Recology
WASTE ZERO

February 8, 2011

Mr. Fred J. Wong
Office of Regulations and Interpretations
Employee Benefits Security Administration
Attn: Definition of Fiduciary Proposed Rule
Room N-5655
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Subject: Comments on the DOL Proposed Regulation – Definition of the Term "Fiduciary"

Dear Mr. Wong:

Recology is the largest **100% employee-owned** company in the waste industry. Recology has over 2,500 active employees with over 2,000 of those employees being "owners" through an Employee Stock Ownership Plan ("ESOP"). With its waste collection, recycling and disposal programs, Recology provides a valuable service to more than 100 communities, including the City San Francisco. Recology offers the highest service levels in the industry -- a commitment born when the company was established in 1921. These communities can't live without our services.

I am writing to you today to express our concerns with the proposed regulations that would change the definition of the term Fiduciary.

We believe that the changes being proposed will significantly increase the cost of our annual appraisal that is performed by an independent third party, who specializes in ESOP valuation work. In addition, we question whether high quality firms, like the ones that we have always used, will remain in the business if the proposed regulations are finalized.

Our employee owners take great pride in their Company. The proposed regulations threaten the viability of our ESOP which has been in existence for over 25 years.

I hope you will take seriously our comments and those of the entire ESOP community. Please refer to the submission by the ESOP Association for more explicit detail on this subject matter. There are certainly better tools at the DOL's disposal, if the DOL is concerned about bad valuations. Please do not destroy the entire ESOP community because a few bad apples have fallen off the tree.

Very truly yours,

Mark R. Lomele

Mark R. Lomele
Chair of the Recology ESOP Administrative Committee

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