

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,	DOCKET TG-240761
Complainant,	ORDER 11
v.	
DTG ENTERPRISES, INC.,	ORDER APPROVING SETTLEMENT AGREEMENT
Respondent.	

BACKGROUND

- 1 On December 18, 2024, the Washington Utilities and Transportation Commission (Commission) issued a Complaint against DTG Enterprises, Inc., (DTG or Company) for violations of state law and administrative rule and noticed a prehearing conference for February 6, 2025. The Complaint alleges that DTG committed 3,329 violations of Revised Code of Washington (RCW) 81.77.040 between January 1, 2023, and June 30, 2023, by knowingly transporting 3,329 loads of residual solid waste from its material recovery facility (MRF) to Snohomish County solid waste facilities.¹
- 2 DTG currently operates as a common carrier subject to Commission regulation and is authorized to transport general commodities in the state of Washington, excluding household goods, hazardous materials, and armored car service.² DTG, which stands for “Debris to Green,” is a recycler of construction, demolition, industrial, and manufacturing waste in the Pacific Northwest that operates over 20 facilities in

¹ Although the Complaint originally alleged that DTG had committed 3,389 violations of RCW 81.77.040, Commission staff subsequently clarified that the correct number of alleged violations was 3,329. *See* McPherson, Exh. KM-1T at 3:7-11 fn. 3.

² McPherson, Exh. KM-2 at 4, 17. *See also* RCW 81.80.010(1) (defining “common carrier” as including “any person who undertakes to transport property for the general public by motor vehicle for compensation, whether over regular or irregular routes, or regular or irregular schedules, including motor vehicle operations of other carriers by rail or water and of express or forwarding companies,” but excluding “a personal delivery device or a personal delivery device operator as those terms are defined in RCW 46.75.010.”).

Washington and Oregon.³ As part of its business activities, DTG operates MRFs in Maltby, Redmond, Renton, Seattle, Tacoma, Woodinville, and Yakima, as well as a single limited purpose landfill in Yakima, and offers electronics recycling, organics processing and delivery, portable sanitation solutions, and heavy hauling services in addition to general recycling services.⁴

3 DTG’s recycling services consist of two primary components. First, DTG rents recycling dumpsters, primarily to construction contractors, and transports those dumpsters to MRFs for further processing.⁵ Second, DTG allows customers to bring recyclable materials directly to its MRFs for processing.⁶ Once material is taken to a MRF, DTG sorts and separates the materials based on whether the material is recyclable, resulting in “residual material” that is left over after the recycling and reclamation process.⁷ Residuals can include recyclable materials that are too contaminated to be recycled, recyclable materials that become unmarketable due to market conditions, or solid waste that is accidentally or incidentally included in recycling dumpsters.⁸

4 On February 6, 2025, the Commission convened a virtual prehearing conference before Administrative Law Judge (ALJ) Harry Fukano. Subsequently on March 18, 2025, the Commission issued Order 02, Prehearing Conference Order; Denying Motion to Consolidate. Among other matters, Order 02 granted intervenor status to Rabanco Ltd. d/b/a Lynwood Disposal, et. al., (Rabanco), Washington Refuse and Recycling Association (WRRRA), and Lauts Inc. (Lauts).⁹

5 On August 15, 2025, the Commission added ALJ Ann Paisner as a co-presiding officer to this matter.

6 On August 20, 2025, DTG, Commission staff (Staff), Public Counsel, Rabanco, and WRRRA requested that the Commission suspend the procedural schedule to allow the

³ Kaulfuss, Exh. SK-1T at 2:20-3:1.

⁴ Kaulfuss, Exh. SK-1T at 3:1-5.

⁵ Kaulfuss, Exh. SK-1T at 5:13-20.

⁶ Kaulfuss, Exh. SK-1T at 5:21 – 6:7.

⁷ Kaulfuss, Exh. SK-1T at 6:8-11.

⁸ Kaulfuss, Exh. SK-1T at 6:12-15.

⁹ The Commission also granted intervenor status to Rubatino Refuse Removal LLC (Rubatino), however the Commission subsequently granted Rubatino’s Motion to Withdraw before the conclusion of this proceeding. *See WUTC v. DTG Enterprises, Inc.*, Docket TG-240761, Order 10 (Sept. 17, 2025).

parties to finalize a settlement.¹⁰ On August 22, 2025, the Commission suspended the procedural schedule to allow the parties to finalize a settlement.

7 On August 29, 2025, DTG, Staff, Rabanco, and WRRRA (Settling Parties) informed the Commission that they had reached a full multiparty settlement in principle and clarified that Public Counsel did not object to the settlement. On September 5, 2025, Lauts confirmed that it neither supports nor opposes the proposed multiparty settlement. On September 18, 2025, the Commission issued a revised procedural schedule in this matter.

8 On September 26, 2025, the Settling Parties filed a full multiparty settlement agreement (Settlement Agreement).¹¹ DTG and Staff also filed testimony in support of the Settlement Agreement and WRRRA and Rabanco filed narrative statements in support of the Settlement Agreement.

9 The Settlement Agreement terms contain several categories of obligations, starting with “Front-End Measures.” With respect to front-end measures, DTG agrees that it will take the following actions in Washington:

- Advise customers that construction and demolition recycling services do not obviate the customers’ obligation to use a solid waste dumpster serviced by a licensed hauler (i.e., the “two-box rule”).

- Assist customers in obtaining a solid waste dumpster or other container from a licensed solid waste collection company by: i) advising in customer agreements of the need to acquire separate solid waste dumpster or other container from a licensed solid waste collection company; and ii) reminding customers of their obligation to acquire separate solid waste dumpsters if DTG learns customers have not done so.

- Publish lists of acceptable and nonacceptable materials.

- Educate and encourage customers to place only recyclable materials in DTG containers.

- Clearly label DTG containers with recycling information and symbols.

¹⁰ In formal proceedings such as this, the Commission’s regulatory staff participates like any other party, while the Commissioners make the decision. To ensure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners’ policy and accounting advisors do not discuss the merits of this proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. *See* RCW 34.05.455.

¹¹ Public Counsel and Lauts neither support nor oppose the proposed settlement. Settlement Agreement at 1 ¶ 2.

- Clearly label any dumpsters or other containers provided by DTG for recycling service to indicate “no garbage” and “no bagged refuse.”
- Remove the term “industrial waste” from dumpsters, containers, and any associated marketing material for recycling service.
- Take reasonable steps to invest in emerging technologies aimed at reducing recycling contamination, including continued use of optical scanners at DTG’s Washington facilities.
- Train DTG staff to properly distinguish acceptable from non-acceptable materials.
- Employ tip floor analyzers at MRFs to reasonably review incoming loads.
- Reject loads where it appears that, based on reasonable visual inspection, the contents of the load are substantially comprised of: i) solid waste; ii) materials for which there is no current or potential market for reclamation and resale; and/or iii) contaminated recyclables.
- Assess penalties in an amount that serves as a reasonable deterrent for each noncompliant load, require customers to remove prohibited materials, and/or contact the local solid waste collection company for collection and transportation of rejected loads at customers’ expense.¹²

10 Staff states that the front-end measures are intended to reduce the amount of solid waste collected by DTG as part of its recycling operations.¹³ While Staff acknowledges that contamination of recyclable materials cannot be entirely avoided, the front-end measures should reasonably minimize contamination, which in turn improves public and environmental health by reducing the amount of residual waste that is sent to landfills.¹⁴ DTG similarly testifies that the front-end measures are intended to reduce the amount of solid waste collected incidentally as part of the Company’s recycling operations, which will reduce the amount of residuals produced at DTG’s MRFs.¹⁵

¹² Settlement Agreement at 2-4 ¶ 12(a)-(l).

¹³ McPherson, Exh. KM-10T at 7:8-9.

¹⁴ McPherson, Exh. KM-10T at 7:13-17.

¹⁵ Kaulfuss, Exh. SK-1T at 15:11-17.

11 Second, the “Compliance Reporting” portion of the Settlement Agreement requires DTG to file semiannual reports with the Commission regarding its operations. Specifically, the Settling Parties agree that DTG will file:

-Reports that DTG provides to Washington regulators, including cities and counties, regarding the material collection and diversion rates at its MRFs.

-Reports for each and every MRF, transfer station, recycling facility, or solid waste handling facility owned or operated by DTG in Washington regarding: a) the total amount of materials collected from customers (in loads, cubic yards, and tons) by category, with separate categories for wood waste, construction, demolition, and landscaping (CDL) waste, and other categories of waste or recycling collected by DTG; b) total amount of residual materials requiring disposal (in loads, cubic yards, and tons) by category, providing separate categories for wood waste, CDL waste, and other categories of waste or recycling collected by DTG; c) percentage calculation of residuals compared to total collections; and d) general description of primary end markets for collected materials.¹⁶

The “Compliance Reporting” section further obligates DTG to provide form customer agreements to Staff upon request.¹⁷

12 Staff states that the Settlement Agreement’s reporting requirements will improve DTG’s operational transparency, allow Staff to better monitor whether DTG is complying with applicable regulatory requirements, and improve trust between regulators and the recycling industry by demonstrating a commitment to reducing residual waste.¹⁸ DTG asserts that the reporting requirement is in the public interest because it allows the Commission to collect and monitor information regarding the production and disposal of residuals.¹⁹

13 Third, the Settlement Agreement requests that the Commission initiate a rulemaking regarding the implementation of RCW 81.77.040, Washington Administrative Code (WAC) 480-70-011, and WAC 480-70-016, specifically as to whether the collection and

¹⁶ Settlement Agreement at 4-5 ¶ 13(a)-(d).

¹⁷ Settlement Agreement at 4-5 ¶ 13.

¹⁸ McPherson, Exh. KM-10T at 7:21 – 8:8.

¹⁹ Kaulfuss, Exh. SK-1T at 15:17-19.

transportation of residual waste from a MRF for disposal is subject to economic regulation by the Commission.²⁰

- 14 Staff maintains that both Staff and the solid waste collection industry would benefit from additional clarity and guidance regarding what transport to a disposal site on “more than an occasional basis” means as that phrase is used in WAC 480-70-016(1) on a quantitative basis.²¹ Staff asserts that commencing a rulemaking is in the public interest because it will allow all stakeholders to more fully participate in a discussion of the extent to which the occasional basis exemption applies to residual hauling.²² DTG also contends that initiating a rulemaking is in the public interest because it will result in a fairer regulatory landscape for solid waste collection and recycling companies.²³
- 15 Fourth, the Settlement Agreement states that Staff will move to dismiss the Complaint in this matter with prejudice upon the Commission’s approval of the rulemaking requested in Settlement Agreement.²⁴ Staff emphasizes that the dismissal of the Complaint is directly related to the approval of the requested rulemaking because the rulemaking will address many of the issues raised in the Complaint and will afford a more beneficial and productive process to resolve those questions.²⁵ Staff further clarifies that no party is conceding their respective positions with respect to the Complaint by agreeing to the term regarding the dismissal of the Complaint, and that both Staff and DTG intend to preserve their ability to fully participate in the rulemaking and any potential subsequent litigation.²⁶ DTG argues that dismissal of the Complaint is in the public interest because

²⁰ Settlement Agreement at 5 ¶ 14.

²¹ McPherson, Exh. KM-10T at 8:12 – 9:4. *See also* WAC 480-70-016(1) (“Chapter 81.77 RCW is intended to cover operations or carriers whose primary business is transporting solid waste for collection and/or disposal. Persons holding permits issued by the commission under the provisions of chapter 81.80 RCW, whose primary business is not the collection of solid waste, normally will also need to obtain a certificate of public convenience and necessity if they transport solid waste to a disposal site **on more than an occasional basis**, or if they hold themselves out to the public as providing solid waste collection service.”) (emphasis added).

²² McPherson, Exh. KM-10T at 9:5-12.

²³ Kaulfuss, SK-1T at 15:20 – 16:5.

²⁴ Settlement Agreement at 5 ¶ 15.

²⁵ McPherson, Exh. KM-10T at 9:16 – 10:8.

²⁶ McPherson, Exh. KM-10T at 10:9-15. *See also* Settlement Agreement at 5 ¶ 15 (stating in part “In agreeing that the Complaint should be dismissed with prejudice, Commission Staff asserts that the Complaint was warranted and DTG does not admit fault.”).

it would be unfair to heavily penalize DTG when there is a reasonable disagreement about the appropriate interpretation of the law.²⁷

- 16 The Settlement Agreement also provides that Staff and DTG will cooperate on future regulatory issues and that Staff and DTG will work collaboratively in good faith to resolve any noncompliance before proceeding to formal adverse action, consistent with Staff's practice of providing technical assistance to regulated companies.²⁸ Staff maintains that ongoing collaboration is in the public interest because such a relationship aligns with Staff's strong policy preference of providing technical assistance to encourage regulatory compliance.²⁹ Staff asserts that this provision is also in the public interest because DTG has not always been forthcoming with information in past interactions with Staff.³⁰
- 17 The Settlement Agreement further states that none of the signatories will oppose the withdrawal of DTG's pending solid waste application in Docket TG-240584.³¹ Staff argues that this term is in the public interest because the rulemaking contemplated by the Settlement Agreement concerns that the same question implicit in DTG's suspended application, namely, whether DTG's operations are subject to Commission regulation.³² Staff contends that it would be reasonable to allow DTG to withdraw its application and refile after the conclusion of the rulemaking so that DTG's application, if required, will have the benefit of the guidance developed as part of the rulemaking.³³
- 18 Finally, the Settlement Agreement requires DTG will comply with all state, county, and local requirements.³⁴ Staff asserts that DTG was previously not in compliance with multiple regulatory agencies, general compliance with all laws and regulations is a component of a company's fitness for service with respect to Commission regulation, and

²⁷ Kaulfuss, Exh. SK-1T at 16:1-3.

²⁸ Settlement Agreement at 5 ¶ 16.

²⁹ McPherson, Exh. KM-10T at 10:20 – 11:3.

³⁰ McPherson, Exh. KM-10T at 11:

³¹ Settlement Agreement at 6 ¶ 17.

³² McPherson, Exh. KM-10T at 11:13-20.

³³ McPherson, Exh. KM-10T at 11:13-20.

³⁴ Settlement Agreement at 6 ¶ 18 (providing that “all state, county, and local requirements” includes but is not limited to “city solid waste and public health requirements, county flow control regulations, [Washington Department of] Ecology statutes and regulations, Commission statutes and regulations, county waste management plans, and any other applicable state laws or court orders.”).

DTG's express agreement to comply with all applicable laws is an important step toward overall compliance.³⁵

- 19 On October 24, 2025, the Commission convened a hybrid settlement consideration hearing before the Commissioners that was presided over by ALJs Ann Paiser and Harry Fukano.
- 20 At hearing, the Settling Parties stated that the rulemaking term was intended to have the Commission initiate a rulemaking, but did not require the Commission to adopt rules, and that there was no specific timeline associated with the initiation of the rulemaking.³⁶ The Settling Parties also acknowledged that, while the prospect of dismissing the Complaint in favor of initiating a rulemaking was relatively unique, examining the issues raised in the Complaint in the context of a rulemaking would afford the Commission greater flexibility and allow for broader, statewide consideration of those issues.³⁷ The Settling parties further stated that the dismissal of the Complaint would become effective upon the Commission's approval of the Settlement Agreement, not at the time the Commission initiates the requested rulemaking.³⁸ The Settling Parties also explained that failure to comply with the terms of the Settlement Agreement would lead to enforcement action from the Commission, and that the term related to cooperation between DTG and Staff would not limit Staff's authority to investigate DTG.³⁹ Finally, the Settling Parties explained that the Settlement Agreement's terms applied to DTG's operations statewide and would not expire after a set period of time, absent future modification of the Settlement Agreement.⁴⁰

DISCUSSION

- 21 In considering proposed settlement agreements, the Commission will review the agreement to determine whether it complies with applicable legal requirements and whether approval of the agreement is consistent with the public interest.⁴¹ The

³⁵ McPherson, Exh. KM-10T at 12:3-15.

³⁶ McPherson, TR at 36:20-22, 38:4-5.

³⁷ Steele, TR at 43:14-21; Gafken, TR at 45:1-5; Howard, TR at 48:18-25.

³⁸ See Gafken, TR at 50:5-9.

³⁹ See McPherson, TR at 51:16-23, 52:24-25.

⁴⁰ Kaulfuss, TR at 59:17-20, 80:10; McPherson, TR at 59:24-25, 80:3-7; Lovaas, TR at 60:15-16, 80:20-25; Hutchinson, TR at 60:21-22, 80:13-17.

⁴¹ WAC 480-07-740.

Commission may approve a proposed settlement agreement, with or without conditions, or may reject it and will approve an agreement if it is lawful, supported by an appropriate record, and consistent with the public interest in light of all the information available to the Commission.⁴² The Commission generally supports parties' informal efforts to resolve disputes without the need for contested hearings when doing so is lawful and consistent with the public interest.⁴³

22 Having carefully considered the Settlement Agreement and the record developed in this proceeding, the Commission determines that the Settlement Agreement should be approved without condition because it is lawful, supported by an appropriate record, and is in the public interest. As an initial matter, the Commission expresses some concern regarding the proposal to dismiss the Complaint in this proceeding in favor of a rulemaking to address the issues raised by the Complaint. However, the Commission is persuaded that, under the circumstances presented in this case, this outcome is in the public interest. Specifically, a rulemaking will allow the Commission to consider whether and under what circumstances residual hauling should be subject to Commission regulation in the context of operations throughout the state, rather than being limited to the activity that is the subject of the Complaint. The Commission further anticipates that addressing this issue in a rulemaking will allow the Commission to consider a broader range of related legal issues in a collaborative environment with additional information from rulemaking participants.⁴⁴ Against this backdrop, a rulemaking may avoid a more piecemeal determination of whether and under what circumstances the Commission should regulate residual hauling pursuant to the Commission's statutory authority to regulate solid waste carriers.

23 However, this Commission cautions that this approach is to be used exceedingly sparingly and the determination in this proceeding should not be interpreted as establishing a regular procedure for resolution of adjudications in the future, absent unique or extraordinary circumstances. As alluded to at hearing, the Commission retains the ability to initiate a rulemaking, regardless of whether there is a complaint pending that implicates the same or similar issues.⁴⁵ Furthermore, the initiation of a rulemaking

⁴² WAC 480-07-750(2).

⁴³ WAC 480-07-700.

⁴⁴ See Howard, TR. at 22:17-18.

⁴⁵ Doumit, TR. at 44:3-9. See also *Budget Rent a Car v. Dept. of Licensing*, 100 Wn. App. 381, 386 (2000) ("Under the Washington APA, unless a statute specifically requires adoption of a rule, agencies may develop policy either by rule making or adjudication."); RCW 34.05.220(4) ("Each

pursuant to the Settlement Agreement does not require that the Commission ultimately adopt rules, which the Settling Parties confirmed at hearing.

24 Turning to the remaining provisions of the Settlement Agreement, the Commission determines that the term related to dismissal of the Complaint with prejudice is in the public interest for the same reasons that the Commission approves of the term related to initiating a rulemaking. Relatedly, the Commission finds that the Settlement Agreement term to not oppose the withdrawal of DTG's pending solid waste application in Docket TG-240584 is in the public interest, as the question of whether DTG's operations are subject to Commission solid waste regulation may be addressed in the rulemaking contemplated by the Settlement Agreement.⁴⁶

25 The Commission also finds that the terms regarding front end measures and DTG's compliance with other applicable laws and regulations are reasonable and appropriate means to reduce confusion for customers, enhance compliance with existing Commission solid waste requirements and promote public health. Similarly, the terms related to compliance reporting and ongoing collaboration between DTG and Staff will assist in promoting transparency into DTG's operations and preserve Staff's ability to bring enforcement action in the appropriate circumstances.

26 Based on the review of the Settlement Agreement's operative terms discussed above, the Commission determines that the Settlement Agreement should be approved without condition.

FINDINGS AND CONCLUSIONS

27 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property, and affiliated interests of public service companies, including solid waste collection companies and common carriers.

agency that is authorized by law to exercise discretion in deciding individual cases is encouraged to formalize the general principles that may evolve from these decisions by adopting the principles as rules that the agency will follow until they are amended or repealed.”); RCW 80.01.040(4); RCW 81.01.010; 81.77.030(1)(a).

⁴⁶ However, the Commission clarifies that the substantive resolution of the application withdrawal in Docket TG-240584, which involves parties absent from this proceeding, will be evaluated separately in that docket.

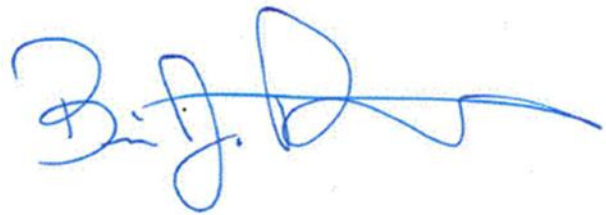
- 28 (2) DTG is a common carrier company subject to Commission jurisdiction operating under Permit No. CC067476.
- 29 (3) On September 26, 2025, the Settling Parties filed a Settlement Agreement with the Commission. The Settlement Agreement is attached and incorporated into this Order as Appendix A.
- 30 (4) The Commission finds that the Settlement Agreement's terms related to the initiation of a rulemaking and dismissal of the Complaint with prejudice in this proceeding are in the public interest. A rulemaking will provide a process to more broadly and holistically consider the issues raised in the Complaint in the context of all solid waste industry stakeholders and statewide operations. However, the Commission clarifies that this resolution is predicated on the unique and complex nature of the issues presented in this case, should be used exceedingly sparingly, and should not be understood as creating a regular process for resolving contested issues before the Commission.
- 31 (5) The Commission finds that the Settlement Agreement term related to the Settling Parties' non-opposition to the withdrawal of DTG's solid waste application in Docket TG-240584 is in the public interest, as the question of whether DTG's operations are subject to regulation as a solid waste collection company may be more fully addressed in the rulemaking contemplated by the Settlement Agreement.
- 32 (6) The Commission finds that the Settlement Agreement's terms related to DTG's front-end measures and compliance with all other applicable laws and regulations are in the public interest because such terms reduce confusion for customers, promote the public health, and enhance compliance with Commission regulations.
- 33 (7) The Commission finds that the Settlement Agreement's terms related to compliance reporting and ongoing collaboration are in the public interest because reporting will allow greater transparency into DTG's operations and cooperation does not prohibit Staff from bringing future enforcement action against DTG where appropriate.
- 34 (8) The Commission determines that the Settlement Agreement is lawful, supported by an appropriate record, and consistent with the public interest.
- 35 (9) The Commission should approve the Settlement without condition.

ORDER

- 36 (1) The Settlement Agreement filed by Commission Staff, DTG Enterprises, Inc.,
Rabanco Ltd. d/b/a Lynwood Disposal, et. al., and Washington Refuse and
Recycling Association, attached as Appendix A, is approved without condition
and adopted as part of this Order.
- 37 (2) The Commission Secretary is authorized to accept by letter, with copies to all
Parties to this proceeding, filings that comply with the requirements of this Order.
- 38 (3) The Commission retains jurisdiction to effectuate the terms of this Order.

DATED at Lacey, and effective Washington February 9, 2026.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



BRIAN J. RYBARIK, Chairman



ANN E. RENDAHL, Commissioner



MILTON H. DOUMIT, Commissioner

NOTICE TO PARTIES: This is a final order of the Commission. In addition to judicial review, administrative relief may be available through a petition for reconsideration, filed within 10 days of the service of this order pursuant to RCW 34.05.470 and WAC 480-07-850, or a petition for rehearing pursuant to RCW 80.04.200 or RCW 81.04.200 and WAC 480-07-870.

**APPENDIX A
SETTLEMENT AGREEMENT**