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## Republic Services Inc. Q3 2008 Earnings Conference Call Transcript

### Question-and-Answer Session

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[Operator Instructions].

**Tod C. Holmes - Senior Vice President and Chief Financial Officer**

I guess in light of today's economy and the results of our quarter looks pretty good. Operator do you have any questions yet coming in?

**Operator**

Yes, the first question is from David Feinberg with Goldman Sachs.

**James E. O'Connor - Chairman and Chief Executive Officer**

Hello David.

**David Feinberg - Goldman Sachs**

Hey, can you hear me?

**James E. O'Connor - Chairman and Chief Executive Officer**

I sure can.

**David Feinberg - Goldman Sachs**

Great. So first question, I wanted to know what impact if any there might be from the class action settlements that you announced yesterday as well to financials and the cash flow?

**James E. O'Connor - Chairman and Chief Executive Officer**

Its inventory. I am going to let Tod or David Barclay our General Counsels here with us. You want to talk to that at all.

**David A. Barclay - Senior Vice President and General Counsel**

Yeah, no, this was settled on the basis of just a few additional disclosures that were contained in our 8-K and there will be a modest field work likely within the next three or four weeks.

**David Feinberg - Goldman Sachs**

And just so I understand that field work goes to the shareholders, is that true?

**David A. Barclay - Senior Vice President and General Counsel**

No, there is not a monetary settlement. The fees will be going to the plaintiffs counsel in the case.

**David Feinberg - Goldman Sachs**

Understood. And then turning to the broad economy and then I will hand it over, Republic has a nice footprint in a sunbelt of the United States which unfortunately has felt the brunt of the slowdown earlier than the other parts of the economy. As, we here at Goldman and I think we're broadly are looking for a broader based U.S. slowdown in '09, it was thought that maybe you can give us some insight in terms of how you expect, perhaps your volume growth to play out. I know your pricing strategy is based on your experience operating in some of these markets, so how'd you sit by the housing downturn?

**Tod C. Holmes - Senior Vice President and Chief Financial Officer**

David, this is Tod. I think that we've been through a couple of economic cycles here in this business in the early 90s and 2001, 2002. And typically what you'll see and it depends and this one is deeper and longer than those cycles. But typically what you see is probably four to six quarters of negative volumes. So we would look for 2009 to be a soft year from a volume standpoint but again historically the volume declines have been primarily in the construction area, both residential which we have seen this past year and may be in the future commercial construction and then in some of the other landfill related volumes associated with construction.

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