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| <b>OMB APPROVAL</b>                             |           |
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

|  |  |  |
|--|--|--|
| 1. Name and Address of Reporting Person*<br><u>CALLAHAN JAMES F JR</u><br><hr/> (Last) (First) (Middle)<br><u>C/O CASELLA WASTE SYSTEMS, INC.</u><br><u>25 GREENS HILL LANE</u><br><hr/> (Street)<br><u>RUTLAND VT 05701</u><br><hr/> (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><u>CASELLA WASTE SYSTEMS INC [</u><br><u>CWST ]</u> | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><input checked="" type="checkbox"/> Director 10% Owner<br>Officer (give title below) Other (specify below) |
|  | 3. Date of Earliest Transaction (Month/Day/Year)<br><u>12/13/2004</u>                              |  |

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) |   | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) |            |        | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4)  |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|--------|---|--|--|
|                                 |                                      |  | Code                           | V | Amount  | (A) or (D) | Price  |   |  |  |
| Class A Common Stock            | 12/13/2004                           |  | M                              |   | 2,500   | A          | \$7.15 | 7,500   | I  | By the James F. Callahan Jr. 1998 Trust <sup>(2)</sup> |

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) |   | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) |                 | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |  |
|--|--|--------------------------------------|--|--------------------------------|---|--|--|-----------------|---|--|--|---|--|--|
|  |  |                                      |  | Code                           | V |  | Date Exercisable   | Expiration Date |   |  |  |   |  | Title  |
| Stock Option                               | \$7.15   | 12/13/2004                           |  | D                              |   | 2,500  | (I)  | 03/12/2013      | Class A Common  | 2,500                                      | \$7.15   | 2,500   | I  | By the James F. Callahan Jr. 1998 Trust <sup>(2)</sup> |

**Explanation of Responses:**

- This option shall become exercisable with respect to one-third of the options granted on the first anniversary of the grant date (March 12, 2004), and as to a further one-third of the options granted on each of the second and third anniversaries of the grant date.
- James F. Callahan, Jr. 1998 Trust, dated 5/14/98, James F. Callahan, Jr. and Elsa H. Callahan trustees for the benefit of James F. Callahan, Jr.

/s/ James F. Callahan, Jr. 12/14/2004

\*\* Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.