

# Mergers, Monopolies and Stealth Pricing in the Waste Industry

“The country's three largest garbage haulers have been steadily raising prices despite the slowing economy. And with a major buyout among them looming, prices are likely to continue their climb.”

– Wall Street Journal, 9/18/2008



## TRASHING CONSUMERS

A report by:

Consumer Action

National Association of  
Consumer Advocates

International Brotherhood of Teamsters  
Office of Consumer Affairs

*“The country's three largest  
garbage haulers have been  
steadily raising prices despite the  
slowing economy. And with a major  
buyout among them looming, prices are  
likely to continue their climb.”*

*– Wall Street Journal, 9/18/2008*



## Executive Summary

**A**fter many rounds of mergers and buyouts between solid waste companies in the United States, a few colossal companies are now able to exert monopoly-like power over the collection and disposal of solid waste. Less competition has led to higher prices for a vital service that consumers cannot do without. In addition, hidden in many waste contracts are stealth pricing practices such as evergreen clauses and “environmental” fees that are difficult for customers to fight when there are monopolies in place.

There are 2,700 landfills in the United States, but the three largest solid waste companies—Waste Management Inc., Allied Waste Industries Inc. and Republic Services Inc.—control just over 40 percent of the solid waste market and 60 percent of the landfill space.<sup>(1)</sup> The largest solid waste company in the United States, Waste Management, controls 21 percent of the total disposal market.<sup>(2)</sup>

Companies that control landfills are also able to control the collection market because they set the tipping fee rates—the amount they charge cities, counties and other companies to dump trash in the landfills they own. When they use their power to increase tipping fees, it allows them to then underbid for collection contracts until other companies can no longer compete and are driven out of the market. When companies control both landfills and collection contracts, this is called “vertical integration.”

Vertical integration has been a key component of large waste companies’ business plans over

the past decade. For example, in most of the markets in which Waste Management operates it has now achieved a level of market control that allows it to implement price increases and other controls over customers’ contracts that would not have been previously possible. As a result, customers pay more for waste collection than they would in a competitive market, and several companies have been penalized at the state and federal level for imposing anticompetitive conditions in their contracts.

Now the second- and third-largest waste companies in the country, Allied Waste and Republic Services, are planning to merge, even though additional consolidation in the solid waste industry could lead to even less competition, more vertical integration, and higher prices.<sup>(3)</sup> One example is Ohio, where this pattern is felt acutely: In 2007 the majority of the state waste collection and disposal contracts were awarded to only three companies,<sup>(4)</sup> and only four companies control about 80 percent of trash disposal statewide.<sup>(5)</sup>

The Wall Street Journal recently found that “the country’s three largest garbage haulers have been steadily raising prices despite the slowing economy. And with a major buyout among them looming, prices are likely to continue their climb.”<sup>(6)</sup> The increasing market power of large waste companies exposes communities, state entities and businesses to serious risks of being gouged by monopolistic practices.





## Control of Landfill Space – The Key to Market Pricing Power

**T**he market power of less than a handful of large, vertically integrated companies has made it possible for them to exert monopoly-like control over pricing.

In the 1970s, government policies helped turn a fragmented, competitive solid waste market into a highly consolidated industry. In 1976, Congress passed the Resource Conservation and Recovery Act (RCRA), which implemented new environmental and financial standards. This included landfill siting restrictions, environmental monitoring, care of landfills for 30 years after closure, and financial assurance requirements, all of which require significant capital.<sup>(7)</sup>

Hundreds of publicly owned landfills and small privately owned landfills closed or were sold because the owners could not afford to comply with RCRA.<sup>(8)</sup> Landfills are now fewer in number but larger in size, and many are owned by a handful of publicly traded and vertically integrated companies that now dominate the solid waste industry. In 1989, there were about 7,900 open landfills in the United States.<sup>(9)</sup> By 2004 that number had dropped to about 2,100:<sup>(10)</sup>

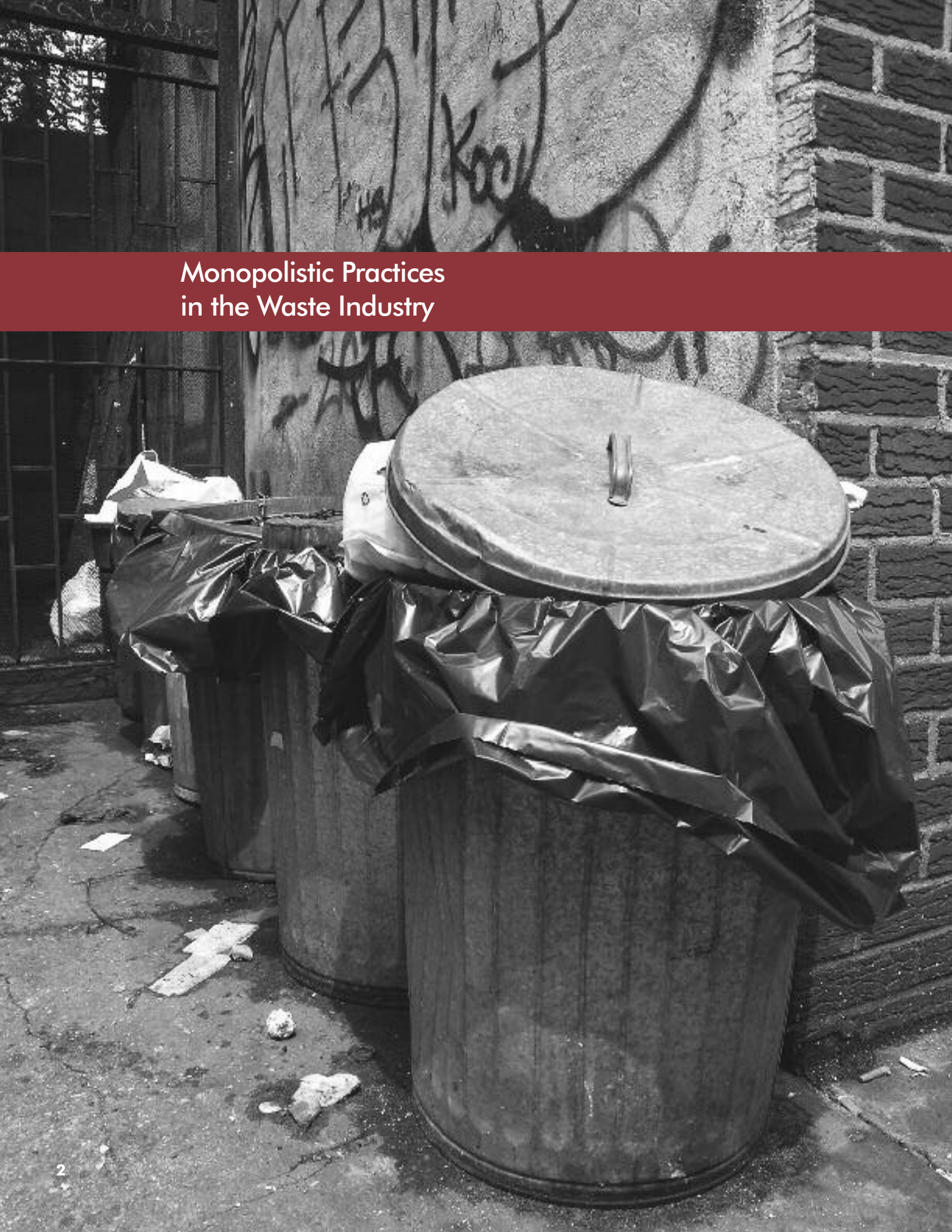
“Sweeping changes in environmental and regulatory policies proved a catalyst for a dramatic shift in the overall industry from a highly fragmented and competitive structure to the oligopoly we see today. As stringent requirements for operating disposal facilities were enacted, barriers to entry increased substantially, effectively allowing only those with access to significant capital resources the ability to construct, own, and operate landfill sites.”<sup>(11)</sup>

The industry is now highly consolidated. In 2004, publicly traded companies made up less than 0.1 percent of the total number of waste organizations (including municipalities and publicly and privately held companies), but controlled 63 percent of the \$46.5 billion solid waste market.<sup>(12)</sup>

In the late 1980s, municipalities owned 83 percent of U.S. landfills and the remaining 17 percent were privately owned. Now, private companies control the majority of landfill space.<sup>(13)</sup> Waste Management, for example, owns 277 active landfills<sup>(14)</sup> out of the approximately 515 owned by publicly traded companies, and controls almost 30 percent of daily landfill tonnage.<sup>(15)</sup>

Landfill control allows the largest companies to drive smaller collection competitors out of the market through increased tipping fees at landfills, which account for 35 percent of collection companies’ operating costs.<sup>(16)</sup> Then, without competition on the collection side of the business, the largest companies are able to increase collection and disposal prices for their customers:

“The greatest source of sustained pricing gains for the major industry players will be landfills, as landfill ownership—and accordingly, control over the costs of disposal in a geographic area—allows for power over all aspects of the local marketplace.”<sup>(17)</sup>



## Monopolistic Practices in the Waste Industry

### Price-Gouging: Largest Waste Companies Pursue Higher Prices

The stated business plans of the country's three largest solid waste companies are focused on raising prices. These companies have boasted of revenue enhancement through price increases and fuel and environmental surcharges in recent shareholder calls and investor presentations.<sup>(18, 19, 20)</sup> A recent Wall Street analyst report describes how "price remains the focus for the private [waste] sector," and that companies "have been leveraging the escalation in fuel costs earlier in 2008 as partial justification for requested price hikes, which may create an earnings tailwind assuming that fuel prices continue to decelerate."<sup>(21)</sup>

### Practices Found to be Anti-Competitive

There is a long history in this industry of the United States Department of Justice and state attorneys general taking action to remedy waste companies' anti-competitive practices. These actions include:

- In 2007, the attorney general of Minnesota successfully settled with Waste Management over its anti-competitive practices, including contracts that were almost impossible to terminate.<sup>(22)</sup>
- In 2004, Republic Services paid a \$1.5 million civil penalty after the United States Department of Justice found they had violated a 2000 consent decree by using contracts more restrictive than allowed by the decree.<sup>(23)</sup>
- A 1996 agreement between the Antitrust Division of the United States Department of Justice and Waste Management and

Browning-Ferris Industries (now Allied Waste), the two largest solid waste companies at the time, due to their alleged use of restrictive contracts to stifle competition and enhance their market power.<sup>(24)</sup>

### Case Study: Waste Management's Anti-Competitive Practices

Waste Management, now the largest solid waste company in the country, formed in 1998 through the merger of the "old" Waste Management and USA Waste Services. The merger was followed in 1999 by the acquisition of Eastern Environmental. The merger and acquisition made Waste Management, which now earns \$13.3 billion annually,<sup>(25)</sup> more than twice as large as its nearest competitor, Allied Waste.

In late 2004, Waste Management began implementing what it calls its "pricing excellence" program in several markets and then throughout the country in 2005. The program has several pieces: increasing prices on existing customers, charging higher prices for new customers, manufacturing new fees and inserting "stealth pricing" features into contracts.

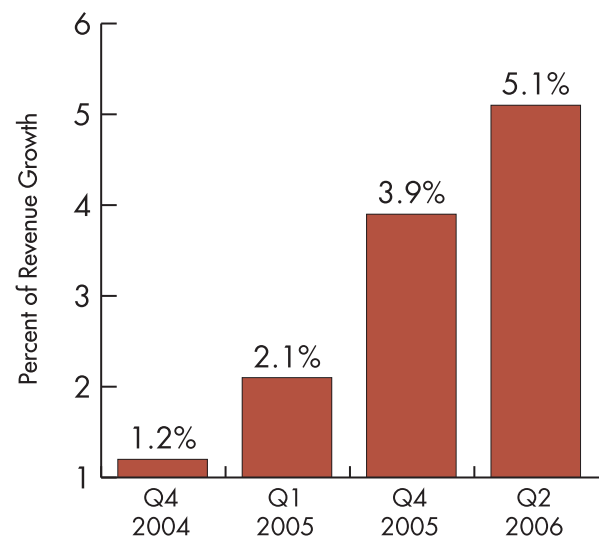
### Price Increases

Significant price increases can be traced as far back as 1999, when Waste Management raised tipping fees at landfills anywhere from 40 percent to 138 percent.<sup>(26)</sup> Rates were increased across the country—from Virginia to Ohio to Pennsylvania to Massachusetts. One independent hauler noted, "They priced us out of every one of their landfills."<sup>(27)</sup>

“Another big merger among the waste giants could spur ever higher contract prices, say industry observers.”

—Wall Street Journal, 9/18/2008

### Waste Management Increases Revenue by Raising Prices



With collection customers, Waste Management began the fourth quarter of 2004 with an average price increase of 2.8 percent, increasing to 3.2 percent in the first and second quarters of 2005.<sup>(28)</sup> Price increases averaged between 3 and 4 percent each quarter from 2005 through 2007.<sup>(29)</sup>

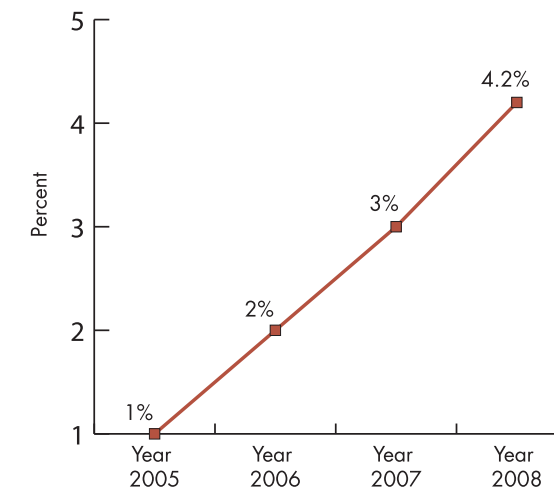
Price increases for collection customers contributed to 1.2 percent of internal revenue growth in the fourth quarter of 2004. This increased to 2.1 percent of internal revenue growth in the first quarter of 2005; 3.9 percent of internal revenue growth in the fourth quarter of 2005; and 5.1 percent of internal revenue growth in the second quarter of 2006.<sup>(30)</sup>

During this time, Waste Management continued to increase landfill prices for disposal customers. Average landfill tipping fee increases in 2005 were between 6 percent and 9 percent per ton.<sup>(31)</sup> These price increases continue to this day.<sup>(32)</sup>

#### Environmental, Fuel and Other Pricing Schemes

In the first quarter of 2005, Waste Management implemented a 1 percent environmental surcharge (on the total bill including the fuel surcharge) on customers whose contracts allowed it. Through this fee Waste Management generated \$2.5 million per month in additional revenue during its first quarter of implementation.<sup>(33)</sup> Waste Management increased the environmental surcharge to 2 percent in 2006, and again to 3 percent in 2007.<sup>(34)</sup> In January 2008, the environmental surcharge increased to 4.2 percent.<sup>(35)</sup>

### Waste Management's So-Called Environmental Surcharges Increase Each Year



Waste Management states on their web site: “We will continue to promote the Environmental Charge as our charge to cover costs associated with operating in a safe and environmentally responsible manner and to achieve an acceptable operating margin... The amount or percentage of the environmental charge is not tied to any specific, direct or indirect, costs to service your account, but to Waste Management's overall costs on a company-wide basis.”<sup>(36)</sup>

In late 2005, Waste Management also began implementing what it referred to as “revenue enhancement ideas,” including charges for containers, late payment fees, and service activation and setup fees.<sup>(37)</sup> At a 2006 investor conference, Waste Management's CEO reported:

“We went into our pricing excellence program. And pricing excellence can best be shown by one of my favorite examples, which is two hotels. You go to two hotels that you think are pretty much

“The consolidation of the solid waste industry in the hands of only a few vertically integrated companies has made it possible for the largest companies to exert monopoly-like control over pricing in markets.”

identical. You ask one hotel how much is your room? They say \$110. You say thank you. You call the next hotel you say how much is your hotel room? They say its \$100. You say book me the room.

Never thinking that your total cost of stay at that \$100 hotel room might actually be more than it was at the \$110 hotel room because you never asked how much is it to park? How much does it cost to make a long distance phone call? How much does it cost to have my shirt pressed? How much does it cost to buy a candy bar at the concession stand downstairs? You never asked those questions.

So your total cost of staying at that \$100 hotel might actually be higher, but you didn't pay any attention to it because all you paid attention to was the base pricing.”

—David Steiner, CEO, Waste Management<sup>(38)</sup>



“Waste Management’s ‘pricing excellence’ program has several pieces: increasing prices on existing customers, charging higher prices for new customers, and inserting ‘stealth pricing’ features into contracts.”

**Stealth Pricing and Other Strategies**

Waste Management uses several types of pricing practices that make it very easy for them to raise prices at any time for any reason, and that make it very difficult for customers to ever cancel their contracts or switch vendors. Examples of these practices, along with actual contract language, include:

**Making Changes to the Cost of the Contract**

Company may increase charges to account for: any increase in disposal, fuel or transportation costs; any change in the composition of the Waste Materials or increases in the average weight per container of Waste Materials; increased costs due to uncontrollable circumstances, including, without limitation, changes in local, state or federal laws or regulations, imposition of taxes, fees or surcharges and act of God such as floods, fires, etc. Company may also increase the charges to reflect increases in the Consumer Price Index for the municipal or regional area in which the Service Address is located.<sup>(39)</sup>

**Late Fees**

Customer shall pay for the services and/or equipment furnished by Company in accordance with the charges on the reverse side, as adjusted hereunder, with ten (10) days of the date of the Company’s invoice.<sup>(40)</sup>

Customer shall pay a service charge on all past due amounts accruing from the date of the invoice at a rate of eighteen percent (18%) per annum or, if less, the maximum rate allowed by law.<sup>(41)</sup>

**Evergreen Clauses**

This Agreement shall automatically renew thereafter for additional terms of twelve (12) months each (“Renewal Term”) unless either party gives to the other party written notice of termination at least ninety (90) days, but not more than one hundred eighty (180) days, prior to the termination of the then-existing term.<sup>(42)</sup>

**Excusing Waste Management from Performing Work Under the Contract**

Except for the obligation to make payments hereunder, neither party shall be in default for its failure to perform or delay in performance caused by events beyond its reasonable control, including, but not limited to, strikes, riots, imposition of laws or governmental orders, fires, acts of God, and inability to obtain equipment, and the affected party shall be excused from performance during the occurrence of such events.<sup>(43)</sup>

**Liquidated Damages for Waste Management if Customer Wants to Cancel Service**

In the event Customer terminates this Agreement prior to the expiration of any term for any reason other than a default by Company, or in the event Company terminates this Agreement for Customer’s default, Customer shall pay the following liquidated damages in addition to the Company’s legal fees: 1) if the remaining Initial Term under this Agreement is six or more months, Customer shall pay its most recent monthly charges multiplied by six; 2) if the remaining Initial Term under this Agreement is less than six months, Customer shall pay its most recent monthly charges multiplied by the number of months remaining in the Term; 3) if the remaining

Renewal Term under this Agreement is three or more months, Customer shall pay its most recent monthly charges multiplied by three; or 4) if the remaining Renewal Term under this Agreement is less than three months, Customer shall pay its most recent monthly charges multiplied by the number of months remaining in the Renewal Term.<sup>(44)</sup>

If Customer defaults or attempts to cancel Contractor’s services or this Agreement, Customer agrees that the Contractor’s actual damages would be difficult, if not impossible, to calculate. Therefore, Customer agrees that in such event it shall pay all past due sums and, in addition, shall pay as liquidated damages and not as a penalty an amount equal to 30% of the product of the last monthly charge at the

time of default or cancellation multiplied by the number of months then remaining in the current term of the Agreement plus all Attorney’s fees Contractor needs to enforce its rights against Customer for cancellation of said contract.<sup>(45)</sup>

**Right of First Refusal for Waste Management When Customer Re-Bids the Contract**

Customer grants to Company a right of first refusal to match any offer relating to services similar to those provided hereunder which Customer receives (or intends to make) upon termination of this Agreement for any reason and Customer shall give Company prompt written notice of any such offer and a reasonable opportunity to respond to it.<sup>(46)</sup>

**The Big Three Waste Companies All Raise Prices By Charging Fuel Surcharges and Environmental Fees**

	Fuel Surcharges	Environmental Fees
Waste Management	✓	✓
Allied Waste	✓	✓
Republic Services	✓	✓

“The largest waste companies continued to demonstrate pricing discipline. . . [surcharges] in some cases are approaching 20 percent of monthly customer bills.”

—Merrill Lynch Industry Overview 8/5/2008



### Stealth Pricing: An Industry-Wide Strategy

Waste Management is not the only company pursuing “pricing excellence,” as the following chart reproduced from a Republic Services presentation in 2008 shows. Fuel surcharges and “environmental” fees are becoming an increasingly larger proportion of their price increases.<sup>(47)</sup>

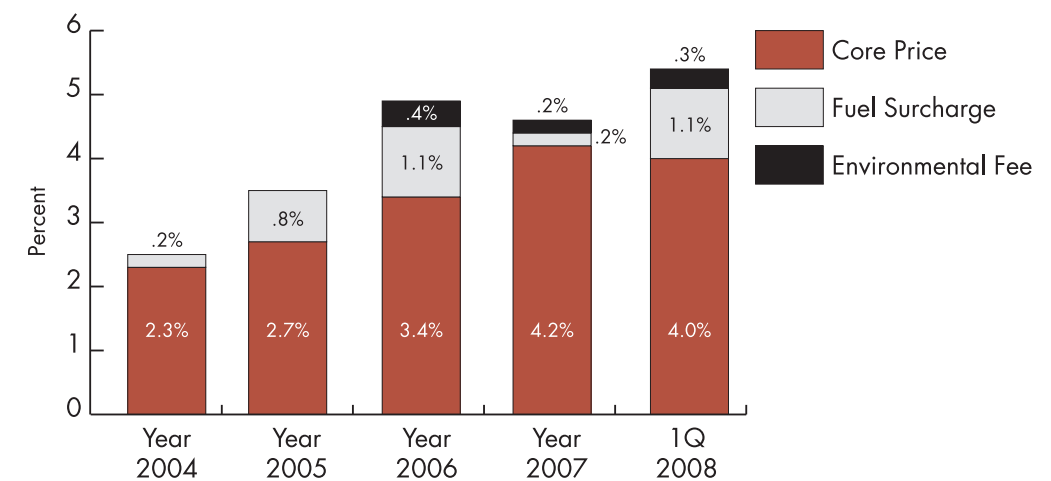
In another example, Allied Waste saw earnings rise 22 percent on higher prices in the second quarter of 2008, much of it from fuel recovery fees.<sup>(48)</sup> Allied Waste charges environmental fees as well.<sup>(49)</sup> And as recent Wall Street analyst reports have noted:

“The largest waste companies continued to demonstrate pricing discipline. . . as Waste Management proposed rate hikes of 24-68% in some contracts while successfully implementing fuel surcharges of as much as 16%, which suggests minimal customer resistance to

recovery fees. Allied Waste raised prices by as much as 23% and also introduced fuel recovery provisions. . . Our field checks suggest that the waste companies have generally faced minimal resistance in seeking to be compensated for fuel cost pressures through the use of surcharges, which in some cases are approaching 20% of monthly customer bills.” (July 2008)<sup>(50)</sup>

“The largest waste companies continued to achieve price increases on contract renewals over the past month as Republic Services led the way with an 82% hike on one contract and 30-40% gains on another agreement. Allied Waste was the most active. . . as the company successfully achieved price increases of 6-36% in eight different communities over the past month. Waste Management [was] also granted higher rates that represented as much as a 23% increase over prior levels.” (August 2008)<sup>(51)</sup>

### Republic Services Uses Pricing Strategies to Increase Profits





## Case Study: Ohio – Ground Zero for Waste Monopolies

### Ohio's Choices Limited; Statewide Waste Contracts Awarded to Few Companies

In the summer of 2007, the Ohio Department of Administrative Services put out to bid a new contract for solid waste collection and disposal that covers all state agencies throughout the state, as well as state co-op purchasing members who choose to use the contract. Members include city, township and county governments. State universities and colleges can also use the contracts. By September 2007, contracts for 77 out of 88 counties had been awarded.

The results highlight the effect of consolidation on the waste industry in Ohio:<sup>(55)</sup>

- \* 70 out of 77 county contracts were awarded to only three companies: Waste Management, Rumpke, and Allied Waste.
- \* Waste Management was awarded 13 counties. In five of those counties there was no competitive bidder. In the other eight counties, Allied Waste was the only other bidder.
- \* Rumpke, a private company based in the southwest corner of Ohio, was awarded 34 counties. In 15 counties there was no competitive bidder. In 18 counties, Rumpke won the contract over Waste Management and/or Allied Waste.



“In Ohio, 70 out of 77 county contracts were awarded to only three companies: Waste Management, Rumpke, and Allied Waste.”

### Fewer Landfills; Most are Privately Owned in Ohio

In 1971, approximately 360 landfills and incinerators operated in Ohio.<sup>(52)</sup> In 2007, that number had dropped to 42 landfills, of which 28 are owned and operated by private entities.<sup>(53)</sup> Twelve landfills are publicly owned and operated, while two landfills are publicly owned and privately operated.

Landfill Owner	Percent of Total Tons Per Day	Tons per Day
Allied Waste	33%	19,671
Waste Management	18%	10,772
Rumpke	16%	9,607
Republic Services	11%	6,662
Other private	9%	5,091
Publicly owned	12%	7,243
Ohio total	100%	59,046

### Tipping Fees Usually Higher at Private Landfills in Ohio

The average tipping fee varies by landfill owner but tends to be higher at privately owned landfills, based on data collected by the Waste Business Journal.<sup>(54)</sup>

Landfill Owner	Average Tip Fee	Tip Fee Range
Allied Waste	\$40.49	\$28.50-\$60.00
Waste Management	\$43.72	\$30.00-\$57.51
Rumpke	\$33.52	\$25.50-\$40.25
Republic Services	\$25.38	\$22.00-\$28.75
Other private	\$28.96	\$20.00-\$39.00
Publicly owned	\$31.98	\$18.00-\$48.00
Ohio average	\$35.20	\$18.00-\$60.00



## Conclusions and Recommendations

**C**onsolidation in the solid waste industry has led to a decrease in competition and an increase in prices and monopolistic practices across the United States. Several states and cities have created various laws and regulations in order to protect customers from some of the most commonly used deceptive practices (see Appendix A). State attorneys general and the United States Department of Justice have taken action against large waste companies in the past in order to curb antitrust abuses, but the market share and pricing power of these companies has only led to higher prices at landfills and higher prices for waste collection contracts.

As of August 2008, Allied Waste and Republic Services, the second- and third-largest solid waste companies in the United States, are planning to merge. This additional consolidation in the solid waste industry could lead to even less competition, more vertical integration and higher prices.

The Wall Street Journal recently reported, “Another big merger among the waste giants

could spur ever higher contract prices, say industry observers.”<sup>(56)</sup>

To protect the public, stealth pricing practices such as evergreen and right of first refusal clauses, and pricing schemes such as environmental fees, should be monitored and tightly regulated. Lawmakers should require full disclosure of surcharges and fees and what exactly they are used for.

Consumers also have the right to understand the full consequences of mergers in the waste industry. As part of the merger process, companies should be required to provide full disclosure on how they price their services so that regulators can analyze the impact.

Municipalities, public institutions, businesses and individual customers can be seriously adversely affected by monopolies and stealth pricing practices. The public good will be served by closely monitoring and reviewing mergers and acquisitions in the waste industry.

## Appendix A

### Waste Collection Regulation in Several States and Cities

#### Maine

In 2002, the Maine attorney general’s office issued a report on the state of competition in the state’s solid waste industry. Attorney General Steven Rowe was concerned about what effects a 1989 ban on new landfill development would have on competition in the industry. The report found that consolidation in the industry had led to increases in the prices of municipal contracts at twice the rate of inflation and the implementation of contract practices such as evergreen clauses and liquidated damages.<sup>(57)</sup>

The report recommends that the state pass legislation restricting evergreen clauses and right of first refusal clauses, limiting liquidated damages, and increasing state control over disposal costs. In September 2003, the Maine Legislature passed a bill that requires contractors to notify customers that an evergreen clause is about to come into effect; limits the amount of liquidated damages to three times the monthly charge; and prohibits right of first refusal clauses.<sup>(58)</sup>

#### New York City

In New York City, waste removal at commercial establishments is done by private haulers. The private haulers must obtain a license from the Business Integrity Commission (BIC). In addition, the BIC sets certain rules for the waste haulers:<sup>(59)</sup>

- The BIC sets maximum rates for uncompacted and compacted waste.
- Haulers are only allowed to charge based on the cubic yardage or weight of waste removed. It is up to the customer to decide the method of payment and the method of payment can be changed at any time.
- Customers are entitled to a free waste audit from their hauler. The hauler must tell the customer when the survey is going to begin, and record, for at least seven days, the amount of waste you leave out during a 14-day survey period.
- The hauler cannot charge for container rentals or extra pulls.
- The hauler cannot charge for gas surcharges.

#### West Virginia

In West Virginia, concern over competition in the solid waste industry led to regulation of both collection and disposal. In 1989, the West Virginia Public Service Commission was given authority to regulate rates at landfills and transfer stations. Contracts between municipalities and commercial firms for curbside collection are also regulated by the Public Service Commission. The contract for collection services is negotiated between the collection company and the customer. “However, if a customer is dissatisfied with the offered rate, the customer may request that the Public Service Commission initiate a proceeding to set the rate.”<sup>(60)</sup>

#### Alaska

In Alaska, the Regulatory Commission sets and monitors collections fees. The Regulatory Commission sets the fees for residential and commercial curbside collection. “Firms providing commercial containerized pick-up and roll-on, roll-off service must file their fees with the Commission. The same rate must be charged to customers receiving the same service in an area covered by a filed rate.”<sup>(61)</sup>

#### Connecticut

In Connecticut, in the summer of 2006, 72 federal racketeering and extortion indictments were handed down covering 25 waste haulers operated by James Galante for price fixing in the trash-hauling industry in western Connecticut. In response, Gov. Jodi Rell appointed a state advisory group to make recommendations on how to regulate trash hauling. The state advisory group recommended establishing a state-level Solid Waste Hauling Authority, conducting background checks on haulers, and requiring solid-waste haulers be licensed by the state Department of Environmental Protection. The recommendations were supported by Gov. Rell. In the fall of 2006, Attorney General Richard Blumenthal submitted legislation to require solid waste haulers to obtain licenses from the state Department of Environmental Protection in order to enhance enforcement measures

## Appendix A continued

against environmental and anti-trust abuses. The legislation did not move out of committee in 2007, but will be reintroduced in 2008.

Attorney General Blumenthal's proposal would regulate trash haulers in the following ways:<sup>(62)</sup>

- Trash haulers could not impose a contract beyond two years and must give customers the right to terminate contracts during automatic renewal periods.
- Trash haulers are barred from requiring customers to notify their hauler of competing bids or otherwise limit their ability to hire another competitor.
- Trash haulers must provide customers with written notice of rate changes with at least 30 days notice, as well as provide written notice of any subcontract or assignment of their pickup to another hauler at least 60 days ahead of time.
- Create an administrative panel that would review criminal background checks on the haulers and investigate any claims of wrongdoing or anti-competitive business practices.

### Washington

The state of Washington has regulated solid waste collection since 1961. The Washington Utilities and Transportation Commission (WUTC) and local municipalities share responsibility for regulation. "Local municipalities may choose to contract for services on behalf of their citizens or to regulate collection services. The Utilities and Transportation Commission has authority in rural, unorganized areas or in municipalities that decline to exercise their option to regulate."<sup>(63)</sup>

The WUTC's duties include:

- Fixing and altering rates, charges, classifications, rules and regulations;
- Regulating the accounts, service and safety of operations;
- Requiring the filing of annual and other reports and data;
- Supervising and regulating such persons or companies in all other matters affecting the

relationship between them and the public which they serve;

- Requiring compliance with local solid waste management plans and related implementation ordinances; and
- Requiring the use of rate structures and billing systems consistent with the solid waste management priorities and the minimum levels of solid waste collection and recycling services pursuant to local comprehensive solid waste management plans.

The WUTC may suspend, revoke, alter or amend a license based on the complaint from an aggrieved party or based on its own investigations.<sup>(64)</sup>

### Pennsylvania

The Waste Transportation Safety Program (Act 90) was passed by the General Assembly and signed into law on June 29, 2002 by Republican Gov. Mark Schweiker.

Under Act 90, vehicles weighing more than 17,000 pounds that wish to haul municipal or residual waste to the commonwealth's landfills must receive authorization from the Pennsylvania Department of Environmental Protection. An application form, fee and compliance history are required before the department will review the application.

If approved, the haulers are issued stickers that are affixed to the trash trucks. Vehicles without a valid Waste Hauler Authorization sticker may not use Pennsylvania waste disposal and processing facilities. Act 90 mandates a \$2,000 penalty each time a landfill accepts a load from an unauthorized hauler, or a truck without the appropriate sticker or interim written authorization.

Haulers must comply with regulations covering environmental and safety issues, have the appropriate driver's license, complete a daily vehicle inspection report, and maintain records covering waste origin, transporter, transfer facility, final waste destination, weight or volume of the types of waste, any handling problems and emergency disposal activities.<sup>(65)</sup>

## Endnotes

- (1) Reid, Marshall. "Environmental Services," Bank of America Equity Research, August 20, 2007.
- (2) Reid, Marshall. "Environmental Services," Bank of America Equity Research, August 20, 2007.
- (3) Republic Services, Inc. and Allied Waste, Inc., "Republic Services And Allied Waste To Merge To Form Leading Environmental Services Company With Enterprise Value Of Over \$20 Billion," June 23, 2008, [http://www.republicallied.com/downloads/pressrelease\\_6-23-08.pdf](http://www.republicallied.com/downloads/pressrelease_6-23-08.pdf).
- (4) Ohio State Procurement. "Department of Administrative Services Contract # RS902408," [http://procure.ohio.gov/OrigContract/RS902408\\_OC.pdf](http://procure.ohio.gov/OrigContract/RS902408_OC.pdf).
- (5) Ohio Environmental Protection Agency, "Licensed Municipal Solid Waste Landfill Facilities," [http://www.epa.state.oh.us/dsiwm/document/facility\\_lists/lic\\_msw.pdf](http://www.epa.state.oh.us/dsiwm/document/facility_lists/lic_msw.pdf) (accessed October 17, 2008).
- (6) Brat, Ilan. "Garbage Haulers Hoist Prices: Truce Allows Waste Management, Allied and Republic to Push Higher," Wall Street Journal, September 18, 2008, Economy section.
- (7) Ghuman, Jagdeep S. "Waste Works: Initiating Coverage on the 3 Big Players," Credit Suisse Equity Research, June 5, 2007.
- (8) Young, Leone and Cellura, Alina, "Solid Waste ABCs," Citigroup Smith Barney Equity Research, June 7, 2005.
- (9) Young, Leone and Cellura, Alina, "Solid Waste ABCs," Citigroup Smith Barney Equity Research, June 7, 2005.
- (10) Young, Leone and Cellura, Alina, "Solid Waste ABCs Part 2," Citigroup Smith Barney Equity Research, June 23, 2005.
- (11) Ghuman, Jagdeep S. "Waste Works: Initiating Coverage on the 3 Big Players," Credit Suisse Equity Research, June 5, 2007.
- (12) Young, Leone and Cellura, Alina, "Solid Waste ABCs," Citigroup Smith Barney Equity Research, June 7, 2005.
- (13) Reid, Marshall. "Environmental Services," Bank of America Equity Research, August 20, 2007.
- (14) Securities And Exchange Commission, "Waste Management, Inc. Form 10-K," 2007, <http://www.sec.gov/edgar/searchedgar/companysearch.html>.
- (15) Young, Leone and Cellura, Alina, "Solid Waste ABCs Part 2," Citigroup Smith Barney Equity Research, June 23, 2005.
- (16) Ghuman, Jagdeep S. "Waste Works: Initiating Coverage on the 3 Big Players," Credit Suisse Equity Research, June 5, 2007.
- (17) Ghuman, Jagdeep S. "Waste Works: Initiating Coverage on the 3 Big Players," Credit Suisse Equity Research, June 5, 2007.
- (18) Waste Management, Inc., Q2 2008 Earnings Conference Call, July 29, 2008.
- (19) "Republic Services, Inc.," at JP Morgan Basics & Industrial Conference, June 2008, [http://media.corporate-ir.net/media\\_files/irol/82/82381/JPMorganConfer-ence\\_08\\_new.pdf](http://media.corporate-ir.net/media_files/irol/82/82381/JPMorganConfer-ence_08_new.pdf).
- (20) "Allied Waste Posts Stronger Than Expected Second Quarter," Waste Business Journal, August 2, 2007.
- (21) Ellis, Jonathan. "Pollution Control Monthly Pick-Up," Merrill Lynch Industry Overview, September 17, 2008.
- (22) The Office of Attorney General Lori Swanson, "Attorney General Lori Swanson Settles Monopolization Charges Against Waste Management of Minnesota, Inc.," December 24, 2007, <http://www.ag.state.mn.us/Consumer/PressRelease/071224WasteManagement.asp>.
- (23) United States Department of Justice, "Justice Department Settles Civil Contempt Claim Against Republic Services Inc.," November 30, 2004, [http://www.usdoj.gov/atr/public/press\\_releases/2004/206569.htm](http://www.usdoj.gov/atr/public/press_releases/2004/206569.htm).
- (24) United States Department of Justice, "Justice Department Puts An End To The Two Largest Solid Waste Hauling And Disposal Companies' Monopolistic Practices," February 15, 1996, [http://www.usdoj.gov/atr/public/press\\_releases/1996/0527.htm](http://www.usdoj.gov/atr/public/press_releases/1996/0527.htm).
- (25) Securities And Exchange Commission, "Waste Management, Inc. Form 10-K," 2007, <http://www.sec.gov/edgar/searchedgar/companysearch.html>.
- (26) Brown, Bob. "WMI Raises Tip Fees," WasteNews, March 1, 1999.
- (27) Brown, Bob. "WMI Raises Tip Fees," WasteNews, March 1, 1999.
- (28) Waste Management, Inc., Q4 2004 Earnings Conference Call, February 10, 2005; Waste Management, Inc., Q1 2005 Earnings Conference Call, April 28, 2005; and Waste Management, Inc., Q2 2005 Earnings Conference Call, July 28, 2005.
- (29) Waste Management, Inc. Investor Meetings presentation, November 2007.
- (30) Waste Management, Inc., Q1 2005 Earnings Conference Call, April 28, 2005; Waste Management, Inc., Q3 2005 Earnings Conference Call, October 27, 2005; and Waste Management, Inc., Q2 2006 Earnings Conference Call, July 28, 2006.
- (31) Waste Management, Inc., Q2 2005 Earnings Conference Call, July 28, 2005.
- (32) Waste Management, Inc., Q2 2008 Earnings Conference Call, July 29, 2008.
- (33) Waste Management, Inc., Q1 2005 Earnings Conference Call, April 28, 2005.
- (34) Waste Management, Inc., "WM Historical Fuel/Environmental Charge Percentages," <http://wm.com/WM/procurement/Fuelinfo/Historical.pdf> (accessed September 23, 2008).
- (35) Waste Management, Inc., "WM Historical Fuel/Environmental Charge Percentages," <http://wm.com/WM/procurement/Fuelinfo/Historical.pdf> (accessed September 23, 2008).

- (36) Waste Management, Inc., "WM Fuel/Environmental Charge Information," [http://wm.com/WM/procurement/Fuelinfo/fuel\\_surcharge.asp](http://wm.com/WM/procurement/Fuelinfo/fuel_surcharge.asp) (accessed September 19, 2008).
- (37) Waste Management, Inc., Q3 2005 Earnings Conference Call, October 27, 2005.
- (38) Waste Management at the Raymond James 27th Annual Institutional Investors Conference, March 6, 2006.
- (39) Found in contracts from Waste Management of AZ and Waste Management of Maine.
- (40) Found in contracts from Waste Management of AZ, Waste Management of New Hampshire and Waste Management of Maine.
- (41) Found in contracts from Waste Management of AZ and Waste Management of Maine.
- (42) Found in contracts from Waste Management of AZ, Waste Management of New Hampshire and Waste Management of Maine.
- (43) Found in contracts from Waste Management of AZ and Waste Management of Maine.
- (44) Found in contracts from Waste Management of AZ and Waste Management of Maine.
- (45) Found in contract from Waste Management of New Hampshire.
- (46) Found in contracts from Waste Management of AZ and Waste Management of Maine.
- (47) "Republic Services, Inc.," at JP Morgan Basics & Industrial Conference, June 2008, [http://media.corporate-ir.net/media\\_files/irol/82/82381/JPMorganConference\\_08\\_new.pdf](http://media.corporate-ir.net/media_files/irol/82/82381/JPMorganConference_08_new.pdf).
- (48) Associated Press, "Allied Waste's Earnings Rise 22 Percent," July 30, 2008.
- (49) Allied Waste, "Fuel Recovery Fee," <http://www.disposal.com/FuelRecoveryFee.htm> (accessed September 26, 2008).
- (50) Ellis, Jonathan and Wong, Jeffrey. "Pollution Control," Merrill Lynch Industry Overview, August 5, 2008.
- (51) Ellis, Jonathan. "Pollution Control Monthly Pick-Up," Merrill Lynch Industry Overview, September 17, 2008.
- (52) Ohio Environmental Protection Agency, Division of Solid and Infectious Waste Management, "2005 Facility Data Report," [http://www.epa.state.oh.us/dsiwm/document/swmdclear/fdr\\_05.pdf](http://www.epa.state.oh.us/dsiwm/document/swmdclear/fdr_05.pdf).
- (53) Ohio Environmental Protection Agency, "Approved, Pending and Remaining Capacity at Ohio's Publicly-Available Landfills, July 31, 2008," [http://www.epa.state.oh.us/dsiwm/document/general/landfill\\_capacity.pdf](http://www.epa.state.oh.us/dsiwm/document/general/landfill_capacity.pdf) (accessed October 17, 2008).
- (54) Ohio Environmental Protection Agency, "Approved, Pending and Remaining Capacity at Ohio's Publicly-Available Landfills, July 31, 2008," [http://www.epa.state.oh.us/dsiwm/document/general/landfill\\_capacity.pdf](http://www.epa.state.oh.us/dsiwm/document/general/landfill_capacity.pdf) (accessed October 17, 2008)
- and Waste Business Journal's Directory & Atlas of Non-Hazardous Waste Sites 2008.
- (55) Ohio State Procurement, "Department of Administrative Services Contract # RS902408," [http://procure.ohio.gov/OrigContract/RS902408\\_OC.pdf](http://procure.ohio.gov/OrigContract/RS902408_OC.pdf).
- (56) Brat, Ilan. "Garbage Haulers Hoist Prices: Truce Allows Waste Management, Allied and Republic to Push Higher," Wall Street Journal, September 18, 2008, Economy section.
- (57) Townsend, Ralph E. and Ackerman, Francis. "An Analysis of Competition in Collection and Disposal of Solid Waste in Maine," Office of the Maine Attorney General, December 31, 2002, [http://www.maine.gov/ag/dynld/documents/Solid\\_Waste\\_Report.pdf](http://www.maine.gov/ag/dynld/documents/Solid_Waste_Report.pdf).
- (58) "An Act to Promote and Monitor Competition in the Solid Waste Industry," Public Laws of Maine: Chapter 338 S.P. 507 - L.D. 1515, [http://janus.state.me.us/legis/ros/lom/LOM121st/7Pub301-350/Pub301-350-37.htm#P1431\\_231827](http://janus.state.me.us/legis/ros/lom/LOM121st/7Pub301-350/Pub301-350-37.htm#P1431_231827).
- (59) The City of New York, "The City of New York Business Integrity Commission," [http://www.nyc.gov/html/bic/html/trade\\_waste/trade\\_waste.shtml](http://www.nyc.gov/html/bic/html/trade_waste/trade_waste.shtml).
- (60) Townsend, Ralph E. and Ackerman, Francis. "An Analysis of Competition in Collection and Disposal of Solid Waste in Maine," Office of the Maine Attorney General, December 31, 2002, [http://www.maine.gov/ag/dynld/documents/Solid\\_Waste\\_Report.pdf](http://www.maine.gov/ag/dynld/documents/Solid_Waste_Report.pdf).
- (61) Townsend, Ralph E. and Ackerman, Francis. "An Analysis of Competition in Collection and Disposal of Solid Waste in Maine," Office of the Maine Attorney General, December 31, 2002, [http://www.maine.gov/ag/dynld/documents/Solid\\_Waste\\_Report.pdf](http://www.maine.gov/ag/dynld/documents/Solid_Waste_Report.pdf).
- (62) H.B. 7092, "An Act Establishing a Commission on Solid Waste Hauling," State of Connecticut General Assembly, 2007, <http://www.cga.ct.gov>.
- (63) Washington Utilities and Transportation Commission, "Regulated Industries/ Motor Carriers/ Solid Waste," <http://www.wutc.wa.gov/solidwaste>.
- (64) "Solid Waste Collection Companies," Revised Code of Washington: 81.77, <http://apps.leg.wa.gov/RCW/default.aspx?cite=81.77>.
- (65) H.B. 2044, "An Act Amending Title 27 (Environmental Resources) of the Pennsylvania Consolidated Statutes, Consolidating the Environmental Laboratory Accreditation Act; and Making Repeals," The General Assembly of Pennsylvania, 2002, <http://www.legis.state.pa.us/>.