SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(MARK ONE)

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

For the Quarterly Period Ended March 31, 2002

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: 1-14267

REPUBLIC SERVICES, INC.
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE	65-0716904
(State of Incorporation)	(Irs Employer Identification No.)

110 S.E. 6TH STREET, 28TH FLOOR FT. LAUDERDALE, FLORIDA	33301
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: (954) 769-2400

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 [ ]

On May 8, 2002, the registrant had outstanding 166,197,656 shares of Common Stock, par value $.01 per share.

REPUBLIC SERVICES, INC.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

REPUBLIC SERVICES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, except share data)

	March 31, 2002 (Unaudited)	December 31, 2001
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 48.5	$ 16.1
Accounts receivable, less allowance for doubtful accounts of $19.2 and $19.0, respectively	224.0	232.9
Prepaid expenses and other current assets	79.4	75.8
Total Current Assets	351.9	324.8
RESTRICTED CASH	135.2	142.3
PROPERTY AND EQUIPMENT, NET	1,766.8	1,774.9
INTANGIBLE ASSETS, NET	1,549.8	1,551.6
OTHER ASSETS	68.3	62.7
	$3,872.0	$3,856.3
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 79.3	$ 90.2
Accrued liabilities	110.5	101.1
Amounts due to former owners	5.8	6.0
Deferred revenue	77.1	72.8
Notes payable and current maturities of long-term debt	3.5	33.6
Other current liabilities	99.2	82.7
Total Current Liabilities	375.4	386.4
LONG-TERM DEBT, NET OF CURRENT MATURITIES	1,334.8	1,334.1
ACCRUED ENVIRONMENTAL AND LANDFILL COSTS	224.0	219.4
DEFERRED INCOME TAXES	127.1	118.7
OTHER LIABILITIES	43.8	41.8
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred stock, par value $.01 per share; 50,000,000 shares authorized; none issued	--	--
Common stock, par value $.01 per share; 750,000,000 shares authorized; 178,947,850 and 178,858,274 issued, including shares held in treasury, respectively	1.8	1.8
Additional paid-in capital	1,266.1	1,264.7
Retained earnings	696.0	641.1
Treasury stock, at cost (11,897,900 and 9,213,600 shares, respectively)	(196.6)	(150.1)
Accumulated other comprehensive loss, net of tax	(.4)	(1.6)
Total Stockholders' Equity	1,766.9	1,755.9
	$3,872.0	$3,856.3

The accompanying notes are an integral part of these statements

REPUBLIC SERVICES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
REVENUE	$ 551.9	$ 535.4
EXPENSES:		
Cost of operations	342.0	329.7
Depreciation, amortization and depletion	44.4	50.3
Selling, general and administrative	58.6	56.5
OPERATING INCOME	106.9	98.9
INTEREST EXPENSE	(19.2)	(20.9)
INTEREST INCOME	.7	.7
OTHER INCOME (EXPENSE), NET	.1	1.3
INCOME BEFORE INCOME TAXES	88.5	80.0
PROVISION FOR INCOME TAXES	33.6	30.4
NET INCOME	$ 54.9	$ 49.6
BASIC AND DILUTED EARNINGS PER SHARE	$ .32	$ .29
WEIGHTED AVERAGE DILUTED COMMON AND COMMON EQUIVALENT SHARES OUTSTANDING	169.1	171.8

The accompanying notes are an integral part of these statements.

REPUBLIC SERVICES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME
(in millions)

	Common Stock Shares, Net	Common Stock Par Value	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Comprehensive Loss	Comprehensive Income for the Period
BALANCE AT DECEMBER 31, 2001	169.6	$ 1.8	$ 1,264.7	$ 641.1	$ (150.1)	$ (1.6)	
Net income	--	--	--	54.9	--	--	$ 54.9
Issuance of common stock	.1	--	1.4	--	--	--	--
Purchase of common stock for treasury	(2.7)	--	--	--	(46.5)	--	--
Change in value of derivative instruments, net of tax	--	--	--	--	--	1.2	1.2
BALANCE AT MARCH 31, 2002	167.0	$ 1.8	$ 1,266.1	$ 696.0	$ (196.6)	$ (.4)	$ 56.1

The accompanying notes are an integral part of this statement.

REPUBLIC SERVICES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
CASH PROVIDED BY OPERATING ACTIVITIES:		
Net income	$ 54.9	$ 49.6
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and depletion of property and equipment	42.1	39.3
Amortization of intangible and other assets	2.3	11.0
Deferred tax provision	8.4	6.0
Provision for doubtful accounts	3.5	3.8
Other non-cash charges	.1	.1
Changes in assets and liabilities, net of effects from business acquisitions:		
Accounts receivable	5.4	(9.8)
Prepaid expenses and other assets	(6.5)	10.0
Accounts payable and accrued liabilities	(9.3)	(43.6)
Other liabilities	33.7	19.8
	134.6	86.2
CASH USED IN INVESTING ACTIVITIES:		
Purchases of property and equipment	(37.6)	(39.2)
Proceeds from sale of property and equipment	3.9	2.2
Cash used in business acquisitions, net of cash acquired	(4.2)	(7.4)
Cash proceeds from business dispositions	5.0	3.5
Amounts due and contingent payments to former owners	(.2)	(29.0)
Restricted cash	7.0	19.9
	(26.1)	(50.0)
CASH USED IN FINANCING ACTIVITIES:		
Payments of notes payable and long-term debt	(.8)	(4.4)
Net payments on revolving credit facility	(30.0)	6.0
Issuance of common stock	1.2	4.9
Purchases of common stock for treasury	(46.5)	(25.2)
Purchase of common stock to fund employee benefit plan	--	(.1)
	(76.1)	(18.8)
INCREASE IN CASH AND CASH EQUIVALENTS	32.4	17.4
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	16.1	2.0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 48.5	$ 19.4

The accompanying notes are an integral part of these statements.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(All tables in millions, except per share data)

1. BASIS OF PRESENTATION

Republic Services, Inc. (together with its subsidiaries, the "Company") is a leading provider of non-hazardous solid waste collection and disposal services in the United States.

The accompanying Unaudited Condensed Consolidated Financial Statements include the accounts of the Company and have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. All significant intercompany accounts and transactions have been eliminated. Certain information related to the Company's organization, significant accounting policies and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted. In the opinion of management, these Unaudited Condensed Consolidated Financial Statements reflect all material adjustments (which include only normal recurring adjustments) necessary to fairly state the financial position and the results of operations for the periods presented, and the disclosures herein are adequate to make the information presented not misleading. Operating results for interim periods are not necessarily indicative of the results that can be expected for a full year. These interim financial statements should be read in conjunction with the Company's audited Consolidated Financial Statements and notes thereto appearing in the Company's Form 10-K for the year ended December 31, 2001.

The Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States and necessarily include amounts based on estimates and assumptions made by management. Actual results could differ from these amounts. Significant items subject to such estimates and assumptions include the depletion and amortization of landfill development costs, accruals for closure and post-closure costs, valuation allowances for accounts receivable, liabilities for potential litigation, claims and assessments, and liabilities for environmental remediation, deferred taxes and self-insurance.

During the fourth quarter of 2001, the Company recorded a charge of $86.1 million on an after-tax basis, or $132.0 million on a pre-tax basis, related to completed and planned divestitures and closings of certain core and non-core businesses, asset impairments, downsizing its compost, mulch and soil business and related inventory adjustments, an increase in insurance reserves and an increase in bad debt expense related to the economic slowdown. As of March 31, 2002, the Company was still in the process of divesting and closing certain core and non-core operations pursuant to the plan adopted by management during the fourth quarter of 2001. Management believes that the estimated charges recorded during the fourth quarter of 2001 related to its planned divestitures and closings are still appropriate.

During the three months ended March 31, 2002, the Company recorded unrealized gains of $2.2 million ($1.3 million, net of tax), relating to the change in fair value of its fuel hedge option agreements in accordance with Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"), as amended. (For further information, see Note 10, Fuel Hedge.) The effective portion of the unrealized gain in the amount of $1.2 million, net of tax, was recorded to comprehensive income during the three months ended March 31, 2002. The Company had no other components of other comprehensive income (loss) for the periods presented.

During the first quarter of 2002, the Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"). In accordance with SFAS 142, the Company ceased amortizing intangibles with indefinite lives effective January 1, 2002.

The following table summarizes the adjustments to net income and earnings per share if SFAS 142 were adopted on January 1, 2001:

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
Reported net income	$ 54.9	$ 49.6
Goodwill amortization, net of tax	--	6.0
Adjusted net income	$ 54.9	$ 55.6
Reported basic and diluted earnings per share	$ .32	$ .29
Goodwill amortization, net of tax	--	.03
Adjusted basic and diluted earnings per share	$ .32	$ .32

The Company adopted Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 144") as of January 1, 2002. This statement supersedes Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS 121") and APB Opinion No. 30, "Reporting the Results of Operations--Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." This statement establishes a single accounting model for assets to be disposed of by sale and resolves certain SFAS 121 implementation issues. The adoption of this statement had no effect on the Company's consolidated financial position or results of operations.

Certain amounts in the 2001 Condensed Consolidated Financial Statements have been reclassified to conform to the 2002 presentation.

2. LANDFILL AND ENVIRONMENTAL COSTS

Life Cycle Accounting

The Company uses life cycle accounting and the units-of-consumption method to recognize certain landfill costs. In life cycle accounting, all costs to acquire, construct, close and maintain a site during the post-closure period are capitalized or accrued and charged to expense based upon the consumption of cubic yards of available airspace. Costs and airspace estimates are developed annually by independent engineers together with the Company's engineers. These estimates are used by the Company's operating and accounting personnel to annually adjust the Company's rates used to expense capitalized costs and accrue closure and post-closure costs. Changes in these estimates primarily relate to changes in available airspace, inflation rates and applicable regulations. Changes in available airspace include changes due to the addition of airspace lying in expansion areas deemed likely to be permitted.

Total Available Disposal Capacity

As of March 31, 2002, the Company owned or operated 54 solid waste landfills with total available disposal capacity of approximately 1.7 billion in-place cubic yards. Total available disposal capacity represents the sum of estimated permitted airspace plus an estimate of airspace which is likely to be permitted.

Likely to be Permitted Expansion Airspace

Before airspace included in an expansion area is determined as likely to be permitted and, therefore, included in the Company's calculation of total available disposal capacity, the following criteria must be met:

1. The land associated with the expansion airspace is either owned by the Company or is controlled by the Company pursuant to an option agreement;

2. The Company is committed to supporting the expansion project financially and with appropriate resources;

3. There are no identified fatal flaws or impediments associated with the project, including political impediments;

4. Progress is being made on the project;

5. The expansion is attainable within a reasonable time frame; and

6. The Company believes it is likely the expansion permit will be received.

Upon meeting the Company's expansion criteria, the rates used at each applicable landfill to expense costs to acquire, construct, close and maintain a site during the post-closure period are adjusted to include likely to be permitted airspace and all additional costs to be capitalized or accrued associated with the expansion airspace.

The Company has identified three sequential steps that landfills generally follow to obtain expansion permits. These steps are as follows:

1. Obtaining approval from local authorities;

2. Submitting a permit application with state authorities; and

3. Obtaining permit approval from state authorities.

Once a landfill meets the Company's expansion criteria, management continuously monitors each site's progress in obtaining the expansion permit. If at any point it is determined that an expansion area no longer meets the required criteria, the likely to be permitted airspace is removed from the landfill's total available capacity and the rates used at the landfill to expense costs to acquire, construct, close and maintain a site during the post-closure period are adjusted accordingly. The Company has never been denied an expansion permit for a landfill that included likely to be permitted airspace in its total available disposal capacity, although no assurances can be made that all future expansions will be permitted as designed.

Capitalized Landfill Costs

Capitalized landfill costs include expenditures for land, permitting costs, cell construction costs and environmental structures. Capitalized permitting and cell construction costs are limited to direct costs relating to these activities, including legal, engineering and construction associated with excavation, liners and site berms. Interest is capitalized on landfill construction projects while the assets are undergoing activities to ready them for their intended use.

Costs related to acquiring land, excluding the estimated residual value of unpermitted land, and costs related to permitting and cell construction are depleted as airspace is consumed using the units-of-consumption method. Environmental structures, which include leachate and methane collection systems, and groundwater monitoring wells, are charged to expense over the shorter of their useful life or the life of the landfill.

Capitalized landfill costs may also include an allocation of purchase price paid for landfills. For landfills purchased as part of a group of several assets, the purchase price assigned to the landfill is determined based upon the discounted future expected cash flows of the landfill relative to the other assets within the group. If the landfill meets the Company's expansion criteria, the purchase price is further allocated between permitted airspace and expansion airspace based upon the ratio of permitted versus likely to be permitted airspace to total available airspace. Landfill purchase price is amortized using the units-of-consumption method over the total available airspace including likely to be permitted airspace where appropriate.

Closure and Post-Closure Costs

Landfill site closure and post-closure costs include estimated costs to be incurred for final closure of the landfills and estimated costs for providing required post-closure monitoring and maintenance of landfills. These costs are accrued and charged to cost of operations based upon consumed airspace in relation to total available disposal capacity using the units-of-consumption method. The Company estimates future cost requirements for closure and post-closure monitoring and maintenance for its solid waste facilities based on the technical standards of the Environmental Protection Agency's Subtitle D regulations and applicable state and local regulations. These estimates do not take into account discounts for the present value of total estimated costs. Accruals for closure and post-closure costs totaled approximately $5.5 million and $4.7 million during the three months ended March 31, 2002 and 2001, respectively.

A number of the Company's landfills were acquired from other entities and recorded using the purchase method of accounting. Accordingly, the Company assessed and recorded a closure and post-closure liability as of the date the landfill was acquired based upon the estimated total closure and post-closure costs and the percentage of total available disposal capacity utilized as of such date. Thereafter, the difference between the closure and post-closure costs accrued and the total estimated closure and post-closure costs to be incurred are accrued and charged to expense as airspace is consumed. Estimated aggregate closure and post-closure costs will be fully accrued for the Company's landfills at the time such facilities cease to accept waste and are closed. As of March 31, 2002, assuming that all available landfill capacity is used, the Company expects to expense approximately $554.0 million of such costs over the remaining lives of these facilities.

Environmental Costs

In the normal course of business, the Company is subject to ongoing environmental monitoring and reporting to certain regulatory agencies. Environmental costs are accrued by the Company through a charge to income in the period such liabilities become probable and can be reasonably estimated. No material amounts were charged to expense during the three months ended March 31, 2002 and 2001.

3. PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Expenditures for major additions and improvements are capitalized, while maintenance and repairs are charged to expense as incurred. Expenditures for rebuilding certain heavy equipment are capitalized if the annual adjusted depreciation expense after the rebuild is not in excess of annual depreciation expense on a new piece of similar equipment and certain other criteria are met. Rebuilds for heavy equipment not meeting this criteria and rebuilds on the Company's vehicles are charged to expense as incurred. When property is retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the Unaudited Condensed Consolidated Statements of Operations.

The Company revises the estimated useful lives of property and equipment acquired through business acquisitions to conform with its policies regarding property and equipment. Depreciation is provided over the estimated useful lives of the assets involved using the straight-line method. The estimated useful lives are twenty to forty years for buildings and improvements, five to ten years for vehicles, seven to ten years for most landfill equipment, five to fifteen years for all other equipment, and five to ten years for furniture and fixtures.

Landfills and landfill improvements are stated at cost and include direct costs incurred to obtain a landfill permit and direct costs incurred to construct and develop the site. These costs are depleted based on consumed airspace. All indirect landfill development costs are expensed as incurred. (For further information, see Note 2, Landfill and Environmental Costs.)

The Company capitalizes interest on landfill cell construction and other construction projects in accordance with Statement of Financial Accounting Standards No. 34, "Capitalization of Interest Cost." Construction projects must meet the following criteria before interest is capitalized:

1. Total construction costs are $50,000 or greater,

2. The construction phase is one month or longer, and

3. The assets have a useful life of one year or longer.

Interest is capitalized on qualified assets while they undergo activities to ready them for their intended use. Capitalization of interest ceases once an asset is placed into service or if construction activity is suspended for more than a brief period of time. The interest capitalization rate is based upon the Company's weighted average cost of indebtedness. Interest capitalized was $.4 million and $.3 million for the three months ended March 31, 2002 and 2001, respectively.

A summary of property and equipment is as follows:

	March 31, 2002	December 31, 2001
Other land	$ 98.3	$ 94.3
Non-depletable landfill land	51.3	50.5
Landfill development costs	960.0	958.8
Vehicles and equipment	1,176.3	1,153.2
Buildings and improvements	268.4	256.4
Construction-in-progress-landfill	16.5	17.6
Construction-in-progress-other	10.4	23.5
	2,581.2	2,554.3
Less: Accumulated depreciation, depletion and amortization --		
Landfill development costs	(250.6)	(237.0)
Vehicles and equipment	(515.5)	(495.7)
Building and improvements	(48.3)	(46.7)
	(814.4)	(779.4)
Property and equipment, net	$1,766.8	$1,774.9

The Company periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful life of property and equipment or whether the remaining balance of property and equipment should be evaluated for possible impairment. The Company uses an estimate of the related undiscounted cash flows over the remaining life of the property and equipment in assessing their recoverability. The Company measures impairment loss as the amount by which the carrying amount of the asset exceeds the fair value of the asset.

4. BUSINESS COMBINATIONS

The Company uses the purchase method of accounting to account for business acquisitions. The Company acquired various solid waste businesses during the three months ended March 31, 2002 and 2001. The aggregate purchase price paid by the Company in these transactions was $4.2 million and $7.4 million in cash, respectively.

During the three months ended March 31, 2001, $20.2 million of the total purchase price paid for acquisitions and contingent payments to former owners was allocated to landfill airspace. These allocations were based on the discounted expected future cash flow of each landfill relative to other assets within the acquired group, if applicable, and were adjusted for other non-depletable landfill assets and liabilities acquired (primarily closure and post-closure liabilities). Landfill purchase price is amortized using the units-of-consumption method over total available airspace, which includes likely to be permitted airspace where appropriate.

The following summarizes the preliminary purchase price allocations for business combinations accounted for under the purchase method of accounting consummated during the periods presented:

	Three Months Ended March 31, 2002	2001
Property and equipment	$ .9	$ 2.1
Cost in excess of net assets acquired	3.1	5.7
Working capital surplus (deficit)	.2	(.4)
Cash used in acquisitions, net of cash acquired	$ 4.2	$ 7.4

5. INTANGIBLE AND OTHER ASSETS

Intangible and other assets consist primarily of the cost of acquired businesses in excess of the fair value of net assets acquired ("goodwill") and other intangible assets. Other intangible assets include values assigned to long-term contracts and covenants not to compete and are amortized generally over periods ranging from 3 to 25 years.

The following table summarizes the activity in the intangible asset and related accumulated amortization accounts for the three months ended March 31, 2002:

	Gross Intangible Assets		
	Goodwill	Other	Total
Balance, December 31, 2001	$1,661.7	$ 57.1	$1,718.8
Acquisitions	3.1	--	3.1
Other additions	--	.6	.6
Divestitures	(3.8)	--	(3.8)
Retirements	--	(4.6)	(4.6)
Balance, March 31, 2002 ..	$1,661.0	$ 53.1	$1,714.1

	Accumulated Amortization		
	Goodwill	Other	Total
Balance, December 31, 2001	$ (142.4)	$(24.8)	$(167.2)
Amortization expense ...	--	(1.9)	(1.9)
Divestitures	.2	--	.2
Retirements	--	4.6	4.6
Balance, March 31, 2002 ..	$ (142.2)	$(22.1)	$(164.3)

During the first quarter of 2002, the Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"). In accordance with SFAS 142, the Company ceased amortizing intangibles with indefinite lives effective January 1, 2002.

SFAS 142 requires the Company upon its adoption and at least annually thereafter to reassess the value of, and useful lives assigned to, intangible assets including goodwill to determine whether the value of one or more intangible assets is impaired. The first step of this impairment test requires the Company to determine the fair value of the reporting unit, as defined by SFAS 142, and compare it to the carrying value of the net assets allocated to the reporting unit. If this fair value exceeds the carrying value, no further analysis is required. If fair value of the reporting unit is less than the carrying value of the net assets, the Company must perform step two of the impairment test, which requires the Company to allocate the implied fair value of the reporting unit to all underlying assets and liabilities, including both recognized and unrecognized tangible and intangible assets, based on their fair value. Impairment charges resulting from the application of this test would be immediately recorded as a charge to earnings in the Company's statements of operations.

During the three months ended March 31, 2002, the Company completed its impairment test in accordance with SFAS 142 and determined that the fair value of its reporting unit significantly exceeds its carrying value. As a result, no impairment charge was required.

6. NOTES PAYABLE AND LONG-TERM DEBT

Notes payable and long-term debt consist of the following:

	March 31, 2002	December 31, 2001
$225.0 million unsecured notes, net of unamortized discount of $.5 million, and including $1.2 million and ($.2) million adjustments to fair market value, respectively; interest payable semi-annually in May and November at 6 5/8%; principal due at maturity in 2004	$ 225.7	$ 224.3
$375.0 million unsecured notes, net of unamortized discount of $.4 million and $.5 million; interest payable semi -annually in May and November at 7 1/8%; principal due at maturity in 2009	374.6	374.5
$450.0 million unsecured notes, net of unamortized discount of $2.5 million and $2.6 million; interest payable semi-annually in February and August at 6 3/4%; principal due at maturity in 2011	447.5	447.4
$750.0 million unsecured revolving credit facility; interest payable using LIBOR-based rates; $300.0 million matures July 2002 and $450.0 million matures 2003	--	--
Tax-exempt bonds and other tax-exempt financing; interest rates that float based on prevailing market rates	283.2	283.2
Other debt; unsecured and secured by real property, equipment and other assets	7.3	38.3
	1,338.3	1,367.7
Less: Current portion	(3.5)	(33.6)
	$1,334.8	$1,334.1

In February 2002, the Company reduced the short- and long-term portions of its revolving credit facility to $300.0 million and $450.0 million, respectively. As of March 31, 2002, the Company had $438.2 million of availability under its revolving credit facility.

As of March 31, 2002, the Company had $135.2 million of restricted cash, of which $110.2 million were proceeds from the issuance of tax-exempt bonds and other tax-exempt financing that will be used to fund capital expenditures. Restricted cash also includes amounts held in trust as a guarantee of the Company's performance.

Interest expense paid was $16.7 million (net of $.4 million of capitalized interest) and $11.6 million (net of $.3 million of capitalized interest) for the three months ended March 31, 2002 and 2001, respectively. The Company's ability to obtain financing through the capital markets is a key component of its financial strategy. Historically, the Company has managed risk associated with executing this strategy, particularly as it relates to fluctuations in interest rates, by using a combination of fixed and floating rate debt. During 2001, the Company also entered into interest rate swap agreements to manage risk associated with fluctuations in interest rates and to take advantage of favorable floating interest rates. The swap agreements have a total notional value of $225.0 million and mature in 2004, coterminous with the Company's public notes that were sold in 1999. Under the swap agreements, the Company pays interest at floating rates based on changes in LIBOR and receives interest at a fixed rate of 6 5/8%. The Company has designated these agreements as hedges in changes in the fair value of the Company's fixed-rate debt and accounts for them in accordance with SFAS 133.

As of March 31, 2002, interest rate swap agreements are reflected at fair market value of $1.2 million and are included in other assets and as an adjustment to long-term debt in the accompanying Unaudited Condensed Consolidated Balance Sheets. During the three months ended March 31, 2002, the Company recorded net interest income of $1.3 million related to its interest rate swap agreements which is included in interest expense in the accompanying Unaudited Condensed Consolidated Statements of Operations.

7. INCOME TAXES

Income taxes have been provided for the three months ended March 31, 2002 and 2001 based upon the Company's anticipated annual effective income tax rate of 38.0%. Income taxes paid were $.6 million and $14.2 million for the three months ended March 31, 2002 and 2001, respectively.

8. STOCK OPTIONS

In July 1998, the Company adopted the 1998 Stock Incentive Plan ("Stock Incentive Plan") to provide for grants of options to purchase shares of common stock to employees, non-employee directors and independent contractors of the Company who are eligible to participate in the Stock Incentive Plan. Options granted under the Stock Incentive Plan are non-qualified and are granted at a price equal to the fair market value of the Company's common stock at the date of grant. Generally, options granted have a term of ten years from the date of grant, and vest in increments of 25% per year over a four year period beginning on the first anniversary date of the grant. Options granted to non-employee directors have a term of ten years and are fully vested at the grant date. The Company has reserved 20.0 million shares of common stock for issuance pursuant to options granted under the Stock Incentive Plan. As of March 31, 2002, 2.3 million options remain available for future grants.

A summary of stock option transactions for the three months ended March 31, 2002 is as follows:

	Shares	Weighted-average Exercise Price
Options outstanding at beginning of year	12.4	$ 16.22
Granted	2.2	17.40
Exercised	(.1)	13.77
Cancelled	(.1)	15.72
Options outstanding at March 31, 2002	14.4	$ 16.41
Options exercisable at March 31, 2002	8.4	$ 16.96

9. STOCKHOLDERS' EQUITY AND EARNINGS PER SHARE

During 2000, the Company announced that its Board of Directors authorized the repurchase of up to $150.0 million of its common stock. In October 2001, the Company announced that its Board of Directors authorized the repurchase of up to an additional $125.0 million of its common stock. As of March 31, 2002, the Company had repurchased 11.9 million shares of its stock for $196.6 million, of which 2.7 million shares were acquired during the three months ended March 31, 2002 for $46.5 million.

Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share is based on the combined weighted average number of common shares and common share equivalents outstanding which include, where appropriate, the assumed exercise of employee stock options. In computing diluted earnings per share, the Company utilizes the treasury stock method.

Earnings per share for the three months ended March 31, 2002 and 2001 is calculated as follows (in thousands, except per share data):

	Three Months Ended March 31,	
	2002	2001
Numerator:		
Net income	$ 54,900	$ 49,600
Denominator:		
Denominator for basic earnings per share	168,094	171,185
Effect of dilutive securities-- Options to purchase common stock	956	606
Denominator for diluted earnings per share	169,050	171,791
Basic and diluted earnings per share	$ .32	$ .29
Antidilutive securities not included in the diluted earnings per share calculation:		
Options to purchase common stock	2,604	9,967
Weighted average exercise price	$ 18.90	$ 17.88

10. FUEL HEDGE

The Company's results of operations are impacted by changes in the price of diesel fuel. Because the market for derivatives in diesel fuel is limited, the Company has entered into heating oil option agreements to manage a portion of its exposure to fluctuations in diesel prices. The Company has minimized its credit risk by entering into such heating oil option agreements with a group of financial institutions having investment grade ratings. The Company's option agreements qualify for hedge accounting treatment under SFAS 133. In order to qualify for hedge accounting, certain criteria must be met including a requirement that both at inception of the hedge, and on an ongoing basis, the hedging relationship is expected to be highly effective in offsetting cash flows attributable to the hedged risk during the term of the hedge.

Under these option agreements, the Company receives or makes payments based on the difference between actual average heating oil prices and predetermined fixed prices. These option agreements provide the Company protection from fuel prices rising above a predetermined fixed price in the option agreements but also limit the Company's ability to benefit from price decreases below the predetermined fixed price in the option agreements.

In accordance with SFAS 133, to the extent the option agreements are effective in hedging changes in diesel fuel prices, unrealized gains and losses on these option agreements are recorded, net of tax, in stockholders' equity as a component of accumulated other comprehensive income. To the extent the change in the option agreements does not perfectly offset the change in value of diesel fuel purchases being hedged, SFAS 133 requires the ineffective portion of the hedge to immediately be recognized as other income or expense. The effectiveness of these option agreements as a hedge against future purchases of diesel fuel is periodically evaluated. If the option agreements were to become other than highly effective, gains and or losses would be recognized currently in income. Realized gains and losses on these option agreements are recognized as a component of fuel expense in the period in which the corresponding fuel is purchased.

During June 2001, the Company entered into option agreements for approximately 14.3 million gallons of heating oil. These option agreements settle each month in equal notional amounts through December 2002. The option agreements were structured as zero-cost collars indexed to the price of heating oil. The fair value of these option agreements at March 31, 2002 was determined by third parties to be a gain of approximately $2.2 million ($1.3 million, net of tax). In accordance with SFAS 133, $1.2 million, representing the effective portion of the change in fair value for the three months ended March 31, 2002, net of tax, has been recorded in stockholders' equity as a component of accumulated other comprehensive income. The ineffective portion of the change in fair value was a gain of approximately $.1 million for the three months ended March 31, 2002, and has been included in other income (expense), net in the accompanying Unaudited Condensed Consolidated Statements of Operations. Realized losses of $.6 million related to these option agreements are included in cost of operations in the Company's Unaudited Condensed Consolidated Statements of Operations for the three months ended March 31, 2002.

11. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is a party to various general legal proceedings which have arisen in the ordinary course of business. While the results of these matters cannot be predicted with certainty, the Company believes that losses, if any, resulting from the ultimate resolution of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. However, unfavorable resolution could affect the consolidated financial position, results of operations or cash flows for the quarterly periods in which they are resolved.

Lease Commitments

The Company and its subsidiaries lease real property, equipment and software under various other operating leases with terms from one to twenty-five years.

In December 1999, the Company entered into an operating lease facility established to finance the acquisition of operating equipment. As of March 31, 2002, $76.3 million was outstanding under this facility.

Liability Insurance

The Company carries general liability, vehicle liability, employment practices liability, pollution liability, directors and officers liability, workers compensation and employer's liability coverage, as well as umbrella liability policies to provide excess coverage over the underlying limits contained in these primary policies. The Company also carries property insurance.

The Company's insurance programs for worker's compensation, general liability, vehicle liability and employee-related health care benefits are effectively self-insured. Claims in excess of self-insurance levels are fully insured. Accruals are based on claims filed and estimates of claims incurred but not reported.

The Company's liabilities for unpaid and incurred but not reported claims at March 31, 2002 were $61.2 million and are included in other current and other liabilities in the accompanying Unaudited Condensed Consolidated Balance Sheets. While the ultimate amount of claims incurred is dependent on future developments, in management's opinion, recorded reserves are adequate to cover the future payment of claims. However, it is reasonably possible that recorded reserves may not be adequate to cover the future payment of claims. Adjustments, if any, to estimates recorded resulting from ultimate claim payments will be reflected in operations in the periods in which such adjustments are known.

Other Matters

In the normal course of business, the Company is required by regulatory agencies and municipalities to post performance bonds, letters of credit and/or cash deposits as a financial guarantee of the Company's performance. At March 31, 2002, letters of credit totaling $311.8 million were outstanding and surety bonds totaling $672.0 million were outstanding, which will expire on various dates through 2007. In addition, at March 31, 2002, the Company had $135.2 million of restricted cash deposits held as financial guarantees as well as funds restricted for capital expenditures under certain debt facilities.

The Company's business activities are conducted in the context of a developing and changing statutory and regulatory framework. Governmental regulation of the waste management industry requires the Company to obtain and retain numerous governmental permits to conduct various aspects of its operations. These permits are subject to revocation, modification or denial. The costs and other capital expenditures which may be required to obtain or retain the applicable permits or comply with applicable regulations could be significant. Any revocation, modification or denial of permits could have a material adverse effect on the Company.

Through the date of the Company's initial public offering in July 1998, the Company filed consolidated federal income tax returns with AutoNation, Inc. The Internal Revenue Service is auditing AutoNation's consolidated tax returns for fiscal years 1995 through 1999. In accordance with the Company's tax sharing agreement with AutoNation, the Company may be liable for certain assessments imposed by the Internal Revenue Service for the periods through June 1998, resulting from this audit. Management believes that the tax liabilities recorded are adequate. However, a significant assessment in excess of liabilities recorded against the Company could have a material adverse effect on the Company's financial position, results of operations or cash flows.

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

The following discussion should be read in conjunction with the Unaudited Condensed Consolidated Financial Statements and notes thereto included under Item 1. In addition, reference should be made to our audited Consolidated Financial Statements and notes thereto and related Management's Discussion and Analysis of Financial Condition and Results of Operations appearing in our Form 10-K for the year ended December 31, 2001.

Our Business

We are a leading provider of non-hazardous solid waste collection and disposal services in the United States. We provide solid waste collection services for commercial, industrial, municipal and residential customers through 145 collection companies in 22 states. We also own or operate 90 transfer stations and 54 solid waste landfills.

We generate revenue primarily from our solid waste collection operations. Our remaining revenue is obtained from landfill disposal services and other services, including recycling, remediation and composting operations.

The following table reflects our total revenue by source for the three months ended March 31, 2002 and 2001 (in millions):

	Three Months Ended March 31,			
	2002		2001	
Collection:				
Residential	$124.6	22.5%	$113.1	21.1%
Commercial	171.1	31.0	168.6	31.5
Industrial	117.9	21.4	122.4	22.9
Other	12.1	2.2	11.3	2.1
Total collection	425.7	77.1	415.4	77.6
Transfer and disposal	187.1		175.2	
Less: Intercompany	(97.3)		(93.5)	
Transfer and disposal, net	89.8	16.3	81.7	15.3
Other	36.4	6.6	38.3	7.1
Total revenue	$551.9	100.0%	$535.4	100.0%

Our revenue from collection operations consists of fees we receive from commercial, industrial, municipal and residential customers. Our residential and commercial collection operations in some markets are based on long-term contracts with municipalities. We generally provide industrial and commercial collection services to individual customers under contracts with terms up to three years. Our revenue from landfill operations is from disposal or tipping fees charged to third parties. In general, we integrate our recycling operations with our collection operations and obtain revenue from the sale of recyclable materials. No one customer has individually accounted for more than 10% of our consolidated revenue in any of the periods presented.

The cost of our collection operations is primarily variable and includes disposal, labor, fuel and equipment maintenance costs. We seek operating efficiencies by controlling the movement of waste streams from the point of collection through disposal. During the three months ended March 31, 2002 and 2001, approximately 53% and 52%, respectively, of the total volume of waste we collected was disposed of at our landfills.

Our landfill cost of operations includes daily operating expenses, costs of capital for cell development, accruals for closure and post-closure costs, and the legal and administrative costs of ongoing environmental compliance. We expense all indirect landfill development costs as they are incurred. We use life cycle accounting and the units-of-consumption method to recognize certain direct landfill costs. In life cycle accounting, certain direct costs are capitalized or accrued and charged to expense based upon the consumption of cubic yards of available airspace. These costs include all costs to acquire, construct, close and maintain a site during the post-closure period.

Cost and airspace estimates are developed annually by independent engineers together with our engineers. These estimates are used by our operating and accounting personnel to annually adjust the rates used to expense capitalized costs and accrue closure and post-closure costs. Changes in these estimates primarily relate to changes in available airspace, inflation rates and applicable regulations. Changes in available airspace include changes due to the addition of airspace lying in expansion areas deemed likely to be permitted.

Business Combinations

We make decisions to acquire or invest in businesses based on financial and strategic considerations. We use the purchase method of accounting to account for business acquisitions.

We acquired various solid waste businesses during the three months ended March 31, 2002 and 2001. The aggregate purchase price we paid in these transactions was $4.2 million and $7.4 million in cash, respectively.

During the three months ended March 31, 2001, $20.2 million of the total purchase price paid for acquisitions and contingent payments to former owners was allocated to landfill airspace. These allocations were based on the discounted expected future cash flow of each landfill relative to other assets within the acquired group, if applicable, and were adjusted for other non-depletable landfill assets and liabilities acquired (primarily closure and post-closure liabilities). Landfill purchase price is amortized using the units-of-consumption method over total available airspace, which includes likely to be permitted airspace where appropriate.

See Note 4, Business Combinations, of the Notes to the Unaudited Condensed Consolidated Financial Statements, for further discussion of business combinations.

Consolidated Results of Operations

Net income was $54.9 million for the three months ended March 31, 2002, or $.32 per share, as compared to $49.6 million, or $.29 per share, for the three months ended March 31, 2001.

In accordance with Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," we ceased amortizing intangible assets with indefinite lives effective January 1, 2002. If SFAS 142 had been effective January 1, 2001, net income for the three months ended March 31, 2001 would have been $55.6 million, or $.32 per share.

The following table summarizes our costs and expenses in millions of dollars and as a percentage of our revenue for the three months ended March 31, 2002 and 2001:

	Three Months Ended March 31,			
	2002		2001	
Revenue	$551.9	100.0%	$535.4	100.0%
Expenses:				
Cost of operations	342.0	62.0	329.7	61.6
Depreciation, amortization and depletion of property and equipment	42.1	7.6	39.3	7.3
Amortization of intangible assets	2.3	.4	11.0	2.1
Selling, general and administrative expenses	58.6	10.6	56.5	10.5
Operating income	$106.9	19.4%	$ 98.9	18.5%

Revenue was $551.9 million and $535.4 million for the three months ended March 31, 2002 and 2001, respectively, an increase of 3.1%. The following table reflects the components of our revenue growth for the three months ended March 31, 2002 and 2001:

	Three Months Ended March 31,	
	2002	2001
Price	1.0%	1.4%
Volume	--	2.1
Total internal growth	1.0	3.5
Acquisitions	2.1	3.3
Total revenue growth	3.1%	6.8%

Price growth for the three months ended March 31, 2002 was impacted by declining commodity prices. Excluding the negative effect of commodity prices, price growth was 1.3%. In addition, non-core operations increased volume growth during the three months ended March 31, 2002. Excluding the positive impact of non-core operations, volume growth was (.4%) for the three months ended March 31, 2002. As such, adjusted internal growth for the three months ended March 31, 2002 was .9%.

Price growth for the three months ended March 31, 2001 was impacted by declining commodity prices. Excluding the negative effect of commodity prices, price growth and adjusted internal growth were 2.2% and 4.3%, respectively, for the three months ended March 31, 2001.

Cost of operations was $342.0 million for the three months ended March 31, 2002 versus $329.7 million for the comparable 2001 period. The increase in aggregate dollars is primarily a result of the expansion of our operations through acquisitions and internal growth. Cost of operations as a percentage of revenue was 62.0% for the three months ended March 31, 2002 versus 61.6% for the comparable 2001 period. The increase in cost of operations as a percentage of revenue for the three months ended March 31, 2002 versus the comparable period last year is primarily a result of higher insurance costs and lower commodity prices partially offset by lower fuel prices and improved operating efficiencies.

Expenses for depreciation, amortization and depletion of property and equipment were $42.1 million for the three months ended March 31, 2002 versus $39.3 million for the comparable 2001 period. Expenses for depreciation, amortization and depletion of property and equipment as a percentage of revenue were 7.6% for the three months ended March 31, 2002 versus 7.3% for the comparable 2001 period. The increase in such expenses in aggregate dollars and as a percentage of revenue versus the comparable periods last year is primarily due to acquisitions and capital expenditures.

Expenses for amortization of intangible assets were $2.3 million for the three months ended March 31, 2002 versus $11.0 million for the comparable 2001 period. Amortization of intangible assets as a percentage of revenue was .4% for the three months ended March 31, 2002 versus 2.1% for the comparable 2001 period. The decrease in such expenses in aggregate dollars and as a percentage of revenue versus the comparable period last year is due to the adoption of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets." In accordance with SFAS 142, we ceased amortizing intangible assets with indefinite lives effective January 1, 2002. If SFAS 142 had been effective January 1, 2001, amortization of intangible assets for the three months ended March 31, 2001 would have been $1.4 million.

Selling, general and administrative expenses were $58.6 million for the three months ended March 31, 2002 versus $56.5 million for the comparable 2001 period. Selling, general and administrative expenses as a percentage of revenue were 10.6% for the three months ended March 31, 2002 versus 10.5% for the comparable 2001 period. The increase in such expenses in aggregate dollars and as a percentage of revenue versus the comparable period last year is primarily due to the addition of area and regional management during 2001 and various training and systems initiatives during 2002 and 2001.

Interest Expense

Interest expense relates primarily to borrowings under our unsecured notes, revolving credit facility and tax-exempt bonds. Interest expense was $19.2 million for the three months ended March 31, 2002 versus $20.9 million for the comparable 2001 period. The decrease in interest expense in aggregate dollars is due to lower average interest rates partially offset by higher average outstanding debt balances.

Capitalized interest was $.4 million for the three months ended March 31, 2002 versus $.3 million for the comparable 2001 period.

Interest and Other Income (Expense), Net

Interest and other income, net of other expense, was $.8 million for the three months ended March 31, 2002 versus $2.0 million for the comparable 2001 period.

Income Taxes

The provision for income taxes was $33.6 million for the three months ended March 31, 2002 versus $30.4 million for the comparable 2001 period. The effective income tax rate was 38.0% for the three months ended March 31, 2002 and 2001. Income taxes have been provided based upon our anticipated annual effective tax rate.

Landfill and Environmental Matters

Available Airspace

The following table reflects landfill airspace activity for landfills owned or operated by us for the three months ended March 31, 2002:

	Balance as of December 31, 2001	Expansions Undertaken	Permits Granted	Airspace Consumed	Changes in Engineering Estimates	Balance as of March 31, 2002
Permitted airspace:						
Cubic yards (in millions).......	1,329.0	.8	3.9	(7.6)	13.1	1,339.2
Number of sites	54			--	--	54
Expansion airspace:						
Cubic yards (in millions).......	359.6	48.0	(3.9)	--	(2.1)	401.6
Number of sites	20	2	--			22
Total available airspace:						
Cubic yards (in millions).......	1,688.6	48.8	--	(7.6)	11.0	1,740.8
Number of sites	54					54

As of March 31, 2002, we owned or operated 54 solid waste landfills with total available disposal capacity estimated to be 1.7 billion in-place cubic yards. Total available disposal capacity represents the sum of estimated permitted airspace plus an estimate of airspace we have deemed likely to be permitted. These estimates are developed annually by independent engineers together with our engineers utilizing information provided by annual aerial surveys. As of March 31, 2002, total available disposal capacity is estimated to be 1.3 billion in-place cubic yards of permitted airspace plus .4 billion in-place cubic yards of expansion airspace which we have deemed likely to be permitted. Before airspace included in an expansion area is determined as likely to be permitted and, therefore, included in our calculation of total available disposal capacity, it must meet our expansion criteria. See Note 2, Landfill and Environmental Costs, of the Notes to our Unaudited Condensed Consolidated Financial Statements for further information.

As of March 31, 2002, 22 of our landfills meet the criteria for including expansion airspace in their total available disposal capacity. At projected annual volumes, these 22 landfills have an estimated remaining average site life of 34 years, including the expansion airspace. The average estimated remaining life of all of our landfills is 34 years.

As of March 31, 2002, seven of our landfills that meet the criteria for including expansion airspace had obtained approval from local authorities and are proceeding into the state permitting process. Also, as of March 31, 2002, seven of our 22 landfills that meet the criteria for including expansion airspace had submitted permit applications to state authorities. The remaining eight landfills that meet the criteria for including expansion airspace are in the process of obtaining approval from local authorities and have not identified any fatal flaws or impediments associated with the expansions at either the local or state level.

We have never been denied an expansion permit for a landfill that included likely to be permitted airspace in its total available disposal capacity, although no assurance can be made that all future expansions will be permitted as designed.

Closure and Post-Closure Costs

The following table reflects our closure and post-closure expense per cubic yard of airspace consumed for the three months ended March 31, 2002 and 2001:

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
Closure and post-closure expense (in millions)	$ 5.5	$ 4.7
Cubic yards of airspace consumed (in millions)	7.6	7.5
Closure and post-closure expense per cubic yard	$ .72	$ .63

The increase in closure and post-closure expense per cubic yard from 2001 to 2002 is due primarily to the addition of two landfills during the second quarter of 2001 that have higher costs per cubic yard than the Company's average.

As of March 31, 2002, accrued closure and post-closure costs were $243.8 million. The current portion of these costs of $20.9 million is reflected in our Unaudited Condensed Consolidated Balance Sheets in other current liabilities. The long-term portion of these costs of $222.9 million is reflected in our Unaudited Condensed Consolidated Balance Sheets in accrued environmental and landfill costs. As of March 31, 2002, assuming that all available landfill capacity is used, we expect to expense approximately $554.0 million of additional closure and post-closure costs over the remaining lives of our facilities.

Our estimates for closure and post-closure costs do not take into account discounts for the present value of total estimated costs. If total estimated costs were discounted to present value, they would be lower.

Investment in Landfills

The following table reflects changes in our investments in landfills for the three months ended March 31, 2002 and the future expected investment as of March 31, 2002 (in millions):

	Balance as of December 31, 2001	Capital Additions	Transfers and Adjust-ments	Additions Charged to Expense	Balance as of March 31, 2002	Expected Future Investment	Total Expected Investment
Non-depletable landfill land.....	$ 50.5	$ .8	$ --	$ --	$ 51.3	$ --	$ 51.3
Landfill development costs.......	958.8	2.5	(1.3)	--	960.0	1,181.7	2,141.7
Construction in progress-- landfill...........	17.6	4.0	(5.1)	--	16.5	--	16.5
Accumulated depletion and amortization..............	(237.0)	--	.5	(14.1)	(250.6)	--	(250.6)
Net investment in landfill and land development costs............	$ 789.9	$7.3	$ (5.9)	$ (14.1)	$ 777.2	$1,181.7	$1,958.9

The following table reflects our net investment in our landfills, excluding non-depletable land, and our depletion and amortization expense for the three months ended March 31, 2002 and 2001:

	2002	2001
Number of landfills owned or operated....................	54	53
Net investment, excluding non-depletable land (in millions)...	$ 725.9	$ 744.0
Total estimated available disposal capacity (in millions of cubic yards)...........................	1,740.8	1,732.0
Net investment per cubic yard............................	$ .42	$ .43
Landfill depletion and amortization expense (in millions)...	$ 14.1	$ 14.1
Airspace consumed (in millions of cubic yards)...........	7.6	7.5
Depletion and amortization per cubic yard of airspace consumed..	$ 1.86	$ 1.88

As of March 31, 2002, we expect to spend an estimated additional $1.2 billion on existing landfills, primarily related to cell construction and environmental structures, over their expected remaining lives. Our total expected gross investment, excluding non-depletable land, estimated to be $1.9 billion, or $1.10 per cubic yard, is used in determining our depletion and amortization expense based upon airspace consumed using the units-of-consumption method. Our estimates for expected future investment in landfills do not take into account discounts for the present value of total estimated costs. For further information, see "Closure and Post-Closure Costs."

We accrue costs related to environmental remediation activities through a charge to income in the period such liabilities become probable and can be reasonably estimated. No material amounts were charged to expense during the three months ended March 31, 2002 and 2001, respectively.

Financial Condition

At March 31, 2002, we had $135.2 million of restricted cash, of which $110.2 million related to proceeds from tax-exempt bonds and other tax-exempt financing that will be used to fund capital expenditures. At March 31, 2002, we had $283.2 million of tax-exempt bonds and other tax-exempt financing outstanding at favorable interest rates.

In July 1998, we entered into a $1.0 billion unsecured revolving credit facility with a group of banks. $500.0 million of the credit facility expires in July 2002 and the remaining $500.0 million expires in July 2003. Borrowings under the credit facility bear interest at LIBOR-based rates. We use our operating cash flow and proceeds from our credit facilities to finance our working capital, capital expenditures, acquisitions, share repurchases and other requirements. As a result of our strong financial position and liquidity, in February 2002 we reduced the short- and long-term portions of our credit facility to $300.0 million and $450.0 million, respectively. As of March 31, 2002, we had $438.2 million available under the credit facility.

In May 1999, we sold $600.0 million of unsecured notes in the public market. $225.0 million of these notes bear interest at 6 5/8% per annum and mature in 2004. The remaining $375.0 million bear interest at 7 1/8% per annum and mature in 2009. Interest on these notes is payable semi-annually in May and November. The $225.0 million and $375.0 million in notes were offered at a discount of $1.0 million and $.5 million, respectively. Proceeds from the notes were used to repay our revolving credit facility.

In December 1999, we entered into an operating lease facility established to finance the acquisition of operating equipment. As of March 31, 2002, $76.3 million was outstanding under this facility.

In August 2001, we sold $450.0 million of unsecured notes in the public market. The notes bear interest at 6 3/4% and mature in 2011. Interest on these notes is payable semi-annually in February and August. The notes were offered at a discount of $2.6 million. Proceeds from the notes were used to repay our revolving credit facility.

In order to manage risk associated with fluctuations in interest rates and to take advantage of favorable floating interest rates, in September 2001, we entered into interest rate swap agreements with investment grade rated financial institutions. The swap agreements have a total notional value of $225.0 million and require our company to pay interest at floating rates based upon changes in LIBOR and receive interest at a fixed rate of 6 5/8%. The swap agreements terminate in May 2004.

We plan to extend to July 2003 the maturity of our revolving short-term credit facility prior to its expiration in July 2002. We believe that such an extension would provide us with sufficient financial resources to meet our anticipated capital requirements and obligations as they come due. We believe that we would be able to raise additional debt or equity financing, if necessary, to fund special corporate needs or to complete acquisitions. However, we cannot assure you that we would be able to obtain additional financing under favorable terms or to extend the existing short-term credit facility on the same terms.

SELECTED BALANCE SHEET ACCOUNTS

The following table reflects the activity in our allowance for doubtful accounts, accrued closure and post-closure, accrued self-insurance and amounts due to former owners during the three months ended March 31, 2002 (in millions):

	Allowance for Doubtful Accounts	Closure and Post-Closure	Self-Insurance	Amounts Due to Former Owners
Balance, December 31, 2001	$ 19.0	$ 239.5	$ 57.6	$ 6.0
Additions charged to expense	3.5	5.5	30.0	--
Additions due to acquisitions, net of divestitures	--	--	--	--
Usage	(3.3)	(1.2)	(26.4)	(.2)
Balance, March 31, 2002	19.2	243.8	61.2	5.8
Current portion	19.2	20.9	42.0	5.8
Long-term portion	$ --	$ 222.9	$ 19.2	$ --

Additions to accrued liabilities related to acquisitions are periodically reviewed during the year subsequent to the acquisition. During such reviews, accrued liabilities, which are considered to be in excess of amounts required for a specific acquisition, are reversed and charged against goodwill (cost in excess of net fair value of assets acquired).

As of March 31, 2002, accounts receivable were $224.0 million, net of allowance for doubtful accounts of $19.2 million, resulting in days sales outstanding of 37, or 24 days net of deferred revenue.

Property and Equipment

The following tables reflect the activity in our property and equipment accounts for the three months ended March 31, 2002 (in millions):

	Gross Property and Equipment					
	Balance as of December 31, 31, 2001	Capital Additions	Retire-ments	Acquisi-tions Net of Divesti-tures	Trans-fers and Adjust-ments	Balance as of March 31, 2002
Other land.........................	$ 94.3	$ 2.8	$ --	$ --	$ 1.2	$ 98.3
Non-depletable landfill land.......	50.5	.8	--	--	--	51.3
Landfill development costs.........	958.8	2.5	--	--	(1.3)	960.0
Vehicles and equipment.............	1,153.2	23.2	(7.4)	1.0	6.3	1,176.3
Buildings and improvements.........	256.4	1.7	(0.1)	(1.8)	12.2	268.4
Construction in progress-- landfill........................	17.6	4.0	--	--	(5.1)	16.5
Construction in progress -- other................	23.5	2.6	--	--	(15.7)	10.4
Total.....................	$2,554.3	$ 37.6	$(7.5)	$ (.8)	$ (2.4)	$2,581.2

	Accumulated Depreciation, Amortization and Depletion					
	Balance as of December 31, 31, 2001	Capital Additions	Retire-ments	Divesti-tures	Trans-fers and Adjust-ments	Balance as of March 31, 2002
Landfill development costs.........	$(237.0)	$(14.1)	$ --	$ --	$ .5	$ (250.6)
Vehicles and equipment.............	(495.7)	(25.8)	3.7	.8	1.5	(515.5)
Buildings and improvements........	(46.7)	(2.2)	.1	.1	.4	(48.3)
Total.....................	$(779.4)	$(42.1)	$ 3.8	$ .9	$ 2.4	$ (814.4)

LIQUIDITY AND CAPITAL RESOURCES

The major components of changes in cash flows for the three months ended March 31, 2002 and 2001 are discussed below.

CASH FLOWS FROM OPERATING ACTIVITIES. Cash provided by operating activities was $134.6 million and $86.2 million for the three months ended March 31, 2002 and 2001, respectively. The changes in cash provided by operating activities during the periods are due to expansion of our business and timing of payments for accounts payable and income taxes. We use cash flows from operations to fund capital expenditures, acquisitions, share repurchases and debt repayments.

CASH FLOWS USED IN INVESTING ACTIVITIES. Cash used in investing activities consists primarily of cash used for capital additions and business acquisitions in 2002 and 2001, and amounts due and contingent payments to former owners in 2001. Cash used to acquire businesses, net of cash acquired, was $4.2 million and $7.4 million during the three months ended March 31, 2002 and 2001, respectively.

We intend to finance capital expenditures and acquisitions through cash on hand, cash flow from operations, our revolving credit facility, tax-exempt bonds and other financings. We expect to use primarily cash for future business acquisitions.

CASH FLOWS USED IN FINANCING ACTIVITIES. Cash used in financing activities for the three months ended March 31, 2002 and 2001 was $76.1 million and $18.8 million, respectively.

In 2000, we announced that our Board of Directors authorized the repurchase of up to $150.0 million of our common stock. In October 2001, we announced that our Board of Directors authorized the repurchase of up to an additional $125.0 million of our common stock. As of March 31, 2002, we had repurchased 11.9 million shares of our stock for $196.6 million, of which 2.7 million shares were acquired during the three months ended March 31, 2002 for $46.5 million. We intend to finance share repurchases from cash on hand, cash flow from operations, our revolving credit facility and other financings.

In December 1999, we entered into an operating lease facility established to finance the acquisition of operating equipment consisting primarily of revenue-producing vehicles. At March 31, 2002, $76.3 million was outstanding under this facility.

We used proceeds from bank facilities and tax-exempt bonds to fund acquisitions and capital additions.

We have received investment grade ratings from several credit rating agencies. As of March 31, 2002, our senior debt was rated Baa3 by Moody's, BBB by Standard & Poor's and BBB+ by Fitch.

Seasonality

Our operations can be adversely affected by periods of inclement weather which could delay the collection and disposal of waste, reduce the volume of waste generated, or delay the construction or expansion of our landfill sites and other facilities.

New Accounting Pronouncements

In July 2001, the Financial Accounting Standards Board issued Statement no. 143, "Accounting for Asset Retirement Obligations." This statement is effective for financial statements issued for fiscal years beginning after June 15, 2002, and will require our company to change the accounting methodology we currently use to record closure and post-closure liabilities related to our landfills. The more significant of these changes includes measuring all future obligations at fair value and discounting obligations to reflect today's dollars. This statement requires a cumulative effect approach to recognizing transition amounts for existing retirement obligations. We are currently evaluating the effect of adoption of this statement, and have not determined whether the impact of adoption will be material to our consolidated financial position or results of operations.

Disclosure Regarding Forward Looking Statements

Certain statements and information included herein constitute "forward-looking statements" within the meaning of the Federal Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of our company to be materially different from any future results, performance, or achievements expressed or implied, in or by such forward-looking statements. Such factors include, among other things, whether our estimates and assumptions concerning our selected balance sheet accounts, closure and post-closure costs, available airspace, and projected costs and expenses related to our landfills and property and equipment, labor and fuel rates, and inflationary and general and economic trends turn out to be correct or appropriate, and various factors that will impact our actual business and financial performance such as: competition and demand for services in the solid waste industry; general economic conditions including but not limited to inflation, changes in fuel, labor and other variable costs and changes in commodity prices, which are generally not within our control; our ability to maintain our investment grade rating and to generate sufficient cash flow; our dependence on acquisitions for growth; our ability to manage growth; our dependence on large, long-term collection contracts; risk associated with undisclosed liabilities of acquired businesses; our dependence on key personnel; compliance with and future changes in environmental regulations; our ability to obtain approval from regulatory agencies in connection with expansions at our landfills; the ability to extend the maturity of our short-term credit facility; our ability to purchase our common stock at prices that are accretive to earnings per share; the outcome of the IRS audit; and other risk factors and more detailed information contained in our Annual Report on Form 10-K and our other filings with the Securities and Exchange Commission.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our market sensitive financial instruments consist primarily of variable rate debt. Therefore, our major market risk exposure is changing interest rates in the United States and fluctuations in LIBOR. We manage interest rate risk through a combination of fixed and floating rate debt as well as interest rate swap agreements.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

10.1 - Employment Agreement dated May 14, 2001 by and between Michael Cordesman, who became an executive officer in March 2002, and the Company (filed herewith).

(b) Reports on Form 8-K:

(1) Form 8-K, dated and filed January 30, 2002, including a press release announcing the Company's operating results for the three and twelve months ended December 31, 2001.

SIGNATURES

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

REPUBLIC SERVICES, INC.

By: /s/ Tod C. Holmes

Tod C. Holmes
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)

By: /s/ Charles F. Serianni

Charles F. Serianni
Chief Accounting Officer
(Principal Accounting Officer)

Date: May 13, 2002

Exhibit 10.1

EXECUTIVE EMPLOYMENT AGREEMENT

(FIELD VERSION)

THIS EXECUTIVE EMPLOYMENT AGREEMENT ("Agreement") is made and entered into as of this 14th day of May, 2001, by and between REPUBLIC SERVICES, INC., a Delaware corporation (the "Company"), and MICHAEL CORDESMAN, a Texas resident (the "Employee").

Employee is currently an employee of the Company and is considered a valued employee that Company desires to retain by reconfirming the Company's commitment to Employee pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the Company and the Employee agree as follows:

1. TERMINATION BY COMPANY WITHOUT CAUSE.

a. TERMINATION RIGHTS. If at any time the Employee's employment with the Company is terminated without Cause (as defined below), then:

(1) the Company shall pay to the Employee all of the Employee's accrued but unpaid salary through the date of termination, and continue to pay to or provide the following items to the Employee (the consideration provided for below in this clause (1) is collectively referred to herein as the "Severance Payment"):

(a) his current monthly salary at the rate in effect at the time of termination ("Salary") for a period of time equal to two months for each complete year that the Employee has been employed by the Company at the time of such termination, but in no event to exceed a maximum of twelve months, when and as the same would have been due and payable but for such termination (the "Salary Continuation Payment"),

(b) all health benefits in which Employee was entitled to participate at any time during the 12-month period prior to the date of termination, for a period of time equal to the lesser of (i) two months for each complete year that the Employee has been employed by the Company at the time of such termination or (ii) twelve months, but in no event beyond the date on which the Employee becomes covered by a comparable health benefit plan by a subsequent employer; provided, however, that in the event that Employee's continued participation in any health benefit plan of the Company is prohibited, the Company will arrange to provide

Employee with benefits substantially similar to those which Employee would have been entitled to receive under such plan for such period on a basis which provides Employee with no additional after tax cost,

(c) a pro-rated Annual Performance Bonus relating to the year in which such termination occurs based on the Annual Performance Bonus actual performance results, such bonus being paid at such time and only to the extent that such bonuses are paid to other similarly situated employees of the Company and the amount so paid shall be equal to the amount that would have been payable to the Employee in the absence of such termination multiplied by a fraction equal to the number of days during the year elapsed through the date of termination divided by the total number of days in such year, and

(d) a payment of all amounts credited to Employee's deferred compensation account through the date of termination, in full satisfaction and payment of said deferred compensation account, and

(2) all stock option grants will continue to vest and remain exercisable as if the Employee was still employed during the period of time he is receiving the Salary Continuation Payment.

Other than the Severance Payment, the Company shall have no further obligation to the Employee except for the obligations set forth in this Section of this Agreement after the date of such termination; PROVIDED, HOWEVER, that the Employee shall only be entitled to continuation of the Severance Payments as long as he is in compliance with the provisions of Sections 5 and 6 of this Agreement.

b. CAUSE DEFINED. For purposes of this Agreement, the term "Cause" shall mean during the term of this Agreement (i) Employee's willful and continued failure to substantially perform his duties after he has received written notice from the Company identifying the actions or omissions constituting willful and continued failure to perform, (ii) Employee's conduct that would constitute a crime under federal or state law, (iii) Employee's actions or omissions that constitute fraud, dishonesty or gross misconduct, (iv) Employee's breach of any fiduciary duty that causes material injury to the Company, (v) Employee's breach of any duty causing material injury to the Company, (vi) Employee's inability to perform his material duties to the reasonable satisfaction of the Company due to alcohol or other substance abuse, or (vii) any violation of the Company's policies or procedures involving discrimination, harassment, substance abuse or work place violence.

Any termination for Cause pursuant to this Section shall be given to the Employee in writing and shall set forth in detail all acts or omissions upon which the Company is relying to terminate the Employee for Cause. Upon any determination by the Company that Cause exists to terminate the Employee, the Company shall cause a special meeting of the Board of Directors to be called and held at a time mutually convenient to the Board of Directors and Employee, but in no event later than ten (10) business days after Employee's receipt of the notice that the Company intends to terminate the Employee for Cause. Employee shall have the right to appear before such special meeting of the Board of Directors with legal counsel of his choosing to refute such allegations and shall have a reasonable period of time to cure any actions or omissions which provide the Company with a basis to terminate the Employee for Cause (provided that such cure period shall not exceed 30 days). A majority of the members of the Board of Directors must affirm that Cause exists to terminate the Employee. No finding by the Board of Directors will prevent the Employee from contesting such determination through appropriate legal proceedings provided that the Employee's sole remedy shall be to sue for damages, not reinstatement, and damages shall be limited to those that would be paid to the Employee if he had been terminated without Cause. In the event the Company terminates the Employee for Cause, the Company shall only be obligated to continue to pay in the ordinary and normal course of its business to the Employee his Salary plus accrued but unused vacation time through the termination date and the Company shall have no further obligations to Employee from and after the date of termination.

2. TERMINATION OF EMPLOYMENT BY EMPLOYEE FOR CHANGE OF CONTROL.

a. TERMINATION RIGHTS. Notwithstanding the provisions of Section 1 of this Agreement, in the event that there shall occur a Change of Control (as defined below) of the Company and within two years after such Change of Control the Executive's employment hereunder is terminated by the Company without Cause, then:

(1) the Company shall pay to the Employee or provide him with the Severance Payment provided for in clause (1) of Section 1.a of this Agreement, except that (i) the Salary Continuation Payment shall equal twelve months, and (ii) the amount of the Annual Performance Bonus referred to in subclause (c) thereof shall be paid to the Employee in full, as if Employee remained employed for the entire year and all performance targets were met,

(2) all stock options pursuant to grants previously made to the Employee which had not previously lapsed or been forfeited or terminated will immediately vest and remain exercisable for a period of one year following such termination of employment, and

(3) all long term incentive cash grants provided to the Employee shall immediately vest as if all targets and conditions had been met and shall be paid by the Company to the Employee at such times as the Company would have been required to make such payments if such termination of employment had not occurred, provided, however, that in the case of incentives partially or completely contingent on the providing of service for a specific period of time, the total amount to be paid by the Company shall be equal to the maximum amount payable if all conditions were met, multiplied by a fraction, the numerator of which is the period of service that would have been served if the Employee's employment had terminated as of the last day of the fiscal year in which his employment was terminated, and the denominator of which is the total period of time specified as a condition to the incentive.

The consideration payable to the Employee pursuant to this Section 2.a is collectively referred to herein as the "Change in Control Severance Payment". Other than the Change in Control Severance Payment, the Company shall have no further obligation to the Employee except for the obligations set forth in this Section of this Agreement after the date of such termination; PROVIDED, HOWEVER, that the Employee shall only be entitled to continuation of the Change in Control Severance Payments as long as he is in compliance with the provisions of Sections 5 and 6 of this Agreement. To the extent that payments are owed by the Company to the Employee pursuant to this Section 2, they shall be made in lieu of payments pursuant to Section 1, and in no event shall the Company be required to make payments or provide benefits to the Employee under both Section 1 and Section 2.

b. CHANGE OF CONTROL OF THE COMPANY DEFINED. For purposes of this Section 2, the term "Change of Control of the Company" shall mean any change in control of the Company of a nature which would be required to be reported (i) in response to Item 6(e) of Schedule 14A of Regulation 14A, as in effect on the date of this Agreement, promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (ii) in response to Item 1 of the Current Report on Form 8-K, as in effect on the date of this Agreement, promulgated under the Exchange Act, or (iii) in any filing by the Company with the Securities and Exchange Commission; provided, however, that without limitation, a Change of Control of the Company shall be deemed to have occurred if:

(1) Any "person" (as such term is defined in Sections 13(d)(3) and Section 14(d)(3) of the Exchange Act), other than the Company, any majority-owned subsidiary of the Company, or any compensation plan of the Company or any majority-owned subsidiary of the Company, becomes the "beneficial owner" (as such term is defined in Rule 13d-3 of the Exchange

Act), directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company;

(2) During any period of three consecutive years during the term of this Agreement, the individuals who at the beginning of such period constitute the Board of Directors of the Company cease for any reason to constitute at least a majority of such Board of Directors, unless the election of each director who was not a director at the beginning of such period has been approved in advance by directors representing at least two-thirds of the directors then in office who were directors at the beginning of such period; or

(3) The shareholders of the Company approve (a) a reorganization, merger, or consolidation with respect to which persons who were the shareholders of the Company immediately prior to such reorganization, merger, or consolidation do not immediately thereafter own more than 50% of the combined voting power entitled to vote generally in the election of the directors of the reorganized, merged or consolidated entity; (b) a liquidation or dissolution of the Company; or (c) the sale of all or substantially all of the assets of the Company or of a subsidiary of the Company that accounts for 30% of the consolidated revenues of the Company, but not including a reorganization, merger or consolidation of the Company.

3. TERMINATION FOR CAUSE OR RESIGNATION BY EMPLOYEE. In the event the Company terminates the Employee for Cause or the Employee resigns or otherwise terminates his employment with the Company, the Company shall only be obligated to continue to pay in the ordinary and normal course of its business to the Employee his Salary plus accrued but unused vacation time through the termination date and the Company shall have no further obligations pursuant to any provisions of this Agreement.

4. SUCCESSOR TO COMPANY. The Company shall require any successor, whether direct or indirect, to all or substantially all of the business, properties and assets of the Company whether by purchase, merger, consolidation or otherwise, prior to or simultaneously with such purchase, merger, consolidation or other acquisition to execute and to deliver to the Employee a written instrument in form and in substance reasonably satisfactory to the Employee pursuant to which any such successor shall agree to assume and to timely perform or to cause to be timely performed all of the Company's covenants, agreements and obligations set forth in this Agreement (a "Successor Agreement"). The failure of the Company to cause any such successor to execute and deliver a Successor Agreement to the Employee shall constitute a material breach of the provisions of this Agreement by the Company.

5. RESTRICTIVE COVENANTS. In consideration of his employment and the other benefits arising under this Agreement, the Employee agrees that during the term of this Agreement, and for a period of two years following the termination of this Agreement, the Employee shall not directly or indirectly:

a. alone or as a partner, joint venturer, officer, director, member, employee, consultant, agent, independent contractor or stockholder of, or lender to, any company or business, (i) engage in the business of solid waste collection, disposal or recycling (the "Solid Waste Services Business") in any market in which the Company or any of its subsidiaries or affiliates does business, but only with respect to markets where the Employee's duties within the twelve month period ending on the date of Employee's termination included direct or indirect responsibility relating to such market, or (ii) compete with the Company or any of its subsidiaries or affiliates in acquiring or merging with any other business or acquiring the assets of such other business; or

b. for any reason, (i) induce any customer of the Company or any of its subsidiaries or affiliates to patronize any business directly or indirectly in competition with the Solid Waste Services Business conducted by the Company or any of its subsidiaries or affiliates in any market in which the Company or any of its subsidiaries or affiliates does business; (ii) canvass, solicit or accept from any customer of the Company or any of its subsidiaries or affiliates any such competitive business; or (iii) request or advise any customer or vendor of the Company or any of its subsidiaries or affiliates to withdraw, curtail or cancel any such customer's or vendor's business with the Company or any of its subsidiaries or affiliates; or

c. for any reason, employ, or knowingly permit any company or business directly or indirectly controlled by him, to employ, any person who was employed by the Company or any of its subsidiaries or affiliates at or within the prior six months, or in any manner seek to induce any such person to leave his or her employment.

Notwithstanding the foregoing, the beneficial ownership of less than five percent (5%) of the shares of stock of any corporation having a class of equity securities actively traded on a national securities exchange or over-the-counter market shall not be deemed, in and of itself, to violate the prohibitions of this Section.

6. CONFIDENTIALITY. The Employee agrees that at all times during the term of this Agreement and after the termination of employment for as long as such information remains non-public information, the Employee shall (i) hold in confidence and refrain from disclosing to any other party all information, whether written or oral, tangible or intangible, of a private, secret, proprietary or confidential nature, of or concerning the Company or any of its subsidiaries or affiliates and their business and operations, and all files, letters, memoranda, reports, records, computer disks or other computer storage

medium, data, models or any photographic or other tangible materials containing such information ("Confidential Information"), including without limitation, any sales, promotional or marketing plans, programs, techniques, practices or strategies, any expansion plans (including existing and entry into new geographic and/or product markets), and any customer lists, (ii) use the Confidential Information solely in connection with his employment with the Company or any of its subsidiaries or affiliates and for no other purpose, (iii) take all precautions necessary to ensure that the Confidential Information shall not be, or be permitted to be, shown, copied or disclosed to third parties, without the prior written consent of the Company or any of its subsidiaries or affiliates, and (iv) observe all security policies implemented by the Company or any of its subsidiaries or affiliates from time to time with respect to the Confidential Information. In the event that the Employee is ordered to disclose any Confidential Information, whether in a legal or regulatory proceeding or otherwise, the Employee shall provide the Company or any of its subsidiaries or affiliates with prompt notice of such request or order so that the Company or any of its subsidiaries or affiliates may seek to prevent disclosure. In addition to the foregoing the Employee shall not at any time libel, defame, ridicule or otherwise disparage the Company.

7. SPECIFIC PERFORMANCE; INJUNCTION. The parties agree and acknowledge that the restrictions contained in Sections 5 and 6 are reasonable in scope and duration and are necessary to protect the Company or any of its subsidiaries or affiliates. If any provision of Section 5 or 5 as applied to any party or to any circumstance is adjudged by a court to be invalid or unenforceable, the same shall in no way affect any other circumstance or the validity or enforceability of any other provision of this Agreement. If any such provision, or any part thereof, is held to be unenforceable because of the duration of such provision or the area covered thereby, the parties agree that the court making such determination shall have the power to reduce the duration and/or area of such provision, and/or to delete specific words or phrases, and in its reduced form, such provision shall then be enforceable and shall be enforced. The Employee agrees and acknowledges that the breach of Section 5 or 6 will cause irreparable injury to the Company or any of its subsidiaries or affiliates and upon breach of any provision of such Sections, the Company or any of its subsidiaries or affiliates shall be entitled to injunctive relief, specific performance or other equitable relief, without being required to post a bond; PROVIDED, HOWEVER, that, this shall in no way limit any other remedies which the Company or any of its subsidiaries or affiliates may have (including, without limitation, the right to seek monetary damages).

8. COBRA. Notwithstanding the Employee's entitlement to the continuation of health care benefits upon his termination of service pursuant to the provisions of this Agreement, Employee shall remain eligible for all health care benefits pursuant to the Consolidated Omnibus Reconciliation Act of 1985, as amended ("COBRA").

9. NO GUARANTEE OF EMPLOYMENT. Nothing in this Agreement should be construed as to guarantee the Employee's employment with the Company or to limit the Company's ability to terminate the Employee's employment.

10. NOTICES. All notices, requests, demands, claims and other communications hereunder shall be in writing and shall be deemed given if delivered by hand delivery, by certified or registered mail (first class postage pre-paid), guaranteed overnight delivery or facsimile transmission if such transmission is confirmed by delivery by certified or registered mail (first class postage pre-paid) or guaranteed overnight delivery to, the following addresses and telecopy numbers (or to such other addresses or telecopy numbers which such party shall designate in writing to the other parties): (a) if to the Company, at its principal executive offices, addressed to the Chairman of the Board, with a copy to the General Counsel; and (b) if to the Employee, at the address listed on the signature page hereto.

11. AMENDMENT; WAIVER. This Agreement may not be modified, amended, or supplemented, except by written instrument executed by all parties. No failure to exercise, and no delay in exercising, any right, power or privilege under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right, power or privilege hereunder preclude the exercise of any other right, power or privilege. No waiver of any breach of any provision shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision, nor shall any waiver be implied from any course of dealing between the parties. No extension of time for performance of any obligations or other acts hereunder or under any other agreement shall be deemed to be an extension of the time for performance of any other obligations or any other acts. The rights and remedies of the parties under this Agreement are in addition to all other rights and remedies, at law or equity, that they may have against each other.

12. ASSIGNMENT; THIRD PARTY BENEFICIARY. This Agreement, and the Employee's rights and obligations hereunder, may not be assigned or delegated by him. The Company may assign its rights, and delegate its obligations, hereunder to any affiliate of the Company, or any successor to the Company or its Solid Waste Services Business, specifically including the restrictive covenants set forth in Section 5 hereof. The rights and obligations of the Company under this Agreement shall inure to the benefit of and be binding upon its respective successors and assigns.

13. SEVERABILITY; SURVIVAL. In the event that any provision of this Agreement is found to be void and unenforceable by a court of competent jurisdiction, then such unenforceable provision shall be deemed modified so as to be enforceable (or if not subject to modification then eliminated here from) to the extent necessary to permit the remaining provisions to be enforced in accordance with the parties intention. The provisions of Sections 5 and 6 will survive the termination for any reason of the Employee's relationship with the Company.

14. COUNTERPARTS. This Agreement may be signed in any number of counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

15. GOVERNING LAW. This Agreement shall be construed in accordance with and governed for all purposes by the laws of the State of Florida applicable to contracts executed and to be wholly performed within such State.

16. ENTIRE AGREEMENT. This Agreement contains the entire understanding of the parties in respect of its subject matter and supersedes all prior agreements and understandings (oral or written) between or among the parties with respect to such subject matter.

17. HEADINGS. The headings of Paragraphs and Sections are for convenience of reference and are not part of this Agreement and shall not affect the interpretation of any of its terms.

18. CONSTRUCTION. This Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any party. The parties acknowledge that each of them has reviewed this Agreement and has had the opportunity to have it reviewed by their respective attorneys and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement.

19. WITHHOLDING. All payments made to the Employee shall be made net of any applicable withholding for income taxes, Excise Tax and the Employee's share of FICA, FUTA or other taxes. The Company shall withhold such amounts from such payments to the extent required by applicable law and remit such amounts to the applicable governmental authorities in accordance with applicable law.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first above written.

REPUBLIC SERVICES, INC., a Delaware corporation

By: /s/ David Barclay

Name: David Barclay

Title: SR. VP, General Counsel

EMPLOYEE:

/s/ Michael Cordesman

MICHAEL CORDESMAN

Address for Notices:

6901 Shalimar Court
Colleyville, Texas 76034