

OMB APPROVAL	
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

1. Name and Address of Reporting Person* <u>CALDWELL BARRY H</u>  (Last) (First) (Middle) 1001 FANNIN, SUITE 4000  (Street) HOUSTON TX 77001  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>WASTE MANAGEMENT INC [ WMI ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) Senior Vice President
	3. Date of Earliest Transaction (Month/Day/Year) 12/01/2006	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	12/01/2006		M		19,000	A	\$19.61	53,782.0272	D	
Common Stock	12/01/2006		F		13,457	D	\$36.25	40,325.0272	D	

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Phantom Stock Units <sup>(1)</sup>	\$0	12/01/2006		A		11,944.1805		08/08/1988	08/08/1988	Common Stock	11,944.1805	\$0	11,944.1805	D	
Stock Option (right to buy) <sup>(2)</sup>	\$19.61	12/01/2006		M			19,000	03/06/2004	03/06/2013	Common Stock	19,000	\$19.61	0.0000	D	
Stock Option (right to buy) <sup>(3)</sup>	\$36.59	12/01/2006		A		10,278		06/01/2007	03/06/2013	Common Stock	10,278	\$36.59	10,278	D	

**Explanation of Responses:**

- Phantom stock units accrued under the Waste Management, Inc. Retirement Savings Restoration Plan, a supplemental retirement savings plan. A phantom stock unit is equivalent to one share of Common Stock.
- Stock option granted pursuant to Waste Management, Inc. 2000 Stock Incentive Plan. The stock option originally vested in 25% annual increments commencing on the first anniversary of the date of grant. The Compensation Committee of the Board of Directors accelerated the vesting of the Company's outstanding options effective December 28, 2005.
- Stock option granted pursuant to Waste Management, Inc. 2004 Stock Incentive Plan.

**Remarks:**

Linda J. Smith, attorney-in-fact 12/04/2006  
 \*\* Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.