

SENATE BILL REPORT

SHB 1657

As Reported By Senate Committee On:
Agriculture & Environment, April 2, 1997

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: House Committee on Agriculture & Ecology (originally sponsored by Representatives Chandler and Linville).

Brief History:

Committee Activity: Agriculture & Environment: 3/26/97, 4/2/97 [DP, DNP].

SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT

Majority Report: Do pass.

Signed by Senators Morton, Chair; Swecker, Vice Chair; Newhouse, Oke and Rasmussen.

Minority Report: Do not pass.

Signed by Senators Fraser and McAuliffe.

Staff: Kari Guy (786-7437)

Background: The Utilities and 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 does not have authority to regulate the rates charged at a landfill or other waste facility that offers services other than waste collection.

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.

However, if the pass-through costs are from a company affiliated with the collection company, and a local government is not controlling the rates, the UTC may review the payments to the affiliated company. The UTC may adjust the rates of the collection company to account for payments to the affiliated company unless the collection company can establish the reasonableness of the payments.

Summary of Bill: The UTC is directed to pass-through disposal, transfer, and transport charges for affiliated companies when fixing the rates charged by a solid waste collection company. The total cost of disposal, transfer, and transport with the affiliated company must be equal to or lower than the cost of other currently available disposal options.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This is an issue of fairness. Companies have no way to accommodate rising costs if they are in the business of both waste disposal and waste hauling. Any solid waste hauler arriving at a landfill gate should be charged the same rate, regardless of the ownership of the hauling company.

Testimony Against: This bill has statewide implications, and will lead to rate increases for customers in a number of areas. UTC is required to ensure that rates are fair, just, reasonable, and sufficient. Whenever UTC has reviewed the hauling and disposal costs of affiliated companies, the rate for the captive ratepayer has been lower.

Testified: Teresa Osinski, WUTC (con); Bill Vogler, WA State Association of Counties (con); Polly McNeill, Bob Berres, Vicki Chiechi, Brein Air/USA Waste (pro).