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 SEPTEMBER 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 November 8, 2000 the registrant had outstanding 173,322,650 shares of Common Stock, par value $.01 per share.

REPUBLIC SERVICES, INC.

INDEX

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

REPUBLIC SERVICES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(IN MILLIONS, EXCEPT SHARE DATA)

	September 30, 2000 (Unaudited)	December 31, 1999
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 4.8	$ 13.1
Restricted cash	41.0	10.3
Accounts receivable, less allowance for doubtful accounts of $13.5 and $14.2, respectively	260.8	250.9
Prepaid expenses and other current assets	67.4	57.7
Total Current Assets	374.0	332.0
PROPERTY AND EQUIPMENT, NET	1,625.4	1,605.5
INTANGIBLE ASSETS, NET	1,408.4	1,297.3
OTHER ASSETS	54.2	53.5
	$ 3,462.0	$ 3,288.3
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 56.3	$ 76.1
Accrued liabilities	98.5	88.3
Amounts due to former owners	19.6	47.0
Deferred revenue	69.2	64.1
Notes payable and current maturities of long-term debt	44.4	57.2
Other current liabilities	51.0	52.6
Total Current Liabilities	339.0	385.3
LONG-TERM DEBT, NET OF CURRENT MATURITIES	1,163.8	1,152.1
ACCRUED ENVIRONMENTAL AND LANDFILL COSTS	152.2	129.8
DEFERRED INCOME TAXES	125.4	94.4
OTHER LIABILITIES	25.5	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; 174,728,000 and 175,481,842 issued and outstanding, respectively	1.8	1.8
Additional paid-in capital	1,207.9	1,206.3
Retained earnings	459.1	294.6
Treasury stock, at cost (886,100 shares)	(12.7)	--
Total Stockholders' Equity	1,656.1	1,502.7
	$ 3,462.0	$ 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 September 30,		Nine Months Ended September 30,	
	2000	1999	2000	1999
REVENUE	$ 539.1	$ 499.9	$ 1,574.2	$ 1,371.3
EXPENSES:				
Cost of operations	324.9	305.2	951.6	832.3
Depreciation, amortization and depletion	50.6	44.8	146.1	117.8
Selling, general and administrative	49.4	46.4	144.7	135.7
Other charges	6.7	--	6.7	--
OPERATING INCOME	107.5	103.5	325.1	285.5
INTEREST EXPENSE	(19.7)	(18.8)	(60.3)	(44.5)
INTEREST INCOME	.7	.3	1.2	3.3
OTHER INCOME (EXPENSE), NET	1.0	.3	1.5	.2
INCOME BEFORE INCOME TAXES	89.5	85.3	267.5	244.5
PROVISION FOR INCOME TAXES	34.5	32.8	103.0	94.1
NET INCOME	$ 55.0	$ 52.5	$ 164.5	$ 150.4
BASIC AND DILUTED EARNINGS PER SHARE	$ 0.31	$ 0.30	$ 0.94	$ 0.86
WEIGHTED AVERAGE COMMON AND COMMON EQUIVALENT SHARES OUTSTANDING	175.7	175.5	175.7	175.8

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	Treasury Stock	Retained Earnings
BALANCE AT DECEMBER 31, 1999	$1.8	$1,206.3	$ --	$294.6
Net income	--	--	--	164.5
Issuance of common stock	--	1.6	--	--
Purchase of common stock for treasury	--	--	(12.7)	--
BALANCE AT SEPTEMBER 30, 2000	$1.8	$1,207.9	$ (12.7)	$459.1

The accompanying notes are an integral part of this statement.

REPUBLIC SERVICES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN MILLIONS)

	Nine Months Ended September 30, 2000	1999
CASH PROVIDED BY OPERATING ACTIVITIES:		
Net income	$ 164.5	$ 150.4
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and depletion of property and equipment	116.3	93.9
Amortization of intangible assets	29.8	23.9
Deferred tax provision	29.0	24.1
Provision for doubtful accounts	8.3	4.9
Other non-cash charges	8.0	2.0
Changes in assets and liabilities, net of effects from business acquisitions:		
Accounts receivable	(15.4)	(60.2)
Prepaid expenses and other assets	(9.8)	(14.7)
Accounts payable and accrued liabilities	(27.5)	(19.7)
Other liabilities	12.0	35.4
	315.2	240.0
CASH USED IN INVESTING ACTIVITIES:		
Purchases of property and equipment	(147.8)	(218.1)
Proceeds from sale of equipment	11.7	2.7
Cash used in business acquisitions, net of cash acquired	(137.7)	(760.4)
Cash proceeds from business dispositions	31.2	36.5
Amounts due former owners	(31.8)	(14.8)
Restricted cash	(30.8)	(3.3)
Other	--	(1.2)
	(305.2)	(958.6)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES:		
Proceeds from notes payable and long-term debt	30.8	142.1
Payments of notes payable and long-term debt	(5.8)	(123.8)
Net payments on revolving credit facility	(30.5)	(445.0)
Proceeds from issuance of public notes, net of discount	--	598.5
Issuance of common stock	.4	--
Purchases of common stock for treasury	(12.7)	--
Purchases of common stock to fund employee benefit plan	(.5)	--
	(18.3)	171.8
DECREASE IN CASH AND CASH EQUIVALENTS	(8.3)	(546.8)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	13.1	556.6
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 4.8	$ 9.8

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 $6.7 million for the three and nine months ended September 30, 2000 are primarily related to the early closure of a landfill in south Texas.

Other charges of $2.4 million and $6.4 million for the three and nine months ended September 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 approximately $4.4 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.

The following unaudited pro forma consolidated statements of operations for the three and nine months ended September 30, 2000 exclude the $6.7 million pre-tax charge related primarily to the early closure of a landfill in south Texas:

	Three Months Ended September 30, 2000	Nine Months Ended September 30, 2000
REVENUE	$539.1	$1,574.2
EXPENSES:		
Cost of operations	324.9	951.6
Depreciation, amortization and depletion	50.6	146.1
Selling, general and administrative	49.4	144.7
OPERATING INCOME	114.2	331.8
INTEREST EXPENSE	(19.7)	(60.3)
INTEREST INCOME	.7	1.2
OTHER INCOME (EXPENSE), NET	1.0	1.5
INCOME BEFORE INCOME TAXES	96.2	274.2
PROVISION FOR INCOME TAXES	37.0	105.6
NET INCOME	$ 59.2	$ 168.6
BASIC AND DILUTED EARNINGS PER SHARE	$ 0.34	$ 0.96
WEIGHTED AVERAGE COMMON AND COMMON EQUIVALENT SHARES OUTSTANDING	175.7	175.7

The unaudited pro forma consolidated statements of operations are provided for informational purposes only and do not project the Company's results of operations for any future date or period.

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 nine months ended September 30, 1999. The aggregate purchase price paid by the Company in these transactions was $470.2 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 September 30, 2000, the Company had completed the purchase of these assets for approximately $108.1 million in cash, $88.4 million of which were acquired during the nine months ended September 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 nine months ended September 30, 2000, the Company and Allied completed the purchase and sale of these assets. Net proceeds from the cash portion of the exchange of assets were $28.6 million. All of these transactions have been 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 nine months ended September 30, 2000. The aggregate purchase price paid by the Company in these transactions was $50.3 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:

	Nine Months Ended September 30, 2000	Nine Months Ended September 30, 1999
Property and equipment	$ 98.1	$ 411.9
Cost in excess of net assets acquired	218.1	435.6
Other assets	--	3.4
Working capital deficit	(158.8)	(65.8)
Debt assumed	(4.2)	(1.8)
Other liabilities	(15.5)	(22.9)
Cash used in acquisitions, net of cash acquired	$ 137.7	$ 760.4

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

	2000	1999
Revenue	$1,648.1	$1,512.6
Net income	$ 166.0	$ 155.2
Basic and diluted earnings per share	$ .95	$ .88
Weighted average common and common equivalent shares outstanding	175.7	175.8

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 September 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 $18.0 million and $13.0 million during the nine months ended September 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 September 30, 2000, assuming that all available landfill capacity is used, the Company expects to expense approximately $539.4 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 nine months ended September 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 $2.4 million and $4.5 million for the nine months ended September 30, 2000 and 1999, respectively.

A summary of property and equipment is as follows:

	September 30, 2000	December 31, 1999
Other land	$ 89.1	$ 82.8
Non-depletable landfill land	46.7	46.4
Landfill development costs	821.7	827.6
Vehicles and equipment	975.0	961.3
Buildings and improvements	216.8	187.5
Construction-in-progress-landfill	65.6	44.3
Construction-in-progress-other	21.6	24.4
	2,236.5	2,174.3
Less: Accumulated depreciation, depletion and amortization--		
Landfill development costs	(163.8)	(135.1)
Vehicles and equipment	(411.0)	(399.9)
Building and improvements	(36.3)	(33.8)
	(611.1)	(568.8)
Property and equipment, net	$1,625.4	$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.

During the three months ended September 30, 2000, the Company recorded a $6.7 million pre-tax charge primarily related to the early closure of a landfill in south Texas.

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 $120.7 million and $100.4 million at September 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:

	September 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	480.0	552.0
Tax exempt bonds; interest rates that float based on prevailing market rates	76.2	42.0
Other debt; unsecured and secured by real property, equipment and other assets	53.3	16.8
	1,208.2	1,209.3
Less: Current portion	(44.4)	(57.2)
	$ 1,163.8	$ 1,152.1

As of September 30, 2000, the Company had $24.1 million of restricted cash, which were proceeds from the issuance of tax-exempt bonds and will be used to fund capital expenditures under the terms of the bonds.

Interest expense paid was $52.7 million (net of $2.4 million of capitalized interest) and $28.1 million (net of $4.5 million of capitalized interest) for the nine months ended September 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 $61.8 million and $64.3 million for the nine months ended September 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 nine months ended September 30, 1999.

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

	Shares	Weighted-Average Exercise Price
Options outstanding at beginning of year	15.0	$ 16.57
Granted	.2	12.60
Exercised	(.1)	9.03
Cancelled	(.8)	16.35
Options outstanding at September 30, 2000	14.3	$ 16.55
Options exercisable at September 30, 2000	7.5	$ 17.56

9. STOCKHOLDERS' EQUITY AND EARNINGS PER SHARE

In July 2000, the Company announced that its Board of Directors authorized the repurchase of up to $50.0 million of its common stock. As of September 30, 2000, the Company repurchased 886,100 shares of its stock for $12.7 million. In October 2000, the Company announced that its Board of Directors authorized the repurchase of up to an additional $100.0 million of its common stock.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2000	1999	2000	1999
Numerator:				
Net income	$ 55,000	$ 52,500	$164,500	$150,400
Denominator:				
Denominator for basic earnings per share	175,254	175,424	175,431	175,416
Effect of dilutive securities-- Options to purchase common stock	452	55	253	383
Denominator for diluted earnings per share	175,706	175,479	175,684	175,799
Basic and diluted earnings per share	$ .31	$ .30	$ .94	$ .86
Antidilutive securities not included in the diluted earnings per share calculation:				
Options to purchase common stock	11,094	11,176	12,624	7,946
Weighted average exercise price	$ 17.81	$ 17.97	$ 17.32	$ 18.49

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 September 30, 2000, $78.2 million was outstanding under the lease facility, of which $14.0 million and $42.0 million was added during the three and nine months ended September 30, 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 September 30, 2000 were $41.0 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 September 30, 2000, surety bonds and letters of credit totaling $687.2 million were outstanding and will expire on various dates through 2007. In addition, at September 30, 2000, the Company had $16.9 million of restricted cash deposits held as financial guarantees.

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 nine months ended September 30, 1999 were approximately $5.3 million, 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 137 collection companies in 22 states. We also own or operate 79 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 nine months ended September 30, 2000 and 1999 (in millions):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2000		1999		2000		1999	
Collection:								
Residential	$ 108.7	20.2%	$ 97.4	19.5%	$ 314.9	20.0%	$ 274.3	20.0%
Commercial	160.1	29.7	142.2	28.4	464.6	29.5	400.0	29.2
Industrial	127.3	23.6	118.8	23.8	365.6	23.2	315.8	23.0
Other	13.9	2.5	13.4	2.7	45.0	2.9	36.3	2.6
Total collection	410.0	76.0	371.8	74.4	1,190.1	75.6	1,026.4	74.8
Transfer and disposal	154.4		130.8		443.8		339.5	
Less: Intercompany	(62.9)		(45.2)		(176.4)		(112.5)	
Transfer and disposal, net	91.5	17.0	85.6	17.1	267.4	17.0	227.0	16.6
Other	37.6	7.0	42.5	8.5	116.7	7.4	117.9	8.6
Total revenue	$ 539.1	100.0%	$ 499.9	100.0%	$ 1,574.2	100.0%	$ 1,371.3	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 seek operating efficiencies by controlling the movement of waste streams from the point of collection through disposal. During the three months ended September 30, 2000 and 1999, approximately 51% and 48%, 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 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. 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 nine months ended September 30, 1999. The aggregate purchase price paid by us in these transactions was $470.2 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 September 30, 2000, we had completed the purchase of these assets for approximately $108.1 million in cash, $88.4 million of which were acquired during the nine months ended September 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 nine months ended September 30, 2000, we and Allied completed the purchase and sale of these assets. Our net proceeds from the cash portion of the exchange of assets were $28.6 million. 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 nine months ended September 30, 2000. The aggregate purchase price paid by us in these transactions was $50.3 million in cash.

See Note 2, Business Combinations, of the Notes to the Unaudited Condensed Consolidated Financial Statements, for further discussion of business combinations.

PRO FORMA CONSOLIDATED RESULTS OF OPERATIONS

Pro forma net income was $168.6 million, or $.96 per share, for the nine months ended September 30, 2000. Pro forma operating results exclude the $6.7 million pre-tax charge that was recorded during the three months ended September 30, 2000 resulting from the early closure of a landfill in south Texas.

CONSOLIDATED RESULTS OF OPERATIONS

Net income was $55.0 million for the three months ended September 30, 2000, or $.31 per share, as compared to $52.5 million, or $.30 per share, for the three months ended September 30, 1999. Net income was $164.5 million for the nine months ended September 30, 2000, or $.94 per share, as compared to $150.4 million, or $.86 per share, for the nine months ended September 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 nine months ended September 30, 2000 and 1999:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2000		1999		2000		1999	
Revenue	$ 539.1	100.0%	$ 499.9	100.0%	$ 1,574.2	100.0	$ 1,371.3	100.0%
Expenses:								
Cost of operations	324.9	60.3	305.2	61.1	951.6	60.4	832.3	60.7
Depreciation, amortization and depletion of property and equipment	40.2	7.5	35.6	7.1	116.3	7.4	93.9	6.9
Amortization of intangible assets	10.4	1.9	9.2	1.8	29.8	1.9	23.9	1.7
Selling, general and administrative expenses	49.4	9.2	44.0	8.8	144.7	9.2	129.3	9.4
Other charges	6.7	1.2	2.4	.5	6.7	.4	6.4	.5
Operating income	$ 107.5	19.9%	$ 103.5	20.7%	$ 325.1	20.7%	$ 285.5	20.8%

Revenue was $539.1 million and $499.9 million for the three months ended September 30, 2000 and 1999, respectively, an increase of 7.8%. Revenue was $1,574.2 million and $1,371.3 million for the nine months ended September 30, 2000 and 1999, respectively, an increase of 14.8%. The following table reflects the components of our revenue growth for the three and nine months ended September 30, 2000 and 1999:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2000	1999	2000	1999
Price	2.5%	2.3%	2.5%	2.2%
Volume	3.3	5.9	4.7	5.9
Total internal growth	5.8	8.2	7.2	8.1
Acquisitions	2.0	32.3	7.6	29.4
Total revenue growth	7.8%	40.5%	14.8%	37.5%

The increases in revenue for the three and nine months ended September 30, 2000 versus the comparable 1999 periods are due primarily to increases in collection and transfer and disposal operations. Volume growth for the three and nine months ended September 30, 2000 was impacted by revenues from a wholly-owned subsidiary of the Company that provides remediation services. Excluding the effects of these non-core operations, volume growth was 5.4% and 6.0%, respectively.

Cost of operations was $324.9 million and $951.6 million for the three and nine months ended September 30, 2000 versus $305.2 million and $832.3 million for the comparable 1999 periods. The increase in aggregate dollars is primarily due to acquisitions and internal growth. Cost of operations as a percentage of revenue was 60.3% and 60.4% for the three and nine months ended September 30, 2000 versus 61.1% and 60.7% for the comparable 1999 periods. The decrease in cost of operations as a percentage of revenue for the three and nine months ended September 30, 2000 versus the comparable periods last year is primarily a result of improved operating efficiencies and an increase in higher margin landfill operations primarily due to acquisitions.

Expenses for depreciation, amortization and depletion of property and equipment were $40.2 million and $116.3 million for the three and nine months ended September 30, 2000 versus $35.6 million and $93.9 million for the comparable 1999 periods. Expenses for depreciation, amortization and depletion of property and equipment as a percentage of revenue were 7.5% and 7.4% for the three and nine months ended September 30, 2000 versus 7.1% and 6.9% 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 $10.4 million and $29.8 million for the three and nine months ended September 30, 2000 versus $9.2 million and $23.9 million for the comparable 1999 periods. Amortization of intangible assets as a percentage of revenue was 1.9% for the three and nine months ended September 30, 2000 versus 1.8% 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 $49.4 million and $144.7 million for the three and nine months ended September 30, 2000 versus $44.0 million and $129.3 million for the comparable 1999 periods. Selling, general and administrative expenses as a percentage of revenue were 9.2% for the three and nine months ended September 30, 2000 versus 8.8% and 9.4% for the comparable 1999 periods. The increase in aggregate dollars for the three and nine months ended September 30, 2000 and the increase in such expenses as a percentage of revenue for the three months ended September 30, 2000 versus the comparable periods last year is primarily due to acquisitions and internal growth.

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

Other charges were $6.7 million for the three and nine months ended September 30, 2000, and $2.4 million and $6.4 million for the three and nine months ended September 30, 1999. The 2000 costs relate primarily to the early closure of a landfill in south Texas. The 1999 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 $4.4 million of additional charges directly related to the separation.

INTEREST EXPENSE

Interest expense was $19.7 million and $60.3 million for the three and nine months ended September 30, 2000 versus $18.8 million and $44.5 million for the comparable 1999 periods. Interest expense for the three and nine months ended September 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 $.9 million and $2.4 million for the three and nine months ended September 30, 2000 versus $1.5 million and $4.5 million for the comparable 1999 periods.

INTEREST AND OTHER INCOME (EXPENSE), NET

Interest and other income, net of other expense, was $1.7 million and $2.7 million for the three and nine months ended September 30, 2000 versus $.6 million and $3.5 million for the comparable 1999 periods. The decrease in interest income for the nine months ended September 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 $34.5 million and $103.0 million for the three and nine months ended September 30, 2000 versus $32.8 million and $94.1 million for the comparable 1999 periods. The effective income tax rate was 38.5% for the three and nine months ended September 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 nine months ended September 30, 2000:

	Balance as of December 31, 1999	New Expansions Undertaken	Landfills Acquired, Net of Divestitures	Permits Granted	Airspace Consumed	Balance as of September 30, 2000
Permitted airspace:						
Cubic yards (in millions)	1,304.1	--	8.8	28.3	(24.1)	1,317.1
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	(18.3)	--	(24.1)	1,662.8
Number of sites	55		(2)			53

As of September 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 September 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 September 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 32 years, including the expansion airspace. The average estimated remaining life of all of our landfills is 37 years.

As of September 30, 2000, 10 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 September 30, 2000, 6 of our 20 landfills that meet the criteria for including expansion airspace had submitted permit applications to state authorities. The remaining 4 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 nine months ended September 30, 2000, we consumed approximately 24.1 million cubic yards of airspace. During this same period, charges to expense for closure and post-closure were $18.0 million, or $.75 per cubic yard. As of September 30, 2000, accrued closure and post-closure costs were $170.3 million. The current portion of these costs of $19.2 million is reflected in our Unaudited Condensed Consolidated

Balance Sheet in other current liabilities. The long-term portion of these costs of $151.1 million is reflected in our Unaudited Condensed Consolidated Balance Sheet in accrued environmental and landfill costs. As of September 30, 2000, assuming that all available landfill capacity is used, we expect to expense approximately $539.4 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.

INVESTMENT IN LANDFILLS

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

	Balance as of December 31, 1999	Capital Additions	Landfills Acquired Net of Divestiture	Transfers and Adjustments	Impaired Asset Write-Down	Additions Charged to Expense	Balance as of September 30, 2000	Expected Future Investment	Total Expected Investment
Non-depletable landfill land	$ 46.4	$ .3	$ .7	$ (.7)	$ --	$ --	$ 46.7	$ --	$ 46.7
Landfill development costs	827.6	4.9	(19.8)	20.7	(11.7)	--	821.7	994.4	1,816.1
Construction in progress -- landfill	44.3	43.7	--	(22.4)	--	--	65.6	--	65.6
Accumulated depletion and amortization	(135.1)	--	10.5	.2	6.8	(46.2)	(163.8)	--	(163.8)
Net investment in landfill land and development costs ...	$ 783.2	$ 48.9	$ (8.6)	$ (2.2)	$ (4.9)	$(46.2)	$ 770.2	$ 994.4	$1,764.6

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 September 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 $723.5 million, or $.44 per cubic yard. During the nine months ended September 30, 2000, our depletion and amortization expense relating to landfills was $46.2 million, or $1.92 per cubic yard.

As of September 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 $1,717.9 million, or $1.03 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 nine months ended September 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 September 30, 2000, we had approximately $436.6 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 September 30, 2000, $78.2 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 nine months ended September 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	8.3	18.0	67.1	--
Additions due to acquisitions, net of divestitures	1.0	8.3	--	4.4
Usage	(10.0)	(8.3)	(64.5)	(31.8)
Balance, September 30, 2000	13.5	170.3	41.0	19.6
Current portion	13.5	19.2	22.6	19.6
Long-term portion	$ --	$ 151.1	$ 18.4	$ --

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 September 30, 2000, accounts receivable were $260.8 million, net of allowance for doubtful accounts of $13.5 million, resulting in days sales outstanding of 44, 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 nine months ended September 30, 2000 (in millions):

	Gross Property, Plant and Equipment						
	Balance as of December 31, 1999	Capital Additions	Retire-ments	Acquisitions, Net of Divestiture	Transfers and Adjustments	Impaired Asset Write-down	Balance as of September 30, 2000
Other land	$ 82.8	$ .1	$ (.5)	$ 5.8	$ .9	$ --	$ 89.1
Non-depletable landfill land	46.4	.3	--	.7	(.7)	--	46.7
Landfill development costs	827.6	4.9	--	(19.8)	20.7	(11.7)	821.7
Vehicles and equipment	961.3	38.7	(36.2)	(16.8)	28.0		975.0
Buildings and improvements	187.5	6.7	(.9)	(3.3)	27.0	(.2)	216.8
Construction in progress -- landfill	44.3	43.7	--	--	(22.4)	--	65.6
Construction in progress -- other	24.4	53.4	--	(1.9)	(54.3)	--	21.6
Total	$2,174.3	$ 147.8	$(37.6)	$ (35.3)	$ (.8)	$ (11.9)	$ 2,236.5

	Accumulated Depreciation, Amortization and Depletion						
	Balance as of December 31, 1999	Additions Charged to Expense	Retire-ments	Divestiture	Impaired Asset Write-Down	Transfers and Adjustments	Balance as of September 30, 2000
Landfill development costs....	$ (135.1)	$ (46.2)	$ --	$ 10.5	$ 6.8	$ .2	$ (163.8)
Vehicles and equipment........	(399.9)	(65.2)	25.7	27.7	--	.7	(411.0)
Buildings and improvements....	(33.8)	(4.9)	.4	2.0	--	--	(36.3)
Total.............	$ (568.8)	$(116.3)	$ 26.1	$ 40.2	$ 6.8	$ .9	$ (611.1)

The tables above exclude $78.2 million of operating equipment consisting primarily of revenue producing vehicles that were subject to our operating lease facility as of September 30, 2000.

LIQUIDITY AND CAPITAL RESOURCES

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

CASH FLOWS FROM OPERATING ACTIVITIES. Cash provided by operating activities was $315.2 million and $240.0 million for the nine months ended September 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 USED IN INVESTING ACTIVITIES. Cash flows used in investing activities consist primarily of cash used for business acquisitions and capital additions. Cash used to acquire businesses, net of cash acquired, was $137.7 million and $760.4 million during the nine months ended September 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 (USED IN) FINANCING ACTIVITIES. Cash flows from financing activities for the nine months ended September 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 September 30, 2000, $78.2 million was outstanding under this facility.

In July 2000, the Company announced that its Board of Directors authorized the repurchase of up to $50.0 million of its common stock. As of September 30, 2000 the Company repurchased 886,100 shares of its stock for $12.7 million. In October 2000, the Company announced that its Board of Directors authorized the repurchase of up to an additional $100.0 million of its common stock. We intend to finance share repurchases from cash on hand, cash flow from operations, our $1.0 billion revolving credit facility and other financing.

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

The Company has received an investment grade rating from the nation's largest credit rating agencies. As of September 30, 2000, the Company's 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 December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements - Frequently Asked Questions and Answers". SAB 101 reflects the basic principles of revenue recognition in existing generally accepted accounting principles, and is effective no later than the fourth quarter of fiscal years beginning after December 31, 1999. The adoption of this bulletin has no impact on our consolidated financial position or results of operations.

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; the ability of the Company to repurchase common stock at prices that are accretive to earnings per share; our dependence on key personnel; general economic conditions including, but not limited to, inflation and changes in fuel, labor and other variable costs that are generally not within the control of the Company; 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 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

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

(b) Reports on Form 8-K:

Form 8-K, dated and filed July 26, 2000, including a press release announcing the Company's operating results for the three and six months ended June 30, 2000 and a press release announcing the Company's $50 million stock repurchase program.

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: November 13, 2000

3-MOS	9-MOS
DEC-31-2000	DEC-31-2000
JUL-01-2000	JAN-01-2000
SEP-30-2000	SEP-30-2000
4,800,000	4,800,000
0	0
274,300,000	274,300,000
13,500,000	13,500,000
0	0
374,000,000	374,000,000
2,236,500,000	2,236,500,000
611,100,000	611,100,000
3,462,000,000	3,462,000,000
339,000,000	339,000,000
1,163,800,000	1,163,800,000
0	0
0	0
1,800,000	1,800,000
1,654,300,000	1,654,300,000
3,462,000,000	3,462,000,000
0	0
539,100,000	1,574,200,000
0	0
324,900,000	951,600,000
106,700,000	297,500,000
0	0
19,700,000	60,300,000
89,500,000	267,500,000
34,500,000	103,000,000
55,000,000	164,500,000
0	0
0	0
0	0
55,000,000	164,500,000
.31	.94
.31	.94