

SIMPSON ROBERT G
 Form 4
 December 01, 2006

FORM 4

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

OMB APPROVAL

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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 *
SIMPSON ROBERT G

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 1001 FANNIN, SUITE 4000
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 11/29/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 SVP, Chief Financial Officer

HOUSTON, TX 77002

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

(City) (State) (Zip)

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	11/29/2006		M		36,500	A	\$ 14.8125
Common Stock	11/29/2006		S		800	D	\$ 37.28
Common Stock	11/29/2006		S		3,200	D	\$ 37.27
Common Stock	11/29/2006		S		600	D	\$ 37.26
Common Stock	11/29/2006		S		1,900	D	\$ 37.25

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Common Stock	11/29/2006	S	5,400	D	\$ 37.24	74,313.4072	D
Common Stock	11/29/2006	S	2,400	D	\$ 37.23	71,913.4072	D
Common Stock	11/29/2006	S	1,801	D	\$ 37.22	70,112.4072	D
Common Stock	11/29/2006	S	200	D	\$ 37.21	69,912.4072	D
Common Stock	11/29/2006	S	1,300	D	\$ 37.2	68,612.4072	D
Common Stock	11/29/2006	S	1,100	D	\$ 37.19	67,512.4072	D
Common Stock	11/29/2006	S	2,800	D	\$ 37.18	64,712.4072	D
Common Stock	11/29/2006	S	1,100	D	\$ 37.17	63,612.4072	D
Common Stock	11/29/2006	M	24,232	A	\$ 19.61	87,844.4072	D
Common Stock	11/29/2006	F	17,025	D	\$ 36.86	70,819.4072	D

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

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(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 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 Underlying Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to Buy) ⁽¹⁾	\$ 14.8125	11/29/2006		M		02/28/2001	02/28/2010	Common Stock	36,500
Stock Option	\$ 19.61	11/29/2006		M		03/06/2004	03/06/2013	Common Stock	24,232

(right to buy) ⁽²⁾

Stock

Option (right to buy) ⁽³⁾

\$ 37.095

11/29/2006

A

12,892

05/29/2007

03/06/2013

Common Stock

12,8

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SIMPSON ROBERT G 1001 FANNIN SUITE 4000 HOUSTON, TX 77002			SVP, Chief Financial Officer	

Signatures

Robert G.
Simpson

12/01/2006

__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. Stock option vests in 25% annual increments, commencing on the first anniversary of the date of grant.

(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.

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