

WASTE MANAGEMENT INC  
Form DEF 14A  
March 26, 2008  
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**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:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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**1001 Fannin Street, Suite 4000**

**Houston, Texas 77002**

Dear Stockholder:

Our Annual Meeting of Stockholders will be held in Houston, Texas on May 9, 2008.

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 26, 2008

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

**Date and Time:**

May 9, 2008 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, 2008;

To vote on a stockholder proposal relating to disclosure of political contributions, if properly presented at the meeting; and

To conduct other business that is properly raised at the meeting.

Only stockholders of record on March 12, 2008 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.

March 26, 2008

LINDA J. SMITH  
*Corporate Secretary*

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**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 12, 2008, may vote at the meeting. On March 26, 2008 we began mailing these proxy materials to those stockholders. Each share of Waste Management Common Stock is entitled to one vote. As of March 12, 2008, there were 493,865,152 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;

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in favor of the ratification of the independent registered public accounting firm; and

against the stockholder proposal relating to disclosure of political contributions.

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, the ratification of the independent registered public accounting firm and the stockholder proposal relating to disclosure of political contributions, or you may abstain from voting.

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### **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 ratification of the independent registered public accounting firm and the stockholder proposal 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.

The election of each director requires the favorable vote of a majority of the votes cast, which does not include abstentions.

### **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.

If you are planning to attend our Annual Meeting and require directions to the meeting, please contact our Corporate Secretary at 713-512-6200.

The only items that will be discussed at this year's Annual Meeting will be the three 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 not classified, 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 2008 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 votes cast, either by proxy or in person, 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.

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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.

<b>Name</b>	<b>Age</b>	<b>POSITIONS HELD AND BUSINESS EXPERIENCE FOR PAST FIVE YEARS</b>
Pastora San Juan Cafferty	67	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.
Frank M. Clark, Jr.	62	Director of Integrys Energy Group, Inc. and Harris Financial Corporation, a private corporation.  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

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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.

Patrick W. Gross 63 Director of Aetna Inc. and Harris Financial Corporation, a private corporation.  
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. and Taleo Corporation.

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<b>Name</b>	<b>Age</b>	<b>POSITIONS HELD AND BUSINESS EXPERIENCE FOR PAST FIVE YEARS</b>
Thomas I. Morgan	54	Director of the Company since 2006.
		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.
John C. Pope	58	Director of Rayonier, Inc., ITT Educational Services, Inc. and Tech Data Corp. Non-Executive Chairman of the Board since November 2004.
		Director of the Company or one of its predecessors since 1997.
		Chairman of the Board PFI Group (private investment firm) since July 1994.
W. Robert Reum	65	Director of R.R. Donnelley & Sons, Co., Dollar Thrifty Automotive Group, Inc., Kraft Foods, Inc. and Con-way, Inc. Director of the Company since 2003.
Steven G. Rothmeier	61	Chairman, President and CEO Amsted Industries Incorporated (diversified manufacturer for the railroad, vehicular and construction industries) since March 2001. Director of the Company or one of its predecessors since 1997.
		Chairman and CEO Great Northern Capital (private investment management, consulting and merchant banking firm) since March 1993.
David P. Steiner	47	Director of Precision Castparts Inc. and Arvin Meritor, Inc. Chief Executive Officer and Director of the Company since March 2004.
		Executive Vice President and Chief Financial Officer from April 2003 to March 2004.

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

Director of Tyco Electronics Corporation.

Thomas H. Weidemeyer

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Director of the Company since 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., The Goodyear Tire & Rubber Company and Amsted Industries Incorporated.

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

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### **Meetings and Board Committees**

Last year the Board held seven 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 2007 Annual Meeting of Stockholders. Although we do not have a formal policy regarding director attendance at the Annual Meeting, it has been longstanding practice that all directors attend the Annual Meeting unless there are unavoidable schedule conflicts or unforeseen circumstances.

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 nine meetings in 2007.

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 three 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 such service and time does not impair his ability to serve on our Audit Committee.

Mr. Gross also serves on three 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 such service and time does not impair his ability to serve on our 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, has the following responsibilities:

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*Administrative Responsibilities*

Report to the Board, at least annually, all public company audit committee memberships by members of the Audit Committee;

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

Adopt an orientation program for new Audit Committee members.

*Independent Auditor*

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

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 relating to the conduct of the audit;

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

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 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 seven times in 2007.

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, has the following responsibilities:

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

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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 by all independent directors 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 Company employees. 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.

*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 2007, the Nominating and Governance Committee met five 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, has the following responsibilities:

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 review of its performance relative to its charter and report the results of its evaluation to the full Board;

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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. From time to time, the Nominating and Governance Committee uses outside consultants to assist it with identifying potential director candidates.

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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 the Chief Executive Officer and a minimum of two members of the Nominating and Governance Committee, including the Non-Executive Chairman of the Board. 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 Governance Committee, Waste Management, Inc., 1001 Fannin Street, Suite 4000, Houston, Texas 77002, between October 23, 2008 and November 22, 2008.

### *Special Committee*

The Board of Directors appointed a Special Committee in November 2006 to make determinations regarding the Company's obligation to provide indemnification when and as may be necessary. The Special Committee consists of Mr. Morgan and Mr. Weidemeyer. The Special Committee held one meeting in 2007.

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 had until January 2008, three years from the date of his election, to reach his required level of ownership, and he has done so. 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 22 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 12, 2008, our record date for the Annual Meeting. These individuals, both individually and in the aggregate, own less than 1% of our outstanding shares as of the record date.

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The table does not include performance share units granted to the named executive officers that have not yet been 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		
	Shares of Common Stock Owned (1)	Stock Covered by Exercisable Options	Phantom Stock (2)
Pastora San Juan Cafferty	18,874	40,000	0
Frank M. Clark, Jr.	16,249	0	0
Patrick W. Gross	6,615	0	0
Thomas I. Morgan	6,453	0	0
John C. Pope (3)	31,136	40,000	1,844
W. Robert Reum	14,331	0	0
Steven G. Rothmeier	16,488	40,000	0
Thomas H. Weidemeyer	9,966	0	0
David P. Steiner	307,891	791,515	22,212
Lawrence O. Donnell, III	172,956	851,747	0
Robert G. Simpson	82,996	284,660	0
James E. Trevathan	88,687	392,500	0
Duane C. Woods (4)	42,872	167,000	3,488
David R. Hopkins (5)	60,830	125,000	0
All directors and executive officers as a group (25 persons)	1,136,200	3,422,157	41,475

- (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 beginning on page 13. 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	13,995	0	0
Frank M. Clark, Jr.	13,995	0	0
Patrick W. Gross	5,362	0	0
Thomas I. Morgan	3,900	0	0
John C. Pope	23,849	0	0
W. Robert Reum	12,078	0	0
Steven G. Rothmeier	13,995	0	0
Thomas H. Weidemeyer	7,713	0	0
David P. Steiner	0	0	77,207
Lawrence O. Donnell, III	0	0	34,952
Robert G. Simpson	0	800	21,570
James E. Trevathan	0	775	12,747

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Duane C. Woods	0	1,975	12,747
David R. Hopkins	0	0	2,708

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- (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 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. Woods includes 125 shares held by his children and 185 shares held by his wife's IRA.
- (5) The shares of Common Stock shown for Mr. Hopkins represent his holdings as of June 30, 2007, the date of his departure 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 12, 2008.

Name and Address	Shares Beneficially Owned	
	Number	Percent
Barclays Global Investors, NA (1)	32,415,099	6.56%
45 Fremont Street		
San Francisco, California 94105		

- (1) This information is based on a Schedule 13G filed with the SEC by Barclays on February 5, 2008. 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 Limited and Barclays Global Investors Canada 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.

We are not aware of any stockholders owning more than 10% of our Common Stock. Based on a review 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 applicable requirements, with the exception of the following:

In September 2007, a Form 4 evidencing the biweekly accrual of phantom stock units under the Company's Deferral Plan for Mr. Aardsma, Senior Vice President - Sales and Marketing, was filed one day late due to an administrative error by the Company.

In January 2008, Forms 4 evidencing the payout of phantom stock units on December 31, 2007 to Mr. Pope, Non-Executive Chairman of the Board, and Mr. Rothmeier, a director, were filed one day late due to an administrative error by the Company.

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**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	51	Senior Vice President, Sales and Marketing since January 2005.
		Vice President, Sales from August 2000 to January 2005.
Lynn M. Caddell	54	Senior Vice President and Chief Information Officer since March 2004.
		President, Yellow Technologies, Inc. (subsidiary of YRC Worldwide, In