

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

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

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

|  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|
| <b>1. Name and Address of Reporting Person*</b><br><u>Aardsma David A</u><br>(Last) (First) (Middle)<br>1001 FANNIN STREET<br>SUITE 4000<br>(Street)<br>HOUSTON TX 77002<br>(City) (State) (Zip) |  |  | <b>2. Issuer Name and Ticker or Trading Symbol</b><br><u>WASTE MANAGEMENT INC [ WM ]</u> |  |  | <b>5. Relationship of Reporting Person(s) to Issuer</b><br>(Check all applicable)<br>Director 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below) Other (specify below)<br><u>Chief Sales &amp; Marketing Office</u> |  |  |
|  |  |  | <b>3. Date of Earliest Transaction (Month/Day/Year)</b><br>02/22/2012                    |  |  |  |  |  |
|  |  |  | <b>4. If Amendment, Date of Original Filed (Month/Day/Year)</b>                          |  |  | <b>6. Individual or Joint/Group Filing (Check Applicable Line)</b><br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br>Form filed by More than One Reporting Person   |  |  |

**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 <sup>(1)</sup>     | 02/22/2012                           | 02/22/2012   | M                              |   | 17,500  | A          | \$27.88   | 74,304.6395   | D  |   |
| Common Stock <sup>(2)</sup>     | 02/22/2012                           | 02/22/2012   | S                              |   | 14,500  | D          | \$35.0232 | 59,804.6395   | D  |   |
| Common Stock <sup>(3)</sup>     | 02/22/2012                           | 02/22/2012   | S                              |   | 15,305  | D          | \$34.8756 | 44,499.6395   | D  |   |
| Common Stock                    |                                      |  |                                |   |   |            |           | 75.0226   | I  | By 401(k) Plan  |

**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 |
| Stock Option (Right to Buy)                | \$27.88  | 02/22/2012                           | 02/22/2012   | M                              |   |  | 17,500 | (1)  | 03/07/2012      | Common Stock  | 17,500                                     | \$27.88  | 0.0000  | D  |       |                            |
| Phantom Stock Units                        | \$0.0000   | 02/23/2012                           | 02/23/2012   | A                              |   | 3.3075   |        |  | 08/08/1988      | 08/08/1988  | Common Stock                               | 3.3075   | \$0.0000  | 2,580.6518   | D     |                            |

**Explanation of Responses:**

- 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 the grant. The Compensation Committee of the Board of Directors accelerated the vesting of the Company's outstanding options effective December 28, 2005.
- This transaction was executed in multiple trades at prices ranging from \$34.97 to \$35.08. The price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transaction was effected.
- Shares sold to cover option cost and taxes. This transaction was executed in multiple trades at prices ranging from \$34.7501 to \$34.91. The price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transaction was effected.

Linda J. Smith, Attorney-in-fact 02/24/2012

\*\* 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.