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 SEPTEMBER 30, 1996

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	73-1309529
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(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

INDICATE THE NUMBER OF SHARES OUTSTANDING OF EACH OF THE ISSUER'S CLASSES OF COMMON STOCK AS OF NOVEMBER 12, 1996:

COMMON STOCK	$.01 PAR VALUE	138,369,237 SHARES

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

USA WASTE SERVICES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Share and Par Value Amounts)
(Unaudited)

	September 30, 1996	December 31, 1995
ASSETS		
Current assets:		
Cash and cash equivalents	$ 14,108	$ 21,058
Accounts receivable, net	212,680	136,247
Notes and other receivables	23,005	15,704
Deferred income taxes	38,870	20,101
Prepaid expenses and other	36,964	33,026
Total current assets	325,627	226,136
Notes and other receivables	20,504	19,907
Property and equipment, net	1,661,791	1,319,199
Excess of cost over net assets of acquired businesses, net	420,658	206,638
Other intangible assets, net	66,663	55,567
Other assets	124,350	87,087
Deferred income taxes	9,384	19,023
Total assets	$2,628,977	$ 1,933,557
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 81,717	$ 64,437
Accrued liabilities	183,733	67,198
Deferred revenues	19,399	10,876
Current maturities of long-term debt	24,964	53,516
Total current liabilities	309,813	196,027
Long-term debt, less current maturities	1,001,467	678,225
Closure, post-closure, and other liabilities	230,523	151,683
Total liabilities	1,541,803	1,025,935
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $1.00 par value; 10,000,000 shares authorized; none issued	--	--
Common stock, $.01 par value; 300,000,000 shares authorized; 138,343,184 and 124,019,297 shares issued, respectively	1,383	1,240
Additional paid-in capital	1,232,775	1,041,573
Accumulated deficit	(131,875)	(118,595)
Foreign currency translation adjustment	(14,625)	(14,777)
Less treasury stock at cost, 23,485 shares and 138,810 shares, respectively	(484)	(1,819)
Total stockholders' equity	1,087,174	907,622
Total liabilities and stockholders' equity	$2,628,977	$ 1,933,557

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 September 30,		Nine Months Ended September 30,	
	1996	1995 (Restated)	1996	1995 (Restated)
Operating revenues	$ 352,754	$ 262,434	$ 963,021	$ 726,148
Costs and expenses:				
Operating	186,487	145,668	522,698	408,053
General and administrative	41,704	34,441	118,557	104,859
Depreciation and amortization	41,353	30,331	111,157	88,934
Merger costs	82,556	--	120,656	25,639
Unusual items	50,848	--	63,800	4,733
	402,948	210,440	936,868	632,218
Income (loss) from operations	(50,194)	51,994	26,153	93,930
Other income (expense):				
Interest expense:				
Nonrecurring interest	--	--	--	(10,994)
Other	(11,520)	(12,731)	(33,977)	(37,917)
Interest and other income, net	3,328	1,961	8,868	7,574
	(8,192)	(10,770)	(25,109)	(41,337)
Income (loss) before provision for income taxes	(58,386)	41,224	1,044	52,593
Provision for (benefit from) income taxes	(19,522)	16,490	14,324	27,037
Net income (loss)	$ (38,864)	$ 24,734	$ (13,280)	$ 25,556
Earnings (loss) per common share	$ (0.27)	$ 0.22	$ (0.10)	$ 0.24
Weighted average number of common and common equivalent shares outstanding	142,664	112,167	138,262	108,710

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	Foreign Currency Translation Adjustment	Treasury Stock
Balance, December 31, 1995	$ --	$1,240	$1,041,573	$(118,595)	$(14,777)	$(1,819)
Common stock options exercised	--	17	13,849	--	--	--
Common stock warrants exercised	--	2	3,686	--	--	--
Common stock issued to qualified defined contribution plan	--	3	473	--	--	--
Common stock issued in purchase acquisitions and development projects	--	40	101,492	--	--	--
Common stock issued for acquisitions accounted for as poolings of interests	--	41	7,810	--	--	--
Common stock returned for acquisition settlement	--	--	--	--	--	(751)
Common stock issued for investment in company	--	4	1,588	--	--	--
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 for conversion of subordinated debentures	--	36	59,590	--	--	--
Common stock issued for executive bonuses	--	--	225	--	--	--
Restricted stock expense and forfeitures	--	--	2,204	--	--	--
Below market value stock options	--	--	874	--	--	--
Foreign currency translation adjustment	--	--	--	--	152	--
Other	--	--	11	--	--	--
Net income (loss)	--	--	--	(13,280)	--	--
Balance, September 30, 1996	$ --	$1,383	$1,232,775	$(131,875)	$(14,625)	$ (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)

	Nine Months Ended September 30, 1996	1995 (Restated)
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	$ 183,305	$ (10,037)
Cash flows from investing activities:		
Acquisitions of businesses, net of cash acquired	(238,661)	(20,029)
Capital expenditures	(246,486)	(162,051)
Loans and advances to others	(13,856)	(2,395)
Collection of loans to others	13,134	4,033
Proceeds from sale of assets	11,920	8,927
Proceeds from sale of investments	--	1,200
Change in restricted assets	(25,975)	4,285
Other	--	(4,268)
Net cash used in investing activities	(499,924)	(170,298)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	1,262,796	485,637
Principal payments on long-term debt	(972,154)	(389,303)
Proceeds from issuance of common stock, net	--	67,635
Proceeds from exercise of stock options	15,081	1,463
Proceeds from exercise of warrants	3,957	2,428
Other	(20)	(2,423)
Net cash provided by financing activities	309,660	165,437
Effect of exchange rate on cash and cash equivalents	9	(80)
Decrease in cash and cash equivalents	(6,950)	(14,978)
Cash and cash equivalents at beginning of period	21,058	39,967
Cash and cash equivalents at end of period	$ 14,108	$ 24,989

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 September 30, 1996 and December 31, 1995, the related condensed consolidated statements of operations for the three and nine months ended September 30, 1996 and 1995, the condensed consolidated statement of stockholders' equity for the nine months ended September 30, 1996, and the condensed consolidated statements of cash flows for the nine months ended September 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 nine months ended September 30, 1995 to reflect the merger with Sanifill, Inc. ("Sanifill") consummated on August 30, 1996, accounted for using the pooling of interests method of accounting. The Company has also restated the previously issued financial statements for the three and nine months ended September 30, 1995 to reflect the merger with Western Waste Industries ("Western") consummated on May 7, 1996, accounted for using the pooling of interests method of accounting. In addition, certain 1995 amounts have been reclassed to conform to the 1996 presentation. The financial statements presented herein should be read in connection with 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 July 19, 1996, included in the Company's Registration Statement on Form S-4 filed in connection with the acquisition of Sanifill, and the supplemental consolidated financial statements and supplemental interim condensed consolidated financial statements and related notes thereto included in the Company's Current Report on Form 8-K dated November 12, 1996, filed in connection with the acquisition of Sanifill.

1. BUSINESS COMBINATIONS

On August 30, 1996, the Company consummated a merger agreement with Sanifill (the "Sanifill Merger") accounted for as a pooling of interests and, accordingly, the accompanying financial information has been restated to include the accounts and operations of Sanifill for all periods presented. Under the terms of the Sanifill Merger, the Company issued 1.70 shares of its common stock for each share of Sanifill outstanding common stock. The Sanifill Merger increased the Company's outstanding shares of common stock by approximately 43,414,000 shares and the Company assumed options under Sanifill's stock option plans equivalent to approximately 4,361,000 underlying shares of Company common stock. In the third quarter of 1996, the Company recognized approximately $80,000,000 in merger related costs associated with the Sanifill Merger.

Combined and separate results of operations of the Company prior to consummation of the merger ("USA Waste") and Sanifill for the restated periods are as follows (in thousands):

	USA Waste	Sanifill	Adjustments	Combined
Six months ended June 30, 1996 (unaudited):				
Operating revenues	$ 428,861	$ 181,406	$ --	$ 610,267
Income before income taxes	26,827	31,606	997 (a)	59,430
Net income	36,633	18,964	(30,013)(a)	25,584
Six months ended June 30, 1995 (unaudited):				
Operating revenues	$ 348,594	$ 115,120	$ --	$ 463,714
Income before income taxes	(8,489)	18,884	974 (a)	11,369
Net income (loss)	(18,763)	11,406	8,179 (a)	822

(a) Deferred income taxes have been restated as though USA Waste and Sanifill had been combined from their inceptions.

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. The Company restated its previously issued financial statements for the three months ended March 31, 1996 to include the accounts and operations of Grand Central. Periods prior to 1996 were not restated as combined results are not materially different from results as presented. Related to this merger, the Company recognized $2,700,000 of merger costs in the second quarter of 1996.

On May 31, 1996, July 19, 1996, and August 30, 1996, the Company consummated mergers accounted for as poolings of interests, pursuant to which the Company issued 900,001, 475,330, and 643,318 shares of its common stock in exchange for all outstanding shares of the acquired companies. Periods prior to consummation of the mergers were not restated to include the accounts and operations of the acquired companies as combined results are not materially different from the results as presented.

During the nine months ended September 30, 1996, the Company acquired 67 collection businesses, eleven landfills, 17 transfer stations, and three recycling businesses for approximately $238,661,000 in cash, $26,531,000 in liabilities incurred or debt assumed, and 3,985,448 shares of the Company's common stock. These acquisitions were accounted for under the purchase method of accounting. Included in these amounts is the acquisition of six collection businesses, five landfills, and six transfer stations of Philip Environmental, Inc., consummated on August 26, 1996, for approximately $60,000,000 in cash and 1,950,764 shares of the Company's common stock.

The following summarized pro forma results of operations assumes 1996 and 1995 acquisitions accounted for as purchases occurred at the beginning of 1995 (in thousands, except per share amounts):

	Nine Months Ended September 30,	
	1996	1995
Operating revenues	$1,076,971	$ 991,249
Net income	5,838	46,273
Earnings per common share	0.04	0.38

The above pro forma financial information is based on certain assumptions and preliminary estimates which are subject to change. The above pro forma financial information reflects the consideration paid at closing for all acquisitions. It does not reflect the payments of any contingent consideration. If all contingent consideration agreed upon in the purchase transactions were required to be paid in full, it would materially affect the results reflected in the above pro forma financial information. The above pro forma financial information also does not reflect anticipated volume or price increases, synergies, or other operational improvements. The pro forma financial information does not purport to be indicative of the results which would actually have been obtained had the purchase transactions been completed on January 1, 1995 or which may be obtained in the future.

2. LONG-TERM DEBT

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

	September 30, 1996	December 31, 1995
Credit facility:		
Revolving credit facility	$ 506,000	$ 51,613
Term loan facility	--	215,835
Sanifill credit facility	--	58,000
Western credit facility	--	41,000
Senior notes, maturing in varying annual installments through June 2005, interest ranging from 7.29% to 8.44%	106,947	109,416
Convertible subordinated debentures, interest at 5%	112,069	--
Convertible subordinated debentures, interest at 7 1/2%	--	58,213
Notes payable, maturing in varying amounts through October 2010, interest ranging from 4% to 12%	51,644	41,554
Note payable to bank, interest at 4.15%	60,000	--
Subordinated debt, maturing in varying monthly installments through January 2008, interest ranging from 7.25% to 10%	6,931	7,493
Industrial revenue bonds, principal payable in annual installments, maturing in 1996-2021, variable interest rates (2.55% to 6.35% at September 30, 1996), enhanced by letters of credit	163,230	125,374
Other	19,610	23,243
	1,026,431	731,741
Less current maturities	24,964	53,516
	$1,001,467	$ 678,225

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 $180,000,000 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 0.5% to 1.75% per annum (1.5% 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 merger with Western, the Company replaced its existing credit facility with a $750,000,000 senior revolving 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, to fund additional acquisitions, and for working capital. The credit facility was available for standby letters of credit of up to $300,000,000. Loans under the credit facility bore 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 required 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 contained financial covenants with respect to interest coverage and debt capitalization ratios. The credit facility also contained limitations on dividends, additional indebtedness, liens, and asset sales.

On August 30, 1996, in connection with the Sanifill Merger, the Company replaced the $750,000,000 senior revolving credit facility with a $1,200,000,000 senior revolving credit facility ("Credit Facility") and retired amounts under Sanifill'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 is available for standby letters of credit of up to $400,000,000. 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 0.35% 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 0.20% per annum). The Credit Facility contains financial covenants with respect to interest rate coverage and debt capitalization ratios. The Credit Facility also contains limitations on dividends, additional indebtedness, liens, and asset sales. Principal reductions are not required over the five-year term of the Credit Facility.

On March 4, 1996, Sanifill issued $115,000,000 of 5% convertible subordinated debentures, due on March 1, 2006. Interest is payable semi-annually in March and September. The debentures are convertible into shares of the Company's common stock at a conversion price of $28.31 per share. The debentures are subordinated in right of payment to all existing and future senior indebtedness, as defined. The debentures are redeemable after March 15, 1999 at the option of the Company at 102.5% of the principal amount, declining annually to par on March 1, 2002, plus accrued interest. Deferred offering costs of approximately $2,900,000 were incurred and are being amortized ratably over the life of the debentures. The proceeds were used to repay debt under Sanifill's credit facility.

On March 18, 1996, Sanifill called for redemption all of its $60,000,000 of 7 1/2% convertible subordinated debentures due June 1, 2006 at redemption price of 104.5% of their face amount plus accrued interest from December 1, 1995 to, and including, the redemption date of April 17, 1996. Alternatively, holders of these debentures were allowed to convert their debentures into common stock at any time prior to the close of business on April 10, 1996, at a conversion price equal to $28.82 per share (equivalent to $16.95 per share post Sanifill Merger). Holders electing to convert received 34.7 shares of Sanifill's common stock for each $1,000 principal amount of debentures surrendered. The $60,000,000 of debentures were ultimately converted to approximately 2,100,000 shares of Sanifill common stock (equivalent to 3,570,000 shares of Company common stock). Deferred offering costs of approximately $1,700,000 were recorded as a reduction to additional paid-in capital.

On August 30, 1996, the Company borrowed $60,000,000 from a Canadian bank to facilitate the acquisition of certain assets of Philip Environmental, Inc. (see Note 1). The note was paid off on October 15, 1996, through borrowings from the Credit Facility.

Subsequent to December 31, 1995, the Company guaranteed specific obligations of two unconsolidated affiliates for up to $25,000,000. The Company is of the opinion that these unconsolidated affiliates will be able to perform under their respective obligations and that no payments will be required and, due to the Company's ability to assume a senior debt position, no losses will be incurred under such guarantees.

3. INCOME TAXES

The difference in federal income taxes at the statutory rate and the provision for (benefit from) income taxes for the nine months ended September 30, 1996 is primarily due to non-deductible merger costs.

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 $4,550,000. 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 $11,201,000. As of September 30, 1996, the Company has not recorded any accruals in the financial statements related to these employment agreements.

5. SUBSEQUENT EVENTS

Subsequent to September 30, 1996, the Company acquired twelve collection businesses and one landfill for approximately $16,601,000 in cash and $12,512,000 in liabilities incurred or debt assumed under the purchase method of accounting. The pro forma effect of the acquisitions is not material to the Company's financial position or results of operations.

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 nine months ended September 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 July 19, 1996, included in the Company's Registration Statement on Form S-4 filed in connection with the acquisition of Sanifill, and the supplemental consolidated financial statements and supplemental interim condensed consolidated financial statements and related notes thereto included in the Company's Current Report on Form 8-K dated November 12, 1996, filed in connection with the acquisition of Sanifill.

INTRODUCTION

The Company provides non-hazardous solid waste management services, consisting of collection, transfer, disposal, recycling, and other miscellaneous services. 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 conducts operations through subsidiaries in multiple locations throughout the United States, primarily, and in Canada, Puerto Rico, and Mexico. The Company owns or operates 94 landfills, 54 transfer stations, 114 collection companies, and 17 recycling companies serving more than 1,700,000 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 September 30, 1996 and 1995		Period to Period Change for the Nine Months Ended September 30, 1996 and 1995	
	$	%	$	%
Operating revenues	$ 90,320	34.4	$236,873	32.6 %
Costs and expenses:				
Operating	40,819	28.0	114,647	28.1
General and administrative	7,263	21.1	13,698	13.1
Depreciation and amortization	11,022	36.3	22,221	25.0
Merger costs	82,556	--	95,017	370.6
Unusual items	50,848	--	59,067	1,248.0
	192,508	91.5	304,650	48.2
Income (loss) from operations	(102,188)	(196.5)	(67,777)	(72.2)
Other income (expense):				
Interest expense:				
Nonrecurring interest	--	--	10,994	(100.0)
Other	1,211	(9.5)	3,940	(10.4)
Interest and other income, net	1,367	69.7	1,294	17.1
	2,578	(23.9)	16,228	(39.3)
Income (loss) before provision for income taxes	(99,610)	(241.6)	(51,549)	(98.0)
Provision for (benefit from) income taxes	(36,012)	(218.4)	(12,713)	(47.0)
Net income (loss)	$ (63,598)	(257.1)%	$(38,836)	(152.0)%

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 September 30,		Nine Months Ended September 30,	
	1996	1995	1996	1995
Operating revenues:				
Landfill disposal	29.8	29.9	28.9	29.3
Waste collection	51.8	50.5	52.9	51.7
Transfer stations	11.4	10.0	10.6	9.1
Other	7.0	9.6	7.6	9.9
	100.0	100.0	100.0	100.0
Costs and expenses:				
Operating	52.9	55.5	54.3	56.2
General and administrative	11.8	13.1	12.3	14.4
Depreciation and amortization	11.7	11.6	11.6	12.2
Merger costs	23.4	--	12.5	3.5
Unusual items	14.4	--	6.6	0.8
	114.2	80.2	97.3	87.1
Income (loss) from operations	(14.2)	19.8	2.7	12.9
Other income (expense):				
Interest expense:				
Nonrecurring interest	--	--	--	(1.5)
Other	(3.2)	(4.9)	(3.5)	(5.2)
Interest and other income, net	0.9	0.8	0.9	1.0
	(2.3)	(4.1)	(2.6)	(5.7)
Income (loss) before provision for income taxes	(16.5)	15.7	0.1	7.2
Provision for (benefit from) income taxes	(5.5)	6.3	1.5	3.7
Net income (loss)	(11.0)%	9.4%	(1.4)%	3.5%

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1995

Operating Revenues

Operating revenues increased $90,320,000 or 34.4% and $236,873,000 or 32.6% for the three and nine months ended September 30, 1996, respectively, as compared to the corresponding periods of 1995. The increase in operating revenues for the three months and nine months ended September 30, 1996 as compared to the corresponding periods in 1995 has been analyzed on a pre-Sanifill merger basis. Operating revenues for the Company, excluding the Sanifill merged operations, increased $54,612,000 or 28.8% and $134,879,000 or 25.1% for the three and nine months ended September 30, 1996, respectively, as compared to the corresponding periods of 1995. The Company's core solid waste operations increased $56,500,000 and $140,400,000 for the three and nine month periods ended September 30, 1996, respectively, of which $44,186,000 and $102,850,000, respectively, relate to acquisitions during 1996 and the effect of acquisitions made during 1995. The remaining decreases are due to declines in non-core revenues. During the third quarter, operating revenues for comparable disposal and collection operations increased 1.7% due to price increases and 5.9% due to volume increases.

Operating revenues for Sanifill increased $35,708,000 or 49.1% and $101,994,000 or 54.3% for the three and nine months ended September 30, 1996, as compared to the corresponding periods of 1995. Sanifill's domestic disposal operations increased $13,587,000 and $39,013,000 for the three and nine months ended September 30, 1996, respectively, of which $10,547,000 and $24,513,000, respectively, relate to acquisitions made during 1996 and the effect of acquisitions made during 1995. Domestic collection operations increased $17,787,000 and $55,756,000 for the three and nine months ended September 30, 1996, respectively. Solid waste operations in Mexico and Canada account for the remaining increases of $4,334,000 and $7,225,000 for the three and nine months ended September 30, 1996, respectively. With regard to the change in existing domestic disposal operations, Sanifill's "same-store" operating revenues increased approximately 11%, consisting primarily of volume increases, for the third quarter of 1996.

Operating Costs and Expenses

Operating costs and expenses increased $40,819,000 or 28.0% and $114,647,000 or 28.1% for the three and nine months ended September 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 $59,515,000 and $171,529,000 for the three and nine months ended September 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, reduced operating costs resulting from the increased utilization of internal disposal from 37.0% and 40.4% to 46.6% and 46.1% for the three and nine months ended September 30, 1996, respectively, and reduced operating costs for comparable operations resulting from synergies realized from tuck-in acquisitions and mergers with Sanifill, Western, and Chambers consummated in August 1996, May 1996, and June 1995, respectively.

As a percentage of operating revenues, operating costs and expenses decreased from 55.5% and 56.2% for the three and nine months ended September 30, 1995, respectively, to 52.9% and 54.3% for the corresponding periods in 1996. This decrease occurred for the reasons described above.

General and Administrative

General and administrative expenses increased $7,263,000 and $13,698,000 for the three and nine months ended September 30, 1996, respectively, compared to the corresponding 1995 periods, but 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 Sanifill, Western, and Chambers consummated in August 1996, May 1996, and June 1995, respectively.

Depreciation and Amortization

Depreciation and amortization increased $11,022,000 and $22,221,000 for the three and nine months ended September 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 for the nine months ended September 30, 1996 compared to the corresponding 1995 period 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. For the three months ended September 30, 1996, depreciation and amortization as a percentage of operating revenues was virtually unchanged compared to the corresponding 1995 period.

Merger Costs

In the third quarter of 1996, the Company recognized $82,556,000 of merger costs, of which approximately $80,000,000 related to the acquisition of Sanifill and the remainder related to the acquisition of two landfills and a collection company. The $80,000,000 of merger costs related to Sanifill includes $9,500,000 of transaction costs, $20,000,000 of relocation, severance, and other termination benefits, $13,000,000 of costs relating to integrating operations, and $37,500,000 of disposal of duplicate facilities. 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 a 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. An additional $566,000 of merger costs was incurred in the second quarter of 1995 related to the acquisition of a collection, materials recovery, and transfer station operation.

Unusual Items

In the third quarter of 1996, the Company recognized unusual items of $50,848,000, including $28,900,000 of operating losses and estimated losses related to the disposition of certain non-core business assets, $15,000,000 of operating losses and project reserves related to certain Mexico operations, and $6,948,000 of various other terminated projects. 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 (loss) from operations as a percent of operating revenues was (14.2)% and 2.7% for the three and nine months ended September 30, 1996, respectively, as compared to 19.8% and 12.9% in the respective 1995 periods. Income (loss) from recurring operations was 23.6% and 21.9% for the three and nine months ended September 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 the refinancing of Chambers pre-merger indebtedness and the Company's existing indebtedness to lower rates at June 30, 1995, and $10,994,000 of nonrecurring interest incurred in the second quarter of 1995 relating to extension fees and other charges associated with the aforementioned debt refinancing by Chambers. For the three months ended September 30, 1996 compared to the corresponding 1995 period, the decrease in interest rates was entirely offset by the increase in indebtedness. Capitalized interest for the three and nine months ended September 30, 1996 was $4,727,000 and $13,066,000, respectively, as compared to $3,184,000 and $9,205,000 in the corresponding 1995 periods.

Provision for (Benefit from) Income Taxes

The provision for (benefit from) income taxes decreased $36,012,000 and $12,713,000 for the three and nine months ended September 30, 1996, respectively, as compared to the corresponding periods of 1995. The decrease in the provision for (benefit from) income taxes in 1996 is the result of merger costs and unusual items.

Net Income (Loss)

For the reasons discussed above, net income (loss) decreased $63,598,000 and $38,836,000 during the three and nine months ended September 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 September 30, 1996, the Company had working capital of $15,814,000 (a ratio of current assets to current liabilities of 1.05:1) and a cash balance of $14,108,000, which compares to working capital of $30,109,000 (a ratio of current assets to current liabilities of 1.15:1) and a cash balance of $21,058,000 as of December 31, 1995. For the first nine months of 1996, net cash from operations was approximately $183,305,000 and net cash from financing activities was approximately $309,660,000. These funds were used primarily to fund investments in other businesses of $238,661,000 and for capital expenditures of approximately $246,486,000.

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 intends to finance the remainder of its 1996 capital expenditures through internally generated cash flow and amounts available under its revolving credit facility. At September 30, 1996, the available line of credit for cash borrowings was $449,000,000.

On August 30, 1996, in connection with the Sanifill Merger, the Company replaced the $750,000,000 senior revolving credit facility with a $1,200,000,000 senior revolving credit facility ("Credit Facility") and retired amounts under Sanifill'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 is available for standby letters of credit of up to $400,000,000. 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 0.35% 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 0.20% per annum). The Credit Facility contains financial covenants with respect to interest rate coverage and debt capitalization ratios. The Credit Facility also contains limitations on dividends, additional indebtedness, liens, and asset sales. Principal reductions are not required over the five-year term of the Credit Facility. On October 11, 1996, the Company's corporate credit rating was increased which had the effect of reducing the spread under the Credit Facility to 0.30% per annum and the facility fee to 0.15% per annum, effective October 12, 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. The Company continually reviews various financing alternatives and depending upon market conditions could pursue the sale of debt and/or equity securities to help effectuate its business strategy. 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.

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 Thronton, 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 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 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 other defendants to pay Riverside 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 incounty 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 Riverside 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.

On or about August 20, 1996, an action was filed in Ontario Court (General Division), Canada, captioned Laidlaw Waste Systems (Canada) Ltd. ("Laidlaw") vs. Philip Environmental, Inc. and USA Waste Services, Inc., et. at., No. 96-CO- 109675. Laidlaw filed this suit related to certain rights of first refusal that Laidlaw had on Quebec assets acquired by the Company from Philip Environmental, Inc. in August 1996. Laidlaw is seeking to have the court either set aside the acquisition or alternatively to award monetary damages (Laidlaw is seeking general damages of $100,000,000 and punitive damages of $25,000,000). The Company believes this suit is without merit and is vigorously defending against it. In addition, Philip Environmental, Inc. has agreed to indemnify the Company for all costs, fees, and damages incurred by the Company with respect to this suit.

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 a special meeting of Stockholders of the Company held on August 27, 1996, proposals to (i) approve and adopt the Agreement and Plan of Merger dated as of June 22, 1996, by and among the Company, Quatro Acquisition Corp., and Sanifill, Inc., and (ii) approve an amendment to the Company's Restated Certificate of Incorporation to increase its authorized shares of common stock from 150,000,000 to 300,000,000 shares were submitted to a vote of the stockholders. Both proposals were adopted by the Company's stockholders, and the voting was as follows:

	Votes for	Votes Against	Abstentions	Broker Non-Votes
Sanifill Merger	70,453,908	180,560	106,101	563,190
Increase Authorized Shares	70,314,137	870,536	119,086	--

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 September 3, 1996 was filed September 18, 1996. The Company filed information with respect to the consummation of its acquisition of Sanifill, Inc. and filed financial statements for Sanifill, Inc.

A report on Form 8-K dated September 12, 1996 was filed September 25, 1996 and amended on Form 8-K/A filed November 13, 1996. The Company filed information with respect to 1996 individually insignificant acquisitions, which in aggregate were deemed significant for purposes of Regulation S-X.

A report on Form 8-K dated November 12, 1996 was filed November 12, 1996. The Company filed restated supplemental financial statements of USA Waste Services, Inc. to include the financial statements 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

November 14, 1996	BY: /s/ Earl E. DeFrates
Date	Earl E. DeFrates, Executive Vice President, Chief Financial Officer
November 14, 1996	BY: /s/ Bruce E. Snyder
Date	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

- --------------------------------------
* 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 SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	1996	1995 (Restated)	1996	1995 (Restated)
Primary				
Net income (loss)	($38,864)	$24,734	($13,280)	$25,556
Number of common shares outstanding	138,343	112,209	138,343	112,209
Effect of using weighted average common stock outstanding	(1,876)	(4,185)	(5,846)	(6,981)
Common stock equivalents (1)	6,197	4,143	5,765	3,482
Total	142,664	112,167	138,262	108,710
Earnings (loss) per common share	($0.27)	$0.22	($0.10)	$0.24
Fully Diluted				
Net income (loss)	($38,864)	$24,734	($13,280)	$25,556
Number of common shares outstanding	138,343	112,209	138,343	112,209
Effect of using weighted average common stock outstanding	(1,877)	(4,186)	(5,846)	(6,981)
Common stock equivalents (1)	6,411	4,357	6,022	3,739
Total	142,877	112,380	138,519	108,967
Earnings (loss) per common share (2)	($0.27)	$0.22	($0.10)	$0.23

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(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 NINE MONTHS ENDED SEPTEMBER 30, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

9-MOS
DEC-31-1996
JAN-01-1996
SEP-30-1996
14,108,000
0
222,162,000
(9,482,000)
0
325,627,000
2,233,611,000
(571,820,000)
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309,813,000
1,001,467,000
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0
1,383,000
1,085,791,000
2,628,977,000
963,021,000
963,021,000
522,698,000
936,868,000
(8,868,000)
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33,977,000
1,044,000
14,324,000
(13,280,000)
0
0
0
(13,280,000)
(0.10)
(0.10)