

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 1996  
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OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO  
-----

COMMISSION FILE NUMBER: 1-12154

USA WASTE SERVICES, INC.  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE  
(STATE OR OTHER JURISDICTION OF  
INCORPORATION OR ORGANIZATION)

73-1309529  
(I.R.S. EMPLOYER  
IDENTIFICATION NO.)

5400 LBJ FREEWAY  
SUITE 300 - TOWER ONE  
DALLAS, TEXAS 75240  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(214) 383-7900  
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

NO CHANGE  
(FORMER NAME, FORMER ADDRESS, AND FORMER FISCAL YEAR,  
IF CHANGED SINCE LAST REPORT)

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED ALL  
REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE  
REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH  
FILING REQUIREMENTS FOR THE PAST 90 DAYS.

YES X NO  
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INDICATE THE NUMBER OF SHARES OUTSTANDING OF EACH OF THE ISSUER'S  
CLASSES OF COMMON STOCK AS OF AUGUST 12, 1996:

COMMON STOCK \$ .01 PAR VALUE 91,744,106 SHARES  
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USA WASTE SERVICES, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(In Thousands, Except Share and Par Value Amounts)  
(Unaudited)

	June 30, 1996 ----	December 31, 1995 ----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 30,262	\$ 18,223
Accounts receivable, net	109,958	89,228
Notes and other receivables	14,343	15,001
Deferred income taxes	38,870	20,101
Prepaid expenses and other	23,364	26,110
	-----	-----
Total current assets	216,797	168,663
Notes and other receivables	28,937	16,082
Property and equipment, net	880,981	798,629
Excess of cost over net assets of acquired businesses, net	134,840	108,664
Other intangible assets, net	39,918	34,127
Other assets	88,475	64,199
	-----	-----
Total assets	\$ 1,389,948 =====	\$ 1,190,364 =====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 44,681	\$ 42,018
Accrued liabilities	57,250	46,975
Deferred revenues	8,945	5,988
Current maturities of long-term debt	12,665	40,157
	-----	-----
Total current liabilities	123,541	135,138
Long-term debt, less current maturities	558,590	410,683
Closure, post-closure, and other liabilities	90,927	87,156
	-----	-----
Total liabilities	773,058 -----	632,977 -----
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$1.00 par value; 10,000,000 shares authorized; none issued	--	--
Common stock, \$.01 par value; 150,000,000 shares authorized; 91,721,891 and 87,030,697 shares issued, respectively	917	870
Additional paid-in capital	817,724	796,236
Accumulated deficit	(201,267)	(237,900)
Less treasury stock at cost, 23,485 shares and 138,810 shares, respectively	(484)	(1,819)
	-----	-----
Total stockholders' equity	616,890	557,387
	-----	-----
Total liabilities and stockholders' equity	1,389,948 =====	\$ 1,190,364 =====

The accompanying notes are an integral part of these condensed consolidated financial statements.

USA WASTE SERVICES, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (In Thousands, Except Per Share Amounts)  
 (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1996	1995 (Restated)	1996	1995 (Restated)
Operating revenues	\$ 227,336	\$ 179,714	\$ 428,861	\$ 348,594
Costs and expenses:				
Operating	127,711	105,946	245,812	207,397
General and administrative	25,358	26,930	50,101	53,093
Depreciation and amortization	22,947	21,846	44,821	41,188
Merger costs	38,100	25,073	38,100	25,073
Unusual items	12,952	4,040	12,952	4,733
	227,068	183,835	391,786	331,484
Income (loss) from operations	268	(4,121)	37,075	17,110
Other income (expense):				
Interest expense:				
Nonrecurring interest	--	(7,481)	--	(10,994)
Other	(7,685)	(9,225)	(14,450)	(18,913)
Interest and other income, net	1,914	1,986	4,202	4,308
	(5,771)	(14,720)	(10,248)	(25,599)
Income (loss) before provision for income taxes	(5,503)	(18,841)	26,827	(8,489)
Provision for (benefit from) income taxes	(15,364)	4,458	(9,806)	10,274
Net income (loss)	\$ 9,861	\$ (23,299)	\$ 36,633	\$ (18,763)
Earnings (loss) per common share	\$ 0.10	\$ (0.31)	\$ 0.39	\$ (0.25)
Weighted average number of common and common equivalent shares outstanding	95,137	75,230	94,201	74,761

The accompanying notes are an integral part of these condensed consolidated financial statements.

USA WASTE SERVICES, INC.  
 CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY  
 (In Thousands)  
 (Unaudited)

	Preferred Stock -----	Common Stock -----	Additional Paid-in Capital -----	Accumulated Deficit -----	Treasury Stock -----
Balance, December 31, 1995	\$ --	\$ 870	\$ 796,236	\$(237,900)	\$ (1,819)
Common stock issued in acquisitions accounted for as poolings of interests	--	30	8,000	--	--
Common stock issued in purchase acquisitions	--	1	2,342	--	--
Common stock issued for investment in company	--	4	1,588	--	--
Common stock issued for stock option exercises	--	7	6,130	--	--
Common stock issued for stock warrant exercises	--	2	3,686	--	--
Common stock returned to treasury for acquisition settlement	--	--	--	--	(751)
Common stock issued from treasury upon exercise of stock options	--	--	(481)	--	1,698
Common stock issued from treasury upon exercise of stock warrants	--	--	(119)	--	388
Common stock issued to 401(k) plan	--	3	342	--	--
Net income	--	--	--	36,633	--
	-----	-----	-----	-----	-----
Balance, June 30, 1996	\$ --	\$ 917	\$ 817,724	\$(201,267)	\$ (484)
	=====	=====	=====	=====	=====

The accompanying notes are an integral part of these condensed consolidated financial statements.

USA WASTE SERVICES, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 (In Thousands)  
 (Unaudited)

	Six Months Ended June 30,	
	1996	1995
	-----	-----
		(Restated)
Cash flows from operating activities:		
Net cash provided by operating activities	\$ 51,437	\$ 26,649
	-----	-----
Cash flows from investing activities:		
Acquisitions of businesses, net of cash acquired	(49,236)	(2,400)
Capital expenditures	(75,964)	(57,734)
Loans and advances to others	(15,086)	(6,322)
Collection of loans to others	1,472	2,304
Proceeds from sale of assets	2,060	5,112
Proceeds from sale of investments	--	1,200
Increase in restricted assets	(14,175)	(4,773)
Other	--	(845)
	-----	-----
Net cash used in investing activities	(150,929)	(63,458)
	-----	-----
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	510,670	352,781
Principal payments on long-term debt	(410,533)	(306,411)
Proceeds from exercise of stock options	7,354	961
Proceeds from exercise of stock warrants	3,957	--
Other	83	1,027
	-----	-----
Net cash provided by financing activities	111,531	48,358
	-----	-----
Increase in cash and cash equivalents	12,039	11,549
Cash and cash equivalents at beginning of period	18,223	36,645
	-----	-----
Cash and cash equivalents at end of period	\$ 30,262	\$ 48,194
	=====	=====

The accompanying notes are an integral part of these condensed consolidated financial statements.

USA WASTE SERVICES, INC.  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)

The condensed consolidated balance sheets of USA Waste Services, Inc. and subsidiaries (the "Company") as of June 30, 1996 and December 31, 1995, the condensed consolidated statements of operations for the three and six months ended June 30, 1996 and 1995, the condensed consolidated statement of stockholders' equity for the six months ended June 30, 1996, and the condensed consolidated statements of cash flows for the six months ended June 30, 1996 and 1995 are unaudited. In the opinion of management, such financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of financial position, results of operations, and cash flows for the periods presented. The Company has restated the previously issued financial statements for the three months ended March 31, 1996 to reflect the acquisitions of Western Waste Industries ("Western") and Grand Central consummated on May 7, 1996 and May 15, 1996, respectively, both accounted for using the pooling of interests method of accounting. The Company has also restated the previously issued financial statements for the three and six months ended June 30, 1995 to reflect the acquisition of Western. Periods prior to 1996 were not restated to reflect the acquisition of Grand Central as combined results are not materially different from results as presented. In addition, certain 1995 amounts have been reclassified to conform to the 1996 presentation. The financial statements presented herein should be read in connection with the Company's consolidated financial statements and related notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1995, the Company's Joint Proxy Statement and Prospectus dated April 2, 1996, included in the Company's Registration Statement on Form S-4 filed in connection with the acquisition of Western, and the supplemental consolidated financial statements and the supplemental condensed consolidated financial statements and related notes thereto included in the Company's Current Report on Form 8-K/A dated May 7, 1996, filed in connection with the acquisition of Western.

#### 1. BUSINESS COMBINATIONS

On May 7, 1996, the Company consummated an Agreement and Plan of Merger (the "Merger Agreement") to acquire Western through a merger transaction ("Western Merger") accounted for as a pooling of interests and, accordingly, the accompanying financial information has been restated to include the accounts and operations of Western for all periods presented. Under the terms of the Merger Agreement, the Company issued 1.50 shares of its common stock for each share of Western outstanding common stock. Prior to the Western Merger, the Company owned approximately 4.1% of Western's outstanding shares (634,900 common shares), which were canceled on the Western Merger's effective date. The Western Merger increased the Company's outstanding shares of common stock by approximately 22,028,000 shares and the Company assumed options under Western's stock option plans equivalent to approximately 5,200,000 underlying Company shares of common stock.

On May 15, 1996, the Company consummated a merger agreement with Grand Central, accounted for as a pooling of interests, pursuant to which the Company issued 2,067,605 shares of its common stock in exchange for all outstanding shares of Grand Central.

Combined and separate results of operations of the Company prior to consummation of the mergers ("USA Waste"), Western, and Grand Central for the restated periods are as follows (in thousands):

	USA Waste -----	Western -----	Grand Central -----	Adjustments -----	Combined -----
Three months ended March 31, 1996:					
Operating revenues	\$ 124,629	\$ 68,441	\$ 8,455	\$ --	\$ 201,525
Net income	20,516	4,703	1,538	15(a)	26,772
Three months ended March 31, 1995:					
Operating revenues	\$ 101,242	\$ 67,638	--	\$ --	\$ 168,880
Net income	184	4,339	--	15(a)	4,538
Six months ended June 30, 1995:					
Operating revenues	\$ 212,471	\$ 136,123	--	\$ --	\$ 348,594
Net income (loss)	(27,657)	8,864	--	30(a)	(18,763)

(a) In February 1992, USA Waste acquired a 55% interest in a collection company from a third party in which Western owned the remaining 45%. In March 1993, USA Waste acquired the remaining 45% interest in the collection company from Western. The combined financial information reflects the combined company's 100% ownership of the acquired collection company as of February 1992. Western's earnings in minority interest from February 1992

through March 1993 and the gain on sale to USA Waste of \$2,829,000 have been eliminated. The excess of cost over net assets of acquired businesses, net of accumulated amortization, recorded by USA Waste in February 1992, has also been eliminated.

During the six months ended June 30, 1996, the Company acquired 24 collection businesses, one landfill, one transfer station, and two recycling businesses for approximately \$49,236,000 in cash and 113,224 shares of the Company's common stock. These acquisitions were accounted for under the purchase method of accounting and the pro forma effect of the acquisitions is not material to the Company's financial position or results of operations.

On May 31, 1996, the Company consummated a merger with an Orlando, Florida, collection business accounted for as a pooling of interests, pursuant to which the Company issued 900,001 shares of its common stock in exchange for all outstanding shares of the acquired company. Periods presented herein were not restated to include the accounts and operations of the acquired company as combined results are not materially different from the results as presented.

On June 22, 1996, the Company entered into an Agreement and Plan of Merger to acquire Sanifill, Inc. ("Sanifill") through a merger transaction. The completion of the merger is subject to, among other conditions, approval of both companies' shareholders. It is anticipated that the merger will be completed in late August 1996 and will be accounted for as a pooling of interests. The merger agreement provides that on the effective date of the merger, the Company will issue 1.70 shares of its common stock for each share of Sanifill's outstanding common stock. The merger is expected to increase the Company's outstanding shares of common stock by approximately 43,100,000 shares and the Company will assume Sanifill's options and warrants equivalent to approximately 43,100,000 underlying shares of Company common stock. The Company expects to incur up to \$50,000,000 in estimated nonrecurring costs related to the merger. These costs will be accrued as of the consummation date and are expected to be incurred within twelve months of consummation.

## 2. LONG-TERM DEBT

Long-term debt consists of the following (in thousands):

	June 30, 1996	December 31, 1995
	-----	-----
Credit facility:		
Revolving credit facility	\$420,000	\$ 51,613
Term loan facility	--	215,835
Western credit facility	--	41,000
Industrial revenue bonds	129,179	115,421
Other	22,076	26,971
	-----	-----
	571,255	450,840
Less current maturities	12,665	40,157
	-----	-----
	\$558,590	\$410,683
	=====	=====

As of December 31, 1995, the Company had borrowed \$267,448,000 under its \$550,000,000 financing agreement, which consisted of a \$300,000,000 five-year revolving credit and letter of credit facility and a \$250,000,000 term loan facility. Revolving credit loans under the credit facility were limited to \$160,000,000 at December 31, 1995, less the amount of any future industrial revenue bonds enhanced by letters of credit under the credit facility. Loans bore interest at a rate based on the Eurodollar rate or the prime rate, plus a spread not to exceed 1.75% per annum (the applicable interest rate at December 31, 1995 was 7.31%). The credit facility was also used for letters of credit purposes with variable fees from 0.75% to 1.75% per annum (1.50% at December 31, 1995) charged on amounts issued. A commitment fee of up to 0.5% was required on the unused portion of the credit facility.

On May 7, 1996, in connection with the acquisition of Western, the Company replaced its existing credit facility with a \$750,000,000 senior revolving credit facility ("Credit Facility") and retired amounts outstanding under Western's credit facility. The Credit Facility was used to refinance existing bank loans and letters of credit and will be used to fund additional acquisitions and working capital. The Credit Facility also provides for the availability of standby letters of credit of up to \$300,000,000. Loans under the Credit Facility bear interest at a rate based on the Eurodollar rate plus a spread not to exceed 0.75% per annum (spread set at 0.405% per annum as of June 30, 1996). The Credit Facility requires a facility fee not to exceed 0.375% per annum on the entire available credit facility (facility fee set at 0.22% per annum as of June 30, 1996). The Credit Facility contains financial covenants with respect to interest coverage and debt capitalization ratios. The Credit Facility also contains limitations on dividends, additional indebtedness, loans, and asset sales.

In connection with the pending acquisition of Sanifill, the Company is

currently negotiating a new \$1,200,000,000 credit facility with a consortium of banks. The Company anticipates that the credit facility will be effective with the closing of the Sanifill merger. The credit facility will be available for standby letters of credit up to \$400,000,000. Loans under this credit facility will bear interest at a rate based on the Eurodollar rate plus a spread not to exceed 0.75% per annum (spread is expected to be set at 0.35% per annum). The credit facility will require a facility fee not to exceed 0.375% per annum on the entire available credit facility (facility fee is expected to be set at 0.20% per annum).

### 3. INCOME TAXES

The difference in federal income taxes at the statutory rate and the provision for (benefit from) income taxes for the six months ended June 30, 1996, is primarily due to the net change in the valuation allowance. The valuation allowance for deferred tax assets had a net decrease of \$37,947,000 in the first half of 1996 due to changes in the Company's gross deferred tax assets and liabilities and the decrease in the valuation allowance and corresponding recognition of an additional \$18,769,000 of net deferred tax assets. Future taxable income was projected utilizing annualized second quarter taxable income, excluding merger costs and unusual items.

### 4. COMMITMENTS AND CONTINGENCIES

Environmental matters -- The Company is subject to extensive and evolving federal, state, and local environmental laws and regulations that have been enacted in response to technological advances and the public's increased concern over environmental issues. As a result of changing governmental attitudes in this area, management anticipates that the Company will continually modify or replace facilities and alter methods of operation. The majority of the expenditures necessary to comply with the environmental laws and regulations are made in the normal course of business. Although the Company, to the best of its knowledge, is in compliance in all material respects with the laws and regulations affecting its operations, there is no assurance that the Company will not have to expend substantial amounts for compliance in the future.

Litigation and investigation -- See Part II, Item 1, of this Form 10-Q for discussion of legal matters.

Insurance -- The Company carries a broad range of insurance coverages, which management considers prudent for the protection of the Company's assets and operations. Some of these coverages are subject to varying retentions of risk by the Company. The casualty coverages currently include \$2,000,000 primary commercial general liability and \$1,000,000 primary automobile liability supported by \$100,000,000 in umbrella insurance protection. The property policy provides insurance coverage for all of the Company's real and personal property.

The Company maintains workers' compensation insurance in accordance with laws of the various states in which it has employees. The Company also currently has an environmental impairment liability ("EIL") insurance policy for certain of its landfills and transfer stations that provides coverage for property damages and/or bodily injuries to third parties caused by off-site pollution emanating from such landfills or transfer stations. This policy provides \$5,000,000 of coverage per incident with a \$10,000,000 aggregate limit. To date, the Company has not had any difficulty in obtaining insurance. However, if the Company in the future is unable to obtain adequate insurance, or decides to operate without insurance, a partially or completely uninsured claim against the Company, if successful and of sufficient magnitude, could have a material adverse effect upon the Company's business or its financial condition. Additionally, continued availability of casualty and EIL insurance with sufficient limits at acceptable terms is an important aspect of obtaining revenue-producing waste service contracts.

Employment agreements -- The Company has entered into employment agreements with certain of its officers. These employment agreements include provisions governing compensation and benefits to be paid upon termination of employment with the Company or certain changes in control of the Company. Under certain conditions, the agreements can be terminated by the Company or the officer. Upon termination of an agreement, the officer's compensation would continue at approximately 75% of his prior compensation for periods ranging from three to five years. During the three to five year period, the officer would be available to the Company on a part-time basis for consulting and also would not be permitted to engage in any activities in direct competition with the Company. If these officers were to be terminated without cause during 1996 or if certain officers elected to terminate their agreements, the aggregate annual compensation on a part-time basis would be approximately \$2,032,000. If a change in control were to occur in 1996 and the officers were to elect to take the change in control payments, they would receive approximately \$8,223,000. As of June 30, 1996, the Company has not recorded any accruals in the financial statements related to these employment agreements.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion reviews the Company's operations for the three and six months ended June 30, 1996 and 1995, and should be read in conjunction with the Company's condensed consolidated financial statements and related notes thereto included elsewhere herein, as well as the Company's consolidated financial statements and related notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1995, the Company's Joint Proxy Statement and Prospectus dated April 2, 1996, included in the Company's Registration Statement on Form S-4 filed in connection with the acquisition of Western, and the supplemental consolidated financial statements and supplemental condensed consolidated financial statements included in the Company's Current Report on Form 8-K/A dated May 7, 1996, filed in connection with the acquisition of Western.

### INTRODUCTION

The Company provides non-hazardous solid waste management services, consisting of collection, transfer, disposal, soil remediation, and recycling services in 24 states. Since August 1990, the Company has experienced significant growth principally through the acquisition and integration of solid waste businesses and is now the third largest non-hazardous solid waste company in North America. The company owns or operates 42 landfills, 25 transfer stations, and 73 collection companies serving more than 1,300,000 customers.

The Company's revenues consist primarily of fees charged for its collection and disposal services. Revenues for collection services include fees from residential, commercial, industrial, and municipal collection customers. A portion of these fees are billed in advance; a liability for future service is recorded upon receipt of payment and revenues are recognized as services are actually provided. Fees for residential services are normally based on the type and frequency of service. Fees for commercial and industrial services are normally based on the type and frequency of service and the volume of solid waste collected.

The Company's revenues from its landfill operations consist of disposal fees (known as tipping fees) charged to third parties and are normally billed monthly. Tipping fees are based on the volume or weight of solid waste being disposed of at the Company's landfill sites. Fees are charged at transfer stations based on the volume of solid waste deposited, taking into account the Company's cost of loading, transporting, and disposing of the solid waste at a landfill. Intercompany revenues between the Company's landfill and collection operations have been eliminated in the financial statements presented herein.

Operating expenses include direct and indirect labor and the related taxes and benefits, fuel, maintenance and repairs of equipment and facilities, tipping fees paid to third party landfills, property taxes, and accruals for future landfill closure and post-closure costs. Certain direct landfill development expenses are capitalized and depreciated over the estimated useful life of a site as capacity is consumed, and include acquisition, engineering, upgrading, construction, and permitting costs. All indirect development expenses, such as administrative salaries and general corporate overhead, are expensed in the period incurred.

General and administrative costs include management salaries, clerical and administrative costs, professional services, facility rentals, and related insurance costs, as well as costs related to the Company's marketing and sales force.

## RESULTS OF OPERATIONS

The following table presents, for the periods indicated, the period to period change in dollars (in thousands) and percent for the various Condensed Consolidated Statements of Operations items:

	Period to Period Change for the Three Months Ended June 30, 1996 and 1995		Period to Period Change for the Six Months Ended June 30, 1996 and 1995	
	\$	%	\$	%
Operating revenues	\$ 47,622	26.5%	\$ 80,267	23.0%
Costs and expenses:				
Operating	21,765	20.5	38,415	18.5
General and administrative	(1,572)	(5.8)	(2,992)	(5.6)
Depreciation and amortization	1,101	5.0	3,633	8.8
Merger costs	13,027	52.0	13,027	52.0
Unusual items	8,912	220.6	8,219	173.7
	43,233	23.5	60,302	18.2
Income (loss) from operations	4,389	(106.5)	19,965	116.7
Other income (expense):				
Interest expense:				
Nonrecurring interest	7,481	100.0	10,994	100.0
Other	1,540	16.7	4,463	23.6
Interest and other income, net	(72)	(3.6)	(106)	(2.5)
	8,949	60.8	15,351	60.0
Income (loss) before provision for income taxes	13,338	70.8	35,316	416.0
Provision for (benefit from) income taxes	(19,822)	(444.6)	(20,080)	(195.4)
Net income (loss)	\$ 33,160	142.3%	\$ 55,396	295.2%

The following table presents, for the periods indicated, the percentage relationship that the various components of the Condensed Consolidated Statements of Operations bear to operating revenues:

	Three Months Ended June 30,		Six Months Ended June 30,	
	1996	1995	1996	1995
Operating revenues:				
Disposal	23.9%	23.9%	24.1%	23.1%
Waste collection	60.9	60.9	61.0	61.6
Transfer stations	11.3	11.0	10.9	10.3
Other	3.9	4.2	4.0	5.0
	-----	-----	-----	-----
	100.0	100.0	100.0	100.0
	-----	-----	-----	-----
Costs and expenses:				
Operating	56.2	59.0	57.3	59.5
General and administrative	11.2	15.0	11.7	15.2
Depreciation and amortization	10.1	12.2	10.5	11.8
Merger costs	16.7	13.9	8.9	7.2
Unusual items	5.7	2.2	3.0	1.4
	-----	-----	-----	-----
	99.9	102.3	91.4	95.1
	-----	-----	-----	-----
Income (loss) from operations	0.1	(2.3)	8.6	4.9
	-----	-----	-----	-----
Other income (expense):				
Interest expense:				
Nonrecurring interest	--	(4.2)	--	(3.1)
Other	(3.3)	(5.1)	(3.4)	(5.4)
Interest and other income, net	0.8	1.1	1.0	1.2
	-----	-----	-----	-----
	(2.5)	(8.2)	(2.4)	(7.3)
	-----	-----	-----	-----
Income (loss) before provision for income taxes	(2.4)	(10.5)	6.2	(2.4)
Provision for (benefit from) income taxes	(6.7)	2.5	(2.3)	3.0
	-----	-----	-----	-----
Net income (loss)	4.3%	(13.0)%	8.5%	(5.4)%
	=====	=====	=====	=====

### THREE AND SIX MONTHS ENDED JUNE 30, 1996 AND 1995

#### Operating Revenues

Operating revenues increased \$47,622,000 or 26.5% and \$80,267,000 or 23.0% for the three and six months ended June 30, 1996, respectively, as compared to the corresponding periods of 1995. The increase in operating revenues is attributable to the effect of acquisitions, less dispositions, and the growth in operating revenues from comparable operations, excluding the decline in certain non-core businesses which do not provide a significant contribution to earnings. Acquisitions during 1996 and the effect of acquisitions made during 1995 accounted for increases in operating revenues of 19.9% and 17.4% for the three and six month periods ended June 30, 1996, respectively. During the second quarter, operating revenues from comparable disposal and collection operations increased 1.6% due to price increases and approximately 6.4% due to volume increases with declines in other non-core revenues accounting for the remaining decrease of approximately 1.4%.

#### Operating Costs and Expenses

Operating costs and expenses increased \$21,765,000 or 20.5% and \$38,415,000 or 18.5% for the three and six months ended June 30, 1996, respectively, as compared to the corresponding periods of 1995. The increase in operating costs and expenses is primarily attributable to the impact of new business acquisitions, net of dispositions, made in 1996 and 1995 of \$25,619,000 and \$41,417,000 for the three and six months ended June 30, 1996, respectively. Offsetting this increase is the effect of reduced operating costs and expenses for the existing operations of Chambers Development Company, Inc. ("Chambers") since the Company's merger with Chambers in June 1995 of approximately

\$1,390,000 and \$4,271,000 for the three and six months ended June 30, 1996, respectively, and the increased utilization of internal disposal, excluding Western locations, from 49.9% and 49.8% to 52.5% and 52.8% for the three and six months ended June 30, 1996, respectively, which equates to approximately \$1,358,000 and \$2,685,000 in decreased costs, respectively. Operating costs and expenses for other

comparable operations decreased \$3,854,000 and \$3,002,000 for the three and six months ended June 30, 1996, respectively.

As a percentage of operating revenues, operating costs and expenses decreased from 59.0% and 59.5% for the three and six months ended June 30, 1995, respectively, to 56.2% and 57.3% for the corresponding periods in 1996. This decrease occurred for the reasons described above.

#### General and Administrative

General and administrative expenses decreased \$1,572,000 and \$2,992,000 for the three and six months ended June 30, 1996, respectively, compared to the corresponding 1995 periods, and also decreased as a percentage of operating revenues. This is primarily the result of the Company's ability to integrate new business acquisitions without a proportionate increase in general and administrative expenses and cost reductions as a result of the mergers with Western and Chambers consummated in May 1996 and June 1995, respectively.

#### Depreciation and Amortization

Depreciation and amortization increased \$1,101,000 and \$3,633,000 for the three and six months ended June 30, 1996, respectively, compared to the corresponding periods of 1995 due primarily to the acquisition of new businesses. As a percentage of operating revenues, depreciation and amortization decreased due to improved utilization of equipment through the internal volume growth in the collection and disposal operations without a corresponding increase in equipment and facilities.

#### Merger Costs

In the second quarter of 1996, the Company incurred \$35,000,000, \$2,700,000, and \$400,000 of merger costs related to the acquisitions of Western, Grand Central, and an Orlando, Florida, collection company, respectively. The \$35,000,000 of merger costs related to Western include \$6,800,000 of transaction costs, \$15,000,000 of severance and other termination benefits, and \$13,200,000 of costs related to integrating operations. In the second quarter of 1995, the Company incurred \$25,073,000 of merger costs related to the Chambers acquisition, including \$11,900,000 of transaction costs, \$9,473,000 of severance and other termination benefits, and \$3,700,000 of costs related to integrating operations.

#### Unusual Items

In the second quarter of 1996, unusual items include approximately \$4,800,000 of retirement benefits associated with Western's pre-merger retirement plan and approximately \$8,100,000 of estimated future losses related to municipal solid waste contracts in California as a result of the continuing decline in prices of recyclable materials. In 1995, unusual items represent \$2,800,000 of severance and other termination benefits paid to former Chambers employees in connection with its pre-merger reorganization, \$1,300,000 of estimated future losses associated with a New Jersey municipal solid waste contract, and \$600,000 of shareholder litigation settlement costs.

#### Income (Loss) from Operations

For reasons discussed above, income from operations as a percent of operating revenues was 0.1% and 8.6% for the three and six months ended June 30, 1996, respectively, as compared to (2.3)% and 4.9% in the respective 1995 periods. Income (loss) from recurring operations was 22.6% and 20.5% for the three and six months ended June 30, 1996, respectively. The improvement in recurring operations is the result of economies of scale realized by the Company with respect to recent acquisitions and improvements in comparable operations.

#### Other Income and Expense

Other income and expense consists of interest expense, interest income, and other income. Interest expense, gross of amounts capitalized, decreased as a result of an overall reduction in indebtedness and the refinancing of Chambers pre-merger indebtedness and the Company's existing indebtedness to lower rates at June 30, 1995. In addition, \$7,481,000 and \$10,994,000 of nonrecurring interest was incurred during the three and six months ended June 30, 1995, respectively, relating to extension fees and other charges associated with the aforementioned debt refinancing by Chambers. Capitalized interest for the three and six months ended June 30, 1996 was \$2,047,000 and \$4,237,000, respectively, as compared to \$1,918,000 and \$3,403,000 in the corresponding 1995 periods.



### Provision for (Benefit from) Income Taxes

The provision for (benefit from) income taxes decreased \$19,882,000 and \$20,080,000 for the three and six months ended June 30, 1996, respectively, as compared to the corresponding periods of 1995. The 1995 provision for income taxes represents current income taxes of USA Waste and Chambers on a separate basis. The decrease in the provision for income taxes in 1996 is the result of the change in the valuation allowance and corresponding recognition of the benefit for a portion of the Company's net deferred tax asset.

### Net Income (Loss)

For the reasons discussed above, net income (loss) increased \$33,160,000 and \$55,396,000 during the three and six months ended June 30, 1996, respectively, as compared to the corresponding periods of 1995.

### LIQUIDITY AND CAPITAL RESOURCES

The Company operates in an industry that requires a high level of capital investment. The Company's capital requirements basically stem from (i) its working capital needs for its ongoing operations, (ii) capital expenditures for cell construction and expansion of its landfill sites, as well as new trucks and equipment for its collection operations, and (iii) business acquisitions. The Company's strategy is to meet these capital needs first from internally generated funds and secondly from various financing sources available to the Company, including the issuance of its common stock. It is further part of the Company's strategy to minimize working capital while maintaining available commitments under bank credit agreements to fund any capital needs in excess of internally generated cash flow.

As of June 30, 1996, the Company had working capital of \$93,256,000 (a ratio of current assets to current liabilities of 1.75:1) and a cash balance of \$30,262,000, which compares to working capital of \$33,525,000 (a ratio of current assets to current liabilities of 1.25:1) and a cash balance of \$18,223,000 as of December 31, 1995. For the first six months of 1996, net cash from operations was approximately \$51,437,000, and net cash from financing activities was approximately \$111,531,000. These funds were used primarily to fund investments in other businesses of \$49,236,000 and for capital expenditures of approximately \$75,964,000.

The Company's capital expenditure and working capital requirements have increased reflecting the Company's business strategy of growth through acquisitions and development projects. The Company's budgeted cash requirements for the remainder of 1996 include estimated capital expenditures of approximately \$81,600,000. The Company intends to finance the remainder of its 1996 capital requirements through internally generated cash flow and amounts available under its revolving credit facility. At June 30, 1996, the available line of credit for cash borrowings was \$174,200,000.

On May 7, 1996, in connection with the acquisition of Western, the Company replaced its existing credit facility with a \$750,000,000 senior revolving credit facility ("Credit Facility") and retired amounts outstanding under Western's credit facility. The Credit Facility was used to refinance existing bank loans and letters of credit and will be used to fund additional acquisitions and for working capital. The Credit Facility also provides for the availability of standby letters of credit up to \$300,000,000. Loans under the Credit Facility bear interest at a rate based on the Eurodollar rate plus a spread not to exceed 0.75% per annum (spread initially set at 0.405% per annum). The Credit Facility requires a facility fee not to exceed 0.375% per annum on the entire available credit facility (facility fee initially set at 0.22% per annum).

In connection with the pending acquisition of Sanifill, the Company intends to replace its existing Credit Facility with a \$1,200,000,000 senior revolving credit facility and retire amounts outstanding under Sanifill's credit facility. The credit facility will be available for standby letters of credit up to \$400,000,000. Loans under this credit facility will bear interest at a rate based on the Eurodollar rate plus a spread not to exceed 0.75% per annum (spread is expected to be set at 0.35% per annum). The credit facility will require a facility fee not to exceed 0.375% per annum on the entire available credit facility (facility fee is expected to be set at 0.20% per annum). The unused portion of the credit facility available to fund future acquisitions will approximate \$450,000,000 as of the merger's anticipated closing date in late August 1996.

The Company's business plan is to grow through acquisitions as well as development projects. The Company has issued equity securities in business acquisitions and expects to do so in the future. Furthermore, the Company's future growth will depend greatly upon its ability to raise additional capital. Management believes that it can arrange the necessary financing required to

accomplish its business plan; however, to the extent the Company is not successful in its future financing strategies the Company's growth could be limited.

Subsequent to June 30, 1996, the Company acquired four collection businesses, one landfill, and one transfer station for approximately \$14,900,000 in cash. The Company also announced the pending acquisition of certain solid waste businesses, including certain assets of Philip Environmental, Inc. for approximately \$118,000,000 of common stock and cash, at least \$60,000,000 of which will be paid in cash. Businesses representing \$75,500,000 of the purchase price can not be acquired until after Laidlaw Waste Systems Canada Ltd. ("Laidlaw") reviews and considers its rights of first refusal to acquire these assets. Subject to Laidlaw's review and regulatory approvals, these acquisitions are expected to close in late August 1996. The Company regularly engages in discussions relating to potential acquisitions and has identified several possible acquisition opportunities. The Company may announce additional acquisition transactions at any time.

#### SEASONALITY AND INFLATION

Because the volumes of certain types of waste, such as yard clippings and construction debris, tend to be higher in the spring and summer, the Company experiences seasonal variations in its revenues. As a result, during spring and summer, the Company's revenues tend to be higher than its revenues in fall and winter. In addition, during the winter, harsh weather conditions often temporarily affect the Company's ability to collect, transport, and dispose of waste, as experienced by certain operating locations in the first quarter of 1996. The seasonal impact is often offset by revenues added through acquisitions such that the Company's reported revenues have historically reflected increases in period to period comparisons.

The Company believes that inflation and changing prices have not had, and are not expected to have, any material adverse effect on the results of operations in the near future.

PART II. OTHER INFORMATION  
ITEM 1. LEGAL PROCEEDINGS

On or about March 8, 1993, an action was filed in the United States District Court for the Western District of Pennsylvania, captioned Option Resource Group, et al. v. Chambers Development Company, Inc., et al., Civil Action No. 93-354. This action was brought by a market maker in options in Chambers stock and two of its general partners and asserts federal securities law and common law claims alleging that Chambers, in publicly disseminated materials, intentionally or negligently misstated its earnings and that Chambers' officers and directors committed mismanagement and breach of fiduciary duties. These plaintiffs allege that, as a result of large amounts of put options traded on the Chicago Board of Options Exchange between March 13 and March 18, 1992, they engaged in offsetting transactions resulting in approximately \$2,100,000 in losses. The plaintiffs in Option Resource Group had successfully requested exclusion from a now settled class action of consolidated suits instituted on similar claims ("Class Action") and Option Resource Group is continuing as a separate lawsuit. Discovery has been completed and a trial date of January 2, 1997 has been set. Plaintiffs filed a motion for summary judgment which is untimely under the court's case management procedures. The court has stayed responses to the motion for summary judgment. In response to discovery on damages, the plaintiffs reduced their damages claim to \$433,000 in alleged losses, plus interest and attorneys' fees, for a total damage claim of \$658,000, as of August 21, 1995. The Company intends to continue to vigorously defend against this action. Management of the Company believes the ultimate resolution of such complaint will not have a material adverse effect on the Company's financial position or results of operations.

On August 3, 1995, Frederick A. Moran and certain related persons and entities filed a lawsuit against Chambers Development Company, Inc., certain former officers and directors of Chambers, and Grant Thornton, LLP, in the United States District Court for the Southern District of New York under the caption Moran, et al. v. Chambers, et al., Civil Action No. 95-6034. Plaintiffs, who claim to represent approximately 484,000 shares of Chambers stock, requested exclusion from the settlement agreements which resulted in the resolution of the Class Action and assert that they have incurred losses attributable to shares purchased during the class period and certain additional losses by reason of alleged management misstatements during and after the class period. The claimed losses include damages to Mr. Moran's business and reputation. The Judicial Panel on Multidistrict Litigation has transferred this case to the United States District Court for the Western District of Pennsylvania. The Company has filed its answer to the complaint and intends to vigorously defend against these claims. The case is currently in discovery. Management of the Company believes the ultimate resolution of such complaint will not have a material adverse effect on the Company's financial position or results of operations.

On or about February 1, 1996, an action was filed in the Circuit Court of Cook County, Illinois, captioned Allabastro v. USA Waste Services, Inc., Action No. 96L01165. The case was subsequently removed to the United States District Court for the Northern District of Illinois, Action No. 96-CV-1336. The plaintiff alleges to have entered into an oral agreement with the Company for brokerage services and is demanding a fee of \$950,000 based on the alleged contract and on common law for acting as a broker/advisor to the Company in its 1993 purchase of an Indiana landfill and hauling operation from Chambers. Based on the same facts, the plaintiff is also demanding an additional \$36,250,000 fee in connection with the June 1995 merger of Chambers with the Company. The plaintiff is also seeking unspecified damages for acting as a management advisor to the Company in its procurement of a landfill renovation/operation contract in Charleston, West Virginia. Interest and other costs are also demanded. The case is in the early stages of discovery. The Company has filed its answer and intends to vigorously defend against this action, and management believes the ultimate resolution of this suit will not have a material adverse effect on the Company's financial position or results of operations.

In or about August 1994, a case was filed against Western in the United States District Court for the Western District of Arkansas. This is an action originally filed by seven landowners who live near a landfill operated by Western in Miller County, Arkansas. The landowners allege that Western unlawfully received hazardous waste and that the pollutants from the waste received by Western had contaminated their property or threatened to contaminate their property in the future. The landowners seek an unspecified amount of damages based on the contamination or threat of contamination. In addition, the landowners seek to recover damages based on the devaluation of their property due to the stigma of being located near a disposal site for hazardous waste and based upon their fear of developing adverse health effects. In July 1995, 135 additional plaintiffs intervened and asserted claims similar to those raised by the original plaintiffs. Western and the other defendants have denied that any unlawful disposal of waste took place at the landfill. In or about June 1995, a case was filed by eight land owners who own property along a creek downstream from Western's Miller County landfill. Plaintiffs

allege that their property has been contaminated by releases of hazardous substances from the landfill and other hazardous substance disposal sites operated by the other defendants. The Company believes it has valid defenses to the allegations and is vigorously defending the action, and management believes the ultimate resolution of this suit will not have a material adverse effect on the Company's financial position or results of operations. In late December 1994, a lawsuit was filed in Los Angeles County Superior Court by 24 plaintiffs. Western is among 19 named defendants. The complaint asserts causes of action for nuisance and trespass seeking damages for personal injuries and property damage. The complaint alleges that Western owns a parcel of property, acquired from Cadillac

Fairview/California located in Torrance, California. The complaint alleges that Montrose Chemical Corporation and others manufactured DDT on property at or adjacent to the property owned by Western. The plaintiffs further allege that contaminants from this property escaped to plaintiff's property, injured plaintiff, and damaged the value of plaintiff's property. On June 29, 1995, this case was removed to the United States District Court. Western has filed an answer denying any liability. The Company believes it has valid defenses to the allegations and intends to vigorously contest the case and is contemplating filing a cross-complaint once its investigation of the facts is completed, and management believes the ultimate resolution of this suit will not have a material adverse effect on the Company's financial position or results of operations.

On or about February 2, 1995, a complaint was filed in a taxpayer lawsuit. The complaint does not name Western as a defendant. The plaintiffs allege that the Riverside County and the other defendants, in connection with a contract with Western regarding the operation and management of the El Sobrante Landfill (the "Landfill") located within the Riverside County (the "Agreement"), engaged in various improper actions, including the unlawful sale of public property, wasting public funds, and making an unconstitutional gift of public property and funds. The complaint seeks an order voiding the Agreement and an injunction ordering the defendants to pay to the County allegedly unlawful revenues earned from the Landfill, to cease further dumping at the Landfill of out-of-county waste, return of alleged windfall profits, and limiting dumping fees charged to in-county residents. The complaint also seeks general damages of \$10,000,000, special and punitive damages, attorneys' fees, and costs. The Company believes the taxpayer suit is based upon erroneous assumptions and that there are valid defenses available to the County to each of the claims asserted in the complaint. The Company has now filed a motion to intervene in the litigation and will thereafter become a party to the lawsuit.

Recent newspaper articles have indicated that Western, either alone or with others engaged in the solid waste industry, may be a subject of an investigation by the United States government relating to political corruption. The Company has not, however, been charged with any wrongdoing and does not know whether such an investigation is, in fact, ongoing. Western has not been advised by the government that it is a target of any such investigation. Upon written inquiry under the Freedom of Information Act, Western was advised that there were no records of any such investigations.

The Company is a party to various other litigation matters arising in the ordinary course of business. Management believes that the ultimate resolution of these matters will not have a material adverse impact on the Company's financial position and results of operations. In the normal course of its business and as a result of the extensive government regulation of the solid waste industry, the Company periodically may become subject to various judicial and administrative proceedings involving federal, state, or local agencies. To date, the Company has not been required to pay any material fine or had a judgment entered against it for violation of any environmental law. From time to time the Company also may be subjected to actions brought by citizen's groups in connection with the permitting of landfills or transfer stations, or alleging violations of the permits pursuant to which the Company operates. From time to time, the Company is also subject to claims for personal injury or property damage arising out of accidents involving its vehicles.

## ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the Company's annual meeting of stockholders held on May 7, 1996, a proposal to elect the nominees listed in the following table as directors of the Company was submitted to a vote of the Company's stockholders. The following table also shows the results of voting as to each nominee:

NOMINEE -----	VOTES FOR -----	VOTES WITHHELD -----
David Sutherland-Yoest	56,551,922	276,284
Peter J. Gibbons	56,662,990	165,216
Richard J. Heckman	56,570,724	157,482

At the same meeting, proposals to (i) approve and adopt an Agreement and Plan of Merger dated as of December 18, 1995 by and among the Company, Riviera Acquisition Corp. and Western Waste Industries, (ii) approve and adopt the USA Waste Services, Inc. 1996 Stock Option Plan for Non-Employee Directors, (iii) approve and adopt the USA Waste Services, Inc. Corporate Performance-Based Compensation Plan; (iv) approve an amendment to the USA Waste Services, Inc. 1993 Stock Incentive Plan to provide an annual limit on awards to a participant in the plan of up to 1,500,000 shares and to increase the number of shares that may be issued under the plan by 2,500,000 shares, (v) approve an amendment to the Restated Certificate of Incorporation of the Company to delete a provision relating to stockholders' and creditors' rights, and (vi) ratify the appointment of Coopers & Lybrand L.L.P. as independent auditors for the ensuing year were submitted to a vote of the Company's stockholders. All proposals were adopted by the stockholders. The voting was as follows:

	VOTES FOR -----	VOTED AGAINST -----	ABSTENTIONS -----	BROKER NON-VOTES -----
Western Waste Merger	48,672,347	65,097	61,177	8,029,585
1996 Stock Option Plan for Non-Employee Directors	52,515,960	2,976,328	1,335,918	--
Corporate Performance- Based Compensation Plan	55,098,798	401,074	1,328,334	--
1993 Stock Incentive Plan Amendment	54,777,164	702,202	1,348,840	--
Restated Certificate of Incorporation Amendment	43,713,192	3,611,210	1,476,946	8,026,858
Ratification of Independent Auditors	56,720,513	72,885	34,808	--

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

The exhibits to this report are listed in the Exhibit Index elsewhere herein.

(b) Reports on Form 8-K:

A report on Form 8-K dated May 7, 1996 was filed May 22, 1996 and amended on Forms 8-K/A filed May 29, 1996, June 28, 1996, and July 1, 1996. The Company filed information with respect to a replacement revolving credit facility and filed financial statements for the acquired company Western Waste Industries and restated supplemental financial statements of USA Waste Services, Inc.

A report on Form 8-K dated June 22, 1996 was filed June 29, 1996. The Company filed information with respect to the announcement of its acquisition of Sanifill, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

USA WASTE SERVICES, INC.  
Registrant

August 13, 1996  
-----  
Date

BY: s/ Earl E. DeFrates  
-----  
Earl E. DeFrates,  
Executive Vice President,  
Chief Financial Officer

August 13, 1996  
-----  
Date

BY: s/ Bruce E. Snyder  
-----  
Bruce E. Snyder,  
Vice President - Controller,  
Chief Accounting Officer

## USA WASTE SERVICES, INC.

## EXHIBIT INDEX

## Number and Description of Exhibit \*

2	None
3	None
4	None
10	None
11	Computation of Earnings (Loss) Per Common Share
15	None
18	None
19	None
22	None
23	None
24	None
27	Financial Data Schedule
99	None

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\* Exhibits not listed are inapplicable.

## EXHIBIT 11

USA WASTE SERVICES, INC.  
 COMPUTATION OF EARNINGS (LOSS) PER COMMON SHARE  
 (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1996	1995	1996	1995
	-----	-----	-----	-----
<b>Primary</b>				
Net income (loss)	\$ 9,861	(\$23,299)	\$ 36,633	(\$18,763)
	-----	-----	-----	-----
Number of common shares outstanding	91,722	72,796	91,722	72,796
Effect of using weighted average common stock outstanding	(1,362)	(100)	(1,538)	(356)
Common stock equivalents (1)	4,777	2,534	4,017	2,321
	-----	-----	-----	-----
Total	95,137	75,230	94,201	74,761
	=====	=====	=====	=====
Earnings (loss) per common share	\$ 0.10	(\$ 0.31)	\$ 0.39	(\$ 0.25)
	=====	=====	=====	=====
<b>Fully Diluted</b>				
Net income (loss)	\$ 9,861	(\$23,299)	\$ 36,633	(18,763)
	-----	-----	-----	-----
Number of common shares outstanding	91,722	72,796	91,722	72,796
Effect of using weighted average common stock outstanding	(1,362)	(100)	(1,538)	(356)
Common stock equivalents (1)	4,951	2,534	4,301	2,321
	-----	-----	-----	-----
Total	95,311	75,230	94,485	74,761
	=====	=====	=====	=====
Earnings (loss) per common share (2)	\$ 0.10	(\$ 0.31)	\$ 0.39	(\$ 0.25)
	=====	=====	=====	=====

-----  
 (1) Common stock equivalents were determined based on the "Treasury Stock Method" as set forth in Accounting Principles Board Opinion No. 15.

(2) The dilutive effect between primary and fully dilutive earnings (loss) per common share is less than 3% or is anti-dilutive for all periods presented and is therefore not disclosed in the consolidated statements of operations.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF USA WASTE SERVICES, INC. FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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	6-MOS	
	DEC-31-1996	
	JAN-01-1996	
	JUN-30-1996	
		30,262,000
		0
		135,614,000
		(11,313,000)
		0
		216,797,000
		1,295,815,000
		(414,834,000)
		1,389,948,000
	123,541,000	
		558,590,000
		917,000
		0
		0
		615,973,000
1,389,948,000		
		428,861,000
		428,861,000
		245,812,000
		391,786,000
		(4,202,000)
		0
		14,450,000
		26,827,000
		(9,806,000)
		36,633,000
		0
		0
		0
		36,633,000
		0.39
		0.39