WASTE CONNECTIONS INC/DE
Form 424B2
September 26, 2008
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Filed Pursuant to Rule 424(b)(2)
Registration Statement No. 333-153617

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock, par value $0.01 per share	12,650,000	$32.50	$411,125,000	$16,157.21(1)

(1) The filing fee of $16,157.21 is calculated in accordance with Rules 457(o) and 457(r) of the Securities Act of 1933, as amended, and reflects the potential additional issuance of up to 1,650,000 shares of Common Stock, par value $0.01 per share, pursuant to an over-allotment option. In accordance with Rules 456(b) and 457(r), the registrant initially deferred payment of all of the registration fee for Registration Statement No. 333-153617 filed by the registrant on September 22, 2008.

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Prospectus supplement

To prospectus dated September 22, 2008

11,000,000 shares

Common shares

We are offering 11,000,000 shares of common stock.

Our common stock is listed on the New York Stock Exchange under the symbol WCN . On September 24, 2008, the closing price of our common stock on the New York Stock Exchange was $33.38 per share.

	Per share	Total
Public offering price	$ 32.50	$ 357,500,000
Underwriting discounts and commissions	$ 1.30	$ 14,300,000
Proceeds to Waste Connections, Inc., before expenses	$ 31.20	$ 343,200,000

We have granted the underwriters an option for a period of 30 days from the date of this prospectus supplement to purchase up to 1,650,000 additional shares of our common stock at the public offering price less the underwriting discounts and commissions to cover over-allotments.

Investing in our common shares involves a high degree of risk. See Risk factors beginning on page S-8.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus supplement. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares on or about September 30, 2008.

Joint bookrunning managers

J.P.Morgan

Merrill Lynch & Co.

Banc of America Securities LLC

Credit Suisse

Co-managers

Citi **Deutsche Bank Securities** **First Analysis Securities Corporation**

Friedman Billings Ramsey **Morgan Stanley** **Raymond James**

September 24, 2008

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Prospectus supplement

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You should rely only on the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. We have not, and the underwriters have not, authorized anyone else to provide you with different or additional information. You must not rely upon any information or representation not contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. We are not, and the underwriters are not, making an offer of these securities or soliciting an offer to buy these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus supplement and the accompanying prospectus is accurate on any date subsequent to the date set forth on the front of this prospectus supplement or the date of incorporation by reference, even though this prospectus supplement and the accompanying prospectus is delivered or securities are sold on a later date.

About this prospectus supplement

This document is in two parts. The first part is this prospectus supplement, which describes the terms of the offering of common stock and also adds to and updates information contained in the accompanying prospectus as well as the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to the common stock we are offering. To the extent any inconsistency or conflict exists between the information included in this prospectus supplement and the information included in the accompanying prospectus, the information included or incorporated by reference in this prospectus supplement updates and supersedes the information in the accompanying prospectus. This prospectus supplement incorporates by reference important business and financial information about us that is not included in or delivered with this prospectus supplement.

Unless otherwise indicated or unless the context requires otherwise, all references in this prospectus supplement and the accompanying prospectus to we , us or our mean Waste Connections, Inc. and our consolidated subsidiaries, except where it is made clear that the terms mean Waste Connections, Inc. only.

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Prospectus supplement summary

This summary highlights selected information about us. It may not contain all the information that may be important to you in deciding whether to invest in our common stock. You should read this entire prospectus supplement and the accompanying prospectus, together with the information incorporated by reference, including the financial data and related notes, before making an investment decision.

Waste Connections, Inc.

Our company

Waste Connections, Inc. is an integrated solid waste services company that provides solid waste collection, transfer, disposal and recycling services in mostly secondary markets in the Western and Southern U.S. As of June 30, 2008, we served approximately 1.5 million residential, commercial and industrial customers from a network of operations in 23 states: Alabama, Arizona, California, Colorado, Idaho, Illinois, Iowa, Kansas, Kentucky, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Mexico, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington and Wyoming. As of that date, we owned or operated a network of 127 solid waste collection operations, 48 transfer stations, 29 recycling operations, 34 municipal solid waste landfills and two construction and demolition landfills. In addition, we provided intermodal services for the rail haul movement of cargo containers in the Pacific Northwest through a network of five intermodal facilities.

We are a leading provider of solid waste services in most of our markets. We have focused on secondary markets mostly in the Western and Southern U.S. because we believe that those areas offer:

- opportunities to enter into exclusive arrangements;
- more competitive barriers to entry;
- less competition from larger solid waste services companies;
- projected economic and population growth rates that will contribute to the growth of our business; and
- a number of independent solid waste services companies suitable for acquisition.

Our senior management team has extensive experience in operating, acquiring and integrating solid waste services businesses, and we intend to continue to focus our efforts on balancing internal and acquisition-based growth. We expect to experience increased acquisition activity through 2009 as a result of private company owners considering sales of their businesses due to potential changes to U.S. federal income tax laws affecting capital gains rates, as well as potential opportunities to acquire assets that may be required to be divested in connection with a potential combination of two of the three largest publicly held waste services companies in the U.S.

Our operating strategy

Our operating strategy seeks to improve financial returns and deliver superior stockholder value creation within the solid waste industry. We seek to avoid highly competitive, large urban markets and instead target markets where we can provide non-integrated or integrated solid

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waste services under exclusive arrangements or where we can operate on an integrated basis while attaining high market share. The key components of our operating strategy, which are tailored to the competitive and regulatory factors that affect our markets, are as follows:

Control the Waste Stream. In markets where waste collection services are provided under exclusive arrangements, or where waste disposal is municipally funded or available at multiple municipal sources, we believe that controlling the waste stream by providing collection services is often more important to our profitability and growth than owning or operating landfills. In addition, contracts in some Western U.S. markets dictate the disposal facility to be used. The large size of many western states increases the cost of interstate and long haul disposal, heightening the effects of regulations that direct waste disposal, which may make it more difficult for a landfill to obtain the disposal volume necessary to operate profitably. In markets with these characteristics, we believe that landfill ownership or vertical integration is not as critical to our success.

Provide Vertically Integrated Services. In markets where we believe that owning landfills is a strategic element to a collection operation because of competitive and regulatory factors, we generally focus on providing integrated services, from collection through disposal of solid waste in landfills that we own or operate.

Manage on a Decentralized Basis. We manage our operations on a decentralized basis. This places decision-making authority close to the customer, enabling us to identify and address customers needs quickly in a cost-effective manner. We believe that decentralization provides a low-overhead, highly efficient operational structure that allows us to expand into geographically contiguous markets and operate in relatively small communities that larger competitors may not find attractive. We believe that this structure gives us a strategic competitive advantage, given the relatively rural nature of much of the Western and Southern U.S., and makes us an attractive buyer to many potential acquisition candidates.

We currently deliver our services from approximately 144 operating locations grouped into three regions. We manage and evaluate our business in this manner on the basis of the regions geographic characteristics, interstate waste flow, revenue base, employee base, regulatory structure and acquisition opportunities. Each region has a regional vice president and a regional controller, reporting directly to our corporate management. These regional officers are responsible for operations and accounting in their regions and supervise their regional staff.

Each operating location has a district or site manager who has autonomous service and decision-making authority for his or her operations and is responsible for maintaining service quality, promoting safety, implementing marketing programs and overseeing day-to-day operations, including contract administration. Local managers also help identify acquisition candidates and are responsible for integrating acquired businesses into our operations and obtaining the permits and other governmental approvals required for us to operate.

Implement Operating Standards. We develop company-wide operating standards, which are tailored for each of our markets based on industry norms and local conditions. We implement cost controls and employee training and safety procedures and establish a sales

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and marketing plan for each market. By internalizing the waste stream of acquired operations, we can further increase operating efficiencies and improve capital utilization. We use a wide-area information system network, implement financial controls and consolidate certain accounting, personnel and customer service functions. While regional and district management operate with a high degree of autonomy, our senior officers monitor regional and district operations and require adherence to our accounting, purchasing, marketing and internal control policies, particularly with respect to financial matters. Our executive officers regularly review the performance of regional officers, district managers and operations. We believe we can improve the profitability of existing and newly acquired operations by establishing operating standards, closely monitoring performance and streamlining certain administrative functions.

Our growth strategy

We tailor the components of our growth strategy to the markets in which we operate and into which we hope to expand.

Acquire Additional Exclusive Arrangements. Our operations include market areas where we have exclusive arrangements, including franchise agreements, municipal contracts and governmental certificates, under which we are the exclusive service provider for a specified market. These exclusive rights and contractual arrangements create a barrier to entry. We devote significant resources to securing additional franchise agreements and municipal contracts through competitive bidding and by acquiring other companies. In bidding for franchises and municipal contracts and evaluating acquisition candidates holding governmental certificates, our management team draws on its experience in the waste industry and knowledge of local service areas in existing and target markets. Our district managers maintain relationships with local governmental officials within their service areas, and sales representatives may be assigned to cover specific municipalities. These personnel focus on maintaining, renewing and renegotiating existing franchise agreements and municipal contracts and securing additional agreements and contracts while maintaining acceptable financial returns.

Generate Internal Growth. To generate continued internal revenue growth, we focus on increasing market penetration in our current and adjacent markets, soliciting new residential, commercial and industrial customers in markets where such customers have the option to choose a particular waste collection service and marketing upgraded or additional services (such as compaction or automated collection) to existing customers. We also focus on raising prices and instituting surcharges, when appropriate, to offset cost increases. Where possible, we intend to leverage our franchise-based platforms to expand our customer base beyond our exclusive market territories. As customers are added in existing markets, our revenue per routed truck increases, which generally increases our collection efficiencies and profitability. In markets in which we have exclusive contracts, franchises and certificates, we expect internal volume growth generally to track population and business growth.

Expand Through Acquisitions. We intend to expand the scope of our operations by continuing to acquire solid waste companies in new markets and in existing or adjacent markets that are combined with or tucked in to our existing operations. We focus our acquisition efforts on markets that we believe provide significant growth opportunities for a well-capitalized market entrant and where we can create economic and operational barriers to entry to new competitors. This focus typically highlights markets in which we can either: (1) provide waste collection services under franchises, exclusive contracts or other arrangements; or (2) gain a leading market position and provide vertically integrated collection and disposal services. We believe that our experienced management, decentralized operating strategy, financial strength, size and public company status make us an attractive buyer to certain solid waste collection and disposal acquisition candidates. We have developed an acquisition discipline based on a set of financial, market and management criteria to evaluate opportunities. Once an acquisition is closed, we seek to integrate it while minimizing disruption to the ongoing operations of both Waste Connections and the acquired business.

In new markets, we often use an initial acquisition as an operating base and seek to strengthen the acquired operation s presence in that market by providing additional services, adding new customers and making tuck-in acquisitions of other solid waste companies in that market or adjacent markets. We believe that many suitable tuck-in acquisition opportunities exist within our current and targeted market areas that provide us with opportunities to increase our market share and route density.

Our industry

According to industry sources, the U.S. non-hazardous solid waste services industry generates over $50 billion of annual revenue of which approximately 50% is generated by publicly owned waste services companies and the balance by privately held waste services companies and municipal and other governmental authorities. Despite significant consolidation in the 1990s, the solid waste services industry remains regional with a high degree of fragmentation creating acquisition opportunities in selected markets. Smaller, private waste services companies often lack the capital resources, management skills and/or technical expertise necessary to comply with extensive environmental and other governmental regulations and compete with larger, more efficient, integrated operators. We believe the Western markets currently contain the largest and most attractive number of acquisition opportunities. In addition, if the recently announced merger between Republic Services, Inc. and Allied Waste Industries, Inc. is consummated or if Waste Management, Inc. is successful in its proposed acquisition of Republic Services, we believe regulatory authorities could require the divestiture of significant collection and disposal assets for anti-trust and market concentration reasons. We believe we are well positioned to be a potential acquirer of certain of these assets.

Recent developments

LeMay acquisitions

On August 1, 2008, we entered into a Stock Purchase Agreement pursuant to which we agreed to purchase all of the outstanding capital stock of Harold LeMay Enterprises, Incorporated from its shareholders for a purchase price of $203.3 million (including potentially the assumption of indebtedness), subject to adjustments. Founded in 1942, Harold LeMay Enterprises, Incorporated is the largest privately-owned solid waste services company in the Pacific Northwest, providing solid waste collection, recycling and transfer services, a majority of which are under exclusive G

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Certificates for the counties of Gray s Harbor, Lewis, Pierce and Thurston in the State of Washington. These operations are contiguous to our existing Pierce County operations.

Concurrently, on August 1, 2008, Waste Connections of Washington, Inc., our subsidiary, entered into an Equity Purchase Agreement with entities affiliated with Harold LeMay Enterprises, Incorporated to acquire the remaining interests in Pierce County Recycling, Composting and Disposal, LLC and Pierce County Landfill Management, Inc. for a purchase price of $100.0 million. Pierce County Recycling, Composting and Disposal, LLC is a provider of solid waste disposal, transfer, recycling and composting services. Pierce County Recycling, Composting and Disposal, LLC and Pierce County Landfill Management, Inc., which are currently our majority-owned subsidiaries, will become our wholly-owned subsidiaries upon closing of this transaction. We refer to the transactions contemplated pursuant to the Stock Purchase Agreement and the Equity Purchase Agreement as the LeMay Acquisitions.

The Stock Purchase Agreement and Equity Purchase Agreement contain representations and warranties, covenants, conditions and post-closing indemnities. The closing of each transaction, which is conditioned on the closing of the other, is subject to the receipt of necessary consents, regulatory approvals, satisfactory completion of our due diligence review and other closing conditions. The transactions are expected to close in the fourth quarter of 2008. We intend to use borrowings under our senior revolving credit facility to pay the purchase price of the LeMay Acquisitions.

Corporate Information

Waste Connections, Inc. is a Delaware corporation organized in 1997. Our executive offices are located at 35 Iron Point Circle, Suite 200, Folsom, California 95630. Our telephone number is (916) 608-8200.

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The offering

Issuer	Waste Connections, Inc., a Delaware corporation.
Common Stock Offered by Us	11,000,000 shares
Common Stock to be Outstanding after this Offering	78,021,263 shares(1)
Use of Proceeds	We expect to receive net proceeds from this offering of approximately $342.5 million after deducting underwriting discounts and commissions and estimated transaction expenses payable by us (or approximately $393.9 million if the underwriters exercise their option to purchase additional shares in full). We intend to use the net proceeds to repay the unhedged portion of the outstanding borrowings under our senior revolving credit facility and to use any remaining net proceeds for general corporate purposes, which may include acquisitions of additional assets or businesses, the repayment of other indebtedness, capital expenditures and increasing our working capital. Pending the application of the net proceeds, we may invest the proceeds in short-term, interest-bearing instruments or other investment-grade securities.
Listing	Our common stock is listed on the NYSE under the symbol WCN .
Risk Factors	An investment in our common stock involves various risks, and prospective investors should carefully consider the matters discussed under the caption entitled Risk factors beginning on page S-8 of this prospectus supplement and page 1 of the accompanying prospectus.

(1) Based on the number of shares outstanding at September 15, 2008. Excludes 1,650,000 shares that may be sold by us if the underwriters exercise their over-allotment option in full, 4,491,401 shares of common stock underlying awards outstanding as of September 15, 2008 granted under our stock option, incentive, warrant and compensation plans, 7,207,461 shares of common stock reserved and available for future issuance as of September 15, 2008 under our stock option, incentive, warrant and compensation plans and 5,882,354 additional shares of common stock reserved for issuance upon the conversion of our 3.75% Convertible Senior Notes due 2026.

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Summary consolidated financial data

The following table sets forth our summary consolidated financial and operating data. You should read the following summary consolidated financial data in conjunction with the consolidated financial statements and notes thereto and Management s Discussion and Analysis of Financial Condition and Results of Operations, included in our most recent annual report on Form 10-K and subsequent quarterly reports on Form 10-Q which are incorporated by reference in this prospectus supplement.

The summary consolidated balance sheet information as of December 31, 2005, 2006 and 2007 and the summary consolidated statement of income information for the years ended December 31, 2005, 2006 and 2007 have been derived from our historical consolidated financial statements audited by PricewaterhouseCoopers LLP, our independent registered public accounting firm. The summary consolidated balance sheet information as of June 30, 2007 and 2008 and the summary consolidated statement of income information for the six months ended June 30, 2007 and 2008 have been derived from our unaudited consolidated financial statements.

	Year ended December 31,			Six months ended June 30,	
	2005	2006	2007	2007	2008
				(unaudited)	
(Dollars in thousands, except share and per share amounts)					
STATEMENTS OF INCOME DATA:					
Revenues	$721,899	$ 824,354	$ 958,541	$ 460,035	$ 517,333
Operating expenses:					
Cost of operations	416,883	492,766	566,089	270,443	308,994
Selling, general and administrative	72,395	84,541	99,565	48,700	54,155
Depreciation and amortization	64,788	74,865	85,628	40,520	47,288
Loss (gain) on disposal of assets	(216)	796	250	192	508
Operating income	168,049	171,386	207,009	100,180	106,388
Interest expense, net	(23,489)	(28,970)	(33,430)	(16,113)	(18,240)
Other income (expense), net	450	(3,759)	289	417	333
Income before income tax provision and minority interests	145,010	138,657	173,868	84,484	88,481
Minority interests	(12,422)	(12,905)	(14,870)	(6,970)	(7,179)
Income from continuing operations before income taxes	132,588	125,752	158,998	77,514	81,302
Income tax provision	(48,066)	(48,329)	(59,917)	(29,868)	(31,950)
Income from continuing operations	84,522	77,423	99,081	47,646	49,352
Loss on discontinued operations, net of tax	(579)				
Net income	83,943	77,423	99,081	47,646	49,352
SHARE DATA:					
Basic earnings per common share:					
Income from continuing operations	$ 1.21	$ 1.14	$ 1.45	$ 0.70	$ 0.74
Discontinued operations	(0.01)				
Net income per common share	$ 1.20	$ 1.14	$ 1.45	$ 0.70	$ 0.74
Diluted earnings per common share:					
Income from continuing operation	$ 1.17	$ 1.10	$ 1.42	$ 0.67	$ 0.73
Discontinued operations	(0.01)				

Net income per common share	$ 1.16	$ 1.10	$ 1.42	$ 0.67	$ 0.73
Weighted Average Common Shares Outstanding					
Basic[1]	70,050,974	68,136,126	68,238,523	68,529,546	66,628,927
Diluted[1]	72,316,952	70,408,673	69,994,710	70,606,846	67,982,399
BALANCE SHEET DATA:					
Cash and equivalents	$ 7,514	$ 34,949	$ 10,298	$ 9,971	$ 10,645
Property and equipment, net	700,508	736,428	865,330	791,117	873,035
Total assets	1,676,307	1,773,891	1,981,958	1,833,237	2,020,599
Long-term debt	586,104	637,308	719,518	635,852	701,100
Total stockholders equity	718,200	736,482	775,145	766,409	803,214

(1) Shares have been adjusted to reflect our three-for-two stock split, paid as a 50% stock dividend, effective as of June 24, 2004 and our three-for-two stock split, paid as a 50% stock dividend, effective as of March 13, 2007.