



**Summary of Issues**  
**San Mateo County Work Stoppage**  
**August 25, 2010**

For the past several months Republic Services has bargained in good faith in an attempt to arrive at mutually agreeable terms with Teamsters Local 350 on an extended Collective Bargaining Agreement at our Ox Mountain Landfill in Half Moon Bay, CA. We have approached these negotiations in a sensible manner keeping the needs of our employees and the communities we serve first and foremost in mind. While the issues of wage and benefits have largely been resolved, the most significant remaining difference involves pension protection language. The language suggested by our Company is geared towards ensuring that pension solvency issues, that are becoming fairly commonplace nationwide, do not jeopardize the ability of our employees to retire with a full, secure pension.

Our proposed language on the pension issue has been a routine request and identical to the language which the Company has been granted during recent bargaining sessions with other Teamsters Locals throughout the country. These areas include Chicago and other Illinois locations; Dayton, Ohio and Washington County, Washington where we have successfully negotiated to protect employees' pensions. It is not a "take-away," but rather a responsible move to ensure that Management, Union and employees protect these union pensions. We have proposed similar language be inserted into the Ox Mountain Agreement.

For reasons that are unclear to us, Teamsters Local 350, which represents the Ox Mountain Landfill and the remainder of our San Mateo County employee's, has refused to accept language that has been negotiated into other Agreements. Instead they have chosen to engage in a forty-eight (48) hour work stoppage at the landfill and a sympathy work stoppage at our San Carlos collection company. It is important to note that Republic Services has not forced this issue and would much prefer that meaningful discussions continue so that our efforts can be geared towards reaching consensus on the matter. It is regretful that the Teamsters have chosen to transfer this issue to our collection operations in San Mateo County and impact a large number of our collection customers.

Republic will continue to make all efforts to reach consensus on the proposed contract with the Teamsters at Ox Mountain. We remain ready and willing to continue dialogue on the matter that is productive and geared towards reaching a mutually agreeable conclusion. However, we are making the necessary staffing adjustments by bringing in employees from affiliated operations on a temporary basis to ensure that landfill and collection operations continue as planned, albeit on a somewhat delayed basis. We will continue to work towards resolution of this issue that keeps the interests of our employees and the communities served by our operations at the forefront.