
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 JUNE 30, 2000

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 August 8, 2000 the registrant had outstanding 175,424,700 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)

	June 30, 2000 (Unaudited)	December 31, 1999
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ --	$ 13.1
Restricted cash	23.4	10.3
Accounts receivable, less allowance for doubtful accounts of $13.8 and $14.2, respectively	246.8	250.9
Prepaid expenses and other current assets	69.3	57.7
Total Current Assets	339.5	332.0
PROPERTY AND EQUIPMENT, NET	1,608.8	1,605.5
INTANGIBLE ASSETS, NET	1,376.9	1,297.3
OTHER ASSETS	50.4	53.5
	$ 3,375.6	$ 3,288.3
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 64.9	$ 76.1
Accrued liabilities	88.9	88.3
Amounts due to former owners	24.3	47.0
Deferred revenue	68.4	64.1
Notes payable and current maturities of long-term debt	53.8	57.2
Other current liabilities	66.5	52.6
Total Current Liabilities	366.8	385.3
LONG-TERM DEBT, NET OF CURRENT MATURITIES	1,103.0	1,152.1
ACCRUED ENVIRONMENTAL AND LANDFILL COSTS	148.3	129.8
DEFERRED INCOME TAXES	118.5	94.4
OTHER LIABILITIES	25.4	24.0
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; 175,597,280 and 175,481,842 issued and outstanding, respectively	1.8	1.8
Additional paid-in capital	1,207.8	1,206.3
Retained earnings	404.0	294.6
Total Stockholders' Equity	1,613.6	1,502.7
	$ 3,375.6	$ 3,288.3

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 June 30, 2000	Three Months Ended June 30, 1999	Six Months Ended June 30, 2000	Six Months Ended June 30, 1999
REVENUE	$ 533.5	$ 463.8	$1,035.0	$ 871.4
EXPENSES:				
Cost of operations	320.5	278.3	626.6	527.1
Depreciation, amortization and depletion	49.2	39.6	95.5	73.0
Selling, general and administrative	47.9	43.3	95.3	89.3
OPERATING INCOME	115.9	102.6	217.6	182.0
INTEREST EXPENSE	(20.2)	(14.4)	(40.6)	(25.7)
INTEREST INCOME	.3	.4	.4	3.0
OTHER INCOME (EXPENSE), NET	.2	--	.4	(.1)
INCOME BEFORE INCOME TAXES	96.2	88.6	177.8	159.2
PROVISION FOR INCOME TAXES	37.0	34.1	68.4	61.3
NET INCOME	$ 59.2	$ 54.5	$ 109.4	$ 97.9
BASIC AND DILUTED EARNINGS PER SHARE	$ .34	$ .31	$ .62	$ .56
WEIGHTED AVERAGE COMMON AND COMMON EQUIVALENT SHARES OUTSTANDING	175.9	176.5	175.9	176.0

The accompanying notes are an integral part of these statements.

REPUBLIC SERVICES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(IN MILLIONS)

	Common Stock	Additional Paid-In Capital	Retained Earnings
BALANCE AT DECEMBER 31, 1999	$ 1.8	$ 1,206.3	$ 294.6
Net income	--	--	109.4
Issuance of common stock	--	1.5	--
BALANCE AT JUNE 30, 2000	$ 1.8	$ 1,207.8	$ 404.0

The accompanying notes are an integral part of this statement.

REPUBLIC SERVICES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN MILLIONS)

	Six Months Ended June 30, 2000	Six Months Ended June 30, 1999
CASH PROVIDED BY OPERATING ACTIVITIES:		
Net income	$ 109.4	$ 97.9
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and depletion of property and equipment	76.1	58.3
Amortization of intangible assets	19.4	14.7
Deferred tax provision	22.1	16.0
Provision for doubtful accounts	5.3	3.2
Other non-cash charges	1.0	2.0
Changes in assets and liabilities, net of effects from business acquisitions:		
Accounts receivable	(6.7)	(45.0)
Prepaid expenses and other assets	(2.4)	(2.6)
Accounts payable and accrued liabilities	(12.2)	(15.6)
Other liabilities	15.2	11.4
	227.2	140.3
CASH USED IN INVESTING ACTIVITIES:		
Purchases of property and equipment	(97.8)	(138.4)
Proceeds from sale of equipment	9.1	2.5
Cash used in business acquisitions, net of cash acquired	(84.4)	(629.4)
Cash proceeds from business dispositions	29.5	33.4
Amounts due former owners	(27.1)	(5.4)
Other	(13.1)	(1.3)
	(183.8)	(738.6)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES:		
Proceeds from notes payable and long-term debt	19.5	21.5
Payments of notes payable and long-term debt	(4.4)	(17.3)
Net payments on revolving credit facility	(72.0)	(516.0)
Proceeds from issuance of public notes, net of discount	--	598.4
Issuance of common stock	.4	--
	(56.5)	86.6
DECREASE IN CASH AND CASH EQUIVALENTS	(13.1)	(511.7)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	13.1	556.6
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ --	$ 44.9

The accompanying notes are an integral part of these statements.

REPUBLIC SERVICES, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(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 generally accepted accounting principles 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 as of and for the year ended December 31, 1999. Certain amounts in the 1999 Unaudited Condensed Consolidated Financial Statements, as previously reported, have been reclassified to conform to the fiscal 2000 presentation.

The Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles 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.

In May 1999, the Company completed a secondary offering, in which AutoNation, Inc. (together with its subsidiaries, "AutoNation") sold substantially all of the Common Stock it owned in the Company. The historical Unaudited Condensed Consolidated Financial Statements through the date of the secondary offering in May 1999 reflect the accounts of the Company as a subsidiary of AutoNation, subject to charges under the Services Agreement as described in Note 11, Related Party Transactions. Such information does not necessarily reflect the financial position or results of operations of the Company as a separate, stand-alone entity.

Other charges of $4.0 million for the six months ended June 30, 1999 are included in selling, general and administrative expenses in the Unaudited Condensed Consolidated Financial Statements. These costs relate to the Company's separation from AutoNation and consist of approximately $2.0 million of compensation expense related to the granting of certain replacement employee stock options at exercise prices below the quoted market price of the Company's Common Stock at the date of grant (see Note 8, Stock Options) and $2.0 million of additional charges directly related to the separation.

The Company has no components of other comprehensive income. Accordingly, net income equals comprehensive income for all periods presented.

2. BUSINESS COMBINATIONS

The Company uses the purchase method of accounting to account for business acquisitions. Businesses acquired are included in the Unaudited Condensed Consolidated Financial Statements from the date of acquisition.

In September 1998, the Company entered into a definitive agreement with Waste Management, Inc. ("Waste Management") to acquire certain assets. The assets acquired included 16 landfills, 11 transfer stations and 136 commercial collection routes across the United States, as well as disposal agreements at various Waste Management facilities. By June 1999, the Company had completed the purchases of the assets for approximately $479.6 million in cash plus properties, $292.7 million of which were acquired during the six months ended June 30, 1999.

In addition to the acquisitions from Waste Management, the Company also acquired various other solid waste businesses during the six months ended June 30, 1999. The aggregate purchase price paid by the Company in these transactions was $339.4 million in cash.

In July 1999, the Company entered into a definitive agreement with Allied Waste Industries, Inc. ("Allied") to acquire certain solid waste assets for approximately $230.0 million in cash. In October 1999, after failing to receive regulatory approval relating to the acquisition of certain of the assets, the agreement was amended for the Company to acquire one landfill operation, five transfer stations and a subset of small container hauling assets from four collection operations for a reduced purchase price. By June 30, 2000, the Company had completed the purchase of these assets for approximately $68.0 million in cash, $48.3 million of which were acquired during the six months ended June 30, 2000. In addition, the Company entered into a definitive agreement with Allied for the simultaneous purchase and sale of certain other solid waste assets. During the six months ended June 30, 2000, the Company and Allied closed on a majority of these assets. Proceeds from the cash portion of the exchange of assets were $26.1 million. The remaining portion of these transactions were closed in July 2000. All of these transactions will be accounted for under the purchase method of accounting.

In addition to the acquisitions from Allied, the Company also acquired various other solid waste businesses during the six months ended June 30, 2000. The aggregate purchase price paid by the Company in these transactions was $36.1 million in cash.

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

	Six Months Ended June 30,	
	2000	1999
Property and equipment	$ 84.4	$ 404.9
Cost in excess of net assets acquired	178.2	302.8
Other assets	--	2.2
Working capital deficit	(157.8)	(56.2)
Debt assumed	(4.2)	(1.8)
Other liabilities	(16.2)	(22.5)
Cash used in acquisitions, net of cash acquired	$ 84.4	$ 629.4

The Company's unaudited pro forma consolidated results of operations assuming all significant acquisitions during the six months ended June 30, 2000 accounted for under the purchase method of accounting had occurred as of the beginning of each six month period presented are as follows:

	2000	1999
Revenue	$1,069.5	$936.7
Net income	$ 108.5	$101.9
Basic and diluted earnings per share	$ .62	$ .58
Weighted average common and common equivalent shares outstanding	175.6	176.0

The unaudited pro forma consolidated results of operations are presented for informational purposes only and may not necessarily reflect the future results of operations of the Company or what the results of operations would have been had the Company owned and operated these businesses as of the beginning of each period presented.

3. LANDFILL AND ACCRUED 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 June 30, 2000, the Company owned or operated 53 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 of amortization. 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 $10.7 million and $8.1 million during the six months ended June 30, 2000 and 1999, respectively.

A number of the Company's landfills were previously operated by other entities. 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 June 30, 2000, assuming that all available landfill capacity is used, the Company expects to expense approximately $545.3 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 six months ended June 30, 2000 and 1999.

4. 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. 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, three to fifteen years for trucks and equipment, and five to ten years for furniture and fixtures.

Landfills are stated at cost and are depleted based on consumed airspace. Landfill improvements 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 3, Landfill and Accrued 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 $250,000 or greater;

2. The construction phase is three months or longer; and

3. The assets have a useful life of three years 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 $1.5 million and $3.0 million for the six months ended June 30, 2000 and 1999, respectively.

A summary of property and equipment is as follows:

	June 30, 2000	December 31, 1999
Other land	$ 82.6	$ 82.8
Non-depletable landfill land	47.2	46.4
Landfill development costs	839.9	827.6
Vehicles and equipment	951.4	961.3
Buildings and improvements	192.0	187.5
Construction-in-progress-landfill	45.2	44.3
Construction-in-progress-other	40.2	24.4
	2,198.5	2,174.3
Less: Accumulated depreciation, depletion and amortization -		
Landfill development costs	(154.1)	(135.1)
Vehicles and equipment	(400.6)	(399.9)
Building and improvements	(35.0)	(33.8)
	(589.7)	(568.8)
Property and equipment, net	$ 1,608.8	$ 1,605.5

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 assets exceeds the fair value of the assets.

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 and other intangible assets. The cost in excess of the fair value of net assets is amortized over forty years on a straight-line basis. Other intangible assets include values assigned to customer lists, long-term contracts and covenants not to compete and are amortized generally over periods ranging from 5 to 25 years. Accumulated amortization of intangible assets was $111.0 million and $100.4 million at June 30, 2000 and December 31, 1999, respectively.

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

6. NOTES PAYABLE AND LONG-TERM DEBT

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

	June 30, 2000	December 31, 1999
$225.0 million unsecured notes, net of unamortized discount of $.8 million and $1.0 million, respectively; interest payable semi-annually in May and November at 6 5/8%; principal due at maturity in 2004	$ 224.2	$ 224.0
$375.0 million unsecured notes, net of unamortized discount of $.5 million; interest payable semi-annually in May and November at 7 1/8%; principal due at maturity in 2009	374.5	374.5
$1.0 billion unsecured revolving credit facility; interest payable using LIBOR-based rates; $500.0 million matures July 2001 and $500.0 million matures 2003	430.0	552.0
Tax exempt bonds; interest at prevailing market rates	61.8	42.0
Other debt; unsecured and secured by real property, equipment and other assets	66.3	16.8
	1,156.8	1,209.3
Less: current portion	(53.8)	(57.2)
	$ 1,103.0	$ 1,152.1

Interest expense paid was $43.6 million (net of $1.5 million of capitalized interest) and $21.9 million (net of $3.0 million of capitalized interest) for the six months ended June 30, 2000 and 1999, respectively.

7. INCOME TAXES

Income taxes have been provided for based upon the Company's anticipated annual effective income tax rate. Income taxes paid were $17.3 million and $44.6 million for the six months ended June 30, 2000 and 1999, 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 on the 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.

Prior to the Company's initial public offering, employees of the Company were granted stock options under AutoNation stock option plans. As of March 2, 1999, options to purchase approximately 8.0 million shares of AutoNation common stock held by the Company's employees were canceled by AutoNation, and the Company's Compensation Committee granted replacement options on a one-for-one basis ("Replacement Options"). The Replacement Options retained the vesting and exercise rights of the original options. The exercise prices for individual replacement options were established to maintain the unrealized gain or loss on each option of AutoNation stock that was cancelled. Compensation expense related to the granting of certain replacement options at exercise prices below the fair market value of the Common Stock at the date of grant was approximately $2.0 million, and has been included in selling, general and administrative expenses in the Company's Unaudited Condensed Consolidated Statement of Operations for the six months ended June 30, 1999.

A summary of stock option transactions for the six months ended June 30, 2000 is as follows:

	Shares	Weighted-Average Exercise Price
Options outstanding at beginning of year....	15.0	$ 16.57
Granted....................................	.1	12.49
Cancelled..................................	.(3)	14.41
Options outstanding at June 30, 2000........	14.8	$ 16.57
Options exercisable at June 30, 2000........	7.6	$ 17.55

9. EARNINGS PER SHARE

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 and six months ended June 30, 2000 and 1999 is calculated as follows (in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	1999	2000	1999
Numerator:				
Net income	$ 59,200	$ 54,500	$109,400	$ 97,900
Denominator:				
Denominator for basic earnings per share	175,557	175,412	175,520	175,412
Effect of dilutive securities -- Options to purchase common stock....................................	297	1,068	153	547
Denominator for diluted earnings per share	175,854	176,480	175,673	175,959
Basic and diluted earnings per share	$ .34	$ .31	$ .62	$ .56
Antidilutive securities not included in the diluted earnings per share calculation:				
Options to purchase common stock	11,966	664	13,389	6,332
Weighted average exercise price	$ 17.75	$ 24.37	$ 17.12	$ 18.97

10. 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.

In September 1999, several lawsuits were filed by certain shareholders against the Company and certain of its officers and directors in the United States District Court for the Southern District of Florida. The plaintiffs in these lawsuits claim, on behalf of a purported class of purchasers of the Company's common stock between January 28, 1999 and August 28, 1999, that the defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 by, among other things, allegedly making materially false and misleading statements regarding the Company's growth and the assets acquired from Waste Management. On December 29, 1999 the Court consolidated these lawsuits and the consolidated action has been named In Re: Republic Services, Inc. Securities Litigation. The plaintiffs filed a consolidated complaint in February 2000 and the defendants filed a motion to dismiss the consolidated complaint in April 2000. The motion to dismiss has been fully briefed by the parties to the lawsuit and oral argument on the motion to dismiss has not yet

been scheduled. Management believes the allegations contained in the consolidated complaint are without merit and will vigorously defend this and any related actions. However, an unfavorable resolution of this lawsuit could have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows in one or more future periods.

LEASE COMMITMENTS

During December 1999, the Company entered into a $100.0 million operating lease facility established to finance the acquisition of operating equipment. At June 30, 2000, $64.2 million was outstanding under the lease facility, of which $20.3 million and $7.7 million was added during the three months ended June 30 and March 31, 2000, respectively. In addition, the Company and its subsidiaries lease real property, equipment and software under various other operating leases with terms from one to twenty-five years.

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 June 30, 2000 were $39.1 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 to post performance bonds, letters of credit and/or cash deposits as a financial guarantee of the Company's performance. To date, the Company has satisfied financial responsibility requirements for regulatory agencies by making cash deposits, obtaining bank letters of credit or by obtaining surety bonds. At June 30, 2000, surety bonds and letters of credit totaling $671.3 million were outstanding and will expire on various dates through 2007.

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. The Internal Revenue Service is auditing AutoNation's consolidated tax returns for fiscal years 1995 and 1996. 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 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.

11. RELATED PARTY TRANSACTIONS

In June 1998, the Company and AutoNation entered into a services agreement (the "Services Agreement") pursuant to which AutoNation agreed to provide to the Company certain accounting, auditing, cash management, corporate communications, corporate development, financial and treasury, human resources and benefit plan administration, insurance and risk management, legal, purchasing and tax services. The Services Agreement expired June 30, 1999. In exchange for the provision of such services, fees were payable by the Company to AutoNation in the amount of $1.25 million per month, subject to review and adjustment from time to time as the Company reduced the amount of services it obtained from AutoNation. Effective January 1, 1999, such fees payable by the Company to AutoNation were reduced to approximately $.9 million per month. The Company believes that the fees for services provided under the Services Agreement were no less favorable to the Company than could have been obtained internally or from unaffiliated third parties.

Charges under the Services Agreement during the three and six months ended June 30, 1999 were approximately $2.7 million and $5.3 million, respectively, and are included in selling, general and administrative expenses.

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 as of and for the year ended December 31, 1999.

The accompanying historical Unaudited Condensed Consolidated Financial Statements through the date of the secondary offering in May 1999 reflect our accounts as a subsidiary of AutoNation subject to charges under the Services Agreement as described in Note 11, Related Party Transactions, of the Notes to Unaudited Condensed Consolidated Financial Statements. The historical consolidated financial information contained in this Form 10-Q does not necessarily reflect our financial position or results of operations as a separate, stand-alone entity.

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 136 collection companies in 22 states. We also own or operate 75 transfer stations and 53 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 and composting operations.

The following table reflects our total revenue by source for the three and six months ended June 30, 2000 and 1999 (in millions):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2000		1999		2000		1999	
Collection:								
Residential	$ 105.5	19.8%	$ 93.5	20.2%	$ 206.2	19.9%	$ 176.9	20.3%
Commercial	154.4	29.0	132.5	28.5	304.5	29.5	257.8	29.6
Industrial	123.5	23.1	107.5	23.2	238.3	23.0	197.1	22.6
Other	15.6	2.9	11.9	2.6	31.0	3.0	22.9	2.6
Total collection .	399.0	74.8	345.4	74.5	780.0	75.4	654.7	75.1
Transfer and disposal	155.4		118.4		289.1		208.7	
Less: Intercompany	(63.6)		(39.8)		(113.2)		(67.3)	
Transfer and disposal, net	91.8	17.2	78.6	17.0	175.9	17.0	141.4	16.2
Other	42.7	8.0	39.8	8.5	79.1	7.6	75.3	8.7
Total revenue	$ 533.5	100.0%	$ 463.8	100.0%	$1,035.0	100.0%	$ 871.4	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 operations 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 try to be more efficient by controlling the movement of waste streams from the point of collection through disposal. During the three months ended June 30, 2000, approximately 50% 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 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 our 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. Businesses acquired are accounted for using the purchase method of accounting and are included in the Unaudited Condensed Consolidated Financial Statements from the date of acquisition.

In September 1998, we entered into a definitive agreement with Waste Management, Inc. to acquire certain assets. The assets acquired included 16 landfills, 11 transfer stations and 136 commercial collection routes across the United States as well as disposal agreements at various Waste Management facilities. By June 1999, we had completed the purchases of the assets for approximately $479.6 million in cash plus properties, $292.7 million of which were acquired during the six months ended June 30, 1999.

In addition to the acquisitions from Waste Management, we also acquired various other solid waste businesses during the six months ended June 30, 1999. The aggregate purchase price paid by us in these transactions was $339.4 million in cash.

In July 1999, we entered into a definitive agreement with Allied Waste Industries, Inc. to acquire certain solid waste assets for approximately $230.0 million in cash. In October 1999, after failing to receive regulatory approval relating to the acquisition of certain of the assets, the agreement was amended for us to acquire one landfill operation, five transfer stations and a subset of small container hauling assets from four collection operations for a reduced purchase price. By June 30, 2000, we had completed the purchase of these assets for approximately $68.0 million in cash, $48.3 million of which were acquired during the six months ended June 30, 2000. In addition, we entered into a definitive agreement with Allied for the simultaneous purchase and sale of certain other solid waste assets. During the six months ended June 30, 2000, we and Allied closed on a majority of these assets. Our proceeds from the cash portion of the exchange of assets were $26.1 million. The remaining portion of these transactions were closed in July 2000. All of these transactions will be accounted for under the purchase method of accounting.

In addition to the acquisitions from Allied, we also acquired various other solid waste businesses during the six months ended June 30, 2000. The aggregate purchase price paid by us in these transactions was $36.1 million in cash.

See Note 2, 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 $59.2 million for the three months ended June 30, 2000, or $.34 per share, as compared to $54.5 million, or $.31 per share, for the three months ended June 30, 1999. Net income was $109.4 million for the six months ended June 30, 2000, or $.62 per share, as compared to $97.9 million, or $.56 per share, for the six months ended June 30, 1999.

The following table summarizes our costs and expenses in millions of dollars and as a percentage of our revenue for the three and six months ended June 30, 2000 and 1999:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2000		1999		2000		1999	
Revenue	$533.5	100.0%	$463.8	100.0%	$1,035.0	100.0%	$ 871.4	100.0%
Expenses:								
Cost of operations	320.5	60.1	278.3	60.0	626.6	60.5	527.1	60.5
Depreciation, amortization and depletion of property and equipment	39.2	7.3	32.0	6.9	76.1	7.4	58.3	6.7
Amortization of intangible assets	10.0	1.9	7.6	1.6	19.4	1.9	14.7	1.7
Selling, general and administrative expenses	47.9	9.0	43.3	9.4	95.3	9.2	85.3	9.8
Other charges	--	--	--	--	--	--	4.0	.4
Operating income	$ 115.9	21.7%	$102.6	22.1%	$ 217.6	21.0%	$ 182.0	20.9%

Revenue was $533.5 million and $463.8 million for the three months ended June 30, 2000 and 1999, respectively, an increase of 15.0%. Revenue was $1,035.0 million and $871.4 million for the six months ended June 30, 2000 and 1999, respectively, an increase of 18.8%. The following table reflects the components of our revenue growth for the three and six months ended June 30, 2000 and 1999:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	1999	2000	1999
Price	2.5%	2.2%	2.5%	2.2%
Volume	5.3	6.1	5.6	6.0
Total internal growth	7.8	8.3	8.1	8.2
Acquisitions	7.2	28.6	10.7	27.8
Total revenue growth	15.0%	36.9%	18.8%	36.0%

The increases in revenue for the three and six months ended June 30, 2000 versus the comparable 1999 periods are due primarily to increases in collection and transfer and disposal operations.

Cost of operations was $320.5 million and $626.6 million for the three and six months ended June 30, 2000 versus $278.3 million and $527.1 million for the comparable 1999 periods. The increase in aggregate dollars is primarily due to acquisitions. Cost of operations as a percentage of revenue was 60.1% and 60.5% for the three and six months ended June 30, 2000 versus 60.0% and 60.5% for the comparable 1999 periods. The increase in costs of operation as a percentage of revenue for the three months ended June 30, 2000 versus the comparable period last year is primarily due to increased fuel costs partially offset by various cost reductions.

Expenses for depreciation, amortization and depletion of property and equipment were $39.2 million and $76.1 million for the three and six months ended June 30, 2000 versus $32.0 million and $58.3 million for the comparable 1999 periods. Expenses for depreciation, amortization and depletion of property and equipment as a percentage of revenue were 7.3% and 7.4% for the three and six months ended June 30, 2000 versus 6.9% and 6.7% for the comparable 1999 periods. The increase in such expenses in aggregate dollars and as a percentage of revenue is primarily due to acquisitions and capital expenditures.

Expenses for amortization of intangible assets were $10.0 million and $19.4 million for the three and six months ended June 30, 2000 versus $7.6 million and $14.7 million for the comparable 1999 periods. Amortization of intangible assets as a percentage of revenue was 1.9% for the three and six months ended June 30, 2000 versus 1.6% and 1.7% for the comparable 1999 periods. The increase in such expenses in aggregate dollars and as a percentage of revenue is primarily due to acquisitions accounted for using the purchase method of accounting.

Selling, general and administrative expenses were $47.9 million and $95.3 million for the three and six months ended June 30, 2000 versus $43.3 million and $85.3 million for the comparable 1999 periods. The increase in aggregate dollars is primarily due to acquisitions. Selling, general and administrative expenses as a percentage of revenue were 9.0% and 9.2% for the three and six months ended June 30, 2000 versus 9.4% and 9.8% for the comparable 1999 periods. The decrease in such expenses as a percentage of revenue is primarily due to leveraging the existing overhead structure over an expanding revenue base.

Included in selling, general and administrative expenses are fees paid to AutoNation under the Services Agreement of $2.7 million and $5.3 million for the three and six months ended June 30, 1999. See Note 11, Related Party Transactions, of the Notes to Unaudited Condensed Consolidated Financial Statements for further information.

Other charges were $4.0 million for the six months ended June 30, 1999. These costs relate to the Company's separation from AutoNation and consist of approximately $2.0 million of compensation expense related to the granting of certain replacement employee stock options at exercise prices below the quoted market price of our Common Stock at the date of grant (see Note 8, Stock Options, of the Notes to Unaudited Condensed Consolidated Financial Statements) and approximately $2.0 million of additional charges directly related to the separation.

INTEREST EXPENSE

Interest expense was $20.2 million and $40.6 million for the three and six months ended June 30, 2000 versus $14.4 million and $25.7 million for the comparable 1999 periods. Interest expense for the three and six months ended June 30, 2000 relates primarily to borrowings under our unsecured notes and revolving credit facility. Proceeds from the sale of the unsecured notes in 1999 were used to repay the revolving credit facility. Borrowings under the revolving credit facility were used primarily to fund acquisitions and capital expenditures.

Capitalized interest was $.8 million and $1.5 million for the three and six months ended June 30, 2000 versus $1.3 million and $3.0 million for the comparable 1999 periods.

INTEREST AND OTHER INCOME (EXPENSE), NET

Interest and other income, net of other expense, was $.5 million and $.8 million for the three and six months ended June 30, 2000 versus $.4 million and $2.9 million for the comparable prior year periods. The decrease in interest income for the six months ended June 30, 2000 versus the comparable period in 1999 is primarily due to higher average cash balances on hand during 1999.

INCOME TAXES

The provision for income taxes was $37.0 million and $68.4 million for the three and six months ended June 30, 2000 versus $34.1 million and $61.3 million for the comparable prior year periods. The effective income tax rate was 38.5% for the three and six months ended June 30, 2000 and 1999. 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 six months ended June 30, 2000:

	Balance as of December 31, 1999	New Expansion Undertaken	Landfills Acquired, Net of Divestitures	Permits Granted	Airspace Consumed	Balance as of June 30, 2000
Permitted airspace:						
Cubic yards (in millions)..	1,304.1		8.9	28.3	(15.6)	1,325.7
Number of sites............	55		(2)			53
Expansion airspace:						
Cubic yards (in millions)..	369.7	31.4	(27.1)	(28.3)		345.7
Number of sites............	20	2	(1)	(1)		20
Total available airspace:						
Cubic yards (in millions)..	1,673.8	31.4	(18.2)	--	(15.6)	1,671.4
Number of sites............	55		(2)			53

As of June 30, 2000, we owned or operated 53 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 June 30, 2000, 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 3, Landfill and Accrued Environmental Costs, of the Notes to our Unaudited Condensed Consolidated Financial Statements for further information.

As of June 30, 2000, 20 of our landfills meet the criteria for including expansion airspace in their total available disposal capacity. At projected annual volumes, these 20 landfills have an estimated remaining average site life of 33 years, including the expansion airspace. The average estimated remaining life of all of our landfills is 38 years.

As of June 30, 2000, 4 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 June 30, 2000, 6 of our 20 landfills that meet the criteria for including expansion airspace had submitted permit applications to state authorities. The remaining 10 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.

CLOSURE AND POST-CLOSURE COSTS

During the six months ended June 30, 2000, we consumed approximately 15.6 million cubic yards of airspace. During this same period, charges to expense for closure and post-closure were $10.7 million, or $.69 per cubic yard. As of June 30, 2000, accrued closure and post-closure costs were $166.9 million. The current portion of these costs of $18.6 million is reflected in our Unaudited Condensed Consolidated Balance Sheet in other current liabilities. The long-term portion of these costs of $148.3 million is reflected in our Unaudited Condensed Consolidated Balance Sheet in accrued environmental and landfill costs. As of June 30, 2000, assuming that all available landfill capacity is used, we expect to expense approximately $545.3 million of additional closure and post-closure costs over the remaining lives of our facilities.

Our estimates for closure and post-closure 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. Thus, if we discounted such costs, assuming closure and post-closure payments were made ratably over the life of the landfill and the post-closure period, respectively, and assuming the costs in current dollars are inflated by 2% until the expected time of payment and then discounted to present value at 6%, closure and post-closure expense would be reduced to $5.9 million, or $.38 per cubic yard, for the six months ended June 30, 2000, a reduction of $4.8 million, or $.31 per cubic yard, from recorded expense. In addition, if we discounted such costs, the present value of the expected future expense related to closure and post-closure assuming all available landfill capacity is used would decrease to $237.1 million.

INVESTMENT IN LANDFILLS

The following table reflects changes in our investments in landfills for the six months ended June 30, 2000 and the future expected investment as of June 30, 2000 (in millions):

	Balance as of December 31, 1999	Capital Additions	Landfills Acquired, Net of Divestures	Transfers and Adjustments	Additions Charged to Expense	Balance as of June 30, 2000	Expected Future Investment	Total Expected Investment
Non-depletable landfill land.....................	$ 46.4	$ --	$ .7	$ .1	$ --	$ 47.2	$ --	$ 47.2
Landfill development costs	827.6	4.3	(12.7)	20.7	--	839.9	1,014.0	1,853.9
Construction in progress -- landfill.....	44.3	24.4	(.1)	(23.4)	--	45.2	--	45.2
Accumulated depletion and amortization.............	(135.1)	--	10.5	.3	(29.7)	(154.0)	--	(154.0)
Net investment in landfill land and development costs.....................	$ 783.2	$28.7	$ (1.6)	$ (2.3)	$(29.7)	$ 778.3	$1,014.0	$1,792.3

As of December 31, 1999, we owned or operated 55 solid waste landfills with total available disposal capacity estimated to be 1.7 billion in-place cubic yards. Our net investment in these landfills, excluding non-depletable land, was $736.8 million, or approximately $.44 per cubic yard.

As of June 30, 2000, we owned or operated 53 solid waste landfills with total available disposal capacity estimated to be 1.7 billion in-place cubic yards. Our net investment in these landfills, excluding non-depletable land, was $731.1 million, or $.44 per cubic yard. During the six months ended June 30, 2000, our depletion and amortization expense relating to landfills was $29.7 million, or $1.90 per cubic yard.

As of June 30, 2000, we expect to spend an estimated additional $1.0 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 $1,745.1 million, or $1.04 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 six months ended June 30, 2000 and 1999, respectively.

FINANCIAL CONDITION

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 July 2001 and the remaining $500.0 million expires in July 2003. Borrowings under the credit facility bear interest at LIBOR-based rates. We use our own operating cash flow and proceeds from our credit facilities to finance our working capital, capital expenditures, acquisitions and other requirements. As of June 30, 2000, we had approximately $498.2 million of availability 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 a $100.0 million operating lease facility established to finance the acquisition of operating equipment. As of June 30, 2000, $64.2 million was outstanding under this facility.

We believe that we currently have 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 terms as favorable as our existing facilities and notes, 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 six months ended June 30, 2000 (in millions):

	Allowance for Doubtful Accounts	Closure and Post-Closure	Self-Insurance	Amounts Due to Former Owners
Balance, December 31, 1999	$ 14.2	$ 152.3	$ 38.4	$ 47.0
Additions charged to expense	5.3	10.7	45.0	--
Additions due to acquisitions, net of divestitures	.5	9.6	--	4.4
Usage	(6.2)	(5.7)	(44.3)	(27.1)
Balance, June 30, 2000	13.8	166.9	39.1	24.3
Current portion	13.8	19.7	20.8	24.3
Long-term portion	$ --	$ 147.2	$ 18.3	$ --

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 June 30, 2000, accounts receivable were $246.8 million, net of allowance for doubtful accounts of $13.8 million, resulting in days sales outstanding of 43, or 32 days net of deferred revenue.

PROPERTY, PLANT AND EQUIPMENT

The following tables reflect the activity in our property, plant and equipment accounts for the six months ended June 30, 2000 (in millions):

	Gross Property, Plant and Equipment					
	Balance as of December 31, 1999	Capital Additions	Retirements	Landfills Acquired, Net of Divestures	Transfers and Adjustments	Balance as of June 30, 2000
Other land	$ 82.8	$ .1	$ --	$ (1.2)	$ .9	$ 82.6
Non-depletable landfill land	46.4	--	--	.7	.1	47.2
Landfill development costs	827.6	4.3	--	(12.7)	20.7	839.9
Vehicles and equipment	961.3	29.3	(20.4)	(30.9)	12.1	951.4
Buildings and improvements	187.5	4.8	(.1)	(5.5)	5.3	192.0
Construction in progress -- landfill	44.3	24.4	--	(.1)	(23.4)	45.2
Construction in progress -- other	24.4	34.9	--	(1.8)	(17.3)	40.2
Total	$2,174.3	$97.8	$(20.5)	$(51.5)	$ (1.6)	$2,198.5

	Accumulated Depreciation, Amortization and Depletion					
	Balance as of December 31, 1999	Additions Charged to Expense	Retirements	Divestitures	Transfers and Adjustments	Balance as of June 30, 2000
Landfill development costs	$ (135.1)	$(29.7)	$ --	$10.5	$ .2	$(154.1)
Vehicles and equipment...	(399.9)	(43.2)	12.5	29.0	1.0	(400.6)
Buildings and improvements	(33.8)	(3.2)	.1	1.9	--	(35.0)
Total...........	$ (568.8)	$(76.1)	$12.6	$41.4	$1.2	$(589.7)

The tables above exclude $64.2 million of operating equipment consisting primarily of revenue producing vehicles that were subject to our operating lease facility as of June 30, 2000.

LIQUIDITY AND CAPITAL RESOURCES

The major components of changes in cash flows for the six months ended June 30, 2000 and 1999 are discussed below.

CASH FLOW FROM OPERATING ACTIVITIES. Cash provided by operating activities was $227.2 million and $140.3 million for the six months ended June 30, 2000 and 1999, respectively. The changes in cash provided by operating activities during the periods are due to expansion of our business.

CASH FLOWS FROM INVESTING ACTIVITIES. Cash flows from investing activities consist primarily of cash used for business acquisitions and capital additions. Cash used to acquire businesses, net of cash acquired, was $84.4 million and $629.4 million during the six months ended June 30, 2000 and 1999, respectively.

We intend to finance capital expenditures and acquisitions through cash on hand, cash flow from operations, our $1.0 billion revolving credit facility and other financing. We expect to use primarily cash for future business acquisitions.

CASH FLOWS FROM FINANCING ACTIVITIES. Cash flows from financing activities for the six months ended June 30, 2000 and 1999 included net repayments of commercial bank debt. In May 1999, we sold unsecured notes with a face value of $600.0 million at a discounted price of $598.5 million. Proceeds from the notes were used to repay our revolving credit facility. In December 1999, we entered into a $100.0 million operating lease facility established to finance the acquisition of operating equipment consisting primarily of revenue-producing vehicles. At June 30, 2000, $64.2 million was outstanding under this facility.

We used proceeds from bank facilities and unsecured notes to fund acquisitions and capital additions, and repay debt.

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 June 1999, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 137, "Accounting for Derivative Instruments and Hedging Activities -- Deferral of the Effective Date of FASB Statement No. 133". SFAS 137 amends FASB Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," by deferring the effective date of SFAS 133 to fiscal years beginning after June 15, 2000. SFAS 133 was further amended in June 2000 by the issuance of SFAS 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities - An Amendment of FASB Statement No. 133". SFAS 133, as amended, establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. SFAS 133, as amended, requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. We will adopt SFAS 133, as amended, beginning January 1, 2001. We do not expect adoption of this standard to have a material impact on 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 which include, among other things, the discussions of our growth and operating strategies and expectations concerning market position, future operations, margins, revenue, profitability, liquidity and capital resources, as well as statements concerning the integration of the operations of acquired businesses and achievement of financial benefits and operational efficiencies in connection therewith. 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, plant and equipment, turn out to be correct or appropriate, and various factors that will impact our actual business and financial performance such as competition in the solid waste industry; our dependence on acquisitions for growth; our ability to manage growth; 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 obtain financing on acceptable terms to finance our operations and growth strategy and of our company to operate within the limitations imposed by financing arrangements; our dependence on key personnel; general economic conditions; our dependence on large, long-term collection contracts; risk associated with undisclosed liabilities of acquired businesses; risks associated with pending legal proceedings; and other factors contained in this section and other factors contained in our filings with the Securities and Exchange Commission. We assume no duty to update the forward looking statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our market sensitive financial instruments consist primarily of variable rate debt. Therefore, the Company's market risk exposure is with 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.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are and will continue to be involved in various administrative and legal proceedings in the ordinary course of business. We can give you no assurance regarding the outcome of these proceedings or the effect their outcomes may have, or that our insurance coverages or reserves are adequate. A significant judgment against our company, the loss of significant permits or licenses, or the imposition of a significant fine could have a material adverse effect on our financial position, results of operations or prospects.

In September 1999, several lawsuits were filed by certain shareholders against us and certain of our officers and directors in the United States District Court for the Southern District of Florida. The plaintiffs in these lawsuits claim, on behalf of a purported class of purchasers of our common stock between January 28, 1999 and August 28, 1999, that the defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 by, among other things, allegedly making materially false and misleading statements regarding our growth and the assets we acquired from Waste Management. On December 29, 1999, the Court consolidated these lawsuits and the consolidated action has been named In Re: Republic Services, Inc. Securities Litigation. The plaintiffs filed a consolidated complaint in February 2000 and the defendants filed a motion to dismiss the consolidated complaint in April 2000. The motion to dismiss has been fully briefed by the parties to the lawsuit and oral argument on the motion to dismiss has not yet been scheduled. We believe the allegations contained in the consolidated complaint are without merit and we will vigorously defend this and any related actions. However, an unfavorable resolution of this lawsuit could have a material adverse effect on our financial position, results of operations or cash flow in one or more future periods.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On May 9, 2000, we held our annual stockholders meeting. The holders of 159,509,315 shares of Common Stock were present in person or represented by proxy at the meeting. At the meeting, our stockholders took the following actions:

The stockholders elected the following persons to serve as our directors until the next annual meeting of stockholders or until their respective successors are duly elected and qualified:

	Number of Votes For	Number of Votes Withheld
H. Wayne Huizenga	157,810,426	1,698,889
Harris W. Hudson	157,869,353	1,639,962
James E. O'Connor	157,876,083	1,633,232
John W. Croghan	159,160,351	348,964
Ramon A. Rodriguez	159,167,033	342,282
Allan C. Sorensen	159,163,801	345,514

The stockholders approved and adopted our 1998 Stock Incentive Plan in order to qualify grants under the plan as performance-based compensation. This proposal received 146,070,437 votes for adoption and 12,967,655 votes against adoption. 471,223 votes were withheld.

The stockholders also ratified the appointment of Arthur Andersen LLP as our independent public accountants for fiscal 2000. This proposal received 159,405,295 votes for ratification and 62,567 votes against ratification. 41,453 votes were withheld.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

4.1 The Common Stock Certificate of the Company.

4.2 Second Amendment to the Long Term Credit Agreement, dated June 20, 2000, among the Company, Bank of America National Trust and Savings Association, as Administrative Agent, and the several financial institutions party thereto.

27.1 Financial Data Schedule for the Three and Six Months Ended June 30, 2000 (for SEC use only).

(b) Reports on Form 8-K:

Form 8-K, dated April 25, 2000 and filed April 26, 2000, including a press release announcing the Company's operating results for the three months ended March 31, 2000.

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: August 9, 2000

EXHIBIT INDEX

Exhibit No.	Description of Exhibit
4.1	The Common Stock Certificate of the Company.
4.2	Second Amendment to the Long Term Credit Agreement, dated June 20, 2000, among the Company, Bank of America National Trust and Savings Association, as Administrative Agent, and the several financial institutions party thereto.
27.1	Financial Data Schedule for the Three and Six Months Ended June 30, 2000 (for SEC use only).

Exhibit 4.1

STOCK CERTIFICATE

NUMBER RSG

SHARES

COMMON STOCK
THIS CERTIFICATE IS TRANSFERABLE
IN CHARLOTTE, NC AND NEW YORK, NY.

COMMON STOCK
CUSIP 760759 10 0

REPUBLIC SERVICES, INC.
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

THIS CERTIFIES THAT

SEE REVERSE FOR CERTAIN DEFINITIONS

IS THE OWNER OF

FULLY PAID AND NON-ASSESSABLE SHARES OF THE COMMON STOCK, PAR VALUE $.01, OF

Republic Services, Inc. transferable on the books of the Corporation in person or by duly authorized attorney upon surrender of this Certificate properly endorsed. This certificate and the shares evidenced hereby are issued under and shall be subject to all of the provisions of the Certificate of Incorporation of the Corporation and any amendments thereto, copies of which are on file with the Corporation and the Transfer Agent, to all of which the holder by acceptance hereof assumes. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

Witness the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated:____________

/s/ Harris W. Hudson
- ------------------------
VICE CHAIRMAN AND SECRETARY

/s/ H. Wayne Huizenga

CHAIRMAN

[CORPORATE SEAL OMITTED]
REPUBLIC SERVICES, INC.
SEAL 1996
DELAWARE

Countersigned and Registered:

FIRST UNION NATIONAL BANK
(CHARLOTTE, NC)

Transfer Agent
and Registrar

By

Authorized Signature

REPUBLIC SERVICES, INC.

THE COMPANY WILL FURNISH WITHOUT CHARGE TO EACH STOCKHOLDER WHO SO REQUESTS, THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OR SERIES THEREOF OF THE COMPANY AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND/OR RIGHTS. SUCH REQUEST MAY BE MADE TO THE OFFICE OF THE SECRETARY OF THE COMPANY.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with rights of surviorship and not as tenants in common

UNIF GIFT MIN ACT-___________CUSTODIAN ___________
(Cust) (Minor)
under Uniform Gifts to Minors
Act ______________
(State)

Additional abbreviations may also be used though not in the above list.

For value received, ______________ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

- --------------------------------------

- --------------------------------------

- --
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE OF ASSIGNEE)

- --

- --

- --

shares of the capital stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_______________________________ Attorney to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated:__________________

NOTICE: THE SIGNATURE TO THE ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

SIGNATURE(S)
GUARANTEED:

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

Exhibit 4.2

SECOND AMENDMENT AGREEMENT
TO LONG TERM CREDIT AGREEMENT

THIS AMENDMENT AGREEMENT (this "Amendment Agreement") is made and entered into as of this 20th day of June, 2000, by and among REPUBLIC SERVICES, INC., a Delaware corporation (herein called the "Company"), the several financial institutions signatory hereto (collectively, the "Lenders"; individually each a "Lender") and BANK OF AMERICA, N.A. (successor by merger of Bank of America National Trust and Savings Association), as administrative agent for the Lenders (the "Administrative Agent").

W I T N E S S E T H:

WHEREAS, the Company, the Administrative Agent and the Lenders have entered into a Long Term Credit Agreement dated July 10, 1998, as amended (the "Agreement") pursuant to which the Lenders have agreed to make loans to the Company in the aggregate principal amount of up to $500,000,000 as evidenced by the Notes (as defined in the Agreement) and to issue Letters of Credit for the benefit of the Company; and

WHEREAS, the Company has requested that the Agreement be amended in the manner described herein and the Administrative Agent and the Lenders have agreed, subject to the terms and conditions hereof, to make such amendment, as provided herein;

NOW, THEREFORE, the Company, the Administrative Agent and the Lenders do hereby agree as follows:

1. DEFINITIONS. The term "Agreement" as used herein and in the Loan Documents (as defined in the Agreement) shall mean the Agreement as hereinafter amended and modified. Unless the context otherwise requires, all terms used herein without definition shall have the definition provided therefor in the Agreement.

2. AMENDMENT. Subject to the conditions set forth herein, the Agreement is hereby amended, effective as of the date hereof, as follows:

(a) The following new definitions are hereby added to SECTION 1.1 in the appropriate alphabetical order:

"CANADIAN CURRENCY EQUIVALENT AMOUNT means, with respect to the Canadian Dollar and a specified Dollar amount, the amount of Canadian Dollars into which such Dollar amount would be converted, based on the Exchange Rate.

CANADIAN DOLLARS means the lawful currency of Canada.

CANADIAN L/C means a Letter of Credit which is denominated in Canadian Dollars.

DOLLAR EQUIVALENT AMOUNT means, with respect to a Canadian Dollar amount, the amount of Dollars into which the Canadian Dollar amount would be converted, based on the applicable Exchange Rate.

DOLLAR VALUE of a Letter of Credit in a Canadian Dollar amount means the Dollar Equivalent Amount of the stated amount of such Letter of Credit as recorded in the Administrative Agent's records pursuant to SECTION 3.1(C).

EXCHANGE RATE means, with respect to the issuance of a Canadian L/C, the Spot Rate of Exchange as of the date two Business Days preceding the Valuation Date.

SPOT RATE OF EXCHANGE means, (i) in determining the Dollar Equivalent Amount of a specified Canadian Dollar amount as of any date, the spot exchange rate determined by the Administrative Agent in accordance with its usual procedures for the purchase by the Administrative Agent of Dollars with Canadian Dollars at approximately 10:00 A.M. on the Business Day that is two (2) Business Days prior to such date, and (ii) in determining the Canadian Currency Equivalent Amount of a specified Dollar amount on any date, the spot exchange rate determined by the Administrative Agent in accordance with its usual procedures for the purchase by the Administrative Agent of Canadian

Dollars with Dollars at approximately 10:00 A.M. on the Business Day that is two (2) Business Days prior to such date.

VALUATION DATE means any of (i) the date of any Credit Extension, (ii) the date of any L/C Borrowing, and (iii) any other date when there are outstanding Canadian L/Cs that the Administrative Agent shall determine the Dollar Equivalent Amount of Canadian L/Cs."

(b) The definition of "L/C Obligations" in SECTION 1.1 is hereby amended in its entirety so that as amended it shall read as follows:

"L/C OBLIGATIONS means at any time the sum of (a) the aggregate Dollar Equivalent Amount of all undrawn Canadian L/Cs and Dollar amount of all other undrawn Letters of Credit then outstanding, plus (b) the Dollar Equivalent Amount of all unreimbursed drawings under all Canadian L/Cs, plus (c) the Dollar amount of all unreimbursed drawings under all other Letters of Credit, including all outstanding L/C Borrowings."

(c) CLAUSE (V) of SECTION 3.1(B) is amended in its entirety so that as amended it shall read as follows:

"(v) such Letter of Credit is denominated in a currency other than Dollars, or, in the case of BofA only, in a currency other than Dollars or Canadian Dollars."

(d) A new subsection (c) is hereby added to SECTION 3.1 which subsection (c) shall read as follows:

"(c) On the terms and conditions set forth herein, BofA may Issue upon request and for the account of the Company a standby Canadian L/C. For purposes of determining L/C Obligations, any Canadian L/C shall be recorded in the Administrative Agent's account in Dollars based on the Dollar Equivalent Amount on the date of issuance of such Canadian L/C; PROVIDED, HOWEVER, that the Administrative Agent shall determine the Dollar Equivalent Amount of any Canadian L/C on the Valuation Date for the purpose of determining L/C Obligations. Any draw on a Canadian L/C shall be repaid in Canadian Dollars in an amount equal to the amount of the draw in Canadian Dollars. If at any time there is a drawing under a Canadian L/C and the Company shall not promptly reimburse such drawing as provided in SECTION 3.3, the Company shall be obligated to immediately repay to the Administrative Agent for the benefit of the Lenders an amount in Dollars equal to the Dollar Equivalent Amount of the Canadian Dollars paid by BofA to the beneficiary of such Canadian L/C on the date of such drawing."

(e) Subsection (a) of SECTION 3.8 is amended in its entirety so that as amended it shall read as follows:

"(a) The Company shall pay to the Administrative Agent for the account of each Lender a letter of credit fee with respect to each Letter of Credit equal to the L/C Fee Rate (plus, upon notice from the Administrative Agent (acting at the request or with the consent of the Required Lenders) during the existence of an Event of Default, and for so long as such Event of Default shall continue, 2%) per annum of the average daily maximum amount available to be drawn on such Letter of Credit or in the case of a Canadian L/C the Dollar Equivalent Amount of the average daily maximum amount, computed on a quarterly basis and on the Termination Date (or such later date on which such Letter of Credit shall expire or be fully drawn)."

(f) SECTION 8.6 is hereby amended in its entirety so that as amended it shall read as follows:

"8.6 LIMITATIONS ON SUBSIDIARY INDEBTEDNESS. The Company shall not permit the sum of the aggregate amount of all Indebtedness of Subsidiaries (excluding (i) the existing Indebtedness listed on SCHEDULE 8.6 and extensions, renewals and refinancings thereof so long as the principal amount thereof is not increased and (ii) extensions of credit permitted under SECTION 8.5(C)) to exceed 20% of Consolidated Tangible Assets."

3. REPRESENTATIONS AND WARRANTIES. The Company hereby represents and warrants that:

(a) The representations and warranties made by Company in ARTICLE VI of the Agreement are true on and as of the date hereof;

(b) There has been no material adverse change in the condition, financial or otherwise, of the Company and its Subsidiaries since the date of the most recent financial reports of the Company received by each Lender under SECTION 7.1 thereof, other than changes in the ordinary course of business, none of which has a Material Adverse Effect;

(c) The business and properties of the Company and its Subsidiaries are not and have not been adversely affected in any substantial way as the result of any fire, explosion, earthquake, accident, strike, lockout, combination of workers, flood, embargo, riot, activities of armed forces, war or acts of God or the public enemy, or cancellation or loss of any major contracts; and

(d) No event has occurred and no condition exists which, upon the consummation of the transaction contemplated hereby, constitutes an Unmatured Event of Default or an Event of Default on the part of the Company under the Agreement, the Notes or any other Loan Document either immediately or with the lapse of time or the giving of notice, or both.

4. CONDITIONS. This Amendment Agreement shall become effective upon the Company delivering to the Administrative Agent (i) seventeen (17) counterparts of this Amendment Agreement duly executed by the Company, the Administrative Agent and the Lenders and (ii) receipt by the Administrative Agent of all fees and expenses due in connection with this Amendment Agreement.

5. ENTIRE AGREEMENT. This Amendment Agreement sets forth the entire understanding and agreement of the parties hereto in relation to the subject matter hereof and supersedes any prior negotiations and agreements among the parties relative to such subject matter. No promise, conditions, representation or warranty, express or implied, not herein set forth shall bind any party hereto, and no one of them has relied on any such promise, condition, representation or warranty. Each of the parties hereto acknowledges that, except as in this Amendment Agreement otherwise expressly stated, no representations, warranties or commitments, express or implied, have been made by any other party to the other. None of the terms or conditions of this Amendment Agreement may be changed, modified, waived or canceled orally or otherwise, except by writing, in the manner provided in the Agreement, specifying such change, modification, waiver or cancellation of such terms or conditions, or of any proceeding or succeeding breach thereof.

6. FULL FORCE AND EFFECT OF AGREEMENT. Except as hereby specifically amended, modified or supplemented, the Agreement and all of the other Loan Documents are hereby confirmed and ratified in all respects and shall remain in full force and effect according to their respective terms.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment Agreement to be duly executed by their duly authorized officers, all as of the day and year first above written.

COMPANY:

REPUBLIC SERVICES, INC.

WITNESS:

/s/ R. MALLOY MCKEITHEN

By: /s/ EDWARD LANG

Name: Edward Lang
Title: Vice President-Finance & Treasurer

/s/ TERRY L. WITCHER

BANK OF AMERICA, N.A.,
as Administrative Agent and a
Documentation Agent

By: /s/ RICHARD M. STARKE

Name: Richard M. Starke
Title: Managing Director

BANK OF AMERICA, N.A., as Swing Line
Lender, as an Issuing Lender and as a Lender

By: /s/ RICHARD M. STARKE

Name: Richard M. Starke
Title: Managing Director

THE CHASE MANHATTAN BANK,
as Documentation Agent and as a Lender

By: /s/ GAIL WEISS

Name: Gail Weiss

Title: Vice President

BANK ONE, N.A.,
as Documentation Agent, as an Issuing
Lender and as a Lender

By: /s/ DIANNA MCCARTHY

Name: Dianna McCarthy

Title: Vice President

ABN AMRO BANK, N.V.,
as a Lender

By: /s/ LAURIE D. FLOM

Name: Laurie D. Flom

Title: Group Vice President

By: /s/ MARY L. HONDA

Name: Mary L. Honda

Title: Vice President

BANCA DI ROMA,
as a Lender

By: /s/ STEVEN PALEY

Name: Steven Paley

Title: FVP

By: /s/ ALESSANDRO PAOLI

Name: Alessandro Paoli

Title: Asst. Treasurer

BANK OF NEW YORK,
as a Lender

By: /s/ DAVID SIEGEL

Name: David Siegel

Title: Vice President

CIBC, INC.,
as a Lender

By: /s/ STEPHANIE E. DEVANE

Name: Stephanie E. Devane

Title: Executive Director

CIBC World Market Corp., as agent

CITIBANK, N.A.,
as a Lender

By: /s/ DAVID L. HARRIS

Name: David L. Harris

Title: Vice President

COMMERZBANK AG, NEW YORK AND
GRAND CAYMAN BRANCHES,
as a Lender

By: /s/ HARRY P. YERGEY
Name: Harry P. Yergey
Title: Senior Vice President & Manager

By: /s/ SUBASH R. VISWANATHAN
Name: Subash R. Viswanathan
Title: Vice President

DEUTSCHE BANK AG, NEW YORK
AND/OR CAYMAN ISLANDS BRANCH
as a Lender

By: /s/ IAIN STUART

Name: Iain Stuart

Title: Vice President

By: /s/ STEPHANIE STROKE

Name: Stephanie Stroke

Title: Vice President

AMSOUTH BANK,
as a Lender

By:

Name:

Title:

FIRST UNION NATIONAL BANK,
as a Lender

By: /s/ MARY A. MORGAN

Name: Mary A. Morgan

Title: SVP

FLEET NATIONAL BANK,
as a Lender

By: /s/ MICHAEL NATOCA

Name: Michael Natoca

Title: Vice President

SUNTRUST BANK,
as a Lender

By: /s/ W. DAVID WISDOM

Name: W. David Wisdom

Title: Vice President

WELLS FARGO BANK,
as a Lender

By: /s/ RON SINGH
Name: Ron Singh
Title: Vice President

WESTDEUTSCHE LANDESBANK,
GIROZENTRALE, New York Branch
as a Lender

By: /s/ DUNCAN M. ROBERTSON

Name: Duncan M. Robertson

Title: Director

By: /s/ BARRY S. WADLER

Name: Barry S. Wadler

Title: Manager

3-MOS	6-MOS
DEC-31-2000	DEC-31-2000
APR-01-2000	JAN-01-2000
JUN-30-2000	JUN-30-2000
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0	0
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13,800,000	13,800,000
0	0
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589,700,000	589,700,000
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366,800,000	366,800,000
1,103,000,000	1,103,000,000
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0	0
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0	0
533,500,000	1,035,000,000
0	0
320,500,00	626,600,000
97,100,000	190,800,000
0	0
20,200,000	40,600,000
96,200,000	177,800,000
37,000,000	68,400,000
59,200,000	109,400,000
0	0
0	0
0	0
59,200,000	109,400,000
.34	.62
.34	.62