

WASTE MANAGEMENT INC  
Form DEF 14A  
March 21, 2007  
Table of Contents

**SCHEDULE 14A**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule 14a-12

## **Waste Management, Inc.**

---

(Name of Registrant as Specified In Its Charter)

---

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

---

(2) Aggregate number of securities to which transaction applies:

---

(3)

Edgar Filing: WASTE MANAGEMENT INC - Form DEF 14A

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

---

(4) Proposed maximum aggregate value of transaction:

---

(5) Total fee paid:

---

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

---

(2) Form, Schedule or Registration Statement No.:

---

(3) Filing Party:

---

(4) Date Filed:

---

**Table of Contents**

**1001 Fannin Street, Suite 4000**

**Houston, Texas 77002**

Dear Stockholder:

Our Annual Meeting of Stockholders will be held in Houston, Texas on May 4, 2007.

This booklet includes the formal notice of meeting and the Proxy Statement. The Proxy Statement tells you more about the agenda and procedures for the meeting. It also describes how the Board operates and gives information about our director candidates and our executive officers.

For those stockholders with access to the Internet, we encourage you to access <http://www.proxyvote.com> to vote your shares over the Internet. Also, we encourage you to elect to receive future annual reports, proxy statements and other materials over the Internet, by following the instructions in the Proxy Statement. This electronic means of communication is quick and convenient and can save the Company a substantial amount of money in printing and postage costs.

Even if you only own a few shares, we want your shares to be represented at the meeting. Please vote your shares either by returning your proxy card or by voting by telephone or over the Internet as soon as possible. See the proxy card or the voting instruction form if your shares are held through a broker for detailed instructions on how to vote by telephone or over the Internet.

We also encourage you to listen to our earnings announcements on our quarterly conference calls to hear about the financial condition of the Company. The conference calls are broadcast live over the Internet at <http://www.wm.com>. We will announce the dates and times of the conference calls via press releases. You may also find information about the calls and copies of our press releases, including those that announce our earnings results, posted on our website at <http://www.wm.com>.

SINCERELY YOURS,

JOHN C. POPE

*Chairman of the Board*

March 21, 2007

**Table of Contents**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
OF WASTE MANAGEMENT, INC.**

**Date and Time:**

May 4, 2007 at 11:00 a.m., Central Time

**Place:**

The Maury Myers Conference Center

Waste Management, Inc.

1021 Main Street

Houston, Texas 77002

**Purpose:**

To elect nine directors;

To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2007; and

To conduct other business that is properly raised at the meeting.  
Only stockholders of record on March 9, 2007 may vote at the meeting.

Your vote is important. Please complete, sign, date and return your proxy card promptly in the enclosed envelope, or vote by telephone or over the Internet by following the instructions on the proxy card.

LINDA J. SMITH

*Corporate Secretary*

March 21, 2007

**Table of Contents**

**TABLE OF CONTENTS**

	<b>Page</b>
<u>General Information</u>	1
<u>Board of Directors</u>	2
<u>Director Nominees</u>	2
<u>Meetings and Board Committees</u>	5
<u>Director Nominee and Officer Stock Ownership</u>	8
<u>Persons Owning More than 5% of Waste Management Common Stock</u>	10
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	10
<u>Executive Officers</u>	11
<u>Executive Compensation</u>	13
<u>Compensation Discussion and Analysis</u>	13
<u>Executive and Director Compensation</u>	23
<u>Compensation Committee Report</u>	41
<u>Related Party Transactions</u>	41
<u>Audit Committee Report</u>	42
<u>Ratification of Independent Registered Public Accounting Firm</u>	44
<u>Other Matters</u>	45
<u>Other Information</u>	45

**Table of Contents**

**GENERAL INFORMATION**

**About this Proxy Statement**

We sent you these proxy materials because Waste Management's Board of Directors is soliciting your proxy to vote your shares at the Annual Meeting. This Proxy Statement summarizes information that we are required to provide to you under the rules of the Securities and Exchange Commission and that is designed to assist you in voting your shares.

**Who May Vote**

Stockholders of Waste Management, as recorded in our stock register at the close of business on March 9, 2007, may vote at the meeting. On March 21, 2007 we began mailing these proxy materials to those stockholders. Each share of Waste Management Common Stock is entitled to one vote. As of March 9, 2007, there were 524,946,276 shares of Common Stock outstanding and entitled to vote.

**How to Vote**

You may vote in person at the meeting or by proxy. We recommend you vote by proxy. You may revoke your proxy before we vote it at the meeting:

by submitting a new proxy with a later date;

by voting in person at the meeting; or

by notifying our Corporate Secretary in writing at Waste Management, Inc., 1001 Fannin Street, Suite 4000, Houston, Texas 77002. Your most current proxy is the one that is counted unless you vote in person at the meeting.

**How Proxies Work**

Giving us your proxy means you authorize us to vote your shares at the meeting in the manner you direct. You can vote by proxy:

by telephone or over the Internet by following the instructions on the proxy card or the voting instruction form if your shares are held through a broker; or

by mail by signing, dating and mailing the enclosed proxy card.

You may receive more than one proxy card depending on how you hold your shares. Shares registered in your name and shares held in our Employee Stock Purchase Plan are covered by separate proxy cards. If you hold shares through a broker, your ability to vote by phone or over the Internet depends on your broker's voting process. You should complete and return each proxy or other voting instruction request provided to you.

If you sign your proxy but do not give voting instructions, we will vote your shares as follows:

in favor of our director candidates; and

## Edgar Filing: WASTE MANAGEMENT INC - Form DEF 14A

in favor of the ratification of the independent registered public accounting firm.

If you give us your proxy, any other matters that may properly come before the meeting will be voted at the discretion of the proxy holders. You may vote for or against the election of each director and the ratification of the independent registered public accounting firm, or you may abstain from voting.

## **Table of Contents**

### **Quorum**

In order to carry on the business of the meeting, we must have a quorum. This means that at least a majority of the outstanding shares eligible to vote must be present at the meeting, either by proxy or in person. Abstentions will be counted as present at the meeting for determining whether we have a quorum.

### **Votes Needed**

The election of each director and the ratification of the independent registered public accounting firm require the favorable vote of a majority of the shares present, either by proxy or in person, and entitled to vote. Abstentions will have the same effect as a vote against these matters because they are considered present and entitled to vote, but are not voted.

### **Attending in Person**

Only stockholders, their proxy holders and our invited guests may attend the meeting. If you plan to attend, please bring identification and, if you hold shares in street name, bring your bank or broker statement showing your beneficial ownership of Waste Management stock in order to be admitted to the meeting.

The only items that will be discussed at this year's Annual Meeting will be the two agenda items set out in the Notice. There will be no presentations made at this year's meeting.

## **BOARD OF DIRECTORS**

Our Board of Directors currently has nine members. Our Board is declassified, which means that each member is elected annually. Mr. Pope is the Non-Executive Chairman of the Board and presides over all meetings of the Board, including executive sessions that only non-employee directors attend.

Stockholders and interested parties wishing to communicate with the Board or the non-employee directors should address their communications to Mr. John C. Pope, Non-Executive Chairman of the Board, c/o Waste Management, Inc., P.O. Box 53569, Houston, Texas 77052-3569.

## **DIRECTOR NOMINEES**

### **(Item 1 on the Proxy Card)**

The first proposal on the agenda is the election of nine directors to serve until the next Annual Meeting of Stockholders and until their respective successors have been duly elected and qualified. The Board has nominated nine director candidates whose biographies are described in the table below, and recommends that you vote for their election. No nominees will be recognized other than those that are nominated in accordance with our Bylaws. Therefore, the following director candidates are the only nominees that will be presented for the 2007 Annual Meeting. Information concerning how to nominate a director may be found under the Nominating and Governance Committee heading on page 7. All of the director candidates presented are current directors.

The nominees receiving the favorable vote of a majority of the shares present, either by proxy or in person, and entitled to vote will be elected. If any nominee is unable or unwilling to serve as a director, which we do not anticipate, the Board, by resolution, may reduce the number of directors or may choose a substitute.



**Table of Contents**

The Board of Directors has determined that each of the following eight non-employee director candidates is independent in accordance with the New York Stock Exchange requirements:

Pastora San Juan Cafferty

Frank M. Clark, Jr.

Patrick W. Gross

Thomas I. Morgan

John C. Pope

W. Robert Reum

Steven G. Rothmeier

Thomas H. Weidemeyer

Mr. Steiner is the only employee director and, as such, is not considered an independent director.

To assist the Board in determining independence, the Board of Directors adopted categorical standards of director independence, which meet or exceed the New York Stock Exchange requirements. These standards specify certain relationships that must be avoided in order for the non-employee director to be deemed independent. The Board reviewed all commercial and non-profit affiliations of each non-employee director and the dollar amount of all transactions between the Company and each entity with which a non-employee director is affiliated to ensure independence. These transactions included the Company, through its subsidiaries, providing waste management services in the ordinary course of business and the Company and its subsidiaries purchasing goods and services in the ordinary course of business. The categorical standards our Board uses in determining independence are included in our Corporate Governance Guidelines, which can be found on our website. The Board has determined that each non-employee director candidate meets these categorical standards and there are no other relationships that would affect independence.

The following is a brief biography of each director nominee.

Name	Age	POSITIONS HELD AND BUSINESS EXPERIENCE FOR PAST FIVE YEARS
Pastora San Juan Cafferty	66	Director of the Company or one of its predecessors since 1994.
		Professor Emerita University of Chicago since June 2005, Professor University of Chicago from 1985 to 2005 and faculty member from 1971 to 2005.
		Director of Kimberly-Clark Corporation, Integrys Energy Group, Inc. and Harris Financial Corporation, a private corporation.
Frank M. Clark, Jr.	61	Director of the Company since 2002.
		Chairman and Chief Executive Officer ComEd (energy services company and subsidiary of Exelon Corporation) since November 2005, President ComEd from 2001 to

Edgar Filing: WASTE MANAGEMENT INC - Form DEF 14A

November 2005.

Executive Vice President and Chief of Staff Exelon Corporation (public utility holding company) from 2004 to 2005; Senior Vice President Exelon Corporation from 2002 to 2004.

Director of Aetna Inc. and Harris Financial Corporation, a private corporation.

Patrick W. Gross

62

Director of the Company since 2006.

Chairman of The Lovell Group (private investment and advisory firm) since October 2001.

Director of Capital One Financial Corporation, Career Education Corporation, Liquidity Services, Inc., Mobius Management Systems, Inc. and Taleo Corporation.

**Table of Contents**

<b>Name</b>	<b>Age</b>	<b>POSITIONS HELD AND BUSINESS EXPERIENCE FOR PAST FIVE YEARS</b>
Thomas I. Morgan	53	<p>Director of the Company since 2006.</p> <p>CEO Hughes Supply, Inc. (wholesale distributor of construction, repair and maintenance-related products) from May 2003 to March 2006; President Hughes Supply from April 2001 to March 2006; Chief Operating Officer Hughes Supply from April 2001 to May 2003.</p>
John C. Pope	57	<p>Director of Rayonier, Inc., ITT Educational Services, Inc. and Tech Data Corp.</p> <p>Non-Executive Chairman of the Board since November 2004.</p> <p>Director of the Company or one of its predecessors since 1997.</p> <p>Chairman of the Board PFI Group (private investment firm) since July 1994.</p>
W. Robert Reum	64	<p>Director of Federal Mogul Corporation, R.R. Donnelley &amp; Sons, Co., Dollar Thrifty Automotive Group, Inc., Kraft Foods, Inc. and Con-way, Inc.</p> <p>Director of the Company since 2003.</p> <p>Chairman, President and CEO Amsted Industries Incorporated (diversified manufacturer for the railroad, vehicular and construction industries) since March 2001.</p>
Steven G. Rothmeier	60	<p>Director of the Company or one of its predecessors since 1997.</p> <p>Chairman and CEO Great Northern Capital (private investment management, consulting and merchant banking firm) since March 1993.</p> <p>Director of Precision Castparts Inc. and Arvin Meritor, Inc.</p>
David P. Steiner	46	<p>Chief Executive Officer and Director of the Company since March 2004.</p>

Edgar Filing: WASTE MANAGEMENT INC - Form DEF 14A

Executive Vice President and Chief Financial Officer from April 2003 to March 2004.

Senior Vice President, General Counsel and Corporate Secretary from July 2001 to April 2003.

Director of Tyco Electronics Corporation.

Thomas H. Weidemeyer

59

Director of the Company since January 2005.

Chief Operating Officer United Parcel Service, Inc. (package delivery and supply chain services company) from 2001 to 2003, and Senior Vice President United Parcel Service, Inc. from 1994 to 2003.

President, UPS Airlines (UPS owned airline) from 1994 to 2003.

Director of NRG Energy, Inc. and The Goodyear Tire & Rubber Company.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH OF THE NINE NOMINEE DIRECTORS.**

---

## **Table of Contents**

### **Meetings and Board Committees**

Last year the Board held nine meetings and each committee of the Board met independently as set forth below. Each incumbent director attended at least 75% of the meetings of the Board and the committees on which he served. In addition, all directors attended the 2006 Annual Meeting of Stockholders, with the exception of Mr. Rothmeier who was unable to attend due to illness.

The Board appoints committees to help carry out its duties. In particular, Board committees work on key issues in greater detail than would be possible at full Board meetings. Each committee reviews the results of its meetings with the full Board, and all members of the Board are invited to attend all committee meetings. The Board has three standing committees: the Audit Committee, which is a separately designated standing committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended; the Management Development and Compensation Committee; and the Nominating and Governance Committee. Additionally, the Board has the power to appoint additional committees, as it deems necessary. In 2006, the Board appointed a Special Committee as described below.

#### *The Audit Committee*

Mr. Rothmeier has been the Chairman of our Audit Committee since May 2004. The other members of our Audit Committee are Messrs. Clark, Gross, Pope and Reum. Each of the members of our Audit Committee is independent in accordance with the rules and regulations of the New York Stock Exchange. Our Audit Committee held ten meetings in 2006.

SEC rules require that each publicly traded company have at least one financial expert on its Audit Committee. Our Board of Directors has named Mr. Rothmeier and Mr. Pope as the Audit Committee's financial experts based on a thorough review of their education and financial and public company experience.

Mr. Rothmeier served in various leadership positions in the airline industry for approximately 16 years, including the positions of Chairman, CEO and CFO of Northwest Airlines. He founded Great Northern Capital, a private investment management, consulting and merchant banking firm, in 1993, where he continues to serve as Chairman and CEO. Mr. Rothmeier has a master's degree in finance from the University of Chicago Graduate School of Business and a bachelor's degree in business administration from the University of Notre Dame. Mr. Rothmeier serves on one public company audit committee in addition to ours.

Mr. Pope served in various financial positions, primarily in the airline industry, for approximately 17 years, including over nine years combined in CFO positions at American Airlines and United Airlines. He has a master's degree in finance from the Harvard Graduate School of Business Administration and a bachelor's degree in engineering and applied science from Yale University. Mr. Pope serves on four public company audit committees in addition to ours. The Board reviewed the time Mr. Pope spends on each company's audit committee and the time he spends on other companies' interests and determined that Mr. Pope's service on the other companies' audit committees and the time he spends on other companies' interests does not impair his ability to serve on the Company's Audit Committee.

Mr. Gross also serves on four public company audit committees in addition to ours. The Board reviewed the time Mr. Gross spends on each company's audit committee and the time he spends on other companies' interests and determined that Mr. Gross' service on the other companies' audit committees and the time he spends on other companies' interests does not impair his ability to serve on the Company's Audit Committee.

The Audit Committee's duties are set forth in a written charter that was approved by the Board of Directors. A copy of the charter can be found on our website. The Audit Committee generally is responsible for overseeing all matters relating to our financial statements and reporting, internal audit function and independent auditors. As part of its function, the Audit Committee reports the results of all of its reviews to the full Board. In fulfilling its duties, the Audit Committee, among other things, will:

#### *Independent Auditor*

Engage an independent auditor, determine the auditor's compensation and replace the auditor if necessary;

**Table of Contents**

Review the independence of the independent auditor and establish hiring policies for current or former employees of the independent auditor;

Evaluate the lead partner of our independent audit team and review a report, at least annually, describing the independent auditor's internal control procedures; and

Pre-approve all services, including non-audit engagements, provided by the independent auditor.

*Internal Audit*

Review the plans, staffing, reports and activities of the internal auditors; and

Review and establish procedures for receiving, retaining and handling complaints, including anonymous complaints by our employees, regarding accounting, internal controls and auditing matters.

*Financial Statements*

Review financial statements and Forms 10-K and 10-Q with management and the independent auditor;

Review all earnings press releases and discuss the type of earnings guidance that we provide to analysts and rating agencies with management;

Discuss with the independent auditor any material changes to our accounting principles and matters required to be communicated under Statement on Auditing Standards No. 61 (Statement on Auditing Standards No. 114 effective January 1, 2007) relating to the conduct of the audit;

Review with management, the independent auditor and our internal auditors our financial reporting, accounting and auditing practices;

Determine whether we have adequate and effective accounting and financial controls; and

Review CEO and CFO certifications related to our reports and filings.

*The Management Development and Compensation Committee*

Mr. Reum has served as the Chairman of our Management Development and Compensation Committee (the Compensation Committee) since May 2004. The other members of the Committee are Ms. Cafferty and Messrs. Morgan, Pope, Rothmeier and Weidemeyer. Each of the members of our Compensation Committee is independent in accordance with the rules and regulations of the New York Stock Exchange. The Compensation Committee met six times in 2006.

Our Compensation Committee is responsible for overseeing all of our executive and senior management compensation, as well as developing the Company's compensation philosophy generally. The Compensation Committee's written charter, which was approved by the Board of Directors, can be found on our website. In fulfilling its duties, the Compensation Committee, among other things, will:

## Edgar Filing: WASTE MANAGEMENT INC - Form DEF 14A

Review and establish policies governing the compensation and benefits of all of our executives;

Approve the compensation of our senior management and set the bonus plan goals for those individuals;

Conduct an annual evaluation of our Chief Executive Officer to set his compensation;

Oversee the administration of all of our equity-based incentive plans;

Recommend new Company compensation and benefit plans or changes to our existing plans to the full Board; and

Perform an annual review of its performance relative to its charter and report the results of its evaluation to the full Board.

In overseeing compensation matters, the Compensation Committee may delegate authority for day-to-day administration and interpretation of the Company's plans, including selection of participants, determination of award levels within plan parameters, and approval of award documents, to officers of the Company. However, the Compensation Committee may not delegate any authority under those plans for matters affecting the compensation and benefits of the executive officers.

For additional information on the Compensation Committee, see the Compensation Discussion and Analysis on page 13.

## Table of Contents

### *The Nominating and Governance Committee*

Mr. Clark has served as the Chairman of our Nominating and Governance Committee since May 2004. The other members of the Committee include Ms. Cafferty and Messrs. Gross, Morgan, Pope and Weidemeyer. Each of the members of our Nominating and Governance Committee is independent in accordance with the rules and regulations of the New York Stock Exchange. In 2006, the Nominating and Governance Committee met nine times.

The Nominating and Governance Committee has a written charter that has been approved by the Board of Directors and can be reviewed by accessing our website. It is the duty of the Nominating and Governance Committee to oversee matters regarding corporate governance. In fulfilling its duties, the Nominating and Governance Committee, among other things, will:

Review and recommend the composition of our Board, including the nature and duties of each of our committees;

Evaluate and recommend to the Board the compensation paid to our non-employee directors;

Evaluate the charters of each of the committees and recommend who the committee chairs will be;

Review individual director's performance, when issues arise, in consultation with the Chairman of the Board;

Recommend retirement policies for the Board, the terms for directors and the proper ratio of employee directors to outside directors;

Perform an annual self-evaluation and report the results to the Board;

Review stockholder proposals received for inclusion in the Company's proxy statement and recommend action to be taken with regard to the proposals to the Board; and

Identify and recommend to the Board candidates to fill director vacancies.

Potential director candidates are identified through various methods, and the Committee welcomes suggestions from directors, members of management, and stockholders. The Nominating and Governance Committee also uses outside consultants to assist it with identifying potential director candidates. In 2006, the Company paid fees to an outside consultant who assisted the Board in identifying potential Board candidates.

For all potential candidates, the Nominating and Governance Committee may consider all factors it deems relevant, such as a candidate's personal and professional integrity and sound judgment, business and professional skills and experience, independence, possible conflicts of interest, diversity, and the potential for effectiveness, in conjunction with the other directors, to serve the long-term interests of the stockholders. The Committee uses a matrix of functional and industry experiences for its current directors to develop criteria for new candidates when a vacancy becomes available. Before being nominated by the Nominating and Governance Committee, director candidates are interviewed by a minimum of two members of the Nominating and Governance Committee, including the Non-Executive Chairman of the Board, and the Chief Executive Officer. Additional interviews may include other members of the Board, representatives from senior levels of management and a consultant if one is being used.

The Committee intends to maintain the size of the Board at nine directors, which is consistent with the objective stated in our Corporate Governance Guidelines. When a vacancy occurs or is anticipated, the Nominating and Governance Committee will consider all potential nominees on their merits without regard to the source of recommendation. The Nominating and Governance Committee believes that the nominating process will and should continue to involve significant subjective judgments. To suggest a nominee, you should submit your candidate's name, together with biographical information and his or her written consent to nomination to the Chairman of the Nominating and



Edgar Filing: WASTE MANAGEMENT INC - Form DEF 14A

Governance Committee, Waste Management, Inc., 1001 Fannin Street, Suite 4000, Houston, Texas 77002, between October 23, 2007 and November 22, 2007.

**Table of Contents**

*Special Committee*

The Board of Directors appointed a Special Committee in November 2006 to make indemnification decisions on behalf of the Board. The Special Committee consists of Mr. Morgan and Mr. Weidemeyer. The Special Committee held no meetings in 2006.

Stockholders may obtain copies of our Corporate Governance Guidelines, the Charters of the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee, and our Code of Conduct free of charge by contacting the Corporate Secretary, c/o Waste Management, Inc., 1001 Fannin Street, Suite 4000, Houston, Texas 77002 or by accessing our website at <http://www.wm.com>.

**DIRECTOR NOMINEE AND OFFICER STOCK OWNERSHIP**

In March 2004, the Board of Directors adopted stock ownership guidelines for our non-employee directors. Under the guidelines, each director is required to hold Common Stock or share-based instruments, which can include phantom stock and stock units, valued at five times his annual cash retainer, based on a \$30.00 stock price. For non-employee directors other than Mr. Pope, five times the 2007 annual cash retainer of \$50,000 equates to approximately 8,300 shares, and five times Mr. Pope's 2007 annual cash retainer of \$150,000 equates to 25,000 shares. Directors who were members of the Board in March 2004 had until March 2007, three years from the adoption of the guidelines, to reach their required level of ownership, and all have done so. Mr. Weidemeyer, Mr. Morgan and Mr. Gross each has three years from the date of his election to meet the ownership requirements.

In October 2002, the Compensation Committee also adopted stock ownership guidelines for our executives, which are described in the Compensation Discussion and Analysis on page 21 of this Proxy Statement.

The Stock Ownership Table below shows how much Common Stock each director nominee and executive officer named in the Summary Compensation Table on page 25 owned as of March 9, 2007. None of these individuals own more than 1% of our outstanding shares. Collectively, the directors and executive officers as a group owned approximately 1% of our outstanding shares as of March 9, 2007 (our record date for the Annual Meeting).

**Table of Contents**

The table does not include performance share units granted to each of the named executive officers in January of 2005, 2006 and 2007 that are not yet earned. Performance share units are settled in shares of our Common Stock based on the Company's achievement of certain financial performance objectives during a three-year performance period. The actual number of shares of Common Stock the executives may receive at the end of the performance period will vary depending on the level of achievement of the Company's financial objectives, and can vary from zero to two times the number of performance share units granted. Since the number of shares, if any, that will ultimately be issued pursuant to the performance share units is not known, we have excluded them from the table.

**Stock Ownership Table**

Name	Shares of Common		
	Stock Owned (1)	Exercisable Options	Phantom Stock (2)
Pastora San Juan Cafferty	16,248	40,000	0
Frank M. Clark, Jr.	13,623	0	0
Patrick W. Gross	3,102	0	0
Thomas I. Morgan	4,094	0	0
John C. Pope (3)	25,303	42,175	2,286
W. Robert Reum	11,756	0	0
Steven G. Rothmeier	13,862	44,350	265
Thomas H. Weidemeyer	7,506	0	0
David P. Steiner	286,226	766,593	10,586
Lawrence O. Donnell, III	157,071	844,466	2,743
Robert G. Simpson	75,826	271,768	0
James E. Trevathan(4)	82,455	402,690	0
Duane C. Woods (5)	37,391	167,000	3,397
Robert P. Damico (6)	94,927	491,854	0
All directors and executive officers as a group (25 persons)	1,133,566	4,289,733	32,726

- (1) Includes shares of restricted stock held by the executive officers that can only be voted and/or sold after service-based vesting requirements have been met. The shares of restricted stock are subject to forfeiture in certain circumstances if the executive officer leaves the Company. Also includes restricted stock units held by the executive officers and deferred stock units held by non-employee directors that will be paid out in shares of our Common Stock upon vesting of the award. The restricted stock units are also subject to forfeiture in certain circumstances, but the deferred stock units, held by non-employee directors, are not subject to forfeiture. The shares of restricted stock and the restricted stock units were granted to executive officers under the Company's equity compensation plans, as further described in the Compensation Discussion and Analysis on page 19. The deferred stock units were received by the non-employee directors under the 2003 Directors' Deferred Compensation Plan as described under Director Compensation on page 32. The following shares or units are included in the numbers presented:

	Deferred Stock Units	Restricted Stock	Restricted Stock Units
Pastora San Juan Cafferty	12,623		
Frank M. Clark, Jr.	12,623		
Patrick W. Gross	3,102		
Thomas I. Morgan	2,794		
John C. Pope	20,964		
W. Robert Reum	10,756		
Steven G. Rothmeier	12,623		
Thomas H. Weidemeyer	6,506		
David P. Steiner		2,775	117,207
Lawrence O. Donnell, III		2,775	54,120
Robert G. Simpson		2,800	30,738
James E. Trevathan		2,750	18,165

Edgar Filing: WASTE MANAGEMENT INC - Form DEF 14A

Duane C. Woods	3,950	18,165
Robert P. Damico	1,975	5,417

**Table of Contents**

- (2) Certain non-employee directors received phantom stock units pursuant to deferrals of their compensation under the Company's previous directors' deferred compensation plans. Executive officers receive phantom stock units if they choose Waste Management stock as an investment fund under the Company's 409A Deferral Savings Plan (the "Deferral Plan") described in the Nonqualified Deferred Compensation table on page 31. Phantom stock units are equal in value to one share of our Common Stock and receive dividend equivalents, in the form of additional phantom stock units, at the same time that shares of Common Stock receive dividends. The value of the phantom stock units is paid out, in cash, at a future date elected by the director or executive.
- (3) The number of shares owned by Mr. Pope includes 435 shares held in trusts for the benefit of his children.
- (4) The number of shares owned by Mr. Trevathan includes 14,600 shares that were pledged as security for a short term loan in February 2007.
- (5) The number of shares owned by Mr. Woods includes (i) 125 shares held by his children; (ii) 1,333 shares held by an investment club in which Mr. Woods participates; and (iii) 185 shares held by his wife's IRA.
- (6) The shares of Common Stock shown for Mr. Damico represent his holdings as of April 30, 2006, the date of his retirement from the Company.

**PERSONS OWNING MORE THAN 5% OF WASTE MANAGEMENT COMMON STOCK**

The table below shows the beneficial ownership of stockholders owning more than 5% of our Common Stock. We included this information based on Schedules 13D and 13G filed with the SEC as of March 9, 2007.

Name and Address	Shares Beneficially Owned	
	Number	Percent
Barclays Global Investors, NA 45 Fremont Street San Francisco, California 94105	30,046,563	5.61%

- (1) This information is based on a Schedule 13G filed with the SEC by Barclays on January 23, 2007. Shares listed as beneficially owned by Barclays are owned by the following entities: Barclays Global Investors, NA, Barclays Global Fund Advisors, Barclays Global Investors, Ltd., Barclays Global Investors Japan Trust and Banking Company Limited and Barclays Global Investors Japan Limited.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Under the federal securities laws, executive officers, directors and stockholders who own more than 10% of our Common Stock are required to file reports of their ownership, as well as any changes in their ownership, with the SEC and the New York Stock Exchange. They are also required to provide us with copies of any forms they file.

We are not aware of any stockholders owning more than 10% of our Common Stock. After reviewing the copies of the forms and written representations from our executive officers and directors, we believe that during the last fiscal year, the executive officers and directors complied with all of their requirements to report their stock ownership and any changes in their ownership.

**Table of Contents****EXECUTIVE OFFICERS**

The following is a listing of our current executive officers, other than Mr. Steiner, whose personal information is included in the Director Nominees section of this Proxy Statement on page 4, indicating their names, ages and a summary of their business experience for the past five years.

<b>Name</b>	<b>Age</b>	<b>POSITIONS HELD AND BUSINESS EXPERIENCE FOR PAST FIVE YEARS</b>
David A. Aardsma	50	Senior Vice President, Sales and Marketing since January 2005.
Lynn M. Caddell	53	Vice President, Sales from August 2000 to January 2005. Senior Vice President and Chief Information Officer since March 2004.
Barry H. Caldwell	46	President, Yellow Technologies, Inc. (subsidiary of YRC Worldwide, Inc., transportation service provider) from November 1999 to March 2004. Senior Vice President Government Affairs and Corporate Communications since September 2002.
Patrick J. DeRueda	45	Vice President Government Relations, CIGNA Corporation (employee benefits provider) from October 2000 to September 2002. President, WM Recycle America, L.L.C. (formerly Recycle America Alliance, L.L.C.), a wholly-owned subsidiary of the Company, since March 2005.
Jeff M. Harris	52	Market Area General Manager New Mexico Market from February 2003 to March 2005. Market Area General Manager Tucson, Arizona Market from March 2002 to February 2003.
David R. Hopkins	63	Senior Vice President Midwest Group since April 2006. Area Vice President Michigan Market Area from April 2000 to April 2006. Senior Vice President Southern Group since March 2000.