SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED
MARCH 31, 1999

Commission File Number 0-16379

CLEAN HARBORS, INC.

(Exact name of registrant as specified in its charter)

Massachusetts	04-2997780
(State of Incorporation)	(IRS Employer Identification No.)
1501 Washington Street, Braintree, MA	02184-7599
(Address of Principal Executive Offices)	(Zip Code)

(781) 849-1800 ext. 4454
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, $.01 par value	10,607,990
(Class)	(Outstanding at May 7, 1999)

CLEAN HARBORS, INC. AND SUBSIDIARIES

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CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED
(in thousands except for earnings per share amounts)

	THREE MONTHS ENDED MARCH 31,	
	1999	1998
Revenues	$44,648	$40,376
Cost of revenues	33,692	31,344
Selling, general and administrative expenses	9,113	7,897
Depreciation and amortization	2,366	2,284
Loss from operations	(523)	(1,149)
Interest expense, net	2,229	2,340
Loss before provision for income taxes	(2,752)	(3,489)
Provision for income taxes	90	90
Net loss	$(2,842)	$(3,579)

Basic and fully diluted loss per share	$(0.28)	$(0.36)
Weighted average common shares outstanding	10,514	10,184

The accompanying notes are an integral part of these consolidated financial statements.

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(in thousands)

	MARCH 31, 1999 (Unaudited)	DECEMBER 31, 1998
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,552	$ 1,895
Restricted investments	1,203	2,366
Accounts receivable, net of allowance for doubtful accounts of $1,129 and $1,013, respectively	37,042	41,409
Prepaid expenses	1,436	939
Supplies inventories	2,790	2,858
Income tax receivable	1,236	1,236
Total current assets	46,259	50,703
Property, plant and equipment:		
Land	8,182	8,182
Buildings and improvements	39,677	39,521
Vehicles and equipment	79,762	79,430
Furniture and fixtures	2,190	2,190
Construction in progress	1,538	967
	131,349	130,290
Less - Accumulated depreciation and amortization	75,076	73,157
Net property, plant and equipment	56,273	57,133
Other assets:		
Goodwill, net	19,850	20,031
Permits, net	13,079	13,322
Other	4,362	4,721
Total other assets	37,291	38,074
Total assets	$139,823	$145,910

The accompanying notes are an integral part of these consolidated financial statements.

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(in thousands)

	MARCH 31, 1999 (Unaudited)	DECEMBER 31, 1998
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term obligations	$ 3,461	$ 4,100
Accounts payable	15,600	17,998
Accrued disposal costs	5,631	6,335
Other accrued expenses	13,076	10,975
Income tax payable	10	50
Total current liabilities	37,778	39,458
Long-term obligations, less current maturities	67,134	68,774
Other	1,404	1,368
Total other liabilities	68,538	70,142
Stockholders' equity:		
Preferred Stock, $.01 par value:		
Series A Convertible;		
Authorized-2,000,000 shares; Issued and outstanding - none	---	---
Series B Convertible;		
Authorized-156,416 shares; Issued and outstanding 112,000 (liquidation preference of $5.6 million)	1	1
Common Stock, $.01 par value		
Authorized-20,000,000 shares;		
Issued and outstanding-10,521,355 and 10,420,874 shares, respectively	105	104
Additional paid-in capital	60,819	60,670
Accumulated other comprehensive loss	(9)	(10)
Accumulated deficit	(27,409)	(24,455)
Total stockholders' equity	33,507	36,310
Total liabilities and stockholders' equity	$139,823	$145,910

The accompanying notes are an integral part of these consolidated financial statements.

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED
(in thousands)

THREE MONTHS ENDED

	MARCH 31,	
	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$(2,842)	$(3,579)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,366	2,284
Allowance for doubtful accounts	171	176
Amortization of deferred financing costs	85	196
Changes in assets and liabilities:		
Accounts receivable	4,196	(1,087)
Income tax receivable	--	433
Prepaid expenses	(497)	(528)
Supplies inventories	68	26
Other assets	359	14
Accounts payable	(2,497)	449
Accrued disposal costs	(704)	1,699
Other accrued expenses	2,094	887
Income tax payable	(40)	38
Other liabilities	36	(238)
Net cash provided by operating activities	2,795	770
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(960)	(754)
Proceeds from sale and maturities of restricted investments	1,177	18
Cost of restricted investments acquired	(12)	(179)
Additions to permits	(17)	--
Net cash provided by (used in) investing activities	$ 188	$ (915)

The accompanying notes are an integral part of these consolidated financial statements.

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED
(in thousands)

	THREE MONTHS ENDED MARCH 31,	
	1999	1998
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings (repayments) under long-term revolver	$(1,614)	$ 979
Payments on long-term obligations	(750)	(753)
Proceeds from employee stock purchase plan	38	31
Net cash provided by (used in) financing activities	(2,326)	257
INCREASE IN CASH AND CASH EQUIVALENTS	657	112
Cash and cash equivalents, beginning of year	1,895	3,935
Cash and cash equivalents, end of period	$ 2,552	$4,047

Supplemental Information:		
Non cash investing and financing activities:		
Stock dividend on preferred stock	$ 112	$ 112

The accompanying notes are an integral part of these consolidated financial statements.

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
UNAUDITED
(in thousands)

	Series B Preferred Stock		Common Stock				
	Number of Shares	$0.01 Par Value	Number of Shares	$0.01 Par Value	Additional Paid-in Capital	Comprehensive Income (Loss)	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 1998	112	$1	10,421	$104	$60,670	---	$(10)
Net loss	---	---	---	---	---	$(2,842)	---
Other comprehensive income, net of tax:							
Unrealized holding gains arrising during the peroid	---	---	---	---	---	1	1
Reclassification adjustment for gains included in net loss	---	---	---	---	---	---	---
Other comprehensive income	---	---	---	---	---	1	---
Comprehensive loss	---	---	---	---	---	$(2,841)	---
Preferred stock dividends:							
Series B	---	---	71	1	111	---	---
Employee stock purchase plan	---	---	29	---	38	---	---
Balance at March 31, 1999	112	$1	10,521	$105	$60,819	---	$(9)

	Accumulated Deficit	Total Stockholders' Equity
Balance at December 31, 1998	$(24,455)	$36,310
Net loss	(2,842)	(2,842)
Other comprehensive income, net of tax:		
Unrealized holding gains arrising during the peroid	---	1
Reclassification adjustment for gains included in net loss	---	---
Other comprehensive income	---	---
Comprehensive loss	---	---

Preferred stock dividends:		
Series B	(112)	---
Employee stock purchase plan	---	38
Balance at March 31, 1999	$(27,409)	$33,507

The accompanying notes are an integral part of these consolidated financial statements.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 BASIS OF PRESENTATION

The consolidated interim financial statements included herein have been prepared by the Company, pursuant to the rules and regulations of the Securities and Exchange Commission, and include, in the opinion of management, all adjustments (consisting of only normal recurring accruals) necessary for the fair statement of results of interim periods. The operating results for the three months ended March 31, 1999 are not necessarily indicative of those to be expected for the full fiscal year. Reference is made to the audited consolidated financial statements and notes thereto included in the Company's Report on Form 10-K for the year ended December 31, 1998 as filed with the Securities and Exchange Commission.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Capitalization of Software Developed Internally

In March 1998, the American Institute of Certified Public Accountants issued Statement of Position 98-1, ACCOUNTING FOR THE COSTS OF COMPUTER SOFTWARE DEVELOPED OR OBTAINED FOR INTERNAL USE ("SOP 98-1"), effective for periods beginning after December 15, 1998. SOP 98-1 provides guidance on defining internal use software and the accounting for the costs thereof. The adoption of this statement in the period ended March 31, 1999 did not have a significant effect on the Company's results of operations or its financial position.

NOTE 3 FINANCING ARRANGEMENTS

As amended, the Company has a $35,000,000 Loan Agreement with a financial institution. The Loan Agreement provided for a $24,500,00 revolving credit portion (the "Revolver") and a $10,500,000 term promissory note. The Revolver allows the Company to borrow up to $35,000,000 in cash and letters of credit, based on a formula of eligible accounts receivable. At March 31, 1999, the Revolver balance was $8,307,000, letters of credit outstanding were $6,232,000 and funds available to borrow were approximately $7,100,000.

The Loan Agreement has covenants that require, among others, maintenance of a minimum level of working capital and adjusted net worth. At March 31, 1999, the Loan Agreement required minimum amounts of working capital and adjusted net worth of $6,000,000 and $33,000,000 respectively. At March 31, 1999, the Company had working capital and adjusted net worth of $8,481,000 and $34,507,000, respectively. The Company must also maintain borrowing availability of not less than $4,500,000 for sixty consecutive days prior to paying principal and interest on its other indebtedness and dividends in cash on its preferred stock. In the first quarter of 1999, the Company violated this covenant, which has been waived by the financial institution through May 15, 1999.

CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 3 FINANCING ARRANGEMENTS (CONTINUED)

In addition, the Indenture under which the Company has outstanding $10,000,000 of industrial revenue bonds the ("Bonds") contain certain covenants the most restrictive of which require the Company maintain a rolling four quarter ratio of earnings before interest, income taxes, depreciation and amortization (EBITDA) to total debt service of 1.25 to 1. At December 31, 1997 the debt service coverage ratio was 1.04 to 1. Under the terms of the Bonds, the deficiency in the debt coverage ratio did not and will not result in a default, but the Company was required to pay into a debt service reserve fund held by the Trustee for the Bonds a total amount equal to the annual debt service for one year on the Bonds. Through March 31, 1999, the Company has paid $1,075,000 into this fund, as required. Under the terms of the Bonds, the Company can request that the balance of the debt service reserve fund be returned to the Company if the debt service coverage ratio of 1.50 to 1 is met for two consecutive quarters. For the quarters ended March 31, 1999 and December, 31, 1998, the debt service coverage ratios were 1.68 and 1.58, respectively. In May 1999, the Trustee for the Bonds returned the balance of the debt service reserve fund to the Company. The balance of the debt service reserve fund was reflected as a component of restricted cash at December 31, 1998, and of cash and cash equivalents at and March 31, 1999.

NOTE 4 INCOME TAXES

SFAS 109, "Accounting for Income Taxes," requires that a valuation allowance be established when, based on an evaluation of objective verifiable evidence, there is a likelihood that some portion or all of the deferred tax assets will not be realized. The Company continually reviews the adequacy of the valuation allowance for deferred tax assets, and, in 1998, based upon this review, the valuation allowance was increased to cover the value of all net deferred tax assets. Accordingly, no tax benefit has been recorded relating to the net losses and for the quarter ended March 31, 1999 and 1998. The actual realization of the net operating loss carryforwards and other tax assets depend on having future taxable income of the appropriate character prior to their expiration. If the Company reports earnings from operations in the future, and depending on the level of these earnings, some portion or all of the valuation allowance would be reversed, which would increase net income reported in future periods.

During the ordinary course of its business, the Company is audited by federal and state tax authorities which may result in proposed assessments. The Company has received a notice of intent to assess state income taxes from one of the states in which it operates. The case is currently undergoing administrative appeal. If the Company loses the administrative appeal, the Company may be required to make a payment of approximately $3,000,000 to the state. A decision is expected in the second quarter of 1999 regarding the administrative appeal. The Company believes that it has properly reported its state income and intends to contest the assessment vigorously. While the Company believes that the final outcome of the dispute will not have a material adverse effect on the Company's financial condition or results of operations, no assurance can be given as to the final outcome of the dispute, the amount of any final

NOTE 4 INCOME TAXES (CONTINUED)

adjustments or the potential impact of such adjustments on the Company's financial condition or results of operations.

NOTE 5 LOSS PER SHARE

The following is a reconciliation of basic and diluted loss per share computations (in thousands except for per share amounts):

	Quarter Ended March 31, 1999		
	Income (Numerator)	Shares (Denominator)	Per-Share Loss
Net loss	$ (2,842)		
Less preferred dividends	112		
Basic and diluted EPS (loss available to shareholders)	$ (2,954)	10,514	$(0.28)

	Quarter Ended March 31, 1998		
	Income (Numerator)	Shares (Denominator)	Per-Share Loss
Net loss	$ (3,579)		
Less preferred dividends	112		
Basic and diluted EPS (loss available to shareholders)	$ (3,691)	10,184	$(0.36)

The Company has issued options, warrants and convertible preferred stock which are potentially dilutive to earnings. These have not been included in the calculations, since their inclusion would have been antidilutive for the above periods.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENT

In addition to historical information, this Quarterly Report contains forward-looking statements, which are generally identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans to," "estimates," "projects," or similar expressions. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in these forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations-Factors That May Affect Future Results." Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's opinions only as of the date hereof. The Company undertakes no obligation to revise or publicly release the results of any revision to these forward-looking statements. Readers should carefully review the risk factors described in other documents the Company files from time to time with the Securities and Exchange Commission.

RESULTS OF OPERATIONS

The following table sets forth for the periods indicated certain operating data associated with the Company's results of operations.

	Percentage Of Total Revenues	
	Three Months Ended March 31,	
	1999	1998
Revenues	100.0%	100.0%
Cost of revenues:		
Disposal costs paid to third parties	12.7	12.8
Other costs	62.8	64.8
Total cost of revenues	75.5	77.6
Selling, general and administrative expenses	20.4	19.5
Depreciation and amortization of intangible assets	5.3	5.7
Loss from operations	(1.2)%	(2.8)%

CLEAN HARBORS, INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS (CONTINUED)

Other Data:		
Earnings before interest, taxes, depreciation and amortization (EBITDA) (in thousands)	$1,843	$1,135

REVENUES

Revenues for the first quarter of 1999 were $44,648,000, up compared to revenues of $40,376,000 for the first quarter of the prior year. The majority of the increase in revenues was due to an increase in revenue from site services primarily due to a higher level of emergency response business for the quarter ended March 31, 1999 compared to the same quarter of the prior year. Billed hours on site services projects were flat as compared to the same quarter of the prior year. Pricing on waste processed through the Company's facilities increased by 1.3% for the quarter ended March 31, 1999 as compared to the same quarter of the prior year. Revenue due to the volume of waste processed through the Company's facilities was flat compared to the same quarter of the prior year.

There are many factors which have impacted, and continue to impact, the Company's revenues. These factors include: competitive industry pricing; continued efforts by generators of hazardous waste to reduce the amount of hazardous waste they produce; significant consolidation among treatment and disposal companies; industry-wide over capacity; and direct shipment by generators of waste to the ultimate treatment or disposal location.

COST OF REVENUES

Cost of revenues were $33,692,000 for the quarter ended March 31, 1999 compared to $31,344,000 for the quarter ended March 31, 1998, an increase of $2,348,000. As a percentage of revenues, cost of revenues decreased from 77.6% for the quarter ended March 31, 1998 to 75.5% for the quarter ended March 31, 1999. One of the largest components of cost of revenues is the cost of sending waste to other companies for disposal. Disposal costs paid to third parties as a percentage of revenue declined slightly from 12.8% for the quarter ended March 31, 1998 to 12.7% for the quarter ended March 31, 1999. This decrease was due to continuing efforts to internalize the disposal of waste, to develop alternative lower cost disposal technologies and to identify lower cost suppliers. Other costs of revenues as a percentage of revenues declined from 64.8% for the quarter ended March 31, 1998 to 62.8% for the quarter ended March 31, 1999. This decrease was primarily due to increased margins on site services work due to the types of jobs performed and improved pricing on waste processed through the Company's facilities.

COST OF REVENUES (CONTINUED)

The Company believes that its ability to manage operating costs is an important factor in its ability to remain price competitive. During the first quarter of 1999, the Company commenced a strategic sourcing initiative in order to reduce operating costs by identifying suppliers that are able to supply goods and services at lower costs, by obtaining volume discounts where the Company is currently purchasing goods and services from various suppliers and consolidating these purchases with a small number of suppliers, and by reducing the internal costs of purchasing goods and services by reducing the number of suppliers that the Company uses through reducing the number of purchase orders that must be prepared and invoices that must be processed. No assurance can be given that the Company's efforts to manage future operating expenses will be successful.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses increased to $9,113,000 for the three months ended March 31, 1999 from $7,897,000 for the three months ended March 31, 1998, an increase of $1,216,000 or 15.4%. The largest components of the increase are due to increases in headcount due to higher levels of revenues, increases in headcount in sales and marketing due to strategic business initiatives and increases in compensation to remain competitive in the employment markets in which the Company operates. The Company also experienced increases in non-payroll sales and marketing expenses related to sales initiatives.

INTEREST EXPENSE, NET

Interest expense net of interest income was $2,229,000 for the first quarter of 1999 as compared to $2,340,000 for the first quarter of 1998. The decrease in interest expense is primarily due to a decrease in the average balance of loans outstanding.

INCOME TAXES

For the three months ended March 31, 1999, income tax expense of $90,000 was recorded on a pre-tax loss of $2,752,000 for an effective tax rate of (3.3%), as compared to a tax expense of $90,000 that was recorded on a pre-tax loss of $3,849,000 for an effective tax rate of (2.3%). SFAS 109, "Accounting for Income Taxes," requires that a valuation allowance be established when, based on an evaluation of objective verifiable evidence, there is a likelihood that some portion or all of the deferred tax assets will not be realized. The Company continually reviews the adequacy of its valuation allowance for deferred tax assets, and, in 1998, based on this review, the valuation allowance was increased to cover the value of all net deferred tax assets. Accordingly, the Company recorded no benefit on its books for the future potential value of net operating loss carryforwards for the quarters ended March 31, 1998 and 1999.

INCOME TAXES (CONTINUED)

The actual realization of the net operating loss carryforwards and other tax assets depend on having future taxable income of the appropriate character prior to their expiration under the tax laws. If the Company reports earnings from operations in the future, and depending on the level of these earnings, some portion or all of the valuation allowance would be reversed, which would increase net income reported in future periods.

The $90,000 in income tax expense recorded for the each of quarters ended March 31, 1998 and 1999 is due to the tangible property taxes and net worth taxes that are levied as a component of state income taxes.

During the ordinary course of its business, the Company is audited by federal and state tax authorities which may result in proposed assessments. The Company has received a notice of intent to assess state income taxes from one of the states in which it operates. The case is currently undergoing administrative appeal. If the Company loses the administrative appeal, the Company may be required to make a payment of approximately $3,000,000 to the state. A decision is expected in the second quarter of 1999 regarding the administrative appeal. The Company believes that it has properly reported its state income and intends to contest the assessment vigorously. While the Company believes that the final outcome of the dispute will not have a material adverse effect on the Company's financial condition or results of operations, no assurance can be given as to the final outcome of the dispute, the amount of any final adjustments or the potential impact of such adjustments on the Company's financial condition or results of operations.

FACTORS THAT MAY AFFECT FUTURE RESULTS

From time to time, the Company and employees acting on behalf of the Company make forward-looking statements concerning the expected revenues, results of operations, capital expenditures, capital structure, plans and objectives of management for future operations, and future economic performance. This report contains forward-looking statements. There are many factors which could cause actual results to differ materially from those projected in a forward-looking statement, and there can be no assurance that such expectations will be realized.

The Company's future operating results may be affected by a number of factors, including the Company's ability to: utilize its facilities and workforce profitably in the face of intense price competition; maintain or increase market share in an industry which appears to be downsizing and consolidating; realize benefits from cost reduction programs; generate incremental volumes of waste to be handled through its facilities from existing sales offices and service centers; obtain sufficient volumes of waste at prices which produce revenue sufficient to offset the operating costs of the facilities; minimize downtime and disruptions of operations; and develop the consulting and information services business.

FACTORS THAT MAY AFFECT FUTURE RESULTS (CONTINUED)

The Company's operations may be affected by the commencement and completion of major site remediation projects; cleanup of major spills or other events; seasonal fluctuations due to weather and budgetary cycles influencing the timing of customers' spending for remedial activities; the timing of regulatory decisions relating to hazardous waste management projects; changes in regulations governing the management of hazardous waste; secular changes in the waste processing industry towards waste minimization and the propensity for delays in the remedial market; suspension of governmental permits; and fines and penalties for noncompliance with the myriad of regulations governing the Company's diverse operations. As a result of these factors, the Company's revenue and income could vary significantly from quarter to quarter, and past financial performance should not be considered a reliable indicator of future performance.

Typically during the first quarter of each calendar year there is less demand for environmental remediation due to the cold weather, particularly in the Northeast and Midwest regions, and increased possibility of unplanned weather related plant shutdowns.

FINANCIAL CONDITION AND LIQUIDITY

For the quarter ended March 31, 1999, the Company generated $2,795,000 of cash from operations. The primary sources of cash from operations were a $4,196,000 reduction of the accounts receivable balance at March 31, 1999 as compared to the balance at December 31, 1998 due to lower levels of sales in the first quarter of 1999 as compared to the fourth quarter of 1998, and non-cash expenses of $2,366,000 for depreciation and amortization, $171,000 for the allowance for doubtful accounts and $85,000 for the amortization of deferred financing costs. Partially offsetting these sources of cash was a net use of cash of $1,107,000 due to a net reduction in the combined balances of accounts payable, accrued disposal costs and other accrued expenses, at March 31, 1999 compared to those of December 31, 1998, which was in turn due to lower levels of activities and timing of periodic interest payments on long-term debt obligations in the first quarter of 1999 as compared to the fourth quarter of 1998.

In addition, the Company obtained $188,000 from investing activities. The source of cash from investing activities was $1,177,000 which was almost completely due to release of restricted funds that were held in a debt service reserve fund at December 31, 1998. The debt service reserve fund is discussed later in Management's Discussion and Analysis of Financial Condition and Liquidity. Primarily offsetting the source of cash from investing activities was a use of cash of $960,000 to purchase property, plant and equipment.

FINANCIAL CONDITION AND LIQUIDITY (CONTINUED)

The Company used the $2,795,000 generated from operations and the $188,000 generated from investing activities primarily to reduce borrowings under the revolving line of credit of $1,614,000, to reduce the outstanding balance on the term loan by $750,000 and to increase the amount of cash on hand by $657,000.

For the quarter ended March 31, 1998 the Company generated $770,000 form operations and the Company obtained $257,000 from financing activities, which consisted primarily of additional net borrowings. The Company used these funds primarily to purchase property, plant and equipment of $754,000 and to make payments into a debt service reserve fund of $179,000.

The Company believes 1999 capital additions of approximately $5,000,000 will be required to maintain existing capital assets, replace site services equipment and upgrade information technology hardware and software. However, the Company continues to evaluate potential acquisitions, and the Company continues to evaluate opening additional site services offices within and next to the Company's service areas. Thus, it is possible that capital additions could exceed the $5,000,000 currently planned.

The Company's $35,000,000 Loan Agreement with a financial institution provides for certain covenants the most restrictive of which require the maintenance of a minimum level of working capital of $6,000,000 and adjusted net worth of not less than $33,000,000. At March 31, 1999, working capital was $8,481,000 and adjusted net worth was $34,507,000. The Company must also maintain borrowing availability of not less than $4,500,000 for sixty days prior to paying principal and interest on its indebtedness and dividends in cash on its preferred stock. In the first quarter of 1999, the Company violated this covenant, which has been waived by the financial institution through May 15, 1999. Management believes that it will be able to comply with this covenant for the foreseeable future, and the financial institution has stated it will continue to waive this covenant, if violated, so long as the Company is in substantial compliance with the covenant. However, no assurance can be given that this covenant will not be violated and that this covenant will be waived, if violated, in the future by the financial institution. There were no other violations of loan covenants at March 31, 1999.

At March 31, 1999, funds available to borrow under the Revolver were $7,100,000. Management believes that sufficient resources will be available to meet the Company's cash requirements for the foreseeable future. The Company has

$50,000,000 of Senior Notes which mature in 2001. Some portion or all of the borrowings under the Senior Notes will need to be refinanced by the maturity date. The ability of the Company to refinance the Senior Notes at reasonable interest rates is dependent upon improving results from operations and is contingent on a favorable interest rate environment when the Company attempts to refinance the borrowings.

FINANCIAL CONDITION AND LIQUIDITY (CONTINUED)

In addition, the Indenture under which the Company has outstanding $10,000,000 of industrial revenue bonds the ("Bonds") contain certain covenants the most restrictive of which require the Company maintain a rolling four quarter ratio of earnings before interest, income taxes, depreciation and amortization (EBITDA) to total debt service of 1.25 to 1. At December 31, 1997 the debt service coverage ratio was 1.04 to 1. Under the terms of the Bonds, the deficiency in the debt coverage ratio did not and will not result in a default, but the Company was required to pay into a debt service reserve fund held by the Trustee for the Bonds a total amount equal to the annual debt service for one year on the Bonds. Through March 31, 1999, the Company has paid $1,075,000 into this fund, as required. Under the terms of the Bonds, the Company can request that the balance of the debt service reserve fund be returned to the Company if the debt service coverage ratio of 1.50 to 1 is met for two consecutive quarters. For the quarters ended March 31, 1999 and December, 31, 1998, the debt service coverage ratios were 1.68 and 1.58, respectively. In May 1999, the Trustee for the Bonds returned the balance of the debt service reserve fund to the Company. The balance of the debt service reserve fund was reflected as a component of restricted cash at December 31, 1998, and of cash and cash equivalents at March 31, 1999.

Dividends on the Company's Series B Convertible Preferred Stock are payable on the 15th day of January, April, July and October, at the rate of $1.00 per share, per quarter; 112,000 shares are outstanding. Under the terms of the preferred stock, the Company can elect to pay dividends in cash or in common stock with a market value equal to the amount of the dividend payable. The Company elected to pay the January 15, 1999 dividend in common stock. Accordingly, the Company issued 71,340 shares of common stock to the holders of the preferred stock in the period ended March 31, 1999. The Company anticipates that the preferred stock dividends payable through 1999 will be paid in common stock.

YEAR 2000

As has been widely discussed in the media, companies around the world are working on resolving the anticipated problems relating to the year 2000. The problem stems from the fact that much of the computer software, computer hardware and control devices produced in prior years provide only two digits with which to record the year. This may result in these products not functioning or producing unexpected results when the year 2000 is recorded as "00", and the program or device is unable to differentiate whether the "00" represents the year 1900 or 2000. Since 1998, the Company has been working on identifying and correcting the year 2000 problems. Although the work is on-going, the Company has identified potential year 2000 issues related to its management information systems, control devices used at its plants, and readiness of vendors and customers for the year 2000.

YEAR 2000 (CONTINUED)

Starting in 1996, the Company began a major upgrade of all management information systems in order to improve the availability of management information with the ultimate aim being better control over costs and better availability of management information, which management believes will yield improved operating results. As a by-product of this upgrade, the Company believes that all of its major management information systems are currently year 2000 compliant, with the exception of the accounts receivable and human resource systems. The Company has installed an accounts receivable module as part of its new financial software package. The Company is in the process of running the accounts receivable system parallel to the existing system and anticipates that the new accounts receivable system will be functional by the end of the second quarter of 1999. The Company has purchased a human resource system at a cost of approximately $100,000 that it expects to be able to install in 1999. At this time, the management of the Company believes that all major systems will be year 2000 compliant prior to the end of 1999.

The Company has also compiled a list of secondary computer software and hardware that is not year 2000 compliant. Although the cost of modifying or replacing the secondary software and hardware that is not year 2000 compliant has not been determined, a review of the list indicates that the cost will not be material to the results of operations of the Company.

In addition to computer software and hardware, the Company utilizes a variety of control devices in its plants, most of which are not date or time sensitive. Based on an inventory of the control devices, the cost of replacing the control devices that are not year 2000 compliant is expected to be approximately $100,000. The Company replaced these control devices during regularly scheduled plant shutdowns in April of 1999.

The Company relies on a large number of primary vendors to supply required products and services. Since the unavailability of key goods and services could potentially disrupt the Company's operations, letters have been sent to all primary and secondary vendors to determine their readiness for the year 2000. To date 80% of vendors have responded to the Company's inquiry and all critical vendors are being individually contacted. The effort to qualify all primary vendors and certain potentially key secondary vendors as to their readiness for the year 2000 problem is on-going. A target date of July 31, 1999 has been established for the Company's primary vendors to satisfy such year 2000 requests. A contingency plan for backup vendors is being established and will be implemented for those primary vendors that fail to comply.

YEAR 2000 (CONTINUED)

The Company relies on its customers to pay for services performed within a commercially reasonable period of time. If the computer systems of customers are not year 2000 compliant, there is a possibility that the collection of bills, thus cash flow, could be adversely impacted in the first quarter of 2000. In the first half of 1999, the Company plans on developing a contingency plan should customers be unable to pay their bills when due in 2000.

As discussed above, the Company is trying to insure that all mission critical software, hardware and control devices are year 2000 compliant and that there will be no disruption of service to its client base. In addition, the Company is trying to insure that primary suppliers, key secondary suppliers and significant customers are ready for the year 2000. However, due to the pervasive use of computers and control devices throughout all businesses, there is a risk that certain key non-compliant year 2000 software, hardware and control devices will be overlooked by the Company, our vendors or our customers, which could adversely affect revenues or cash flow early in the year 2000.

The Company has made significant progress on resolving problems related to the year 2000. The Securities and Exchange Commission in Release 33-7558, DISCLOSURE OF YEAR-2000 ISSUES AND CONSEQUENCES BY PUBLIC COMPANIES, INVESTMENT ADVISERS, INVESTMENT COMPANIES, AND MUNICIPAL SECURITIES ISSUERS, dated August 4, 1998 requires that all companies disclose their most reasonably likely worst case scenario relating to the year 2000. The Company has interpreted this to mean that the assumption is that there will be no further future progress on resolving known problems related to the year 2000. Although the Company intends to work diligently to resolve known year 2000 problems, the Company believes that the most reasonably likely worst case scenarios of not being able to make any further progress on its known year 2000 problems would be a decrease in cash flow due to inefficient collection of monies owed the Company because of the accounts receivable system, a disruption in cash flow due to the Company's customers not being able to pay their bills due to their systems being non-compliant, and a decrease in revenues due to the inability of the Company to obtain required goods and services because of the vendor's systems being non-compliant. The Company will continue to monitor the situation and will continue to develop contingency plans as required.

NEW ACCOUNTING PRONOUNCEMENTS

In March 1998, the American Institute of Certified Public Accountants issued Statement of Position 98-1, ACCOUNTING FOR THE COSTS OF COMPUTER SOFTWARE DEVELOPED OR OBTAINED FOR INTERNAL USE ("SOP 98-1") which provides guidance on the accounting for the costs of software developed or obtained for internal use. SOP 98-1 is effective for fiscal years beginning after December 15, 1998. The adoption of this statement in the period ended March 31, 1999 did not have a significant effect on the Company's results of operations or its financial position.

CLEAN HARBORS, INC. AND SUBSIDIARIES

PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

No legal proceedings of a material nature have arisen in the first quarter of 1999, and there have been no material changes during the first quarter of 1999 in the pending legal proceedings disclosed in the Form 10-K for the year ended December 31, 1998.

ITEM 2 - CHANGES IN SECURITIES

None

ITEM 3 - DEFAULTS UPON SENIOR DEBT

None

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5 - OTHER INFORMATION

None

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

EXHIBIT NO.	DESCRIPTION	LOCATION
10.43	Key Employee Retention Plan	Filed herewith
27	Financial Data Schedule	Filed herewith
	Reports on Form 8-K	None

CLEAN HARBORS, INC. AND SUBSIDIARIES

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.

Clean Harbors, Inc.

Registrant

Dated: May 14, 1999 By: /s/ Alan S. McKim

Alan S. McKim
President and
Chief Executive Officer

Dated: May 14, 1999 By: /s/ Roger A. Koenecke

Roger A. Koenecke
Senior Vice President and
Chief Financial Officer

Exhibit 10.43

KEY EMPLOYEE RETENTION PLAN

The Company recognizes that these are very difficult times in the environmental services industry and desires to provide its key employees with a written severance agreement which, when signed by the key employee and the Company, will entitle the key employee to those Severance Benefits described below in the event of a termination of his or her employment with the Company.

1. INVOLUNTARY TERMINATION. In the event that the key employee is terminated involuntarily for any reason other than for "cause", the Key Employee shall be entitled to receive the Severance Benefits described below. Termination for "cause" shall be deemed to have occurred only if the reason for such termination is any of the following:

   (i) A material breach of the Key Employee's fiduciary duty to the Company;

   (ii) Willful, or repeated neglect or violation of duties after having been previously warned of such neglect or violation; and

   (iii) Entry against the Key Employee of a guilty plea, or a conviction, judgment or order against the Key Employee in any proceeding or action before any court relating to a willful violation of any material law, rule or regulation relating to the business of the Company or any of its affiliates or involving moral turpitude.

2. CHANGE IN CONTROL OF THE COMPANY. In the event of a Change of Control, as defined below, and if within a period of 30 days after such Change of Control, the Key Employee shall either (i) terminate his or her employment with the Company for any reason, or (ii) shall not be offered a position with the Company (or such other entity as may result from such Change of Control, collectively "Successor"), equal to that which the Key Employee held with the Company prior to the Change of Control, the Key Employee shall be entitled to receive Severance Benefits. A position shall not be deemed to be "equal" to that which the Key Employee held prior to the Change of Control if such position does not have an equal or better compensation package and similar job responsibilities, or its primary work location is not within 30 miles of such location prior to the Change of Control.

If the Key Employee shall accept a position with the Successor after the Change of Control and the Successor shall thereafter, within a period of two (2) years from the Change of Control, change the Key Employee position so as not to be equal to the Key Employee position prior to the Change in Control, and if the Key Employee shall thereafter within a period of 30 days terminate his/her employment with the Successor, the Key Employee shall be entitled to Severance Benefits.

A Change of Control shall be deemed to have occurred if the Company is a party to any merger, consolidation or sale of assets, or there is a tender offer for the Company's common stock, or a contestable election of the Company's Directors and as a result of any such event, either (i) the directors of the Company in office immediately before such event cease to constitute a majority of the Board of Directors of the Company, or of the Company succeeding to the Company's business, or (ii) any company, person or entity (including one or more persons and/or entities acting in concert as a group) other than an affiliate of the Company, gains "control" (ownership of more than fifty percent (50%) of the outstanding voting stock of the Company) over the Company. The concept of "control" shall be deemed to mean the direct or indirect ownership, beneficially or of record, of voting stock of the Company. Notwithstanding the foregoing, it shall NOT be deemed a Change of Control if the Company is "taken private" whereby the Company's stock ceases to be registered under the Securities Act of 1933, if the current major stockholder of the Company (Alan S. McKim) continues to maintain a role as an Executive Officer of the Company and he or his family continues to own at least 25% of the outstanding voting stock of the Company or any successor thereto.

3. SEVERANCE BENEFITS. Severance Benefits shall consist of payment of one year's base salary at the rate in effect at the time of termination of employment, payable periodically in accordance with the Company's normal executive salary payment policies, plus one year of continued medical, dental, life insurance and other benefits, if any, available to the Key Employee at the time of his or her termination of employment. Notwithstanding the foregoing, in the case of Severance Benefits which arise as a result of a Change of Control of the Company, the base salary portion of Severance Benefits shall be paid in full, (less applicable federal, state and/or local income tax withholding) no later than thirty (30) days after termination of employment which gives rise to the Severance Benefits. If the Key Employee shall not have obtained new employment upon termination of employment with the Company, the Key Employee shall also be entitled to receive up to $15,000 in payment by the Company to an executive out placement firm chosen by the Key Employee to assist the Key Employee in finding new employment.

4. NON-COMPETITION AGREEMENT. In order to be eligible to participate in the Key Employee Retention Plan, a Key Employee must have entered into the Company's current form of one year non-competition agreement.

5. UN-FUNDED PLAN. Participants in the Key Employee Retention Plan should be advised that the benefits under this Plan have not been funded by the Company, and beneficiaries of the Plan thus become general creditors of the Company.

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