



The American Antitrust Institute

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**AAI WARNS THAT MERGER OF WASTE DISPOSAL GIANTS REPUBLIC AND ALLIED  
IS LIKELY TO HARM COMPETITION AND CONSUMERS**  
*Short of Blocking the Merger, DOJ Must Craft an Effective Remedy*

(Washington, DC). The American Antitrust Institute (AAI) today warned that the proposed merger of waste giants Republic Services and Allied Waste Industries will potentially harm competition and consumers.

If the Department of Justice's (DOJ) Antitrust Division does not block the merger of the second largest (Republic) and third largest (Allied) national firms, the AAI urges the DOJ to craft a thorough and effective remedy to protect competition and consumers.

"There are numerous metropolitan geographic markets in the U.S. where the merger will apparently eliminate a significant, head-to-head competitor," explained AAI Vice President and Senior Fellow Diana Moss.

According to a report recently issued by RecycleWorlds titled "[Analysis of the Effect on Competition in Major Markets from the Merger of Republic and Allied Waste](#)," landfill markets in Wisconsin, Texas, Pennsylvania, Ohio, North Carolina, Minnesota, California, Georgia, Illinois, and Indiana would experience extremely high increases in, and post-merger levels of, concentration that exceed the *DOJ/FTC Horizontal Merger Guidelines* thresholds for raising significant competitive concerns.

"The limited availability of landfill sites is a central issue in evaluating this merger," said Moss. "Many of these markets are dominated by a tight oligopoly of waste disposal firms that own essential landfill assets. A merger set against this backdrop raises clear concerns about price increases post-merger for landfill use and ultimately to consumers for waste disposal services, making it difficult for rival firms that do not own landfill assets to remain competitive."

The AAI notes that the RecycleWorlds' report lays out compelling reasons why divestiture of landfill assets (a typical type of remedy for otherwise anticompetitive mergers) is less likely to effectively cure the competitive problems raised by the proposed deal. Those reasons include a limited number of firms to which assets could be sold and difficulty in identifying appropriate assets for divestiture. The AAI believes this is one case where a conduct-based remedy, such as a pro-forma air space contract offered to independent waste disposal companies, would be effective in restoring markets to pre-merger levels. The contract could provide open access to landfills owned by the merging companies to rival, independent firms under nondiscriminatory terms and conditions.

[About the American Antitrust Institute](#)

The American Antitrust Institute is an independent non-profit education, research and advocacy organization. Since its formation in 1998, the AAI's mission has been to increase the role of competition, assure that competition works in the interests of consumers, and challenge abuses of concentrated economic power in the American and world economy. To learn more about the AAI, please visit [www.antitrustinstitute.org](http://www.antitrustinstitute.org)