

WASTE MANAGEMENT INC

Form 8-K

July 18, 2007

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 13, 2007

Waste Management, Inc.

(Exact Name of Registrant as Specified in Charter)

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|---|--|--|
| Delaware (State or Other Jurisdiction of Incorporation) | 1-12154 (Commission File Number) | 73-1309529 (IRS Employer Identification No.) |
|---|--|--|

1001 Fannin, Suite 4000 Houston, Texas
(Address of Principal Executive Offices)

77002
(Zip Code)

Registrant's Telephone number, including area code: (713) 512-6200

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On July 13, 2007, Waste Management, Inc. (the Company) entered into an employment agreement with Brett W. Frazier, Senior Vice President Eastern Group. The agreement is for a term of two years, and automatically renews for successive one-year periods thereafter. During the employment period, Mr. Frazier will be paid a minimum base salary of \$425,000 per year and is entitled to a bonus in accordance with the Company's incentive compensation plan. Mr. Frazier's target annual bonus will be 85% of his base salary, although his actual bonus may range from 0 to 170% of his base salary, depending on the achievement of certain performance goals. Mr. Frazier is entitled to certain perquisites, including an annual automobile allowance, financial planning services, social organization initiation fees and dues and an annual physical examination, and is entitled to participate in or receive benefits under any and all plans and programs made available to executive employees of the Company generally. Mr. Frazier also will receive transitional living allowance, as described in the agreement, to compensate Mr. Frazier for his relocation to the Company's Eastern Group location.

In the event of the termination of Mr. Frazier's employment by the Company, he will be entitled to certain severance payments. Specifically, if Mr. Frazier is terminated without cause, in addition to the benefits all employees receive, Mr. Frazier may receive cash payments equal to two times his base salary and target bonus; continuation of all health and welfare plan benefits for him and his family; and a pro-rated bonus payment for the year in which he is terminated. In the event Mr. Frazier is terminated without cause or leaves the Company for good reason in connection with a change in control, he generally is entitled to the same benefits that he would receive as described for a termination without cause, except that his cash payment will be three times his base salary and target bonus, benefits will continue for a period of three years and he will receive 100% of the maximum bonus available, pro rated to the date of termination. In accordance with the Company's Executive Severance Policy, Mr. Frazier's agreement provides that if the present value of severance benefits payable under his agreement would exceed 2.99 times the sum of his then current base salary and bonus (the maximum severance amount), the payments to Mr. Frazier will be reduced to an amount not to exceed the maximum severance amount. In the event Mr. Frazier's employment is terminated by reason of death or total disability, he generally will receive all amounts accrued but unpaid at the date of termination, a pro-rated bonus payment and any benefits to which he is entitled pursuant to the plans, policies and arrangements of the Company in accordance with their terms. Mr. Frazier's agreement also states that if the Company, within one year of termination of Mr. Frazier's employment for any reason other than cause, determines that he could have been terminated for cause, the Company shall have the right to stop any payments otherwise payable and Mr. Frazier shall be obligated to repay to the Company any of the severance benefits he received.

Mr. Frazier's agreement also contains certain restrictive covenants, including covenants not to compete or solicit Company customers or employees for a period of two years after the termination of his employment, and a covenant not to disparage the Company.

Certain terms in this description, which is qualified in its entirety by the terms of the employment agreement attached as an exhibit hereto, are defined in the employment agreement.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

Exhibit 10.1: Employment Agreement between Waste Management, Inc. and Brett Frazier dated July 13, 2007.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

WASTE MANAGEMENT, INC.

Date: July 18, 2007

By: /s/ Don P. Carpenter
Don P. Carpenter
Vice President

Exhibit Index

Exhibit Number

Description

10.1

Employment Agreement between Waste Management, Inc. and Brett Frazier dated July 13, 2007.