



WASHINGTON REFUSE & RECYCLING ASSOCIATION

May 17, 2004

Ms. Carole Washburn
Executive Secretary
Washington Utilities and
Transportation Commission
P. O. Box 47250
Olympia, WA 98504-7250

**Re: April 28, 2004 Draft Financial Reporting Rules
Docket No. A-021178**

Dear Ms. Washburn:

Thank you for the opportunity to comment on the third discussion draft of the financial records and reporting rules. As you are aware, WRRA has submitted comments on the previous drafts, and would hope the Commission considers all the comments as being applicable to the issue at hand.

The current draft appears to have one major substantive change, that being the definition of "subsidiary." Subsidiary is now defined as:

. . . any company that the solid waste company directly or indirectly controls. p. 7

The word "control" is then defined as:

. . . the ability, directly or indirectly, to control management or policies of a company, whether through the ownership of voting shares, by contract or otherwise.

Previous drafts had defined a subsidiary as one in which another entity owned 5% or more of the voting shares.

We would suggest that the new definition is so vague as to be such that it may create more problems than it will solve. The difficulty in defining a word like "control" is aptly demonstrated by your own definition which defines the word

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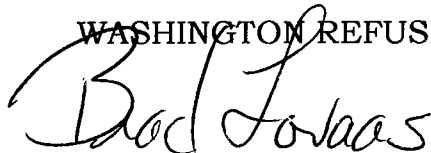
by using the word itself in the definition, generally considered to be an invalid method of definition.¹

Any definitions found in a rule should be as specific as possible, as well as allowing the regulator to apply same simply and without esoteric disagreement over words which cannot be uniformly applied to each possible situation. The use of a percentage of ownership as definitional would seem better in line with that goal.

Again, please consider this comment as supplemental to those previously furnished. WRRRA will attend any future workshops on this issue, and will offer testimony when the matter is before the Commission.

Sincerely,

WASHINGTON REFUSE AND RECYCLING ASSOCIATION

A handwritten signature in cursive script that reads "Brad Lovaas". The signature is written in dark ink and is positioned to the left of the typed name.

Brad Lovaas
Executive Director

¹ Although definition by synonym and paraphrase is common, the use of the exact word adds nothing to understanding the word or the context. *see* The Oxford Companion to the English Language, Tom McArthur ed. (Oxford University Press, 1992) p. 283.