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BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION

In re the Matter of Determining the Proper
Carrier Classification of

Docket No.: TG-072226

GLACIER RECYCLE, LLC; HUNGRY
BUZZARD RECOVERY, LLC; AND T&T
RECOVERY, INC.

**PREFILED DIRECT TESTIMONY OF
JOHN L. YEASTING**

John L. Yeasting, declares and states as follows:

1. I am over the age of 18 years and otherwise competent to testify. The matters stated below are based upon my personal knowledge.

2. Summary of Prefiled Direct Testimony, WAC 480-07-460(2)(c). I am directly involved with the management of our business' transportation and processing of recyclable materials. I have extensive experience in the recycling industry and have been referenced as an expert on construction and demolition debris recycling. My testimony herein addresses my knowledge of construction and demolition debris recycling in Washington State, what materials Glacier Recycle handles for recycling and how we haul those materials as recyclables. We are a permitted recycler of construction and demolition debris, and our hauling of those materials is a part of our integrated recycling service. Further, my testimony also addresses my understanding of UTC regulation of our business and our industry. The low-value residuals from our material recovery process are our own waste stream, and our facility meets or exceeds national industry best practices for construction materials recycling. Our business is regulated by numerous agencies and provides an unprecedented level of transparent data reporting about its recycling activity.

PREFILED DIRECT TESTIMONY OF JOHN L. YEASTING - 1

1 3. I am an owner of Glacier Recycle, LLC and have been working in construction
2 materials recycling for over 15 years, including serving as the State of Washington's market
3 development specialist for construction materials and wood waste recycling from 1994 to 1996,
4 under the Clean Washington Center, an agency of the Department of Community, Trade and
5 Economic Development charged with developing new recycling infrastructure in the state. I
6 have made presentations on these commodity recycling topics to national and regional groups,
7 including the Construction Materials Recycling Association, the U.S. EPA and others. I was
8 confirmed as a commissioner on the King County Commission for Marketing Recyclables in
9 2000 and have served as a past president of the Washington State Recycling Association.

10 4. Glacier Recycle, LLC (Glacier) was created on August 29, 2007 and began
11 operations on September 4, 2007. It was formed by myself and the previous owners of Democon
12 Container Services, LLC (DCS). Its asset base includes the former assets of DCS, together with
13 a 25 acre recycling facility, and an extensive amount of sorting, grinding, screening, conveying
14 and other equipment acquired from Rainier Wood Recyclers and other vendors upon the
15 formation of the company. The start-up transaction represented an investment of approximately
16 \$7 million dollars in addition to the existing assets of DCS.

17 5. I understand the origination of the process leading to this classification hearing to
18 be a complaint filed by the Washington Refuse and Recycling Association in 2005 asking the
19 UTC to examine the activities of independent recycling haulers bringing recyclable construction
20 and demolition debris to Weyerhaeuser's Longview Material Recovery Facility, contending the
21 use of the material as industrial waste stabilizer (IWS) did not constitute recycling. One of the
22 independent haulers was DCS, which did direct haul materials from some of its customer base
23 directly to the Weyerhaeuser MRF. I am aware of at least two letters from UTC staff following
24 that complaint that determined that Weyerhaeuser was in fact using the material in a beneficial
25 manner, and as such the hauls to that facility should remain regulated under RCW 81.80 and not
26 RCW 81.77.

 6. Since that time, there has been political discussion at various state and local levels
regarding whether direct hauled construction and demolition debris used for IWS should be
considered a form of recycling or beneficial use. The general consensus of policy makers seems

PREFILED DIRECT TESTIMONY OF JOHN L. YEASTING - 2

1 to be that it is not good policy to allow consideration of this type of low value use as a form of
2 recycling, because it could erode incentives to maximize value-added recycling. However, I am
3 not of aware of any policy maker having concern over a reasonable percentage of low value
4 residuals from a value-added recycling process being directed to such a use. All recyclables
5 have residuals that must be directed to lower value uses or disposal. As an example, regional
6 paper mills have recently stated that they are removing more than 20 percent of the average
7 newsprint received at their mills for disposal currently from bales received from area recyclers.
8 At the same time, the volume of paper being recycled is very strong, and no one is suggesting
9 that 80 percent recycling of our waste paper stream is bad.

10 7. What seems to have been missed by the UTC following the staff decision to
11 reverse their opinion on hauls of material to the Weyerhaeuser MRF is that none of the three
12 haulers who are a party to this action currently direct haul any material from customers to the
13 Weyerhaeuser facility, and in the case of Glacier, it never has. In fact, during the pre-hearing
14 meeting at the UTC offices, counsel for one of the interveners commented that if we were
15 hauling our own residuals from our own material recovery facility, then that is an unregulated
16 haul, a reality that has always been clear to us. Since that is the case, we remain confused about
17 why we are stuck arguing about a scenario that no longer exists. It seems that the UTC staff is
18 intent on expanding its regulatory influence into the domain of other agencies responsible for
19 regulating recycling facilities, such as the Department of Ecology and local health jurisdictions.
20 Since there is no support from those agencies for establishing arbitrary recovery rate percentages
21 to define continually evolving recyclable streams, the UTC has now launched its own rule-
22 making process to examine recycling definitions.

23 8. Glacier Recycle was conceived in 2006 out of a desire by us to build the value-
24 added recycling capacity for construction materials that the region needs, and to develop a more
25 stable, vertically integrated recycling infrastructure. We are working hard with numerous
26 regulatory agencies to ensure that we are not only succeeding in diverting thousands of tons from
our landfills, but setting the new standard for construction materials recycling. On Friday, June
20th, King 5 TV aired an environmental news piece on our business and its recycling process. A
copy of that video is attached to this testimony, without audio, to support my testimony, as

PREFILED DIRECT TESTIMONY OF JOHN L. YEASTING - 3

1 **Exhibit JLY-2.**

2 9. Since our inception, every pound of construction and demolition debris we collect
3 has been brought into our facility as an input for our value-added recycling process. The green
4 building movement has had a major impact on the desire to increase job-site recycling by major
5 contractors across the state. The U.S. Green Building Council has hundreds of Washington
6 members and their Leadership in Energy and Environmental Design (LEED) program has
7 become the national standard rating system for green building projects. That program has
8 examined low-value uses within a landfill and concluded that they can be counted as part of their
9 LEED recycling rate, if the materials are derived from a value-added sort process.

10 10. Glacier operates the leading material recovery facility (MRF) for commercial
11 recyclables and recyclable construction and demolition debris in King County. Glacier also
12 operates as a manufacturer of recycled products using materials recovered through our sorting
13 processes, including high quality biomass fuel products, pulp furnish for paper manufacturing,
14 crushed concrete road base, asphalt batch products, mulches and other products. Glacier also
15 operates a container hauling service to collect recyclables from customers to feed our recycling
16 process. We are regulated by the UTC as a common carrier under RCW 81.80. We also haul
17 sorted recyclables to other recyclers for further processing such as metals, gypsum cardboard and
18 plastics. Some of these recyclables are baled prior to shipment.

19 11. Our recyclables are collected from construction and demolition sites where they
20 are generated by various customers, principally commercial construction companies. All
21 materials are brought to Glacier's MRF for sorting and recycling, with the exception of certain
22 source segregated loads of metal or concrete that may be hauled directly to third party recycling
23 facilities closest to the point of generation. Materials received at the facility are weighed in at
24 our scale house and directed to the appropriate receiving area. Glacier's recycling facility also
25 accepts materials from other haulers for recycling, including both G permit haulers and
26 independent haulers.

12. Glacier exerts a substantial amount of effort educating customers about what
materials are and are not recyclable, in addition to what materials are prohibited. Glacier is
financially disincentivized to accept any non-recyclable materials, because the cost to process

1 and dispose of residuals exceeds the fee we charge for recycling. Glacier encourages its
2 customers to have containers provided by their franchised waste hauler to accommodate non-
3 recyclable materials along with any garbage from lunches, etc. We publish a recycling rate
4 performance report each month, providing transparent data about the facility's performance
5 including the amount of residual recyclables sent for use as IWS or for disposal. Glacier's
6 residual generation percentage has been running near an average of about 15 percent, which is
7 substantially above the national average for facilities of this type.

8 13. If material is originating from demolition or renovation project, attendant verifies
9 appropriate survey paperwork is on file. All commingled recyclables are inspected with the use
10 of a top view, pan tilt zoom camera at the scale house, and then by one of our US EPA AHERA
11 certified receiving officers at the tipping floor. The receiving officer has authority to reject
12 and/or surcharge customer loads containing non-desired materials. The commingled loads are
13 then sorted by staff into segregated commodities, including urban wood, ferrous and non-ferrous
14 metals, cardboard, clean gypsum, plastic films (polyethylene and polypropylene), black
15 corrugated HDPE pipe, concrete & asphalt pavements, asphalt roofing shingles, cement board
siding, vinyl siding, and other commodities as warranted.

16 14. As illustrated on the flow diagram of our operation, which is on file herein and
17 produced in response to the UTC's Data Requests, each commodity is prepared based on the
18 market it is going to. The largest commodity that we handle is urban wood waste derived both
19 from commingled debris sorting and some direct wood loads. Wood waste is directed to a
20 secondary sort line where it is further sorted by grade of wood for either biomass fuel production
21 or pulp furnish production. It then flows down the line to our grinder, and then through a series
22 of size classification screens and magnetic removal devices to remove nails and other embedded
23 metals. Wood chips are then stockpiled by type and size for various customers, and shipped out
in chip trailers daily.

24 15. Other commodities, including cardboard and plastics are directed to our baling
25 station, where staff loads them into a horizontal baler to produce bales of cardboard, rigid
26 plastics, plastic films or vinyl siding. Some rigid plastics are ground using portable grinder for
shipment in bulk boxes to market.

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1 16. Concrete and asphalt pavements, as well as clean cement board siding are
2 stockpiled for on-site crushing, screening and sales as aggregate product for road base and other
3 applications. Asphalt roofing shingles are stockpiled for on-site grinding and screening. Ground
4 asphalt can be sold as either an aggregate blend for dust control applications or to hot-mix
5 asphalt plants for paving mix. It is important to note that construction materials recycling is a
6 new an evolving industry, and it is not in the public interest to set arbitrary measures in
7 regulating our recycling activity.

8 17. Ferrous and non-ferrous metals are simply compacted into containers and
9 transported to one of several area metals brokers. Clean gypsum is hauled to a permitted
10 compost facility, a permitted fertilizer manufacturer or a processor for conversion into
11 manufacturing feedstock for new gypsum wallboard.

12 18. I declare, under penalty of perjury under the laws of the State of Washington, that
13 the foregoing is true and correct, and that I have signed this Declaration on the date stated below
14 in _____, Washington.

15 DATED this ___ day of June, 2008.

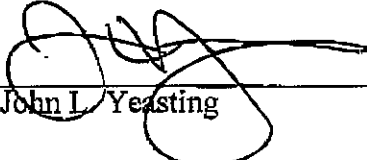
16 SEE ATTACHED
17 John L. Yeasting
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 2 stockpiled for on-site crushing, screening and sales as aggregate product for road base and other
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 9 transported to one of several area metals brokers. Clean gypsum is hauled to a permitted
 10 compost facility, a permitted fertilizer manufacturer or a processor for conversion into
 11 manufacturing feedstock for new gypsum wallboard.

12 18. I declare, under penalty of perjury under the laws of the State of Washington, that
 13 the foregoing is true and correct, and that I have signed this Declaration on the date stated below
 14 in ABUEN, Washington.

15 DATED this 21st day of June, 2008.

16 
 17 _____
 18 John L. Yeasting

CERTIFICATE OF SERVICE (WAC 480-07-150)

I hereby certify that on the 27th day of June 2008, I filed the Prefiled Written Testimony of John L. Yeasting with the Washington Utilities and Transportation Commission and served a copy upon the following via electronic mail, with hard copies to follow via legal messenger service:

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PO Box 40128
Olympia, WA 98504-0128

DATED this 27th day of June 2008, at Tacoma, Washington.



Nicole Frey

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DECLARATION REGARDING FILING OF FACSIMILE
SIGNATURE PAGE OF JOHN L. YEASTING

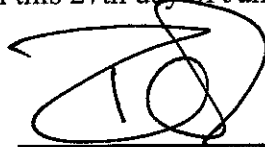
Ian M. Bauer certifies under penalty of perjury under the State of Washington that the following is true and correct:

1. I am one of Respondents' attorneys in the above-captioned matter, and make this declaration pursuant to GR 17(a)(2).

2. The name of the document to be filed with a facsimile signature, to which this declaration is attached, is the Prefiled Direct Testimony of John L. Yeasting.

3. The Prefiled Direct Testimony of John L. Yeasting consists of 7 pages together with a facsimile copy of page 7 bearing Mr. Yeasting's signature and this declaration page, for a total of 8 pages. I have examined the Prefiled Direct Testimony of John L. Yeasting and I have determined that the document is a complete and legible petition.

DATED at Tacoma, Washington, on this 27th day of June, 2008.



Ian M. Bauer