
HOUSE BILL 1863

State of Washington

61st Legislature

2009 Regular Session

By Representatives Chase, Anderson, Orcutt, Dunshee, Kristiansen, and Williams

Read first time 01/30/09. Referred to Committee on Ecology & Parks.

1 AN ACT Relating to solid waste collection companies; adding a new
2 section to chapter 81.77 RCW; and creating new sections.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** (1) The legislature finds that effective,
5 vigorous, and fair competition in the business marketplace facilitates:

6 (a) Increased innovation, higher efficiency, and the reduction of
7 overall product and service costs;

8 (b) The creation and provision of better products, processes, and
9 services to consumers; and

10 (c) The creation of new family wage jobs and the production of
11 additional tax revenues for the state that comes with new business
12 formation.

13 (2)(a) Solid waste collection companies, subject to regulation by
14 the utilities and transportation commission as to rates and service
15 under chapter 81.77 RCW, may engage in both regulated and unregulated
16 business activities within the state of Washington.

17 (b) Without proper regulation and control, it is increasingly
18 possible that the capital assets or the operating revenues and expenses
19 associated with engaging in an unregulated, competitive business

1 activity may become inextricably commingled with the capital assets or
2 the operating revenues and expenses associated with the regulated
3 business activity with its guaranteed coverage of costs and protected
4 rate of return.

5 (c) It is not in the public's interest for solid waste collection
6 companies, subject to regulation by the utilities and transportation
7 commission as to rates and service under chapter 81.77 RCW, to use
8 their special status as a government-sanctioned monopoly to compete
9 unfairly against other Washington businesses.

10 (d) Allowing solid waste collection companies to use regulated
11 ratepayer resources to subsidize unregulated business activities is
12 detrimental to the state's goal of increasing recycling rates.

13 (3) Therefore, it is the intent of the legislature in this act to:

14 (a) Clarify current statutes to ensure that solid waste collection
15 companies and their affiliated interests, subject to regulation by the
16 utilities and transportation commission as to rates and service under
17 chapter 81.77 RCW, keep separate the capital assets or operating
18 revenues and expenses associated with any business activity not subject
19 to regulation by the utilities and transportation commission as to
20 rates and service under chapter 81.77 RCW; and

21 (b) Prohibit the utilities and transportation commission, when
22 setting the rates for a solid waste collection company or an affiliated
23 interest that is subject to regulation as to rates and service under
24 chapter 81.77 RCW, from considering any capital assets or operating
25 revenues and expenses associated with any business activity not subject
26 to regulation under chapter 81.77 RCW.

27 NEW SECTION. **Sec. 2.** A new section is added to chapter 81.77 RCW
28 to read as follows:

29 (1) A solid waste collection company or affiliated interest,
30 subject to regulation by the commission as to rates and service under
31 this chapter, that engages in any business activity not subject to
32 regulation by the commission as to rates and service under this chapter
33 must keep distinctly separate the capital assets and the operating
34 revenues and expenses employed in such a business activity.

35 (2) In determining rates for a solid waste collection company, as
36 provided in RCW 81.04.250 and 81.77.030, the commission may not
37 consider, under any standard, formula, method, or theory of valuation

1 reasonably calculated to arrive at the objective of prescribing and
2 authorizing just and reasonable rates, the capital assets or the
3 operating revenues and expenses associated with any business activity
4 not subject to regulation by the commission under this chapter.

5 (3) A solid waste collection company or affiliated interest,
6 subject to regulation by the commission as to rates and service under
7 this chapter, must annually provide the commission with any accounting
8 records, as prescribed by the commission and in appropriately specific
9 detail, necessary for the commission to exclude from rate-making
10 consideration the capital assets or the operating revenues and expenses
11 associated with any business activity not subject to regulation by the
12 commission under this chapter.

13 NEW SECTION. **Sec. 3.** This act shall be known and may be cited as
14 the "fair competition for the environment act of 2009."

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