

HOUSE BILL REPORT

HB 1657

As Reported By House Committee On:
Agriculture & Ecology

Title: An act relating to allowing the pass-through of disposal fees for certain solid waste collection companies.

Brief Description: Allowing the pass-through of disposal fees for certain solid waste collection companies.

Sponsors: Representatives Chandler and Linville.

Brief History:

Committee Activity:

Agriculture & Ecology: 2/13/97, 2/20/97 [DPS].

HOUSE COMMITTEE ON AGRICULTURE & ECOLOGY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Chandler, Chairman; Parlette, Vice Chairman; Linville, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Cooper; Delvin; Koster; Mastin; Regala and Sump.

Staff: Rick Anderson (786-7114).

Background: The Utility Transportation Commission (UTC) regulates the rates of all solid waste collection companies operating in the unincorporated area of a county, and some collection companies operating in cities and towns. Solid waste collection companies regulated by the UTC have exclusive authority to operate in areas specified by the UTC.

The UTC is required under state law not to alter or adjust certain costs incurred by solid waste collection companies. These pass-through— costs include landfill disposal costs, disposal taxes, and certain costs relating to implementing a local solid waste management plan.

The UTC does not have authority to regulate the rates charged at a landfill or other waste facilities that offer services other than waste collection. The UTC is required, using its affiliated interest authority, to set allowable collection rates based, in part, on profits made by another solid waste facility when specific criteria are met. This

affiliated interest provision occurs when (1) a company that owns a solid waste facility receives solid waste from a collection company that it also owns; (2) the landfill disposal or other waste service is not overseen by a public entity; and (3) the solid waste collection company is regulated by the UTC.

Summary of Substitute Bill: The UTC is directed to pass-through disposal charges for companies that have an affiliated interest if the total cost of disposal is equal to or lower than the cost of other currently available disposal options.

Substitute Bill Compared to Original Bill: The substitute bill clarifies that only affiliated interests must demonstrate that the total disposal costs are equal to or lower than currently available options.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Solid waste collection companies that have an affiliated interest with another waste facility are not allowed to recover certain collection costs that are recovered by collection companies that don't have an affiliated interest. The UTC should not reduce the rates that can be charged by a collection company with an affiliated interest if the total disposal costs are equal to or lower than other currently available disposal options.

Testimony Against: Solid waste disposal fees represents about half of the overall bill that is seen on a customer's solid waste collection bill. In limited cases, the UTC can review a collection company's affiliated interests for the purpose of setting rates charged by the collection company. The UTC is charged with ensuring that citizens pay fair rates for service. If the UTC does not have the ability to review a collection company's affiliated interests, it is likely that different rates will be charged to different classes of customers. The bill does have provisions that will provide some rate protection to solid waste collection customers.

Testified: Bob Berres, USA Waste Services (pro); and Teresa Osinski, Washington State Utilities & Transportation Commission (con);