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Thank you, Dan, for that kind introduction. At Waste Management our plan certainly is to turn our Green efforts – which encompass practically everything we do – into Gold.

And, good afternoon to everyone here today.

Waste Management. You probably know us because we pick up waste from over 22 million customers. In fact, we're probably picking up the waste from your home, businesses, school and places you and your families gather.

But, we do so much more than that. Waste Management is an energy company. Our waste-based energy technologies provide enough energy to power more than one million homes, saving more than 14 million barrels of oil per year – and preventing the emission of greenhouse gases into the atmosphere.

Waste Management is a technology company. We are developing new technologies to manage waste more effectively, from accelerating the decomposition of organic waste in our landfills to creating alternative fuels from waste.

Waste Management is an environmental company. Every year we recycle enough paper to save 41 million trees and our landfills provide tens of thousands of acres for community parks, recreation centers and protected wildlife habitats.

And Waste Management is a people company. From the drivers of our signature green trucks to our customer service representatives, our nearly 50,000 employees live and work in the communities that

we serve every day.

Simply, the goal of those employees is to help ensure that we pass the planet to the next generation in better shape than we inherited it. It's a lofty goal, but our generation can be the first generation to accomplish it.

It won't be easy - and we can't do it alone – it's going to take Waste Management, our customers and our communities working together. The tens of thousands of Waste Management employees across the U.S. and Canada are committed to doing our part, and we hope to set an example that others will follow.

Today, I'm going to talk about some environmental initiatives that will serve as a platform for Waste Management's sustainable growth between now and 2020... to leverage what we do today... and do it better and more efficiently.

We want to be the leader in environmental stewardship -- to manage your waste in the most environmentally sensitive manner possible. And I think that is an important point. It is everyone's waste.

Everyone in this room and outside of it generates it, but you trust us to manage it, like our name says. We want to manage your waste to minimize its – and our – overall impact on the environment. Efforts to reduce, reuse and recycle waste are important parts of a solution, but the remaining garbage must go someplace it can be managed safely and beneficially. That's why there must be a comprehensive and integrated approach to managing waste.

There is a strong market demand for comprehensive and integrated waste solutions, and our company will meet that demand because it's good for our customers, good for our employees, good for the environment and the communities we serve, and good for our shareholders.

Specifically, Waste Management's sustainability efforts are focusing on four key goals:

1. Increasing our waste-based energy production,
2. Increasing the volume of recyclable materials we process,
3. Investing in cleaner technologies, and
4. Reusing our resources by preserving more wildlife habitat across North America.

We continue to reach new heights of performance, and these are the next steps, building on the things we've been doing for decades.

Where most people see garbage as a nuisance and as something to be taken away, we see an opportunity. Your relationship with your waste ends when you place it on the curb. That's where our relationship begins.

From the moment the waste leaves your curb it can go to a recycling center where it is repurposed for further use; to a landfill where as it decomposes we turn it into energy; and even to clean burning power plants to help reduce our reliance on fossil fuels and foreign energy imports. We also work with manufacturers to develop and execute strategies to reduce, reuse, recycle or otherwise minimize waste – consequently minimizing their operations' impact on the planet, all while saving our customers money.

Today's reality is that the average person in the United States generates 4.5 pounds of garbage per day or nearly one ton of solid waste a year.

With more than 300 million people in the U.S., you do the math -- that's a lot of garbage.

So, we ask ourselves, "How can we manage that 4.5 pounds of waste in ways that are better for our business, our customers, our communities, our environment, and our shareholders?"

"How can we build on our existing expertise to provide for sustainable organic growth in our company?"

As in many industries, our employees discovered that the creative application of innovative technology can drive real and meaningful progress.

As many of you know, environmental progress in the United States has accelerated in tune with technological advances. And Waste Management is no different. We are using our expertise and technology to move from protecting the environment, to enhancing the environment.

For example, in a world of diminishing natural resources, we can harness waste for alternative forms of energy.

When bacteria break down trash in a landfill, it produces a gas that's a mixture of methane and carbon dioxide.

Now methane is a greenhouse gas. Meaning that like carbon dioxide emissions from your car, it can trap heat in the atmosphere and contribute to climate change. Only methane is about 23 times more insulating than CO₂.

When captured and combusted, however, methane can be turned into energy.

You see, methane gas also contains energy. We can vacuum it from many of our solid waste landfills, clean it, compress it, and then feed it directly to the electrical grid, where it can be used as power. Or we can follow the same process and pump the gas directly to an end user.

So for example, our landfill gas is a major energy source for a BMW plant in South Carolina; it helps power other plants and buildings across the country, and we recently announced a partnership with the University of New Hampshire whereby our landfill gas will supply the majority of the University's power needs.

We've even supplied landfill gas as an energy source to NASA's Goddard Space Center – a first, I might add for the federal government. Waste Management pioneered this landfill-gas-to-energy technology 20 years ago and we lead in the implementation of the technology today.

Now let me tell you about another source of waste-based energy – burning waste to create energy, which is done by our subsidiary Wheelabrator Technologies.

For the past 30 years, Wheelabrator has used trash as fuel to generate electrical power through its 16 waste-to-energy plants, which have the capacity to process up to 24,000 tons of waste per day, enough to power more than 700,000 homes. According to the EPA, these plants generate electricity with less environmental impact than almost any other source of electricity.

These are a just a few examples of how we've made waste-based energy a business. If you view protecting the environment through this lens, you can begin to see the opportunity we see.

The bottom line is that your garbage is our renewable energy source. Today we use it to create enough energy to power more than 1 million homes each year. That's the equivalent of replacing 14 million barrels of oil - or 3.6 million tons of coal - each and every year. By 2020, we expect to double that energy output to power the equivalent of more than 2 million homes.

Compare that to the domestic solar industry, which, according to the Solar Energy Industries Association, only generates enough energy to power roughly 250,000 U.S. homes.

The beauty of waste-based energy technology is that it's cost-effective and works even if the sun isn't shining. It puts the waste we all generate to beneficial use by capturing methane, and creating clean, renewable energy.

At the same time, we know a lot about taking people's waste and minimizing it. As North America's largest recycler, we have learned that it isn't necessarily the process of recycling itself -- it's making it

easier for people to actually do it.

Many of us recycle because we recognize its value to the environment. Many more would recycle if it were easier to do. That's why we pioneered the concept of single-stream recycling.

It takes a conscious effort to recycle and it's not always easy -- walk it outside, place it in one of two or three recycling bins, and then drag the bins to the curb every week.

That is why we're working to make recycling *easier*, more convenient for the public and businesses alike.

Waste Management was the first solid waste company to focus on allowing customers to put all of their recyclables in a single bin. With single-stream recycling, you throw everything into one bin, we'll pick it up, and *we'll* use technology to sort it.

We've found that the added convenience can improve local recycling programs by up to 30 percent. The volume of material processed in our single stream recycling facilities more than doubled in four years' time. In 2002 we processed 722,000 tons of recyclables in our single stream facilities. That jumped to more than 2 million tons in 2006, and continues to grow.

Today, we have 30 single stream facilities across the U.S. and Canada, and plan to build more. But building more efficient recycling facilities is only one part of the solution to increasing recycling. We need everyone's help in driving more volumes to make recycling economically sustainable.

By 2020, we expect to triple the amount of recyclable materials we manage from 8 million to more than 20 million tons. Part of that will come from increasing our volumes through technologies such as single stream recycling, and through new offerings like electronics recycling through programs like our recently announced partnership with Sony Electronics.

We will also continue to work with commercial and industrial companies to help them create a total waste strategy.

Surveys of business executives say that waste reduction is one of the most important issues for their business today because it lowers the cost structure by reducing, minimizing and even eliminating waste from the production of goods or services sold.

We have a unique expertise to help companies minimize, reduce, recycle and reuse materials in their production process – saving them time and money - but just as an important, reducing their operations' impact on the environment.

For example, Alcoa has been able to recycle 1,300 tons of alumina per year thanks to advice from our Upstream business -- saving them approximately half a million dollars per year (\$500,000) in landfill and raw materials costs. We provide similar services for customers in the automobile, consumer products, defense, and oil industries, among others. And because we manage virtually every waste stream, we are in the best position to help.

At Waste Management, we are also uniquely positioned to take advantage of existing environmental technologies – while investing in

the development of new technologies that will drive tomorrow's environmental solutions.

Today, Waste Management has more than 24,000 vehicles and heavy equipment in its fleet. We will be directing our capital expenditures of about \$500 million annually to suppliers who can produce new trucks with improved fuel efficiency and lower emissions. Between now and 2020 our goal is for our fleet to have reduced fuel usage by 15 percent and to have reduced emissions by 15 percent.

With this investment – and working with our manufacturers – we hope to deploy engine and truck technology to help us achieve our goals. We can't do it alone. We will be looking for help from our suppliers.

But with a \$5 billion investment by WM our manufacturers should be well incentivized to meet the challenge. Some already see that -- and we are working with them.

And here's why it matters to us: Over a 10 year period, a 15% reduction in the fuel used by our trucks amounts to about 350 million gallons of fuel and a reduction of about 3.5 million metric tons of CO2 emissions. This could also result in a cost savings to Waste Management of \$1 billion between today and 2020 at today's diesel fuel prices.

We also own the largest private fleet of LNG vehicles in the state of California and we have found success in an increasing number of locations by having our trucks run on biodiesel. Again, we plan to use technology to increase efficiency, save money and protect the

environment

But we will go beyond fleet improvements. Waste Management will remain committed to continuing its capital investment in the green technologies we've pursued for many years, like recycling, waste to energy and landfill gas to energy -- as well as technologies for converting landfill gas to diesel and liquid natural gas. Imagine if we could take the 4.5 pounds of garbage we each create every day, bring it to our landfill and turn that trash into fuel for our collection trucks. Now that's coming full circle.

We are all familiar with the triple bottom line, and our commitment to investing in this area will meet those standards. But I have different triple bottom line.

My bottom line is that I have three boys, they are my triple bottom line, and I want to be a part of making the future better for them and their children's children.

Finally, we continue to reach out to and build relationships with NGOs, governmental organizations, communities and environmental groups.

When we look at our landfills we see the potential for a form of recycling -- beneficial reuse of the land at our sites. We dispose of your waste in an environmentally friendly manner in our landfills, provide renewable energy, and then when the landfill closes we return the land to a natural state and give the land back to our host communities as a hiking trail, ballpark, golf course or a wildlife habitat.

We are fortunate to have a strong relationship with the Wildlife Habitat Council. We are very proud of the fact that the Council has certified 24 of our landfills. We currently have more than 17,000 acres of wildlife habitat at our open and closed landfills, and that number is growing. Those lands are home to a number of endangered or rare species including the red belly turtle, the California red-legged frog and the Bay checkerspot butterfly.

By 2020, we will increase by more than four times the number of our facilities – from 24 to 100 – certified by the Council and increase the acres of land set aside for conservation and wildlife habitat to approximately 25,000 acres. That is more than one and a half times larger than Manhattan Island.

It is through these partnerships and relationships that we demonstrate how Waste Management is protecting *and* enhancing the environment, and protecting and enhancing our communities.

And it is our commitment to excellence and leadership that has us positioned to deliver lasting solutions to the environmental challenges our planet will face in the 21st century.

I am proud of our goals. We have come a long way. And I am excited about the depth and breadth of what Waste Management is poised to do.

The old view of Waste Management taking trash away from your curb has been replaced by a new vision -- one where we take trash away, but also recycle materials and deliver the energy that powers

your home or business -- all while helping to develop new technologies that will make the earth greener.

Not only do we tap into the energy of your waste, but we will accomplish our goals by tapping into the energy and expertise of the men and women who wear the green – our nearly 50,000 employees – environmental stewards doing their part to improve our environment every day. We look forward to working with all of you to create a sustainable tomorrow, not only for my three sons, your sons and daughters but also for their sons and daughters and the generations that will follow.

Thank you.