

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (date of earliest event reported): March 12, 1997

USA WASTE SERVICES, INC.
(Exact name of registrant as specified in its charter)

Commission file number 1-12154

DELAWARE
(State or other jurisdiction of
incorporation or organization)

73-1309529
(I.R.S. 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

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) FINANCIAL STATEMENTS OF THE BUSINESS ACQUIRED

The audited historical combined balance sheet of Laidlaw Solid Waste Management Group - Canadian Operations as at August 31, 1996 and combined statements of operations and cash flows for the year then ended and the unaudited historical combined balance sheet of Laidlaw Solid Waste Management Group - Canadian Operations as at November 30, 1996 and combined statements of operations and cash flows for the three months ended November 30, 1996 are set forth as ATTACHMENT A and are incorporated herein by reference.

(b) PRO FORMA FINANCIAL INFORMATION

Pro forma financial information for the business acquired subsequent to December 31, 1996 is set forth as ATTACHMENT B and are incorporated herein by reference.

(c) EXHIBITS

23.1 Consent of Independent Accountants.

SIGNATURES

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

USA WASTE SERVICES, INC.

By: /s/ GREGORY T. SANGALIS

Gregory T. Sangalis
Vice President, General Counsel
& Secretary

July 22, 1997

REPORT OF INDEPENDENT ACCOUNTANTS

We have audited the accompanying combined balance sheet of Laidlaw Solid Waste Management Group - Canadian Operations (as defined in Note 1) as of August 31, 1996 and the related combined statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the management of Laidlaw Inc. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of the Laidlaw Solid Waste Management Group - Canadian Operations as of August 31, 1996, and the combined results of its operations and its cash flows for the year then ended in conformity with United States generally accepted accounting principles.

October 16, 1996 (except for Notes 1 and 8
which are as at January 15, 1997)
Hamilton, Canada

Coopers & Lybrand
Chartered Accountants

LIDLAW SOLID WASTE MANAGEMENT
GROUP - CANADIAN OPERATIONS

COMBINED BALANCE SHEETS
(US \$000's)

	(Unaudited)	
	November 30	August 31
	1996	1996
	\$	\$

ASSETS		
CURRENT ASSETS		
Trade and other accounts receivable (net of allowance for doubtful accounts of \$622; August 31, 1996 - \$634)	44,573	42,562
Inventories	2,574	2,613
Income taxes recoverable (Note 8)	47,536	49,236
Other current assets	5,263	5,919
	-----	-----
	99,946	100,330
	-----	-----
FIXED ASSETS		
Land, landfill sites and improvements	73,412	72,042
Buildings	29,911	27,897
Vehicles and other	239,478	229,665
	-----	-----
	342,801	329,604
Less: Accumulated depreciation and amortization	(170,794)	(164,594)
	-----	-----
	172,007	165,010
	-----	-----
OTHER ASSETS		
Goodwill (net of accumulated amortization of \$18,401; August 31, 1996 - \$17,363)	116,566	113,490
Deferred charges	11,399	11,351
Other	1,388	1,482
	-----	-----
	129,353	126,323
	-----	-----
	401,306	391,663
	=====	=====

LIDLAW SOLID WASTE MANAGEMENT
GROUP - CANADIAN OPERATIONS

COMBINED BALANCE SHEETS
(US \$000's)

	(Unaudited)	
	November 30	August 31
	1996	1996
	\$	\$
<hr/>		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	28,425	29,237
Accrued liabilities	9,727	9,324
Current portion of long-term debt (Note 3)	77	243
	-----	-----
LONG-TERM DEBT (Note 3)	38,229	38,804
	142	264
DEFERRED INCOME TAXES (Note 8)	21,235	21,130
ENVIRONMENTAL AND OTHER LONG-TERM LIABILITIES (Note 4)	8,497	8,360
	-----	-----
	68,103	68,558
	-----	-----
COMMITMENTS AND CONTINGENCIES (Note 5)		
NET INVESTMENT BY LIDLAW INC.	333,203	323,105
	-----	-----
	401,306	391,663
	=====	=====

LIDLAW SOLID WASTE MANAGEMENT
GROUP - CANADIAN OPERATIONS

COMBINED STATEMENTS OF OPERATIONS
(US \$000's)

	(Unaudited)	
	For the Three Months Ended November 30 1996 \$	For the Year Ended August 31 1996 \$
REVENUE	71,549	262,179
Operating expenses (Note 6)	51,648	188,759
Selling, general and administrative expenses (Note 6)	5,098	19,175
Depreciation and amortization	7,413	30,121
INCOME FROM OPERATIONS	7,390	24,124
Allocated interest expense (Note 1)	2,680	11,244
Interest portion of closure and post-closure costs	102	406
Interest on long-term debt and other interest	147	250
Interest, dividend and other income	(344)	(1,139)
INCOME BEFORE INCOME TAXES	4,805	13,363
DEFERRED INCOME TAX EXPENSE (Notes 1 and 8)	2,419	6,775
NET INCOME	2,386	6,588

LAIDLAW SOLID WASTE MANAGEMENT
GROUP - CANADIAN OPERATIONSCOMBINED STATEMENTS OF CASH FLOWS
(US \$000's)

	(Unaudited)	
	For the	For the
	Three Months	Year Ended
	Ended	Year Ended
	November 30	August 31
	1996	1996
	\$	\$
NET CASH PROVIDED BY (USED IN):		
Operating activities	9,829	28,887
Investing activities	(13,922)	(65,871)
Financing activities	14,191	96,850
	-----	-----
NET INVESTMENT BY LAIDLAW INC. - BEGINNING OF PERIOD	10,098	59,866
	323,105	263,239
NET INVESTMENT BY LAIDLAW INC. - END OF PERIOD	333,203	323,105
	=====	=====
OPERATING ACTIVITIES		
Net Income	2,386	6,588
Items not affecting cash:		
Depreciation and amortization	7,413	30,121
Deferred income taxes	1,329	6,775
Other	(408)	(3,725)
	-----	-----
Cash used in financing working capital excluding the effect of acquisitions:	10,720	39,759
Trade and other accounts receivable	(2,011)	(4,722)
Inventories	39	(654)
Other current assets	656	(2,308)
Accounts payable and accrued liabilities	425	(3,188)
	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	9,829	28,887
	=====	=====

LAIDLAW SOLID WASTE MANAGEMENT
GROUP - CANADIAN OPERATIONSCOMBINED STATEMENTS OF CASH FLOWS (CONT'D)
(US \$000's)

	(Unaudited)	
	For the Three Months Ended November 30 1996 \$	For the Year Ended August 31 1996 \$
<hr/>		
INVESTING ACTIVITIES		
Purchase of fixed assets	(9,538)	(20,437)
Net proceeds from sale of fixed and other assets	983	1,658
(Increase) decrease in deferred charges	71	(1,278)
Expended on acquisitions (Note 7)	(5,532)	(46,046)
Net decrease in other assets	94	232
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	(13,922)	(65,871)
	=====	=====
FINANCING ACTIVITIES		
Repayment of long-term debt	(491)	(327)
Net advances from Laidlaw Inc.	14,682	97,177
	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	14,191	96,850
	=====	=====

LIDLAW SOLID WASTE MANAGEMENT
GROUP - CANADIAN OPERATIONS

NOTES TO COMBINED FINANCIAL STATEMENTS
(US \$000'S)

1. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Under the terms of a Stock Purchase Agreement dated September 17, 1996 (the "Laidlaw Agreement") among Allied Waste Industries, Inc. ("Allied") and certain affiliates of Allied, and Laidlaw Inc. ("Laidlaw") and certain affiliates of Laidlaw, Allied purchased the solid waste management business of Laidlaw (the "Laidlaw Solid Waste Management Group"). The Laidlaw Solid Waste Management Group provides solid waste collection, compaction, disposal, recycling, resource recovery, transportation and transfer services to commercial, industrial and residential customers in the United States and Canada. Laidlaw conducted the solid waste management business directly and indirectly through its subsidiaries, Laidlaw Waste Systems, Inc. Laidlaw Waste Systems (Canada) Ltd. and Laidlaw Medical Services Ltd. ("Medical Services").

Subsequent to the Laidlaw Agreement, a Share Purchase Agreement dated January 15, 1997 (the "Agreement") among USA Waste Services, Inc. ("USA Waste") and certain affiliates of USA Waste, and Allied and certain affiliates of Allied was entered into. Under the terms of the Agreement, USA Waste has offered to purchase the Canadian operations of the Laidlaw Solid Waste Management Group ("Laidlaw Solid Waste Management Group - Canadian Operations" or the "Group") from Allied. The Group provides solid waste collection, compaction, disposal, recycling, transportation and transfer services to commercial, industrial, and residential customers in Canada. Allied conducts this business directly or indirectly through its subsidiaries, Allied Waste Holdings (Canada) Ltd., Laidlaw Waste Systems Ltd., and Medical Services.

Interest expense associated with intercompany financing with the Group's parent, Laidlaw, has been allocated to the Group based on its share of the parent's net assets. Income taxes have been calculated using applicable Canadian income tax rates applied to the Group's income for tax purposes.

These special purpose financial statements give effect to the combination of the operations constituting the Laidlaw Solid Waste Management Group - Canadian Operations. The Group's intercompany loans and advances have been excluded from the combined balance sheet.

The surplus funds of the Group are regularly transferred to Laidlaw, and any financing requirements are provided by Laidlaw. Accordingly, no cash or bank indebtedness balances are reported in these combined financial statements.

LAIDLAW SOLID WASTE MANAGEMENT
GROUP - CANADIAN OPERATIONSNOTES TO COMBINED FINANCIAL STATEMENTS (CONT'D)
(US \$000'S)-----
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts for certain revenues and expenses during the reported period. Actual results could differ from those estimates.

A summary of significant accounting policies followed in the preparation of these combined financial statements is as follows:

(a) INVENTORIES

Inventories are valued at the lower of cost, determined on a first-in, first-out basis, and replacement cost.

(b) FIXED ASSETS

Landfill sites, preparation costs, and improvements are recorded at cost and amortized on the basis of landfill capacity utilized during the year.

Depreciation and amortization of other property and equipment is provided substantially on a straight-line basis over their estimated useful lives which are as follows:

Buildings	20 to 40 years
Vehicles and other	5 to 15 years

Management periodically reviews the carrying values of its fixed assets to determine whether such values are recoverable. Any resulting write downs are charged against income.

LIDLAW SOLID WASTE MANAGEMENT
GROUP - CANADIAN OPERATIONS

NOTES TO COMBINED FINANCIAL STATEMENTS (CONT'D)
(US \$000'S)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) OTHER ASSETS

Goodwill is amortized on a straight-line basis over forty years. The Group reviews the value assigned to goodwill to determine if its recoverability has been impaired by conditions affecting the Group. The amount of any impairment is charged against income.

Deferred charges are amortized on a straight-line basis over a two to nine year period depending on the nature of the deferred costs.

(d) FINANCIAL INSTRUMENTS

The Group's accounts receivable, accounts payable and long-term debt constitute financial instruments. Based on available market information, the carrying value of these instruments approximates their fair value as at August 31, 1996. Concentrations of credit risk in accounts receivable are limited, due to the large number of customers comprising the Group's customer base throughout Canada. The Group performs ongoing credit evaluations of its customers, but does not require collateral to support customer accounts receivable. The Group establishes an allowance for doubtful accounts based on the credit risk applicable to particular customers, historical trends and other relevant information.

(e) REVENUE

Amounts billed to customers prior to providing the related services are deferred and later reported as revenues in the period in which the services are rendered.

(f) ENVIRONMENTAL LIABILITIES

Environmental liabilities include accruals for costs associated with closure and post-closure monitoring and maintenance of the Group's landfills and remediation at certain of the Group's facilities. The Group accrues for closure and post-closure costs over the life of the landfill site as airspace is consumed.

(g) FOREIGN CURRENCY TRANSLATION

The majority of the Group's transactions and account balances are denominated in Canadian dollars. For the presentation in these combined financial statements, the accounts are translated to U.S. dollars on the following basis:

Assets and liabilities at the exchange rate in effect at the balance sheet date and revenue and expenses at weighted monthly average exchange rates for the year.

LIDLAW SOLID WASTE MANAGEMENT
GROUP - CANADIAN OPERATIONS

NOTES TO COMBINED FINANCIAL STATEMENTS (CONT'D)
(US \$000'S)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) ACCOUNTING PRONOUNCEMENT NOT YET REQUIRED TO BE ADOPTED

The Group does not expect the adoption of "SFAS" No. 121 "Accounting for Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" to have a materially adverse effect on the Group's financial position or results of operations. In 1997 the Group is required to adopt SFAS No. 121, issued by the Financial Accounting Standards Board. SFAS No. 121 requires that long-lived assets be reviewed for impairment whenever events or circumstances indicate that the carrying amount of the asset may not be recoverable. If the sum of the expected future cash flows (undiscounted and without interest charges) from an asset to be held and used in operations is less than the carrying value of the asset, an impairment loss must be recognized in the amount of the difference between the carrying value and the fair value. Should events and circumstances indicate that any of the Group's landfills be reviewed for possible impairment, such review for recoverability will be made in accordance with Emerging Issues Task Force Discussion Issue ("EITF") 95-23. The EITF outlines how cash flows for environmental exit costs should be determined and measured.

SFAS No. 121 has been adopted for the unaudited period ended November 30, 1996. The Group has evaluated these issues and has determined that no events or circumstances have occurred that require the evaluation of any of the Group's landfills for possible impairment.

(i) INTERIM REPORTING

The combined balance sheets of Laidlaw Solid Waste Management Group - Canadian Operations as of November 30, 1996, the related, combined statements of operations for the three months ended November 30, 1996 and the combined statements of cash flows for the three months ended November 30, 1996 are unaudited. In the opinion of management, such financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of financial position, results of operations, and cash flows for the period presented.

3. LONG-TERM DEBT

	(Unaudited) November 30 1996 \$	August 31 1996 \$
Notes due at various dates from 1998 to 2002 with interest rates from 0% to 8%	219	507
Less: Current portion	77	243
	---	---
	142	264
	===	===

The aggregate amount of minimum payments required on long-term debt in each of the years indicated is as follows:

	\$
Year ending August 31,	
1997	243
1998	168
1999	32
2000	32
2001	32

	507
	===

LIDLAW SOLID WASTE MANAGEMENT
GROUP - CANADIAN OPERATIONS

NOTES TO COMBINED FINANCIAL STATEMENTS (CONT'D)
(US \$000'S)

4. ENVIRONMENTAL LIABILITIES

The Group has recorded liabilities for closure and post-closure monitoring and environmental remediation costs as follows:

	August 31 1996
	\$
Current portion of environmental liabilities, included in accrued liabilities	748
Non-current portion of environmental liabilities	5,409

	6,157
	=====

The Group, in the normal course of its business, expends funds for environmental protection and remediation, but does not expect these expenditures to have a materially adverse effect on its financial condition or results of operations, since its business is based upon compliance with environmental laws and regulations and its services are priced accordingly.

Closure and post-closure costs for the Group's landfills are based upon the local landfill regulations governing the facility. Costs include such items as final capping of the site, methane gas and leachate management, groundwater monitoring, and operation and maintenance costs to be incurred during the period after the facility closes and ceases to accept waste.

The Group has also established procedures to routinely evaluate potential remedial liabilities at sites which it owns or operated, or to which it transported waste. The Group routinely reviews and evaluates sites requiring remediation, giving consideration to the nature (i.e. owner, operator, transporter or generator), and the extent (i.e. amount and nature of waste hauled to the location, number of years of site operation by the Group, or other relevant factors) of the Group's alleged connection with the site, the accuracy and strength of evidence connecting the Group to the location, the number, connection and financial ability of other named and unnamed potentially responsible parties and the nature and estimated cost of the likely remedy. Where the Group concludes that it is probable that a liability has been incurred, provision is made in the financial statements, based upon management's judgement and prior experience, for the Group's best estimate of the liability. Such estimates are subsequently revised as deemed necessary as additional information becomes available.

LIDLAW SOLID WASTE MANAGEMENT
GROUP - CANADIAN OPERATIONS

NOTES TO COMBINED FINANCIAL STATEMENTS (CONT'D)
(US \$000'S)

4. ENVIRONMENTAL LIABILITIES (CONT'D)

Estimates of the extent of the Group's degree of responsibility for remediation of a particular site and the method and ultimate cost of remediation require a number of assumptions and are inherently difficult. The ultimate outcome of these items may differ from current estimates. The Group believes that its extensive experience in the environmental services business provides a reasonable basis for making its estimates. However, these estimates may include a range of possible outcomes. In such cases, the Group provides for the amount within the range that constitutes its best estimate. The Group's best estimate is at the higher range of possible outcomes. While the Group does not currently anticipate that any adjustment to its estimates would be material to its financial statements, it is reasonably possible that technological, regulatory or enforcement developments, the results of environmental studies or other factors could necessitate the recording of additional liabilities that could be material. The impact of such future events cannot be estimated at the current time.

Where the Group believes that both the amount of a particular environmental liability and the timing of the payments are reliably determinable, the cost in current dollars is discounted to present value, assuming inflation of 3% and a risk free discount rate of 8%. Had the Group not discounted any portion of its liability, the amount recorded would have been increased by approximately \$9.4 million as at August 31, 1996.

The majority of the Group's active landfill sites have estimated remaining lives ranging from 3 to approximately 23 years based upon current site plans and anticipated annual volumes of waste. As at August 31, 1996, the Group estimates that during this remaining site life, it will provide for an additional \$24.0 million of closure and post-closure costs, including accretion for the discount recognized to date.

Anticipated payments of environmental liabilities for each of the next five years and thereafter are as follows:

	\$
Year ending August 31, 1997	748
1998	466
1999	1,154
2000	804
2001	663
Thereafter	26,625

	30,460
	=====

LIDLAW SOLID WASTE MANAGEMENT
GROUP - CANADIAN OPERATIONS

NOTES TO COMBINED FINANCIAL STATEMENTS (CONT'D)
(US \$000'S)

5. COMMITMENTS AND CONTINGENCIES

(a) LEASE COMMITMENTS

Rental expense incurred under operating leases amounted to \$2,412 in the year ended August 31, 1996.

Rentals payable under operating leases for premises and equipment are as follows:

	\$
Year ending August 31, 1997	2,241
1998	2,031
1999	1,874
2000	1,731
2001	1,143
Thereafter	5,062

	14,082
	=====

(b) LEGAL PROCEEDINGS

The Group is subject to extensive and evolving laws and regulations and has implemented its own environmental safeguards to respond to regulatory requirements. In the normal course of business, the Group provides for closure and post-closure accruals to comply with all governmental regulations.

In the normal course of conducting its operations, the Group may become involved in certain legal and administrative proceedings. Some of these actions may result in fines, penalties or judgements against the Group which may have an impact on the financial results for a particular period. Management expects that such matters in process at August 31, 1996 will not have a materially adverse effect on this Group's financial position or its results from operations.

(c) LETTERS OF CREDIT AND GUARANTEES

At November 30, 1996, the Group has \$14,124 (August 31, 1996 - \$14,503) in outstanding letters of credit, of which the most significant are in support of the Group's undertakings in respect of landfill closure and post-closure activities required in obtaining regulatory operating permits.

In addition, Laidlaw Inc. and its affiliates have provided guarantees and additional letters of credit in the aggregate amount of approximately \$40 million (August 31, 1996 - \$40 million) for closure and post-closure activities and bid bonds.

LAIDLAW SOLID WASTE MANAGEMENT
GROUP - CANADIAN OPERATIONSNOTES TO COMBINED FINANCIAL STATEMENTS (CONT'D)
(US \$000'S)

6. RELATED PARTY TRANSACTIONS

Included in operating expenses and selling, general and administrative expenses are management fee income, insurance premiums and rental charges paid to affiliated companies as follows:

	For the Year Ended August 31 1996 \$
Management fees income - net	3,787 =====
Insurance premiums expense	184 =====
Rental charges expense	198 =====

The Group directly incurs all of the significant costs of doing business

LIDLAW SOLID WASTE MANAGEMENT
GROUP - CANADIAN OPERATIONS

NOTES TO COMBINED FINANCIAL STATEMENTS (CONT'D)
(US \$000'S)

7. ACQUISITIONS

A summary of the Group's acquisitions of solid waste management companies for the year ended August 31, 1996 is as follows:

	\$
Assets acquired - at fair value:	
Fixed assets	10,661
Goodwill	34,336
Long-term investments and other assets	6,606

	51,603
Long-term liabilities assumed	7,397
Working capital	1,840

Expended in acquisitions	46,046
	=====
Number of businesses acquired	6
	=====
Annualized revenue acquired (unaudited)	38,000
	=====

PRO FORMA DATA (UNAUDITED)

The condensed pro forma statement of operations data, as if acquisitions for the year ended August 31, 1996 had occurred at the beginning of the year, is as follows:

	\$
Statement of operations data:	
Revenue	275,170
Net income	6,915

LIDLAW SOLID WASTE MANAGEMENT
GROUP - CANADIAN OPERATIONS

NOTES TO COMBINED FINANCIAL STATEMENTS (CONT'D)
(US \$000'S)

8. INCOME TAXES

The Company's effective income tax rates are as follows:

	(Unaudited) For the Three Months Ended November 30 1996 %	For the Year Ended August 31 1996 %
Statutory Canadian federal income tax	29.1	29.1
Net provincial income taxes	14.4	14.4
Expenses not deductible	6.9	7.2
	----	----
	50.4	50.7
	=====	=====

The tax effect of temporary differences which comprise deferred income taxes shown on the balance sheet are as follows:

	(Unaudited) November 30 1996 \$	August 31 1996 \$
Deferred tax assets:		
Accrued remediation and closure costs	2,659	2,621
Other	1,221	1,204
	-----	-----
Net deferred tax assets	3,880	3,825
Excess of tax over book depreciation	25,115	24,955
	-----	-----
Net deferred tax liability	21,235	21,130
	=====	=====

As per the Laidlaw Agreement and the Agreement, any loss carryforwards, loss carry backs, and income tax credits for tax purposes, included in income taxes recoverable which result in tax benefits to the Group, must ultimately be refunded to Laidlaw Inc. As at November 30, 1996, the entire income tax recoverable balance of \$47,536 (August 31, 1996 - \$49,236) consisted of such items.

ATTACHMENT B

USA WASTE SERVICES, INC.
PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

On March 12, 1997, USA Waste Services, Inc. (the "Company") acquired all of Canadian solid waste subsidiaries of Allied Waste Industries, Inc. ("Allied") for US \$518,000,000 in a transaction accounted for as a purchase. The acquired businesses ("Allied-Canada") include seven landfills, 41 collection operations, and eight transfer stations. Allied purchased these Canadian solid waste subsidiaries under the terms of a Stock Purchase Agreement dated September 17, 1996 (the "Laidlaw Agreement") between Allied and Laidlaw Inc. ("Laidlaw"), in which Allied purchased all the solid waste management business of Laidlaw. The Pro Forma Condensed Consolidated Financial Statements give effect to the purchase of the Canadian operations of the Laidlaw Solid Waste Management Group ("Laidlaw Solid Waste Management Group - Canadian Operations").

On February 7, 1997, the Company issued \$535,275,000 of 4% convertible subordinated notes, due on February 1, 2002 ("Notes Offering"). The notes are convertible into shares of the Company's common stock at a conversion price of \$43.56 per share. Concurrent with the Notes Offering, the Company completed a public offering of 11,500,000 shares of its common stock, priced at \$35.125 per share ("Equity Offering") for net proceeds of approximately \$387,438,000. The proceeds from the Notes Offering and Equity Offering were primarily used to repay debt under the Company's Credit Facility and for general corporate purposes.

The accompanying pro forma condensed consolidated balance sheet as of December 31, 1996 has been prepared as if the acquisition, Notes Offering and Equity Offering which occurred after December 31, 1996 were consummated as of that date. The accompanying pro forma condensed consolidated statements of operations for the year ended December 31, 1996 present the pro forma results of operation of the Company as if the acquisition, Notes Offering and Equity Offering had occurred on January 1, 1996. The accompanying pro forma condensed consolidated financial statements should be read in conjunction with the Company's Consolidated Financial Statements and related notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1996 as amended by Form 10-K/A filed April 30, 1997.

USA WASTE SERVICES, INC.
 PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
 (In Thousands, Except Share and Par Value Amounts)
 (Unaudited)
 December 31, 1996

ASSETS	USA Waste -----	Allied-Canada (Note 2) -----	Pro Forma Adjustments (Note 2) -----
Current Assets:			
Cash and cash equivalent	\$ 23,511	\$ -	\$ -
Accounts receivable, net	210,038	36,673	(1,600) (a)
Notes and other receivables	25,579	7,900	(400) (a)
Deferred income taxes	39,714	47,536	(47,536) (a)
Prepaid expenses and other	41,139	7,837	(200)
	-----	-----	-----
Total current assets	339,981	99,946	(49,736)
Notes and other receivables	49,059	-	-
Property and equipment, net	1,810,251	172,007	105,250 (a)
Excess of cost over net assets of acquired businesses, net	433,913	116,566	203,434 (a)
Other intangibles, net	83,486	-	5,000 (a)
Other assets	113,815	12,787	(11,399) (a)
Total assets	----- \$ 2,830,505	----- \$ 401,306	----- \$ 252,549
	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Accounts payable	\$ 94,900	\$ 28,425	\$ -
Accrued liabilities	172,916	9,727	12,058 (a)
Deferred revenues	23,450	-	-
Current maturities of long-term debt	28,695	77	(77) (a)
	-----	-----	-----
Total current liabilities	319,961	38,229	11,981
Long-term debt	1,158,305	142	(142) (a) 518,000 (b)
Deferred income taxes	8,786	21,235	43,765 (a)
Closure, post-closure and other liabilities	188,177	8,497	12,148 (a)
	-----	-----	-----
	1,675,229	68,103	585,752
	-----	-----	-----
Commitments and contingencies	-	-	-
Stockholders' equity:			
Preferred stock, \$1.00 par value; 10,000,000 shares authorized: none issued	-	-	-
Common stock, \$.01 par value; 300,000,000 shares authorized; 139,609,250 historical shares issued and outstanding (151,109,250) pro forma shares issued and outstanding	1,396	-	-
Additional paid-in capital	1,255,856	333,203	(333,203) (c)
Retained earnings (accumulated deficit)	(85,649)	-	-
Foreign currency translation adjustment	(15,843)	-	-
Less treasury stock at cost	(484)	-	-
	-----	-----	-----
Total stockholders' equity	1,155,276	333,203	(333,203)
	-----	-----	-----
Total liabilities and stockholders' equity	\$ 2,830,505	\$ 401,306	252,549
	=====	=====	=====

ASSETS	Other ----- Pro Forma Adjustments (Note 3) -----	Pro Forma -----
Current Assets:		
Cash and cash equivalent	\$ -	\$ 23,511
Accounts receivable, net	-	245,111
Notes and other receivables	-	33,079
Deferred income taxes	-	39,714
Prepaid expenses and other	-	48,776
	-----	-----
Total current assets	-	390,191
Notes and other receivables	-	49,059
Property and equipment, net	-	2,087,508
Excess of cost over net assets of acquired businesses, net	-	753,913

Other intangibles, net	-		88,486
Other assets	14,000	(d)	129,203
Total assets			-----
	\$ 14,000		\$ 3,498,360
	=====		=====
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Accounts payable	\$ -		\$ 123,325
Accrued liabilities	-		194,701
Deferred revenues	-		23,450
Current maturities of long-term debt	-		28,695

Total current liabilities	-		370,171
Long-term debt	(383,438)	(d)	1,302,867

Deferred income taxes	-		73,786
Closure, post-closure and other liabilities	-		208,822

	(383,438)		1,955,646

Commitments and contingencies	-		-
Stockholders' equity:			
Preferred stock, \$1.00 par value; 10,000,000 shares authorized: none issued	-		-
Common stock, \$.01 par value; 300,000,000 shares authorized; 139,609,250 historical shares issued and outstanding (151,109,250) pro forma shares issued and outstanding	115	(d)	1,511
Additional paid-in capital	387,323	(d)	1,643,179
Retained earnings (accumulated deficit)	-		(85,649)
Foreign currency translation adjustment	-		(15,843)
Less treasury stock at cost	-		(484)

Total stockholders' equity	387,438		1,542,714

Total liabilities and stockholders' equity	\$ 14,000		\$ 3,498,360
	=====		=====

See notes to pro forma condensed consolidated financial statements

USA WASTE SERVICES, INC.
 PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
 (In Thousands, Except Per Share Amounts)
 (Unaudited)
 For the year ended December 31, 1996

	USA WASTE -----	PREACQUISITION PERIOD ALLIED-CANADA (NOTE 2) -----	PRO FORMA ADJUSTMENTS (NOTE 2) -----	OTHER PRO FORMA ADJUSTMENTS (NOTE 3) -----	PRO FORMA -----
Operating Revenues	\$ 1,313,388	\$ 268,698	\$ -	\$ -	\$ 1,582,086
Costs and expenses:					
Operating (exclusive of depreciation and amortization shown below)	704,917	194,225	-	-	899,142
General and administrative	160,539	19,478	-	-	180,017
Depreciation and amortization	153,168	30,334	6,013 (e)	-	195,601
			6,086 (f)		
Merger costs	120,656	-	-	-	120,656
Unusual items	63,800	-	-	-	63,800
	1,203,080	244,037	12,099	-	1,459,216
Income from operations	110,308	24,661	(12,099)	-	122,870
Interest expense	(45,547)	(11,404)	11,404 (g)	33,112 (j)	(43,515)
			(31,080) (h)		
Interest income	5,267	-	-	-	5,267
Other, net	8,060	703	-	-	8,763
	(32,220)	(10,701)	(19,676)	33,112	(29,485)
Income before income taxes	78,088	13,960	(31,775)	33,112	93,385
Provision for income taxes	45,142	7,034	(13,076) (i)	13,245 (k)	52,345
Net Income	\$ 32,946	\$ 6,926	\$(18,699)	\$ 19,867	\$ 41,040
	=====	=====	=====	=====	=====
Earnings per common share	\$ 0.24				\$ 0.27
	=====				=====
Weighted average number of common and common equivalent shares outstanding	139,740			11,500 (l)	151,240
	=====			=====	=====

See notes to proforma condensed consolidated financial statements.

USA WASTE SERVICES, INC.
NOTES TO PRO FORMA CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. BASIS OF PRESENTATION

The accompanying unaudited pro forma condensed consolidated financial statements (the "Pro Forma Financial Statements") for USA Waste Services, Inc. (the "Company") have been prepared based upon certain pro forma adjustments to the historical consolidated financial statements of the Company set forth in its previously filed Annual Report on Form 10-K for the year ended December 31, 1996, as amended by Form 10-K/A filed April 30, 1997.

The Pro Forma Financial Statements are based on certain assumptions and preliminary estimates which are subject to change, but management does not believe any possible deviations will be material to the Pro Forma Financial Statements. The Pro Forma Financial Statements do not purport to be indicative of the results which would actually have been obtained had the acquisition, Notes Offering and Equity Offering been completed on the dates indicated or which may be obtained in the future.

2. BUSINESS ACQUIRED

On March 12, 1997, USA Waste Service, Inc. (the "Company") acquired all of the Canadian solid waste subsidiaries of Allied Waste Industries, Inc. ("Allied") for US \$518,000,000 in a transaction accounted for as a purchase. The acquired businesses ("Allied-Canada") include seven landfills, 41 collection operations, and eight transfer stations. Allied purchased these Canadian solid waste subsidiaries under the terms of a Stock Purchase Agreement dated September 17, 1996 (the "Laidlaw Agreement") between Allied and Laidlaw Inc. ("Laidlaw"), in which Allied purchased all the solid waste management business of Laidlaw. The Pro Forma Condensed Consolidated Financial Statements give effect to the purchase of the Canadian operations of Laidlaw Solid Waste Management Group ("Laidlaw Solid Waste Management Group - Canadian Operations").

The pro forma adjustments which have been made to the acquired business are described below:

- a) Reflects the adjustments to the historical balance sheet of the business acquired for the purchase price allocation. The Company has allocated the cost of the acquired business to the assets acquired and liabilities assumed based on estimates of fair values thereof. The increase in accrued liabilities and closure, post-closure, and other liabilities is due to a working capital purchase price adjustment included in the purchase agreement to be paid to the previous owners of approximately \$8,200,000 in addition to the original \$518,000,000 purchase price, based on working capital information as if the transaction had occurred on December 31, 1996. The increase also includes approximately \$10,000,000 for unfavorable contracts assumed by USA Waste, and approximately \$6,000,000 of other liabilities and exit costs, including

severance costs, legal fees, and other transaction costs relating to the acquisition. Management does not believe that any possible deviations of estimated fair value and actual fair value will be material to the Pro Forma financial statements.

- b) Reflects the financing of the US \$518,000,000 purchase price of the acquisition from the Company's credit facility, as if the transaction had occurred January 1, 1996. In connection with the actual financing of the acquisition, the Company entered into a \$350,000,000 note bearing interest at the bankers' acceptance rate plus 0.45%, maturing in seven years. Of the remaining balance of the purchase price, \$80,000,000 was borrowed by the Company under its existing credit senior revolving credit facility and \$88,000,000 was from the proceeds of the Company's Notes Offering and Equity Offering in February, 1997.
- c) Reflects the elimination of the equity of the business acquired.
- d) Reflects the decrease in long-term debt for the effects of the assumed utilization of net proceeds from the Equity Offering and Notes Offering and the issuance of \$535,275,000 of 4% Convertible Subordinated Debt under the Notes Offering, as if such transactions had occurred on December 31, 1996, as follows:

Proceeds from Equity Offering	\$387,438,000
Proceeds from Notes Offering	535,275,000
Less: Notes Offering Transaction Costs	(14,000,000)

Net Proceeds	908,713,000
4% Convertible Subordinated Debt	(535,275,000)

Change in Long-term debt	\$373,438,000
	=====

- e) Reflects additional depletion due to the allocation of the purchase price of the acquisition. Landfill costs are depleted over the anticipated life of the site on a units-of-production basis.
- f) Reflects additional amortization of goodwill and customer lists due to the allocation of the purchase price of the acquisition. Goodwill is amortized over a 40 year period on a straight-line basis. Customer lists are amortized from 5 to 7 years on a straight-line basis.
- g) Reflects the elimination of all the acquired business' interest expense that was allocated from its previous corporate affiliate.
- h) Reflects interest expense at a rate of 6% on the \$518,000,000 of indebtedness incurred in connection with financing the business acquired as if the acquisition had occurred on January 1, 1996.
- i) Reflects the income tax effect related to the above adjustments to the operations of the business acquired using the measurement principles contained in SFAS 109.

3. OTHER PRO FORMA ADJUSTMENTS

- j) Reflects the changes in interest expense as a result of the following financing transactions as if these transactions had occurred on January 1, 1996:
 - o Reduction in interest expense of \$54,523,000 due to the use of net proceeds of \$908,713,000 from the sale of Common Stock and 4% Subordinated Debt to finance the \$518,000,000 purchase price of the business acquired and to repay \$366,488,000 under the revolving line of credit that existed at January 1, 1996, and to repay \$24,225,000 of other indebtedness that existed at January 1, 1996, all with an average interest rate of 6%.
 - o Increase in interest expense of \$21,411,000 due to the issuance of \$535,275,000 of 4% Convertible Subordinated Debt.
- k) Reflects the income tax effect of the above pro forma adjustment using the measurement principles contained in SFAS 109.
- l) Reflects the additional weighted average common and common equivalent shares outstanding which have been included to reflect the Equity Offering as if it had occurred January 1, 1996.

USA WASTE SERVICES, INC.

EXHIBIT INDEX

EXHIBIT
NUMBER

DESCRIPTION OF EXHIBIT

23.1 Consent of Independent Accountants

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the Registration Statements of USA Waste Services, Inc. on Form S-3 (File Nos. 33-42988, 33-43809, 33-76226, 33-85018, 333-00097, 333-08573, 333-17421, 333-17453, and 333-21035), on Form S-4 (File Nos. 33-77110, 33-59259, 33-60103, 33-63981, 333-02181, 333-08161, and 333-14109), and on Form S-8 (File Nos. 33-43619, 33-72436, 33-84988, 33-84990, 33-59807, 33-61621, 33-61625, 33-61627, 333-14115, and 333-14613), of our report dated October 16, 1996 (except for Notes 1 and 8 which are as at January 15, 1997), on our audit of the financial statements of Laidlaw Solid Waste Management Group - Canadian Operations as at August 31, 1996 and for the year then ended, which is included in this Current Report on Form 8-K/A.

COOPERS & LYBRAND
Chartered Accountants

Hamilton, Canada
July 22, 1997