King County Executive
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January 31, 1994

Mr. Steve McLellan, Secretary
Washington Utilities and
Transportation Commission
Post Office Box 9022
Olympia, WA 98504-9022

RE: Eastside Disposal Tariff Filing TG-931585

Dear Mr. McLellan:

The purpose of this letter is to express my grave concern regarding a recent tariff filing by Eastside Disposal (TG-931585). The rate structure proposed by Eastside Disposal is not consistent with King County's Comprehensive Solid Waste Management Plan (Plan) and could affect the waste reduction and recycling habits of thousands of King County residents. I strongly urge that you not approve this rate change as proposed.

RCW 81.77 requires certificate holders to use rate structures that are consistent with comprehensive plans. Specifically, RCW 81.77.030 states that the Commission shall regulate every solid waste collection company in the state,

> "By requiring certificate holders under chapter 81.77 RCW to use rate structures and billing systems consistent with the solid waste management priorities set forth under RCW 70.95.010 and the minimum levels of solid waste collection and recycling services pursuant to local comprehensive solid waste management plans."

Chapter 10.18 King County Code (KCC) implements King County's Plan by setting service level and rate structure expectations. These include a 60 percent differential between the mini and one can rate, 40 percent between the one and two can rate, and 25 percent between the two and three can rate. In contrast, Eastside Disposal's proposed differentials are 13 percent between the mini and one can rate, 18 percent between the one and two can rate, and 25 percent between the two and three can rate. Clearly, Eastside Disposal's Tariff filing is inconsistent with KCC 10.18 and the Plan.

The Solid Waste Division has been told that Eastside Disposal has proposed this rate structure because the Commission will not approve rates that are consistent with KCC and our Plan. I certainly hope this is not true. The rate incentives specified by KCC 10.18 are based on the premise that residents who recycle and produce less garbage should pay less than those

who do not recycle. This is the same premise that underlies the 1989 Waste Not Washington Act, which provided the direction now codified in RCW 81-77-030. Rate incentives to recycle are not apparent in Eastside's proposed rates. Moreover, I am concerned that the rate structure proposed would undermine the progress that King County has made to date in encouraging residents to reduce and recycle waste that has previously been disposed.

It is my understanding that over the past three years significant progress has been made in instituting variable rate structures consistent with State law and KCC 10.18. These rates have encouraged thousands of King County residents to reduce their garbage service level, and increase their participation in recycling and yard waste programs. For example, prior to the implementation of substantial variable rates and the implementation of recycling services, 37 percent of Waste Management-Rainier and Waste Management-SnoKing customers were one can customers, and 63 percent were two or more can customers. With the establishment of substantial variable rates and the introduction of recycling services and mini-can service, seven percent of Waste Management-Rainier and Waste Management-SnoKing customers are mini-can customers, 51 percent are one can customers and 42 percent are two or more can customers. Similar information for Rabanco Companies, including Eastside Disposal, has not been made available to the Solid Waste Division, but it is reasonable to assume similar results.

A study which examines the effects of implementing variable rates for municipal solid waste collection concludes that substantial variable rates directly affect the amount of garbage set out:

> "Seattle noted a decline from 3.5 33-gallon cans per household to 1.7 cans after the implementation of variable rates, and a further decline to 1.0 can per household after the implementation of more aggressive rates and a curbside recycling and yard waste program (Variable Rates for Municipal Solid Waste Implementation: Implementation Experience, Economics & Legislation. Lisa Skumatz, Ph.D., Reason Foundation, June 1993, Policy Study No. 160.)"

I would like the citizens of unincorporated King County to increase their recycling so they can decrease their level of garbage service, and I want to ensure that we maintain rates to encourage this behavior. The rate structure proposed by Eastside Disposal eliminates much of the financial incentive to have a lower level of garbage service and there is a strong likelihood that the trend we have seen in the past several years would be reversed. It could lead to more garbage generation, less recycling, and less participation in the optional yard waste program. I am also concerned that Eastside's rate proposal will set a precedent for other certificated haulers to file regressive rate structures.

I understand the difficulty in meeting the objectives of the Commission and Eastside Disposal's financial needs while implementing rate incentives that satisfy State law. The Solid Waste Division, the Commission, and the haulers have made significant progress during the last three years and I want us to continue to work together to achieve our mutual goals. I am making this request because I consider this filing to be inconsistent with State policy, and to avert a significant setback in providing incentives to reduce garbage and increase recycling.

I appreciate your consideration of this matter and look forward to continued cooperation between King County and the Washington Utilities and Transportation Commission. Again, I request that we resolve this situation prior to the Commission's meeting on February 9, 1994. If you require additional information or have any questions concerning this matter, please call Rod Hansen, Solid Waste Division Manager, at 296-4385.

Sincerely,

Gary Locke
King County Executive

GL:JC:mw
w20/TG931585

cc: Karen Fraser, Washington State Senator
Nancy Rust, Washington State Representative
Diane Yates, Recycling Coordinator, City of Lake Forest Park
Warren Razore, Rabanco Ltd.
Nels Johnson, Rabanco Ltd.
Metropolitan King County Councilmembers
ATTN: Cal Hoggard, Program Director
Jerry Peterson, Administrator
Brad Duerr, Council Staff
Paul Tanaka, Director, Department of Public Works
ATTN: Rodney G. Hansen, Manager, Solid Waste Division