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Republic Services Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. (Operator Instructions). And our first question comes from Scott Levine of JPMorgan. Your line is open.

Scott Levine - JPMorgan

Good morning, guys.

James O'Connor

Good morning, Scott.

Tod Holmes

Hi, Scott.

Scott Levine - JPMorgan

You mentioned that you have to wait in place to kind of attract the achievement of synergies versus your targets how would you guide investors to kind of think about how you guys are hitting your boogies there and tying in with that the idea that may be you guys will be ratcheting down your work force refluxing (ph) the work force down giving you the step drop-off in the economic environment beginning in Q4?

James O'Connor

I think Scott going forward we will be able to separate out the synergies versus the adjustments that Don will be making in the field organizations, we'll make in a corporate related to the economy. As we move forward, I think what these synergies fall into three buckets predominantly and that's going to be the restructuring of corporate and the field organization. And that will represent the lion's share of the majority of \$150 million. Actually, the plan that we're executing against is upwards to \$170 million of synergies.

So the way it will break out going into '09 or at the end of '09, we'll be on a run-rate going into '10 of a \$100 million and about 50 to \$60 million will from reorganization and head count, transportation and disposal, which is disposal optimization, which will be another roughly 15 to \$20 million, route consolidations will also occur in the latter part of the year. Once we have the overlap markets on our

systems, will represent about 5 to \$8 million, then with that procurement financing which relates to some surety and other financing that Ed Lang can talk about and then some facility consolidation.

So that will comprise the 100 million. As I said we're already at the end of and online through the end of March, to have a \$70 million run-rate going into '09. So significantly well into that, and again the lion's share is coming from again, the restructuring of the corporate office and the field organization. And we feel really good about this. And I think if you would talk to the Board today, they feel very good about it and Deloitte has made those same representations as they've accounted for the number of these along but our internal staff.

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