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BEFORE THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

WASTE MANAGEMENT OF
WASHINGTON, INC. d/b/a WASTE
MANAGEMENT OF THE NORTHWEST,
WASTE MANAGEMENT OF SEATTLE AND
SOUTH SOUND, AND WASTE
MANAGEMENT OF SNO-KING, G-237,

Respondent.

Docket Nos. TG-120840, TG-120842 and
TG-120843

STATEMENT IN SUPPORT OF
PROPOSED ITEM 30 TARIFF
LANGUAGE BY WASTE
MANAGEMENT OF WASHINGTON,
INC.

1. Waste Management of Washington, Inc., d/b/a Waste Management Northwest, Waste Management of Seattle, Waste Management – South Sound, and Waste Management – Sno-King (WMW), submits the following Statement in Support of Proposed Item 30 Tariff Language (Statement) to assist the Commissioners in their consideration of proposed amendments to WMW’s tariffs addressing service requirements during and after strikes, work stoppages and other labor disruptions. Specifically, WMW submits this Statement to support the revisions to Item 30, which are being jointly proposed by WMW, Allied Waste, and the Washington Refuse and Recycling Association. See attached Exhibit 1, Hauler Proposed Work Stoppage Text for Item 30 (the Hauler Proposal).

1 are three different administrative proceedings that involve WMW and that are relevant to the
2 Commission's consideration of the Hauler Proposal. These three proceedings – (1) the
3 adjudication of the tariff filings presented in this matter, (2) the proposed amendment to the
4 Commission's Tariff Template (Docket No. TG-010374), and (3) the Staff Investigation of
5 WMW's 2012 labor strike and subsequent complaint for penalties (Docket No. TG-121265) –
6 together provide an ample record as to WMW's specific experiences during the 2012 strike and
7 the broader needs of the regulated solid waste collection companies.

8 6. In a sense, the current proceeding began with a "Technical Assistance" letter sent
9 by the Commission to the solid waste industry in May of 2012 recommending tariff revisions to
10 address missed collections due to work stoppages. In response, on June 6, 2012, WMW
11 submitted a request for revisions to the language in Item 30 in its tariffs governing services in
12 King and Snohomish Counties, which resulted in the opening of this proceeding under Docket
13 Nos. TG-120840, TG-120842, and TG-120843. Prior to filing, WMW worked with Commission
14 Staff to draft mutually acceptable language for the Item 30 revisions, and filed the following:

15 **Missed pickups due to labor disputes, union strikes or other**
16 **employee actions.** Customer pickups may also be impacted by
17 labor disputes, union strikes, or other employee actions, which
18 directly or indirectly impact the company's employees and its
19 customers. In such event, the company will take all necessary
20 actions consistent with its collective bargaining agreements and
21 applicable law to continue to provide service to customers. If
22 disruptions occur, all necessary steps in the interests of public
23 health and safety will be undertaken to resume regular service.
24 Affected customers with accumulated materials, including solid
25 waste and/or recyclables and yard waste will be collected on the
26 next scheduled or available pickup date. The company will not
 extend credit for the missed pickup but customers will also not be
 charged for overfilled containers, receptacles or extras set out in
 bags on top of or next to the customer's regular receptacle if the
 amount of extra material does not exceed the amount that would
 have reasonably been expected to accumulate due to missed
 pickups.

1 7. WMW initially asked for an effective date of August 1, 2012. However, after the
2 filing, Staff requested that the company extend the effective date for an additional month, to
3 allow for consideration of whether tariff amendments should be best accomplished by individual
4 company filings, or by amendment to the tariff template for the industry as a whole. On July 12,
5 2012, WMW sent a letter requesting an extension of its filed-for effective date from August 1 to
6 September 1 “pursuant to staff instructions.”

7 8. Meanwhile, WMW was embroiled in labor negotiations with Teamster Local 117
8 regarding the terms of the collective bargaining agreement for drivers collecting residential
9 recyclables and yard waste. The agreement expired at the end of May 2012, but the parties were
10 undertaking good faith negotiations throughout the spring and summer. WMW was therefore
11 caught off guard when the Teamsters Local 117 called a strike on July 25, 2012. The company
12 was even more taken aback when the drivers of Teamsters Local 174 honored the picket lines of
13 the recycling drivers.

14 9. The strike was called in mid-morning on Wednesday, July 25 (“Day 0”). WMW
15 immediately took measures to respond to the service disruption. It called on drivers who work
16 for the company in other areas throughout the country, known as the “Green Team.” After the
17 bargaining agreement expired at the end of May, the Green Team was put on alert, but not
18 deployed to the Puget Sound area. Green Team managers were brought in prior to the work
19 stoppage to receive training and familiarization with local operations should the strike occur.
20 When the strike was abruptly called, the Green Team was activated.

21 10. Mobilizing Green Team members presents a number of logistical and practical
22 issues. These drivers and other employees live and work throughout the country. They have
23 regular jobs, families, activities, and other commitments. When they are notified that they are
24 needed to support collection services during a strike or after an emergency or natural disaster,
25 they must immediately make arrangements to cover work and family matters, then travel to
26 where they are needed. Once having arrived, they must receive orientation, processing, safety

1 training, and other information to allow them to perform the needed collection services
2 efficiently, effectively, and safely. This takes time. While a few workers may be a short drive
3 away and can be ready to begin collection services within one or two days, most others who need
4 more time and have to travel further may not be ready for at least three to five days.

5 11. Due to these logistical and practical issues, Green Team members arrived
6 throughout the course of the six-day strike last summer. The first Green Team drivers began
7 arriving on Thursday (“Day 1”) but could not begin driving routes until necessary preliminary
8 credentialing, orientation, and safety matters were first addressed. Other preparations were
9 necessary as well. For example, almost every strike situation is tense and it is critical to WMW
10 that everyone – striking drivers, substitute drivers, other employees, and the public – are safe.
11 Before WMW deploys its collection vehicles, the company must ensure that appropriate security
12 measures are in place. For last summer’s strike, security measures were in place on Friday, July
13 27 (“Day 2”). Replacement drivers must also be given orientation to their routes, equipment, and
14 facilities in a city where they may have little or no familiarity. Their credentials must be verified to
15 ensure compliance with federal, state, and local laws and regulations before dispatched to work,
16 whether they be Green Team members or local resources.

17 12. Waves of Green Team drivers continued to arrive on Monday (“Day 3”) and
18 Tuesday (“Day 4”). By Day 5, WMW had deployed 166 Green Team members for collection
19 services and another 21 members as technicians and equipment operators. Another hundred had
20 arrived and would have been ready for deployment if the strike had not ended on the next day
21 (Day 6). If the strike had continued, that number would have continued increased substantially
22 on Thursday and over the weekend.

23 13. Late on Wednesday evening, WMW and Teamsters Local 117 representatives
24 reached an agreement, which was then approved by the union membership the following
25 morning, August 2. However, notwithstanding the approval of the agreement on Thursday,
26

1 August 2nd, most of Teamsters Local 117 unexpectedly did not return to work until the next day,
2 Friday, August 3rd.

3 14. During this maelstrom of strike activity and shortly after the strike began, WMW
4 requested that the Commission approve its filings to include work stoppage language in its three
5 affected tariffs on an emergency basis at the Open Meeting on July 27. It had, unfortunately,
6 already asked for an extension of the effective date of the filing, and the Commissioners declined
7 taking action while the strike was occurring. The Commissioners would therefore not consider
8 the filing until the Open Meeting at the end of August, immediately prior to the already extended
9 effective date of September 1.

10 15. At the Open Meeting in late August, Staff requested approval to reopen the
11 related Tariff Template docket to consider whether the Commission should add industry-wide
12 language to Item 30 describing how missed pickups would be handed as a result of a labor
13 disruption. (Docket No. TG-010374). In addition, the Commission suspended the three WMW
14 dockets.

15 16. During the course of the next several months, the Commission solicited written
16 and oral comments on proposed tariff language in the Item 30 docket proceeding. WMW
17 provided extensive explanations of how it responded to the labor strike and the logistical
18 challenges encountered in resuming service during and after such significant strike. Other
19 parties discussed different perspectives and viewpoints, both private and public. The
20 Commissioners and Staff attended workshops and freely explored various options for language
21 to be added to Item 30 of the Tariff Template. In this docket proceeding, the Commission has
22 taken official notice of the record created in Docket No. TG-010374. Order 02. WMW
23 specifically incorporates into this Statement by reference the written comments submitted by
24 WMW on October 12, 2012; March 29, 2013; June 7, 2013; and June 12, 2013; and transcripts
25 of the proceedings in the Workshop on October 25, 2012 and the Special Open Meeting on June
26 13, 2013. See Declaration of Andrew Kenefick (Kenefick Decl.).

1 17. Also, immediately after the labor strike, the Commission initiated a formal
2 investigation of WMW's implementation of its contingency plan during the labor strike, and the
3 impacts on its customers due to its inability to provide solid waste, recycling and yard waste
4 collection services. (Docket No. TG-121265). The Commissioners presided over an Open
5 Meeting in Woodinville on August 9, 2012. There, WMW made a lengthy presentation about its
6 strike response, implementation of its contingency plan, data regarding the number of drivers
7 deployed, and the dates on which service was wholly or partially performed. In spite of the
8 Commission's extensive public outreach and media coverage in advance of the hearing, only
9 three private citizens testified. In the investigation proceedings, WMW responded to a Data
10 Request from Staff with detailed information tallied on a day-by-day basis regarding collection
11 services performed. This Statement incorporates by reference the power point materials
12 presented by WMW at the Woodinville Open Meeting, and the Data Request provided by WMW
13 in Docket No. TG-121265. See Kenefick Decl. Ex. B.

14 18. Meanwhile, the suspension clock for WMW's tariff was ticking while participants
15 in the Item 30 docket were gaining a clearer appreciation of the problems that confront a
16 collection company responding to a labor disruption and of the policy concerns that the
17 Commissioners and Staff had about various approaches to the Tariff Template.

18 19. The Commission decided to consider the issue of tariff language addressing
19 missed collection due to labor disruptions through the company-specific filings made by WMW
20 and Allied Waste instead of pursuing general language for the Tariff Template. Thus, just prior
21 to the expiration of the suspension period on WMW's filing, the Commission initiated
22 adjudication on the pending tariff dockets. See Notice of Hearing, June 6, 2013. The hearing
23 was set at the same time for the filings made by five operating divisions of Allied Waste, seeking
24 similar language in its tariffs. *WUTC v. Rabanco Ltd. et al.*, Dockets TG-121366, TG-121367,
25 TG-121369, TG-121370 and TG-121371.

1 20. The Commission allowed WMW's suspended tariff go into effect by operation of
2 law on July 1, 2013, incorporating into the company's three tariffs the language it filed for on
3 June 12, 2012. Order 02. The Commission also allowed Allied Waste's filings to go into effect
4 by operation of law on August 1, 2013.

5 21. To close the loop, at the next Open Meeting on June 27, 2013, the Commission
6 tabled the effort to adopt industry-wide language addressing work stoppages in the Item 30
7 docket. It adopted new language regarding missed collection only because of unsafe weather
8 conditions, road conditions, natural disasters, or when government authority restricts access to
9 local roads. Order Revising Item 30 of the Standard Solid Waste Tariff Template, Docket No.
10 TG-010374: In the Matter of Revisions to Item 30 of the Standard Tariff Template for Solid
11 Waste Collection Companies Required by WAC 480-70-281, Order 02 (July 26, 2013) and
12 Exhibit 1 thereto. The work stoppage issue was to be decided in the context of the company-
13 specific filings made by WMW and Allied Waste. The parties agreed to propose specific
14 language to be included in each tariff and to file supporting briefs. This Statement and the
15 attached Hauler Proposal present WMW's proposed revisions to Item 30 to address work
16 stoppage. WMW is joined by Allied Waste, and the Washington Refuse and Recycling
17 Association in presenting the Hauler Proposal, which represents a consolidated industry proposal
18 to the Commission.

19 22. As the various administrative dockets have proceeded, the issues related to
20 handling work stoppages crystallized into several discrete categories, which are the issues
21 presented in the context of the tariff filings before the Commission in these docket proceedings:

- 22 • What are the performance standards for determining whether a regulated
23 company's response to a work stoppage is consistent with the Commission's
24 expectations?
- 24 • When should a regulated company be expected to resume collection of solid
25 waste from customers who were missed during a work stoppage?
- 26 • Under what circumstances must a company credit customers for collections
 missed during a labor disruption?

- What is the fair and appropriate method of calculation of the amounts due to customers if credits are required for missed collection services?

23. WMW believes that the language in the Hauler Proposal sets forth a reasonable, practical, and balanced approach for addressing each of these issues. The approach recognizes the difficult and practical problems with resuming and restoring service during and after a significant work stoppage. It sets forth an aggressive timetable for resuming service but does not set impossible or punitive standards for haulers who are making reasonable and practicable efforts to restore service. Specifically, the proposal recognizes that, for numerous practical reasons, a hauler will need at least **five working days** after a strike begins to deploy the drivers and resources needed to resume service to most residential and commercial customers. Even with five days it may not be possible to restore service to everyone, but at least it provides a practical and measurable standard that should help to minimize customer inconvenience without unfairly punishing the hauler.

II. STATEMENT IN SUPPORT

24. For reasons further discussed below, WMW urges the Commission to adopt the language presented in the Hauler Proposal and summarized as follows:

- A company should be required to use all reasonable, practicable means to resume regularly-scheduled service to all customers within five business days, not including the first day of the labor disruption. If the company is unable to resume services to all customers by that deadline, the Commission should consider the company's resources, the circumstances of the labor disruption, and any other factors that are relevant to determining whether the company nonetheless used all reasonable, practicable means to resume service.
- After service resumes as described above, a regulated company should be expected to pick up all accumulated solid waste at the customer's next regularly-scheduled service date. The company will not charge for extra waste set out in addition to the customer's normal receptacle(s) if the amount of extra waste does not exceed the amount that reasonably would be expected to accumulate due to missed service.
- If a hauler fails to collect a customer's accumulated solid waste by the next scheduled collection date after service resumes, the company must issue credits for all missed services, including the initial miss and any subsequent missed service until normal service is restored to that customer.

- 1 • The credit issued to customers should be calculated on the assumption that
2 monthly residential rates are based on 4.33 services per month; and it should be
3 established to repay the customers for the services paid for but not received, in the
4 proportionate amount that is attributable to the service-related component of the
5 tariff rate. It should exclude amounts attributable to disposal fees for garbage and
6 processing fees for yard waste. For recycling collection service, the amount of
7 the credit should be calculated based on the net service-related component of the
8 tariff, and adjusted for the amount of the recycling commodity credit.

9 25. Each of these four issues is discussed separately below. Collectively, however,
10 they recommend a simple set of principles: *Establish a fair, practicable, and measureable*
11 *performance standard that allows for the Commission to also consider the specific*
12 *circumstances of each hauler and each work stoppage. If a hauler does not meet these*
13 *performance standards, require the hauler to issue credits that fairly represent the value of the*
14 *missed services.*

- 15 **A. The Commission should adopt a performance standard that requires haulers**
16 **to use all reasonable and practicable means for restoring service, but should**
17 **not set a standard requiring full resumption of service any earlier than five**
18 **business days.**

19 WMW believes the performance standard to measure a company's success in resuming
20 service following a labor disruption should have two components, one that is an objective
21 temporal benchmark, and another that allows the Commission to exercise its discretion if that
22 objective deadline is not met. The Hauler Proposal recommends the following language:

23 *A company must use all **reasonable, practicable means** to resume*
24 *regularly-scheduled service to all customers **within five business***
25 ***days, not including the first day of the labor disruption. To***
26 *evaluate a company's response to a labor disruption, the*
 commission may consider the company's resources, the
 circumstances of the labor disruption and any other relevant
 factors. [Proposed Section 6.f.]

1 **1. An objective performance standard of five business days sets a**
2 **reasonable balance between the need to resume service and the**
3 **practical and logistical challenges for marshaling the resources**
4 **necessary to resume service efficiently, effectively, and safely.**

5 26. In order to provide the company with a measurable and achievable goal, the
6 Commission should establish a time period for objectively measuring whether a company's
7 response to a labor disruption has occurred promptly enough to satisfy the Commission. The
8 time period should balance minimizing inconvenience to customers with the challenges facing a
9 company under strike. Due to the realities of the time needed to marshal, orient, and train a
10 sufficient number of substitute drivers to resume services, WMW believes the proper period of
11 time is five business days, as stated in the Hauler Proposal. Anything less would create a
12 standard functionally incapable of being met, and therefore meaningless.

13 27. Based on WMW's experience last summer, it takes several days for a significant
14 number of substitute drivers to be brought to the strike location, be provided facility orientation,
15 be reviewed for safety and licensing needs, and be educated about routing. Safety precautions
16 take priority, not only in the sense of driver training but also for the general welfare of
17 employees during a labor disruption. If for instance, a strike were called mid-day on a Monday
18 (Day 0), WMW cannot realistically alert substitute drivers elsewhere in the country until
19 Tuesday morning (Day 1), especially in light of the time zone differences. With the time needed
20 to make work and family arrangement, mobilize, and travel (especially for drivers coming from
21 the East Coast), this effectively means that the first significant wave of substitute drivers would
22 not arrive until late Wednesday at the earliest (Day 2). They would then have to undergo safety
23 checks, equipment familiarization, and route instructions, which could perhaps be conducted on
24 Thursday (Day 3). Thus, the earliest full day that the first significant wave of drivers could be on
25 the street performing collection services would be Friday (Day 4) – and that is an aggressive
26 schedule which only addresses the first arrivals. It would be even longer for drivers arriving
after Day 2. Only around Day 5 will the number of drivers even start to represent the full

1 complement needed to resume service. These time frames might be even longer if a surprise
2 strike or sympathy strike is called and the company has not had time to put in place the necessary
3 pre-strike preparations.

4 28. Allowing for a five-day recovery period is also sensible because it synchronizes
5 with most residential and commercial customers who have weekly collection service. If a
6 weekly customer is missed on a Monday because a strike is called (Day 0), the customer would
7 receive service its next regularly-scheduled service day, the following Monday (Day 5) and
8 would only be inconvenienced once. Likewise, a weekly customer who is missed on the Friday
9 (Day 4), would have service restored the following Friday – its regularly scheduled day. To
10 deviate from this schedule would be a logistical nightmare, create customer confusion, and likely
11 compromise the hauler’s strike recovery efforts.

12 29. Furthermore, if the Commission adopts a five-day recovery period, it would be
13 consistent with how most city contracts address resuming service disrupted by a labor event.
14 WMW operates a significant portion of its collection services in Washington under municipal
15 contracts under which penalties are not assessed for service misses during the first calendar week
16 of the labor disruption. Examples of such contracts are those agreements with the cities of
17 Auburn, Kirkland, Federal Way, and even Seattle. *See* Staff Memo 9/27/12, Attachment C (City
18 Collection Contracts in King County: Performance Fees for Missed Collection, Force Majeure
19 Provisions for Labor Disruptions). To have different approaches in WUTC territories than in
20 contract cities would create huge logistical problems and customer confusion that would likely
21 hinder a hauler’s efforts to resume service after a strike.

22 30. The five-business-day standard is also easily understood. Customers are
23 generally aware that if their garbage is not picked up during one week, it will be picked up on
24 their next regularly scheduled collection day. Both WUTC and contract city customers are used
25 to operating under the expectation that if their collection is missed due to unpredictable
26 conditions, which include weather, road conditions, and labor disruptions, the service will be

1 resumed at the next scheduled pickup. Indeed, to require collection on days other than regularly-
2 scheduled collection days would create massive customer confusion. Some customers will not
3 know to place their can curbside on a different day than usual. Other customer may not know
4 whether they are under a city contract or in a WUTC territory. Some customers may not even
5 know which hauler collects their waste.

6 **2. The Commission should also consider whether a hauler has used all**
7 **reasonable, practicable means to resume service.**

8 31. Under any circumstances, WMW's primary interest is to collect solid waste and
9 to resume services as quickly and safely as possible. For brief work stoppages (*i.e.*, one or two
10 days), WMW will likely be able to resume full service to regularly-scheduled routes in less than
11 five days. With an unexpected or protracted labor disruption, that standard will be challenging.
12 There may, however, be other circumstances when a hauler cannot resume services within five
13 business days despite its best efforts. For example, a nation-wide strike, a labor disruption
14 immediately followed by a severe weather event, or a labor shutdown of all local transfer stations
15 could make it impossible for a company to marshal the necessary drivers and resources to
16 resume full service within five business days. The Hauler Proposal allows the Commission to
17 exercise its discretion to determine whether the company has used all reasonable, practicable
18 means if the five-business-day deadline is missed.

19 32. The Hauler Proposal recommends that the Commission consider the company's
20 resources, the circumstances of the labor disruption, and any other relevant factors to determine
21 whether it used all reasonable and practicable means to resume service even if it could not
22 resume full service within five days. Certainly, the Commission may decide the delay was
23 understandable and refrain from penalizing the company's response. If it does not, then the
24 Commission could impose appropriate sanctions.

1 **B. The tariff should allow for haulers to collect missed solid waste at the**
2 **customer's next regularly scheduled collection date after resuming service.**

3 33. A corollary to requiring service to resume after five business days is the
4 requirement to collect missed solid waste at the next regularly-scheduled collection date after
5 service resumes. WMW supports the following language in the Hauler Proposal:

6 *Collect all accumulated solid waste at the customer's **next***
7 ***regularly-scheduled service date** after service resumes. The*
8 *company **will not charge for extra waste** set out in addition to*
9 *customers' normal receptacle(s) if the amount of extra waste does*
10 *not exceed the amount that reasonably would be expected to*
11 *accumulate due to missed service. [Proposed Section 6.g.]*

12 34. While this requirement may seem to be an obvious consequence of the
13 requirement to resume service within five business days, there is a distinction that relates to
14 when specific customers should be collected, what waste must be collected, and whether a credit
15 is owed. Both reflect the logical and well-understood weekly cycle for typical collection
16 services. The first issue has to do with establishing a benchmark for when a company must fully
17 resume collection services. In comparison, this requirement has to do with when the missed
18 collections will be made up, which is a subtly different issue. In other words, the general
19 requirement to resume service within five business days does not mean that the hauler must
20 change the normal collection days for each customer; rather, the normal collection day remains
21 the same.

22 35. The Commission should adopt a standard that requires missed collections to be
23 made up on the next regularly scheduled pickup when services have been fully recovered. The
24 same standard applies regardless of the duration of the labor disruption. Even with an
25 abbreviated strike, the missed collections could not be made up until the customer's next
26 regularly scheduled pickup. It cannot be a shorter period of days, as some have suggested. The
 disrupted company may be able to satisfy the requirement for resuming services within five
 business days, but nonetheless it is not possible, practical, or realistic to require haulers to restore

1 service to specific weekly or bi-weekly customers on a schedule different than their normal
2 service schedule. When all or a significant part of an entire day is missed because of a work
3 stoppage, the company cannot simply “inject” that day’s services into another full day of
4 collection.

5 36. Stated another way, if a surprise strike is called on Monday (Day 0) and
6 customers are missed that day and Tuesday (Day 1), but then 100% service is resumed on
7 Wednesday (Day 2), the company cannot make up for the Monday and Tuesday missed
8 collections until the next scheduled service date. A hauler cannot marshal enough drivers and
9 trucks to run three days of collection routes in one day. WMW does not maintain a triplicate
10 fleet of collection vehicles to cover three days’ worth of collection routes in one day.

11 37. For weekly or every-other-week customers, it will be the next week or the next
12 every-other-week scheduled service. For commercial customers with daily service, the hauler
13 would be required to collect that customer on the day after system-wide services are resumed -
14 but no later than Day 5 of the strike, regardless of whether the strike is over or not, since Day 5
15 would be that daily customer’s next regularly scheduled collection day after the deadline for
16 resuming services.

17 38. This solution avoids the problem of duplication of resources since the company
18 will not be trying to compress two, three, or even four days of service into the course of one day.
19 Service will resume for those customers who are normally scheduled for service that day.
20 WMW believes that this requirement will still present significant challenges because the extra
21 waste slow down collection routes and cause trucks to fill up more quickly.

22 39. The Hauler Proposal also explains that customers whose collection was missed
23 will not be charged for extra waste. This element of the tariff language is consistent with how
24 missed collections are handled due to unsafe weather, road conditions, natural disaster or
25 governmental access restrictions. While WMW believes that all parties agree with this principle,
26 it is important to include it expressly in the tariff to avoid any potential conflict with the

1 Commission's regulation that would otherwise require the hauler to charge for extra waste.
2 WAC 480-70-236(2). Therefore, WMW asks the Commission to expressly grant the right to
3 refrain from charging for extra waste that has accumulated because of a labor disruption, as
4 stated in the Hauler Proposal.

5 **C. Regulated companies should be required to issue credits for missed**
6 **collections only if they fail to collect accumulated solid waste on the next**
7 **scheduled collection date after service resumes.**

8 40. For collections missed during a labor disruption after a strike is called and until
9 services is resumed on or before the five-business-day deadline, no credits would be required so
10 long as the extras are collected at the next regularly scheduled pick up. If that standard is not
11 met, however, WMW proposes that credits may be appropriate, and therefore the Hauler
12 Proposal submits the following tariff language:

13 *The company is not obligated to extend credit to missed customers*
14 *who do not receive service if the company collects the customers'*
15 *accumulated solid waste as required [above]. If the company*
16 *does not collect all of a customer's accumulated solid waste as*
17 *required [above], the company is required to give a credit to the*
18 *customer, proportionate to the customer's monthly service*
19 *charge, for all missed services and for each subsequent missed*
20 *service until normal service is restored. [Proposed Section 6.h.]*

21 41. Under most circumstances, the company would not be extending credits to missed
22 customers who do not receive service during the first five days of a labor disruption provided
23 that the company meets the performance standards proposed and discussed above. If, however,
24 the company fails to collect the accumulated waste on the first scheduled service date after the
25 first five business days, then the company would have to credit the customer for not only that
26 missed collection, but for all missed collections until service is resumed.

42. This proposal presents a fair balance for both the regulated company and the
customer. A company that meets the performance standards will not be financially penalized for
service misses within the first week. The company will also have a significant incentive to meet

1 the performance standards and restore service fully within the first five business days. While the
2 customer will have been inconvenienced at the start of the labor disruption, the inconvenience
3 should be limited. If it is not, then the customer will receive credit for the all service misses.

4 **D. When a regulated company is required to extend credits, the amounts should**
5 **be calculated to refund customers for the service that they paid for but did**
6 **not receive.**

7 43. The concept of issuing a credit is to reimburse the customer who paid for services
8 they did not receive. Thus, the Hauler Proposal offers this language:

9 *Example of how to calculate a credit: Monthly residential service*
10 *rates are set based on 4.33 services per month. If the company*
11 *misses one service, the credit is calculated as: .231 (1 missed*
12 *service divided by 4.33 services per month) multiplied by the*
13 *service-related component of the monthly rate (excluding disposal*
14 *and processing costs, and offsetting any recyclable commodity*
15 *adjustments); provided that the credit for any specific month does*
16 *not exceed the full rate per month. [Proposed Section 7.c.]*

17 44. Firstly, calculation of credits should reflect that “weekly” charges are not equal to
18 monthly charges divided by four. Instead, monthly residential service rates are based on 4.33
19 pickups per month. As far as WMW is aware, this has been a noncontroversial point of
20 discussion, and the standard of using 4.33 services per month has been universally acknowledged
21 for accuracy.

22 45. Commission-regulated collection service rates generally have two components:
23 (1) regularly scheduled collection of waste placed curbside for collection, and (2) transportation
24 and final disposal or recycling of the collected wastes. Other than Item 230 pass-through on
25 drop-box services, tariff rates imbed the costs of disposal and/or processing. While a labor
26 disruption may cause a hauler to fail to provide the collection service component, the hauler will
still be required to provide the transportation and final disposal/processing component for
basically the same quantity of waste, regardless of the labor disruption. Missing collection on

1 one day generally results in double the quantity of waste collected on the next regularly
2 scheduled pickup.

3 46. Accordingly, credits should be established to refund customers for solid waste
4 collection services paid for but not received, in an amount that is proportionate to the service-
5 related component of the tariff rate. In that way, the customers are made whole by being repaid
6 for the missed collection services. The customers are not credited for the disposal portion of the
7 tariff rate because the disposal/processing service is delayed, not missed – *i.e.*, all solid waste is
8 disposed or processed, eventually. Conversely, the hauler would be forced to bear the disposal
9 or processing for the extra waste without recompense from the customer who benefited from the
10 service. Thus, the credits need to be adjusted so that only the service-related component is
11 credited to the customer.

12 47. Similarly, for recyclables, the credit to the customer should be based on the net
13 cost for the recycling collection services. This means the credit for recyclables collection should
14 reflect the actual billed cost to the customer – *i.e.*, the tariff rate minus the recycling commodity
15 credit. Then, like garbage and yard waste, the credit would be calculated based on the net billed
16 rate for the recycling services adjusted to remove the costs to process the recyclables. As is true
17 for the garbage credit, the company will still have to pay transportation and processing fees for
18 the recyclable materials collected.


19 III. CONCLUSION


20 48. WMW and the other haulers believe that the Hauler Proposal is a fair and realistic
21 balance of the Commission's interests in ensuring prompt resumption of services during and
22 after a labor disruption without setting an unrealistic performance standard or unfairly penalizing
23 a company's efforts to provide service under extremely difficult circumstances. In particular,
24 WMW is uniquely aware that five business days is an aggressive, but fair standard for the
25 Commission to assess a company's service recovery efforts after a strike. Whether any company
26

1 can achieve complete recovery within five business days remains to be seen; however, it is at
2 least a realistic goal, rather than an unattainably low standard that would be effectively
3 meaningless.

4 49. Furthermore, the Hauler Proposal provides an incentive for haulers to resume
5 service as soon as possible, yet provides meaningful credits to those customers who have been
6 unduly inconvenienced by the service disruption. It provides clear guidance as to the schedule
7 for resuming services and for the collection of accumulated solid waste. It uses a fair means for
8 calculating credits that recognizes the lost services to the customer but does not force the hauler
9 to unfairly bear the disposal and processing costs that must be incurred regardless of when the
10 waste is collected.

11 DATED this 16th day of August, 2013.

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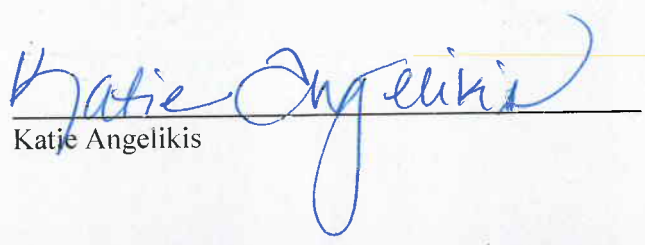
CERTIFICATE OF SERVICE

I hereby certify that I have this day served this document upon all parties of record in this proceeding, by the method as indicated below, pursuant to WAC 480-07-150.

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DATED at Seattle, Washington, this 16th day of August, 2013.


Katie Angelikis