management, Inc. ("WMI"). On August 16, 2003, Allied completed the stock and asset sale of its New Jersey waste hauling and disposal operations to WMI.
3. Pursuant to the Final Judgment and prior to February 19, 2004, WMI divested waste hauling assets serving Augusta, Georgia; Myrtle Beach, South Carolina; and Morris County, New Jersey; and divested waste hauling and disposal assets serving Bergen and Passaic Counties, New Jersey as described in the Order Modifying Final Judgment submitted to the Court today. On April 30, 2004, WMI divested waste hauling assets serving Pitkin and Garfield Counties, Colorado as described in the Order Modifying Final Judgment submitted to the Court today. The United States approved the respective purchasers proposed by

WMI for each of these divestitures.

4. Pursuant to Sections II.K.3. and IV.A. of the Final Judgment, WMI agreed to sell waste collection routes 730, 824, 825, 831, 850, 851, and 853 that operate out of Waste Management's facility located at 226 North 12th Street, Carbondale, Colorado 81623. These routes served a mixture of commercial waste collection customers (including small container commercial waste collection customers) and residential customers in Pitkin and Garfield Counties, Colorado, and produced approximately \$2 million in annual revenues.
5. After filing the Final Judgment, the United States and WMI learned that the composition of route 730 (identified in Section II.K.3. of the Final Judgment as a route to be divested) was different than originally understood because certain accounts billed as and previously understood to be commercial accounts were determined to be residential accounts and/or were not served from WMI's facility in Carbondale and/or were located in Mesa County, Colorado.
6. Prospective purchasers rejected accounts located on the rural western edge of Garfield County, Colorado (*i.e.*, accounts located west of Glenwood Springs, Colorado, including those in Silt, New Castle, Rifle, Battlement Mesa or Parachute, Colorado) because such accounts would be difficult to service on an efficient basis relative to the other assets being sold.
7. The United States and WMI have agreed to jointly seek modification of the Final Judgment to exclude route 730 and accounts located west of Glenwood Springs, Colorado, including those in Silt, New Castle, Rifle, Parachute and Battlement Mesa, Colorado from the divestiture assets. The United States and WMI have further agreed that WMI will supplement the divestiture assets with waste collection customers that collectively generate at least \$25,000 in monthly commercial revenues and \$14,500 in monthly residential revenues. These divestiture assets, in total, currently generate roughly \$2 million in annual revenues.
8. The United States and WMI have agreed to jointly seek modification of Section IV.A. of the Final Judgment to extend the period of time to sell the Pitkin and Garfield, County Colorado assets until April 30, 2004.
9. The United States and WMI represent that the modification of Section II.K.3. of the Final Judgment is equitable in nature and serves the public interest. The

United States and WMI further represent that modification of Section IV.A. of the Final Judgment to grant an extension of time to effect the divestiture of the Pitkin and Garfield County, Colorado waste hauling assets is in the public interest.

10. Pursuant to Sections II.K.4. and IV.B. of the Final Judgment, WMI agreed to divest small container commercial waste collection routes 700, 705, 706, 401, and 405 previously owned by Allied and serving Bergen and Passaic Counties, New Jersey. These assets produced approximately \$3 million in annual revenues.
11. After WMI acquired routes 700, 705, 706, 401 and 405 from Allied, WMI learned that certain accounts located on the routes were simultaneously serviced on Allied routes to be retained by WMI.
12. The United States, New Jersey and WMI have agreed to jointly seek modification of the Final Judgment to require that WMI divest Allied routes 700, 705, 706, 401 and 405, except that WMI may retain accounts on those routes which generate less than 33.3 percent of their total revenue from services provided on the divested routes. These routes, excluding such accounts, generate revenues of about \$3 million in annual revenues.
13. The United States, New Jersey and WMI represent that the modification of Section II.K.4. of the Final Judgment is equitable in nature and serves the public interest.

Dated this 11th day of May, 2004.

Respectfully submitted,

FOR PLAINTIFF
UNITED STATES OF AMERICA

/s/

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WASTE MANAGEMENT, INC.

/s/

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ORDER

Plaintiffs United States of America and the State of New Jersey, and Defendant Waste Management, Inc., having moved this Court for an order modifying the Final Judgment herein, and the Court having considered the information presented in the Stipulation and Joint Motion and Memorandum, and the Court finding that it is in the public interest to modify the Final Judgment;

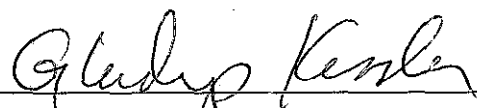
IT IS HEREBY ORDERED that Sections II.K.3. and II.K.4. of the Final Judgment entered herein on December 16, 2003, be modified to read as follows:

Section II.K.3. Waste Management's waste collection routes 824, 825, 831, 850, 851, and 853 that operate out of Waste Management's facility located at 226 North 12th Street, Carbondale, Colorado 81623, and additional waste collection customers serviced from the same location that collectively generate at least \$25,000 in monthly commercial revenue and \$14,500 in monthly residential revenue, except that Waste Management need not divest any customer located west of Glenwood Springs, including those in Silt, New Castle, Rifle, Battlement Mesa or Parachute, Colorado.

Section II.K.4. Allied's commercial waste collection routes 700, 705, 706, 401, and 405 that operate out of Allied's VMI Waste Services Hauling facility located at 75 Broad Avenue, Fairview, New Jersey 07022, except that Waste Management is not required to divest any account or contract serviced on any route identified above where less than 33.3 percent of the total revenue generated by the account or contract is attributable to services provided on any route(s) identified above, or to divest any real property or improvements to real property (i.e., buildings, garages, or leasehold rights related thereto).

IT IS FURTHER ORDERED that the time period provided in Section IV.A. of the Final Judgment for the sale of the Relevant Hauling Assets be extended until April 30, 2004.

IT IS SO ORDERED ON THIS 13th DAY OF May, 2004.


United States District Judge

CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of May, 2004, I caused a copy of the foregoing Stipulation and Order Regarding Time Extension to be served by electronic filing on Waste Management, Inc. and Allied Waste Industries, Inc., and by first class mail, postage prepaid, on the State of New Jersey at the addresses given below:

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