

WASTE MANAGEMENT INC  
 Form 4  
 May 31, 2006

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**CALDWELL BARRY H**

2. Issuer Name and Ticker or Trading Symbol  
**WASTE MANAGEMENT INC [WMI]**

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)  
 \_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
**Senior Vice President**

(Last) (First) (Middle)  
**1001 FANNIN, SUITE 40001001 FANNIN, SUIT**  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**05/30/2006**

**HOUSTON, TX 77001**

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 \_\_\_ 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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	05/30/2006		M		50,000	A	\$ 21.05
Common Stock	05/30/2006		M		6,000	A	\$ 19.61
Common Stock	05/30/2006		F		4,022	D	\$ 35.53
Common Stock	05/30/2006		S		600	D	\$ 35.77
Common Stock	05/30/2006		S		1,900	D	\$ 35.76

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Common Stock	05/30/2006	S	11,800	D	\$ 35.75	58,015.7135	D
Common Stock	05/30/2006	S	7,300	D	\$ 35.74	50,715.7135	D
Common Stock	05/30/2006	S	6,100	D	\$ 35.73	44,615.7135	D
Common Stock	05/30/2006	S	2,137	D	\$ 35.72	42,478.7135	D
Common Stock	05/30/2006	S	2,000	D	\$ 35.71	40,478.7135	D
Common Stock	05/30/2006	S	5,700	D	\$ 35.7	34,778.7135	D
Common Stock	05/30/2006	S	500	D	\$ 35.69	34,278.7135	D

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

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SEC 1474  
(9-02)

**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		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
					Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date		
Stock Option (right to buy) <sup>(1)</sup>	\$ 21.05	05/30/2006		M		50,000	10/08/2003	10/08/2012	Common Stock	50,000
Stock Option (right to buy) <sup>(2)</sup>	\$ 19.61	05/30/2006		M		6,000	03/06/2004	03/06/2013	Common Stock	6,000
Stock Option (right to buy) <sup>(3)</sup>	\$ 35.92	05/30/2006		A	3,311		11/30/2006	03/06/2013	Common Stock	3,311

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CALDWELL BARRY H 1001 FANNIN, SUITE 40001001 FANNIN, SUIT HOUSTON, TX 77001			Senior Vice President	

## Signatures

Linda J. Smith,  
attorney-in-fact

05/31/2006

Signature of Reporting Person

Date

## Explanation of Responses:

- \* 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).
  - (1) Stock option granted pursuant to Waste Management, Inc. 1993 Stock Incentive Plan. The stock option originally vested in 25% annual increments commencing on the first anniversary of the date of grant. The Compensation Committee of the Board of Directors accelerated the vesting of the Company's outstanding options effective December 28, 2005.
  - (2) Stock option granted pursuant to Waste Management, Inc. 2000 Stock Incentive Plan. The stock option originally vested in 25% annual increments commencing on the first anniversary of the date of grant. The Compensation Committee of the Board of Directors accelerated the vesting of the Company's outstanding options effective December 28, 2005.
  - (3) Stock option granted pursuant to Waste Management, Inc. 2004 Stock Incentive Plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.