

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

_____)
UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
v.) Civil Action No.:
)
STAR ATLANTIC WASTE HOLDINGS, L.P.,) Description: Antitrust
)
VEOLIA ENVIRONNEMENT S.A.) Judge:
)
and) Date Stamp:
)
VEOLIA ES SOLID WASTE, INC.,)
)
Defendants)
_____)

HOLD SEPARATE STIPULATION AND ORDER

It is hereby stipulated and agreed by and between the undersigned parties, subject to approval and entry by the Court, that:

I. Definitions

As used in this Hold Separate Stipulation and Order:

A. "Acquirer" or "Acquirers" means the entity or entities to which the defendants divest the Divestiture Assets.

B. "Star Atlantic" means defendant Star Atlantic Waste Holdings, L.P., a Delaware limited partnership with its headquarters in New York, New York, its successors and assigns,

and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

C. "Veolia" means defendant Veolia Environnement S.A., a French corporation with its headquarters in Paris, France, and its wholly owned subsidiary, Veolia ES Solid Waste, Inc., their successors and assigns, and their subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

D. "Disposal" means the business of disposing of waste into approved disposal sites, including the use of transfer stations to facilitate shipment of waste to other disposal sites.

E. "Divestiture Assets" means the Relevant Disposal Assets and the Relevant Collection Assets.

F. "Route" means a group of customers receiving regularly scheduled small container commercial waste collection service and all tangible and intangible assets relating to the route, as of October 1, 2012 (except for *de minimis* changes, such as customers lost or gained in the ordinary course of business), including capital equipment, trucks and other vehicles; containers; supplies; and if requested by the Acquirer, the real property and improvements to real property (*e.g.*, garages and buildings that support the route) as specified in Paragraph I(L) below, customer lists; customer and other contracts; leasehold interests; permits/licenses and accounts receivable.

G. "MSW" means municipal solid waste, a term of art used to describe solid putrescible waste generated by households and commercial establishments. 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.

H. "Small container commercial waste collection service" 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.

I. "Northern New Jersey" means Bergen and Passaic Counties in New Jersey.

J. "Central Georgia" means Bibb, Crawford, Peach, Jones, Monroe, Twiggs, Taylor, Macon and Houston Counties in Georgia.

K. "Macon Metropolitan Area" means Bibb, Jones, Peach, Monroe, and Crawford Counties in Georgia.

L. "Relevant Disposal Assets" means, with respect to each transfer station and landfill listed and described herein, all of defendants' rights, titles and interests in any tangible asset related to each transfer station and landfill listed, including all fee simple or ownership rights to offices, garages, related facilities, including material recovery facilities, capital equipment, trucks and other vehicles, scales, power supply equipment, and supplies; and all of defendants' rights, titles and interests in any related intangible assets, including all leasehold interests and renewal rights thereto, permits, customer lists, contracts, and accounts, or options to purchase any adjoining property. Relevant Disposal Assets, as used herein, includes each of the following:

1. Northern New Jersey Disposal Assets

(a) Veolia's River Street transfer station located at 178 River Street, Paterson, New Jersey 07544;

(b) Veolia's Fulton Street transfer station located at 30-25 Fulton Street, Paterson,

New Jersey 07544; and

(c) Veolia's Totowa transfer station located at 301 Maltese Drive, Totowa, New Jersey 07512.

2. Central Georgia Disposal Assets

(a) Veolia's Peach County transfer station located at 750 Dunbar Road, Byron, Georgia 31008;

(b) Veolia's Taylor County landfill located at County Road 33, Stewart Road, Mauk, Georgia 31058; and.

(c) Veolia's Upson County transfer station located at 2616 Waymanville Road, Thomaston, Georgia 30286.

M. "Relevant Collection Assets" means the small container commercial waste collection routes and other assets listed below:

Macon Metropolitan Area Collection Assets

1. Veolia's small container commercial waste collection routes 801 and 802 and, at the Acquirer's option, the hauling facility located at 750 Dunbar Road, Byron, Georgia 31008; and

2. Veolia's small container commercial waste collection route 710 and, at the Acquirer's option, the hauling facility located at 2616 Waymanville Road, Thomaston, Georgia 30286.

II. Objectives

The proposed Final Judgment filed in this case is meant to ensure defendants' prompt divestiture of the Divestiture Assets for the purpose of establishing one or more independent,

economically viable competitors in the small container commercial waste collection service and MSW disposal business to remedy the anticompetitive effects that the United States alleges would otherwise result from Star Atlantic's acquisition of Veolia. This Hold Separate Stipulation and Order ensures that, prior to such divestitures, the Divestiture Assets remain independent, economically viable and ongoing business concerns that will remain independent of and uninfluenced by defendants, and that competition is maintained during the pendency of the ordered divestitures.

III. Jurisdiction and Venue

The Court has jurisdiction over the subject matter of this action and over each of the parties hereto, and venue of this action is proper in the United States District Court for the District of Columbia.

IV. Compliance with and Entry of Final Judgment

A. The parties stipulate that a Final Judgment in the form attached hereto as Exhibit A may be filed with and entered by the Court, upon the motion of any party or upon the Court's own motion, at any time after compliance with the requirements of the Antitrust Procedures and Penalties Act (15 U.S.C. § 16), and without further notice to any party or other proceedings, provided that the United States has not withdrawn its consent, which it may do at any time before the entry of the proposed Final Judgment by serving notice thereof on defendants and by filing that notice with the Court.

B. Defendants agree to arrange, at their expense, publication as quickly as possible of the newspaper notice required by the APPA, which shall be drafted by the United States in its sole

discretion. The publication shall be arranged no later than three (3) business days after defendants' receipt from the United States of the text of the notice and identity of the newspaper within which the publication shall be made. Defendants shall promptly send to the United States (1) confirmation that publication of the newspaper notice has been arranged; and (2) the certification of the publication prepared by the newspaper within which the notice was published.

C. Defendants shall abide by and comply with the provisions of the proposed Final Judgment, pending the entry of the Final Judgment by the Court, or until expiration of time for all appeals of any Court ruling declining entry of the proposed Final Judgment, and shall, from the date of the signing of this Hold Separate Stipulation and Order by the parties, comply with all the terms and provisions of the proposed Final Judgment. The United States shall have the full rights and enforcement powers in the proposed Final Judgment, including Section XI of the proposed Final Judgment, as though the same were in full force and effect as an order of the Court.

D. Defendants shall not consummate the transaction sought to be enjoined by the Complaint herein before the Court has signed this Hold Separate Stipulation and Order.

E. This Hold Separate Stipulation and Order shall apply with equal force and effect to any amended proposed Final Judgment agreed upon in writing by the parties and submitted to the Court.

F. In the event: (1) the United States has withdrawn its consent, as provided in Paragraph IV(A) above; or (2) the proposed Final Judgment is not entered pursuant to this Hold Separate Stipulation and Order, the time has expired for all appeals of any Court ruling declining entry of the proposed Final Judgment, and the Court has not otherwise ordered continued

compliance with the terms and provisions of the proposed Final Judgment, then the parties are released from all further obligations under this Hold Separate Stipulation and Order, and the making of this Hold Separate Stipulation and Order shall be without prejudice to any party in this or any other proceeding.

G. Defendants represent that the divestitures ordered in the proposed Final Judgment can and will be made, and that defendants will later raise no claim of mistake, hardship or difficulty of compliance as grounds for asking the Court to modify any of the provisions contained therein.

V. Hold Separate Provisions

Until the divestitures required by the Final Judgment have been accomplished:

A. Defendants shall preserve, maintain, and continue to operate the Divestiture Assets as independent, ongoing, economically viable competitive businesses, with management, sales and operations of such assets held entirely separate, distinct and apart from those of defendants' other operations. Defendants shall not coordinate the marketing of, or sales by, any of the Divestiture Assets with their other operations. Within twenty (20) days after the filing of the Hold Separate Stipulation and Order, defendants will inform the United States of the steps defendants have taken to comply with this Hold Separate Stipulation and Order.

B. Defendants shall take all steps necessary to ensure that: (1) the Divestiture Assets will be maintained and operated as independent, ongoing, economically viable and active competitors in the small container commercial waste collection service and MSW disposal business; (2) the management of the Divestiture Assets will not be influenced by defendants; and

(3) the books, records, competitively sensitive sales, marketing and pricing information, and decision-making concerning the Divestiture Assets will be kept separate and apart from defendants' other operations.

C. Defendants shall use all reasonable efforts to maintain and increase the sales and revenues of the Divestiture Assets, and shall maintain at 2012 or previously approved levels for 2013, whichever are higher, all promotional, advertising, sales, technical assistance, marketing, and merchandising support for the Divestiture Assets.

D. Defendants shall provide sufficient working capital and lines and sources of credit to continue to maintain the Divestiture Assets as economically viable and competitive, ongoing businesses, consistent with the requirements of Paragraphs V(A) and V(B).

E. Defendants shall take all steps necessary to ensure that the Divestiture Assets are fully maintained in operable condition at no less than current capacity and sales, and shall maintain and adhere to normal repair and maintenance schedules for the Divestiture Assets.

F. Defendants shall not, except as part of a divestiture approved by the United States in accordance with the terms of the proposed Final Judgment, remove, sell, lease, assign, transfer, pledge or otherwise dispose of any of the Divestiture Assets.

G. Defendants shall maintain, in accordance with sound accounting principles, separate, accurate and complete financial ledgers, books, and records that report on a periodic basis, such as the last business day of every month, consistent with past practices, the assets, liabilities, expenses, revenues, and income of the Divestiture Assets.

H. Defendants shall take no action that would jeopardize, delay, or impede the sale of the Divestiture Assets.

I. Defendants' employees with primary responsibility for the Divestiture Assets shall not be transferred or reassigned to other areas within defendants' business, except for transfer bids initiated by employees pursuant to defendants' regular, established job posting policy. Defendants shall provide the United States with ten (10) calendar days' notice of any such transfer.

J. Defendants shall appoint a person or persons, subject to the approval of the United States, to oversee the Divestiture Assets, and who will be responsible for defendants' compliance with this section. This person(s) shall have complete managerial responsibility for the Divestiture Assets, subject to the provisions of this Final Judgment. In the event such person(s) is unable to perform his duties, defendants shall appoint, subject to the approval of the United States, a replacement within ten (10) working days. Should defendants fail to appoint a replacement acceptable to the United States within this time period, the United States shall appoint a replacement.

K. Defendants shall take no action that would interfere with the ability of any trustee appointed pursuant to the Final Judgment to complete the divestitures pursuant to the Final Judgment to an Acquirer(s) acceptable to the United States.

VI. Duration of Hold Separate and Asset Preservation Obligations

Defendants' obligations under Section V of this Hold Separate Stipulation and Order shall remain in effect until (1) consummation of the divestitures required by the proposed Final

Judgment; (2) further order of the Court; or (3) the United States's voluntary dismissal of the Complaint in this matter.

Dated: November 15, 2012

Respectfully submitted,

**FOR PLAINTIFF
UNITED STATES OF AMERICA**

Michael K. Hammaker

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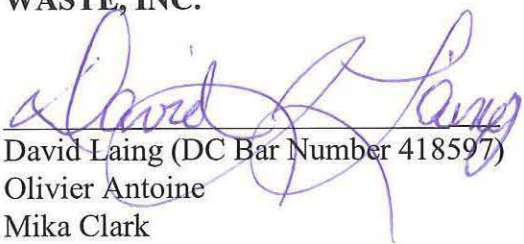
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ORDER

IT IS SO ORDERED by the Court, this ____ day of November, 2012.

United States District Judge