



Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, JULY 29, 1977

AT
202-739-2014

The Department of Justice announced today that it has no objection under the antitrust laws to a proposal by the New Jersey Trade Waste Association designed to help its members obtain performance bonds necessary for their work.

The Association consists of 80 members who contract individually with municipalities for the collection and disposal of household refuse. As part of the contract, the member must obtain a performance bond. To help its members obtain the bonds, the Association proposes to make agreements with the municipalities and bonding companies whereby the Association would provide another of its members to perform the required services if the contracting member should default.

John H. Shenefield, Acting Assistant Attorney General in charge of the Antitrust Division, said the Department's position was contained in a business review letter issued on July 28, 1977.

The Association has said that performance bonds are difficult to obtain and that the proposed arrangement will help its members obtain the bonds.

(MORE)

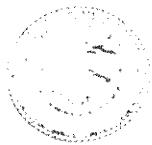
Under the proposed arrangement, the municipality is free to contract with anyone to perform the garbage collection services.

Under the Department's business review procedure, an applicant may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division would challenge the action under federal antitrust laws.

Following a 30-day waiting period, a file containing the business review request, the supporting documents, and the Department's response will be made available in the Legal Procedure Unit of the Antitrust Division, Room 3307, Department of Justice, Washington, D.C. 20530.

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United States Department of Justice

WASHINGTON, D.C. 20530

ASSISTANT ATTORNEY GENERAL
ANTITRUST DIVISION

JUL 28 1977

Edward Pesin, Esquire
744 Broad Street
Newark, New Jersey 07102

Re: Refuse Collection and Disposal - New
Jersey Trade Waste Association

Dear Mr. Pesin:

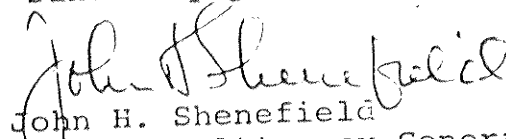
This is in response to your request, dated May 2, 1977, made on behalf of your client, the New Jersey Trade Waste Association, for a statement of our present enforcement intentions with respect to a proposed cross-indemnity arrangement.

Your submission informed us that the Association consists of eighty members who individually contract with municipalities for the collection and disposal of household refuse. As part of the contract the member must obtain a performance bond. In order to aid its members in obtaining the performance bond, the Association proposes to enter into agreements with the municipality and bonding company to provide another of its members to perform the required services if the contracting member should default.

You have represented that the municipality is under no compulsion to accept the standby member and that the municipality has complete freedom to contract with anyone else for the services involved. It is understood that the only function performed by the Association will be to assure that one of its members will be available to complete performance if another of its members defaults. We also understand that membership in the Association is open to all applicants.

On the basis of the facts and representations contained in your submission, we are able to state that the Antitrust Division has no present intention of challenging the proposed arrangement under the antitrust laws. You are advised of this conclusion pursuant to the Antitrust Division's Business Review Procedure, revised March 1, 1977, 28 C.F.R. §50.6, a copy of which is enclosed.

Sincerely yours,



John H. Shenefield
Acting Assistant Attorney General
Antitrust Division

Enclosure