

**EXH. JDS-1T
DOCKETS TG-220215/TG-220243
WITNESS: JAMMIE D. SCOTT**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**In the Matter of the Application of
JAMMIE’S ENVIRONMENTAL,
INC.,**

**For Authority to Operate as a Solid
Waste Collection Company in
Washington**

Docket TG-220243

BASIN DISPOSAL, INC.,

Complainant,

v.

**JAMMIE’S ENVIRONMENTAL,
INC.,**

Respondent.

Docket TG-220215

PREFILED DIRECT TESTIMONY (NONCONFIDENTIAL) OF

JAMMIE D. SCOTT

ON BEHALF OF JAMMIE’S ENVIRONMENTAL, INC.

SEPTEMBER 16, 2022

JAMMIE’S ENVIRONMENTAL, INC.

**PREFILED DIRECT TESTIMONY (NONCONFIDENTIAL) OF
JAMMIE D. SCOTT**

CONTENTS

I. INTRODUCTION 1

II. JAMMIE’S OVERVIEW 3

III. JAMMIE’S WORK FOR PCA, BDI’S FAILURE TO SATISFACTORILY DISPOSE OF THE OCC REJECTS, AND JAMMIE’S RESOLUTION OF THE PROBLEM..... 7

 A. PCA Background and the OCC Rejects..... 7

 B. BDI’s Failure to Adequately Dispose of the OCC Rejects..... 10

 C. PCA Turns to Jammie’s to Manage the OCC Rejects 18

IV. JAMMIE’S HAS MET THE REQUIREMENTS FOR A SPECIALIZED CLASS C SOLID WASTE CERTIFICATE 23

 A. Jammie’s Is Well Qualified to Provide the OCC Rejects Service and Meets the Requirements Under RCW 81.77.040 For a Specialized Class C Solid Waste Certificate 24

 B. BDI Objectively Failed to Meet its Statutory Obligation to Provide Satisfactory Service to PCA..... 27

V. JAMMIE’S MAINTAINS ITS POSITION THAT A SOLID WASTE CERTIFICATE IS NOT REQUIRED IN THIS CASE..... 30

VI. CONCLUSION..... 33

JAMMIE’S ENVIRONMENTAL, INC.

**PREFILED DIRECT TESTIMONY (NONCONFIDENTIAL) OF
JAMMIE D. SCOTT**

LIST OF EXHIBITS

- Exh. JDS-2 April 26, 2021 photo of the OCC yard.
- Exh. JDS-3 Master Services Agreement between PCA and JEI.
- Exh. JDS-4 December 15, 2020 email between PCA and BDI.
- Exh. JDS-5 January 11, 2021 email between PCA and BDI.
- Exh. JDS-6 February 18, 2021 meeting request by PCA.
- Exh. JDS-7 March 3, 2021 email from PCA to BDI.
- Exh. JDS-8 April 7, 2021 email from PCA to BDI.
- Exh. JDS-9 April 26, 2021 email from PCA to BDI.
- Exh. JDS-10 July 7, 2021 JEI proposal to PCA.
- Exh. JDS-11 November 1, 2021 email from PCA to BDI.
- Exh. JDS-12 BDI Response to JEI Data Request No. 003.
- Exh. JDS-13 BDI Supplemental Response to JEI Data Request No. 026.
- Exh. JDS-14 BDI Response to JEI Data Request No. 028.
- Exh. JDS-15 February 15, 2022 JEI email with Commission Staff.
- Exh. JDS-16 February 7, 2022 BDI counsel email with Staff.

1 **JAMMIE’S ENVIRONMENTAL, INC.**

2 **PREFILED DIRECT TESTIMONY (NONCONFIDENTIAL) OF**
3 **JAMMIE D. SCOTT**

4 **I. INTRODUCTION**

5 **Q. Please state your name, business address, and position with Jammie’s**
6 **Environmental, Inc.**

7 A. My name is Jammie D. Scott. My business address is 128 Industrial Way,
8 Longview, WA 98632. I am the Owner and President of Jammie’s Environmental,
9 Inc. (“Jammie’s” or the “Company”).

10 **Q. Describe your professional background and experience.**

11 A. I have worked in the industrial cleaning industry for decades, ultimately founding
12 Jammie’s in 1999. I have grown the company from four employees and one
13 vacuum truck to more than 80 employees and a fleet of top-of-the-line equipment
14 that serves customers across the western United States. As Owner and President
15 of Jammie’s, I have overseen Jammie’s industrial cleaning and related services in
16 nearly every industrial and commercial application, and have developed
17 significant experience in industrial cleanup and disposal. I consider myself an
18 expert in this industry.

1 **Q. What are your duties as Owner and President of Jammie's?**

2 A. As Owner and President of Jammie's, I wear many hats daily including
3 overseeing all day-to-day operations, finances, licensing, insurance, permits,
4 customer service, providing cost estimates, human resources, safety, payroll,
5 equipment maintenance and purchases, and project management.

6 **Q. What topics are you covering in your testimony?**

7 A. My testimony provides an overview of Jammie's business as an industrial
8 cleaning company and the services it provides to its customer, Packaging
9 Corporation of America ("PCA"), at its facility in Wallula, Washington. I
10 describe how Jammie's became involved in PCA's old corrugated
11 cardboard/container ("OCC") process including how it came to assist in the
12 management and disposal of waste generated from PCA's OCC facility—"OCC
13 Rejects." I explain how Jammie's only became involved after the incumbent solid
14 waste certificate company covering the region, Basin Disposal, Inc. ("BDI"),
15 failed to provide satisfactory OCC Rejects disposal service to PCA, leading to
16 thousands of cubic yards of uncollected OCC Rejects waste being piled up outside
17 PCA's facility which created unsafe and environmentally hazardous conditions
18 that encumbered PCA's business. Frustrated with BDI's lack of service, PCA
19 ultimately hired Jammie's to assist in disposing of the mess of uncollected OCC
20 Rejects. Jammie's quickly developed an effective plan for managing, processing
21 and efficiently disposing of the OCC Rejects that was different from BDI's
22 approach, leading to a complete resolution of the problem for PCA.

1 My testimony explains why Jammie's should be permitted to provide the service
2 to PCA going forward under a specialized Class C solid waste certificate.
3 Jammie's meets the requirements for a Class C certificate holder and is well
4 qualified to provide the service to PCA as evidenced by Jammie's successfully
5 providing the service to PCA for over a year. In contrast, despite being provided
6 every opportunity to perform, BDI failed to provide adequate OCC Rejects
7 service to PCA. BDI was never able to keep up with the OCC Rejects waste
8 stream. In contrast to standard solid waste garbage service, industrial operations
9 like PCA's often produce waste streams that require special handling, processing
10 and transportation. Class C certificates are designed for this exact scenario: where
11 a waste stream requires service the incumbent provider cannot provide.

12 Lastly, while Jammie's is well qualified to provide the service to PCA and I
13 believe should be granted a Class C certificate if the Commission deems a
14 certificate is necessary, Jammie's maintains its position that the OCC Rejects
15 service should be exempt from regulation under WAC 480-07-011(1)(g) because
16 Jammie's transportation and disposal of OCC Rejects is incidental to and just one
17 component of the myriad services it provides.

18 II. JAMMIE'S OVERVIEW

19 **Q. Please describe Jammie's business.**

20 A. Jammie's is an industrial cleaning company that has provided services to
21 commercial clients across the western United States, including Washington State,

1 since 1999. Jammie's customers include the pulp and paper industries, shipyards,
2 the railroad, steel industries, chemical plants, gas and oil facilities and refineries.
3 Jammie's services include industrial cleaning, vacuum truck services, tanker
4 services, hydroblasting, tank cleaning, confined space rescue and entry services,
5 and railroad-specific services. Jammie's specializes in cleaning up industrial
6 waste and assisting customers with finding safe and practical solutions to the
7 issues at hand. Jammie's prides itself on providing excellent customer service in
8 the safest way possible.¹ Jammie's has grown significantly over the last two
9 decades due to Jammie's excellent customer service.

10 **Q. Does Jammie's ever dispose of waste?**

11 A. Jammie's is not a waste disposal company, but Jammie's will transport and
12 dispose of both solid and liquid processed waste, hazardous waste, dangerous
13 waste and/or special waste incidental to Jammie's primary business performing
14 industrial cleaning. For example, if Jammie's performs an industrial cleaning or
15 cleanup service for a customer, Jammie's may be asked by the customer to also
16 dispose of the waste associated with that service. Overall, hauling and disposing
17 of waste, of any kind, represents a small fraction of the services Jammie's
18 provides and is done only incidentally to other services Jammie's provides.

¹ See <https://www.jammiesenvironmental.net/services/#>.

1 **Q. In Washington, do other companies provide similar services as Jammie's?**

2 A. Yes. Some of Jammie's major competitors include Cowlitz Clean Sweep, Clean
3 Harbors, Graymar Environmental, River City, NRC Environmental,
4 Tidewater/West Coast Marine, Pro Vac, Bravo, Crystal Clean, Berry Acres, Inc.,
5 Washington Marine Services, and Ventilation Power Company, to name a few.

6 **Q. Do any of these companies hold solid waste certificates?**

7 A. The only one I am aware of that has a solid waste certificate is Clean Harbors. My
8 understanding is that solid waste hauling and/or disposal services performed by
9 Jammie's or its competitors are exempt from WUTC regulation under WAC 480-
10 70-011(1)(g) because they are done incidental to other services performed. In my
11 opinion, as I discuss in more detail below, requiring Jammie's to obtain a
12 certificate to dispose of a single industrial waste stream that requires specialized
13 handling for one industrial customer muddies the water as to what disposal
14 services are regulated, would significantly narrow the circumstances for when the
15 WAC 480-70-011(1)(g) exemption applies, would broaden the Commission's
16 regulatory scope beyond the types of companies it has traditionally regulated, and
17 could require a statewide change in operations to other industrial cleaning
18 companies.

1 **Q. Prior to this case, has any party ever suggested that Jammie's needs a solid**
2 **waste certificate to dispose of solid waste for customers?**

3 A. No. Jammie's has been performing the same services in the essentially same
4 manner for over twenty years, and never in that time has any person or company
5 suggested that Jammie's needs a solid waste certificate to perform its services.
6 BDI is the first and only one. In fact, prior to this case, for insurance renewal
7 purposes, I have spoken to the WUTC several times over the years about whether
8 Jammie's needed a common carrier or solid waste certificate and each time the
9 WUTC confirmed that no certification was needed.

10 **Q. What authorizations and certificates does Jammie's hold?**

11 A. Jammie's is authorized by the Commission to serve as a common carrier under
12 permit CC-70115 and is an authorized motor carrier with authority issued by the
13 United States Department of Transportation under MC-390939, USDOT Number
14 892456, Hazardous Materials Certification Number 84898, and Oregon
15 Department of Transportation Class 1A Permit Number 276326.

16 **Q. Why is Jammie's seeking a solid waste certificate in this case?**

17 A. As discussed in more detail below, Jammie's is seeking a specialized Class C
18 solid waste certificate because Commission Staff advised Jammie's to obtain a
19 solid waste certificate to continue loading, transporting and disposing of OCC
20 Rejects for its client PCA, at least until the Commission determines whether

1 Jammie's operations of loading, transporting and disposing of OCC Rejects for
2 PCA are exempt from regulation under WAC 480-70-011(1)(g).

3 **III. JAMMIE'S WORK FOR PCA, BDI'S FAILURE TO**
4 **SATISFACTORILY DISPOSE OF THE OCC REJECTS, AND**
5 **JAMMIE'S RESOLUTION OF THE PROBLEM**

6 **A. PCA Background and the OCC Rejects**

7 **Q. Who is PCA?**

8 A. PCA is a large national pulp, paper, and packaging manufacturing company with
9 over 100 manufacturing facilities located throughout the United States and
10 employs over 15,000 people. The company headquarters are located in Lake
11 Forest, Illinois. At its Wallula, Washington facility, PCA operates an integrated
12 pulp and paper mill which includes the following operations: (1) neutral sulfite
13 semi-chemical pulping; (2) chip handling; (3) chemical recovery; (4) wastewater
14 treatment; (4) landfill and composting; (5) a corrugated medium and box plant;
15 (6) an OCC facility; and (7) its largest trucking and transportation site in the
16 company. PCA's primary products at the Mill include corrugated medium, liner
17 board paper products, and finished containerboard boxes. The Mill has operated at
18 this location since 1958 and is the largest employer in the region. During the
19 COVID-19 pandemic, the Mill was classified as an essential business due the
20 importance of the paper products produced at the Mill and distributed throughout
21 the region.

1 **Q. Describe how the Mill operates.**

2 A. The Mill is a very complex industrial operation requiring multiple layers of
3 professional expertise in a variety of occupational skills. PCA operates the Mill
4 24 hours a day, 7 days a week throughout the year. To meet its production and
5 operation requirements, the Mill is staffed by over 400 employees, plus dozens of
6 outside contractors that provide a variety of specialized services to PCA.

7 **Q. Who provides garbage service at the Mill?**

8 A. General solid waste garbage service is provided by BDI, who, generally on a
9 route schedule, picks up garbage from the Mill and transports the waste to the
10 BDI transfer station.

11 **Q. Is PCA one of your customers?**

12 A. Yes, PCA has been a customer of Jammie's for over ten years. Jammie's provides
13 PCA a variety of industrial cleaning, clean-up and maintenance services at the
14 Mill. Jammie's services include, but are not limited to:

- 15 • Water blast and vacuum services in multiple areas of the Mill including
16 recovery boilers, pulp mill digesters, paper machines and associated
17 equipment, all process sewers and wastewater equipment, all recaustacizer
18 and lime kiln areas and associated equipment.
- 19 • All cleaning of tanks that need repair or maintenance including black
20 liquor tanks, evaporators, and condensers.
- 21 • Hydro excavation for any line locates and/or repairs and new line
22 installation.
- 23 • Hy rail services to keep rail tracks clean and to mitigate fire dangers
24 during summers.

1 Jammie’s employees work daily² at the Mill in tandem with PCA employees and
2 other PCA contractors to help ensure that the Mill operates properly. As relevant
3 to this case, and as discussed in more detail below, one service Jammie’s has been
4 providing PCA since May 2021 is the cleanup, processing, management, and
5 disposal of OCC Rejects.

6 **Q. What are OCC Rejects?**

7 A. OCC Rejects are an industrial waste stream generated from producing paper
8 products from old corrugated cardboard/containers or “OCC.” OCC is comprised
9 of used boxes and other cardboard waste that are delivered to the Mill in bales.
10 The bales are then sent through a recycling process that reduces the used
11 cardboard into pulp that can then be used to make new cardboard. There are many
12 benefits of recycling OCC, including reducing the need for virgin timber. OCC
13 material that cannot be recycled such as plastic, steel, tape and other non-fibrous,
14 non-recyclable material creates a processed waste known as “OCC Rejects.”
15 When generated, OCC Rejects are often wet due to the use of water as part of the
16 OCC recycling process.

17 **Q. Does PCA generate OCC Rejects at the Mill?**

18 A. Yes. In March 2021, PCA began processing OCC at the Mill which generated
19 OCC Rejects.

² Jammie’s is not typically onsite on weekends unless needed by PCA.

1 **Q. Has Jammie's had any involvement in PCA's OCC operations or the OCC**
2 **Rejects?**

3 A. Yes. When PCA began processing OCC in March 2021, PCA hired Jammie's to
4 provide services to help maintain operations in the OCC area, including cleaning
5 the OCC recycling machinery and the surrounding area. As described in more
6 detail below, in May 2021, Jammie's also began assisting in cleaning up,
7 managing, processing, loading, transporting, and disposing of the OCC Rejects
8 when BDI was unable to keep up with the waste stream.

9 **B. BDI's Failure to Adequately Dispose of the OCC Rejects**

10 **Q. How did PCA initially dispose of the OCC Rejects?**

11 A. PCA initially had BDI dispose of the OCC Rejects.

12 **Q. Describe how BDI disposed of the OCC Rejects.**

13 A. BDI followed the same approach it uses for normal garbage service at the Mill.
14 BDI would drop 20-yard container bins off at the Mill for PCA to fill with the
15 OCC Rejects. As OCC Rejects were generated, PCA employees would collect the
16 OCC Rejects and using a 'Bobcat' loader machine, would load the OCC Rejects
17 into the bins. As part of its normal garbage collection schedule, BDI would pick
18 up full bins and transport them to the transfer station for disposal.

1 **Q. Was BDI able to adequately dispose of the OCC Rejects?**

2 A. Based on our observations and in conversations with PCA, no. Shortly after the
3 OCC production began and the OCC facility began generating OCC Rejects, it
4 was evident that BDI was having problems keeping up with the OCC Rejects due
5 to large piles of uncollected OCC Rejects that were piled up against the OCC
6 buildings and scattered all over the OCC facility yard.

7 **Q. What seemed to be the problem?**

8 A. Based on Jammie's experience in handling industrial waste, our observations at
9 the Mill, and in conversations with PCA, I believe BDI could not keep up with the
10 OCC Rejects waste stream for several reasons, including:

- 11 • BDI's use of garbage container bins was a mistake. In my opinion, while
12 container bins are appropriate for normal garbage, they were not
13 appropriate for this type of waste, which requires specialized handling,
14 due to the volume of OCC Rejects generated (the bins were not large
15 enough) and because the OCC Rejects are wet (BDI could not load the
16 bins filled with wet OCC Rejects due to weight and leaking water). BDI
17 did not seem prepared for either of these factors.
- 18 • BDI had the wrong equipment to do the work. I understand its trucks
19 could not haul containers over a certain weight, which limited how much
20 weight it could carry in the container bins.
- 21 • BDI was not picking up containers fast enough. It appeared that BDI
22 would simply pick bins up as part of its normal garbage collection route
23 and that it did not have people at the Mill to ensure that transportation and
24 disposal took place in real time.
- 25 • BDI did not have the resources to address other issues with the OCC
26 Rejects, such as OCC Rejects that had too much moisture content.

27 Overall, BDI seemed to lack a plan that was tailored for the particular waste
28 stream at issue and instead, treated the OCC Rejects like normal garbage. Because

1 of this, it fell behind, and large piles of uncollected OCC Rejects were piled up
2 against the OCC buildings and there was OCC Reject waste scattered all over the
3 OCC facility yard. Below is a picture of OCC Reject waste piled up at the OCC
4 facility on April 26, 2021, prior to Jammie's involvement:³



5
6 As you can see in the picture, the OCC Rejects were piled up along the OCC
7 building with OCC Rejects scattered all over the yard and several full uncollected
8 BDI bins. This was typical while BDI was managing the OCC Rejects although at

³ Exh. JDS-2 (April 26, 2021 photo of the OCC yard).

1 times, I understand from my staff that the piles of OCC Rejects were so high they
2 nearly reached the blue paint on the building.

3 In my business, leaving that amount of waste scattered and uncollected would not
4 be acceptable for any of my customers. BDI's bins were also stored all over the
5 yard creating traffic flow problems, safety hazards, and rendering the yard
6 effectively useless as it was completely occupied by piles of OCC Rejects and
7 uncollected bins. The bins were constantly in the way.

8 Given BDI's poor execution and planning in disposing of the OCC Rejects, it was
9 evident BDI did not have the experience, staffing, or equipment needed to
10 properly manage the OCC Rejects.

11 **Q. Did BDI ever explain why it failed to keep up with disposing of the OCC**
12 **Rejects?**

13 A. Not that I have seen. However, one common excuse BDI made for not collecting
14 full bins was they could not haul bins with OCC Rejects that had too much
15 moisture content. Apparently, they had had problems with water leaking from
16 bins while in transit or the added moisture in the bins made the bins too heavy for
17 BDI's trucks to carry. There is a simple solution to this problem that BDI failed to
18 employ. When Jammie's began assisting in managing the OCC Rejects waste, as
19 discussed in more detail below, Jammie's developed a procedure for mixing the
20 OCC Rejects to ensure that overly wet OCC Rejects were mixed with drier OCC
21 Rejects which significantly reduced the moisture content allowing for safe

1 transportation. In contrast, BDI would let full bins sit uncollected for days while
2 OCC Rejects rapidly accumulated. Again, BDI's failure to implement this very
3 simple solution reflects its inexperience in handling industrial wastes.

4 **Q. Based on your observations and work at the Mill, how did BDI's failure to**
5 **timely dispose of the OCC Rejects impact PCA?**

6 A. It was incredibly disruptive to the Mill operations, for several reasons. First, as
7 shown in the photo above, the uncollected OCC Rejects were in massive piles
8 pushed up against the exterior OCC buildings. This is not how PCA does
9 business. Having worked with PCA for years, PCA prides itself in maintaining a
10 clean operation and requires contractors to do the same, as provided in PCA's
11 Master Services Agreement for contractors:⁴

12 17.0 CLEANING UP

Contractor shall regularly and promptly consistent with the Work being performed (but not less frequently than weekly) clean up the Work to PCA's satisfaction, and remove trash as required to avoid hindering the work of others and to make the work area as safe and free of any hazards as possible. In case of dispute, PCA may remove the rubbish and charge the cost to Contractor as PCA determines to be just. Before the final payment, Contractor shall remove from the site all of its equipment, unused material provided by Contractor, or Subcontractors, temporary buildings and all temporary structures erected by Contractor, or Subcontractors, and shall fill all holes and cavities made for Contractor's convenience and shall leave the Work broom-clean or its equivalent, except as otherwise specified.

13 BDI's failure to properly dispose of the OCC Rejects would have violated PCA's
14 requirements for contractor services at the Mill. However, because BDI holds a

⁴ Exh. JDS-3 (Master Services Agreement between PCA and JEI) (C).

1 solid waste certificate for the area, it may not hold itself to the same standards as
2 what PCA requires for its contractors.

3 Second, the OCC Rejects piles created unsafe conditions. As the uncollected OCC
4 Rejects piles would dry out, they became a fire hazard for PCA. During the very
5 hot and dry summers in Wallula, fires are a serious concern and in fact, Jammie's
6 conducts fire mitigation cleanup for PCA of woodchips and other waste that could
7 be a fire hazard at and around the Mill. As the uncollected piles next to the OCC
8 buildings grew, PCA became increasingly concerned about the fire risk to the
9 Mill.

10 Third, on windy days (which are frequent in Wallula), the uncollected OCC
11 Rejects would blow around the yard and sometimes off-site which became a
12 significant environmental and air quality concern for PCA. It also contributed to
13 the fire concerns described above.

14 Finally, I understand that the piles and constant mess of uncollected OCC Rejects
15 so significantly concerned PCA that they began considering what they viewed as
16 the last option: slowing down OCC production until BDI could dispose of the
17 OCC Rejects. This, however, would damage PCA's business and was a primary
18 driver in its decision to ask Jammie's help with managing the OCC Rejects.

19 **Q. Did PCA raise these concerns with BDI?**

20 A. Yes. While Jammie's did not participate in these discussions, I understand from
21 subsequent discussions with PCA and by reviewing documents produced in this

1 case by BDI that PCA had several meetings and communications with BDI prior
2 to OCC production starting in March 2021. For example, in December 2020—
3 months prior to the OCC production starting—PCA and BDI began having
4 communications about the OCC Rejects disposal.⁵ BDI and PCA then had several
5 follow-up communications to discuss the OCC Rejects service.⁶ And on February
6 19, 2021—at PCA’s request—PCA conducted an onsite meeting with BDI “to
7 meet with [BDI’s] team to walk through their ideas and get [their] input [about
8 handling the OCC Rejects].”⁷

9 However, despite months of preparation and planning on PCA’s part to be ready
10 for the OCC production, BDI needed a reminder email on the first day of OCC
11 production to start disposing of OCC Rejects. Exh. JDS-7 is an email from PCA
12 to BDI on March 3, 2021 discussing the need for BDI to be collecting, dumping
13 and replacing 6-8 empty container bins per day. On April 7, 2021, PCA sent
14 another email to BDI asking that they pick up full dumpsters because “we are
15 starting to put material on the ground so we need to figure out how to get more
16 loads removed from the mill.”⁸ On April 27, 2021, PCA reiterated that need

⁵ Exh. JDS-4 (December 15, 2020 email between PCA and BDI).

⁶ Exh. JDS-5 (January 11, 2021 email chain between PCA and BDI).

⁷ Exh. JDS-6 (February 18, 2021 meeting request by PCA).

⁸ Exh. JDS-8 (April 7, 2021 email from PCA to BDI).

1
2

3

4

5

6

7

8

9

because BDI was not keeping up with the OCC Rejects, as explained in the below email that was forwarded to BDI:⁹

From: Rachford, Skyler <SkylerRachford@packagingcorp.com>
Sent: Monday, April 26, 2021 4:59 PM
To: Lockard, Mitch <MitchLockard@packagingcorp.com>; Holm, Sam <SamHolm@packagingcorp.com>; Wilhelm, Brian <BrianWilhelm@packagingcorp.com>
Cc: Thorne, Kurt <KurtThorne@packagingcorp.com>; Markland, Kasey <KaseyMarkland@packagingcorp.com>
Subject: OCC Rejects BDI Dumpsters

Sam/Mitch/Brian,

We've been running into some issues lately with BDI not keeping up with emptying the rejects dumpsters at OCC. There has been a few occasions where we have had to start dumping rejects on the ground on the south side of the OCC building and just let the rejects pile up against the building because we have no empty dumpsters to deposit the rejects.

This last weekend BDI did not empty enough dumpsters to get us through Sunday when BDI does not operate. At the start of day shift on Sunday (6:30 AM) we had already run out of dumpsters and had to spend the entire day piling the rejects in front of the south side of the building until this morning when BDI resumed hauling the dumpsters away (see the picture attached showing the resulting rejects pile).

We need to push BDI to stay on top of emptying these rejects dumpsters so this doesn't happen again on the future. I think right now they are scheduled to haul 5-6 dumpsters per day. We may need to increase that to 7-8 dumpster per day now that we are up and running at higher production rates. They also need them to ensure that at least 10 dumpsters are empty before going into Sunday so that we can get through the ~36 hour period when they are not servicing the area.

I appreciate your help on this and let me know if there's anything you need from me!

Thanks,

I understand that PCA had subsequent oral communications with BDI during this time where it raised significant concerns about BDI's failure to keep up with the OCC Rejects, but that BDI never changed its approach to disposing of the OCC. BDI's inability to keep up with the OCC Rejects despite months of notice from PCA reflects poor planning and a general lack of knowledge and experience on BDI's part on how to manage industrial or specialized waste streams.

⁹ Exh. JDS-9 (April 26, 2021 email from PCA to BDI).

1 **C. PCA Turns to Jammie's to Manage the OCC Rejects**

2 **Q. How did Jammie's get involved in the OCC Rejects?**

3 A. By May 2021, Jammie's employees had observed the mountains of uncollected
4 OCC Rejects, PCA's problems with BDI attempting to manage this waste stream,
5 and it was obvious something needed to be done. Having supported PCA for years
6 in a variety of industrial cleanup projects, Jammie's had discussions with PCA
7 about possible solutions to resolve the issue. During those discussions, it was
8 apparent that PCA needed more than just garbage service. BDI appeared unable
9 or unwilling to devote the resources needed to stay on top of the OCC Rejects and
10 appeared inexperienced in handling industrial wastes. Due to the continuous flow
11 of OCC Rejects, PCA needed full-time, on-site support to manage the OCC
12 Rejects, clean the OCC yard, and ensure that the OCC Rejects were disposed of
13 timely.

14 **Q. How did Jammie's help?**

15 A. Initially, beginning in late May 2021, our role was to simply help PCA and BDI
16 with managing and disposing of the OCC Rejects mess as BDI was so far behind
17 in disposing of the OCC Rejects. For weeks, we initially used our dump trucks to
18 help with disposing of the OCC Rejects and worked alongside PCA and BDI to
19 manage the waste. At that time, PCA was primarily responsible for loading the
20 OCC Rejects while BDI and Jammie's focused on disposal.

1 However, it quickly became apparent to Jammie's that a different approach was
2 needed to adequately manage and dispose of the OCC Rejects. BDI's plan of
3 treating the OCC Rejects like normal garbage was not sustainable or efficient for
4 PCA. Given the volume of uncollected OCC Rejects that had accumulated while
5 BDI was hauling, Jammie's ultimately recommended to PCA that Jammie's bring
6 in an 86 cubic yard belt trailer to more efficiently haul the OCC Rejects. PCA
7 agreed to try Jammie's proposal on a trial basis. Exh. JDS-10 is Jammie's
8 proposal from July 7, 2021 to PCA for the work.

9 **Q. How did the trial run go?**

10 A. It went very well. The belt trailer turned out to be the most efficient way to collect
11 and dispose of the OCC Rejects and Jammie's later added a second belt trailer to
12 help with hauling. While PCA initially stated it would provide the loading, to
13 keep up with volume, Jammie's ultimately assumed that role as well with their
14 own larger five-yard wheel loader, which was more efficient. Within a few weeks,
15 the area was clear, and the material was being properly managed to maintain a
16 safe and clean working environment.

17 **Q. Were any other changes made to the process?**

18 A. Yes. Jammie's completely transformed the OCC Reject disposal process. First, at
19 Jammie's suggestion, it constructed a large 'bunker' outside the OCC facility
20 where all OCC Rejects were moved to for processing. Second, using the bunker,
21 Jammie's developed an efficient process for mixing the OCC Rejects to eliminate

1 excess moisture content. PCA later constructed a second bunker next to the OCC
2 building. Those steps, coupled with the use of Jammie's belt trailers completely
3 resolved the OCC Reject problem for PCA and resolved the need for PCA to
4 consider other disposal options.¹⁰ Jammie's comprehensive onsite management of
5 the OCC Rejects also freed PCA employees up to focus on other Mill operations
6 which PCA greatly appreciated.

7 **Q. Was BDI aware that Jammie's was providing the service to PCA?**

8 A. Yes. From late May until mid-August 2021, BDI continued to haul the container
9 bins that PCA filled with OCC Rejects and worked alongside Jammie's in
10 disposing the OCC Rejects. By late-August, however, Jammie's had become so
11 efficient in managing the OCC Rejects, that PCA stopped needing BDI's
12 container bins for OCC Rejects.

13 **Q. Did BDI ever complain about Jammie's involvement or tell Jammie's it
14 needed a solid waste certificate while the companies were working together?**

15 A. No. Given how behind BDI was in disposing of the OCC Rejects, I believe BDI
16 welcomed Jammie's involvement. It was not until after BDI stopped being
17 involved in the OCC Rejects work that it began complaining about Jammie's and

¹⁰ I understand that PCA had considered trying "compactor bins" to collect the OCC Rejects for disposal and may have discussed that option with BDI at one point. However, after Jammie's took over managing the OCC Rejects, it eliminated the need for PCA to explore other options.

1 asserting that Jammie's needed a certificate. BDI never made those assertions to
2 Jammie's while we were working together.

3 **Q. How are PCA's OCC Rejects being managed today?**

4 A. Jammie's continues to manage all aspects of the OCC Reject waste. We also
5 continue to provide multiple other services in the OCC area along with the entire
6 Mill. PCA has communicated to me that they are extremely satisfied with
7 Jammie's management of the OCC Rejects and do not want BDI to handle the
8 OCC Rejects.

9 **Q. Why has Jammie's been successful in providing the OCC Rejects service?**

10 A. From the start, Jammie's was focused on solving the OCC Reject problem for
11 PCA. Jammie's specializes in tackling challenging situations and providing
12 effective solutions for customers. Jammie's prides itself in quickly assessing
13 problems and putting together effective solutions. Jammie's recognized the
14 urgency of removing the OCC Rejects waste and immediately put together an
15 effective plan that addressed the problem. Solving customer problems is
16 axiomatic to Jammie's business and why it has been successful. Jammie's has
17 earned business through its service and never takes its customers for granted.

18 Additionally, having worked at the Mill for PCA for over a decade, Jammie's
19 understands PCA's business and the urgency of addressing problems that could
20 impact production at the Mill. This allowed Jammie's to develop a program that

1 resolved the OCC Rejects problem while not interfering with PCA's operations so
2 PCA could focus on other duties at the Mill.

3 **Q. Has BDI spoken with PCA about disposing of the OCC Rejects again?**

4 A. Through documents produced in this case, I understand that BDI has reached out
5 to PCA with various proposals to resume OCC Rejects service. While I did not
6 participate in any meetings between BDI and PCA, I understand that PCA has
7 informed BDI that it does not want BDI to resume the service. Below is an email
8 from PCA's Mill manager to BDI from November 1, 2021 informing BDI that
9 Jammie's would be providing the service going forward:¹¹

Charlie,

Couple of things here regarding OCC:

- We are not planning on using the compactor. Our plan is to stick with what we are currently doing.
- In regards to your assertion that Jammies is illegally hauling our waste, that is between you and Jammies. Jammies has hauled waste for other mill operations and brought us a plan that was significantly less expensive, more efficient, and much safer for our employees than what you were offering. Prior to getting ideas from Jammies, we brought you out to the mill and asked for better and cheaper ways of hauling the waste and we did not hear any ideas from BDI. Frankly, Jammies has earned this business. I believe you are required to be competitive in your pricing and service and in this case of hauling OCC rejects, there is no doubt you were not.

I know this sounds all negative toward BDI, but overall we have been happy with the other trash hauling BDI performs for the mill. I just wanted to state the facts as we see them in regards to OCC rejects.

10 Kurt

¹¹ Exh. JDS-11 (November 1, 2021 email from PCA to BDI).

1 **IV. JAMMIE’S HAS MET THE REQUIREMENTS FOR A**
2 **SPECIALIZED CLASS C SOLID WASTE CERTIFICATE**

3 **Q. Should Jammie’s Application for a specialized Class C solid waste certificate**
4 **be approved?**

5 A. Yes, it should, if the Commission determines that a certificate is necessary.
6 Jammie’s Application demonstrates that Jammie’s meets the requirements under
7 RCW 81.77.040 for a specialized Class C solid waste certificate.

8 **Q. What are the requirements for obtaining a specialized Class C solid waste**
9 **certificate?**

10 A. RCW 81.77.040 requires a company seeking a solid waste certificate to
11 demonstrate that the company is qualified to provide the services and, if there is
12 already a certificate holder in the area, the existing company must not object or
13 the Commission must find that the existing solid waste collection company will
14 not provide service to the satisfaction of the Commission.

15 As discussed in more detail below, Jammie’s is well-qualified to provide the OCC
16 Rejects service to PCA, as evidenced by it effectively providing the service, and
17 PCA’s desire that Jammie’s continue to provide the service. Additionally, I
18 believe the Commission should find that BDI did not provide satisfactory service
19 to PCA and that Jammie’s is best suited to provide the service to PCA going
20 forward. BDI, of course, would continue to provide general garbage services to
21 PCA at the Mill. Jammie’s is only seeking to provide the OCC Rejects service.

1 **A. Jammie's Is Well Qualified to Provide the OCC Rejects Service and**
2 **Meets the Requirements Under RCW 81.77.040 For a Specialized**
3 **Class C Solid Waste Certificate**

4 **Q. What is a specialized Class C solid waste certificate?**

5 A. A specialized Class C solid waste certificate is for “a solid waste collection
6 company that does not provide traditional residential or commercial solid waste
7 operations. This class includes specialized carriers generally hauling specific
8 waste products for specific customers or providing only on-call or nonscheduled
9 service.”¹²

10 **Q. How would you describe the OCC Rejects?**

11 A. Unlike general commercial or residential solid waste, OCC Rejects are an
12 industrial waste generated as part of the OCC manufacturing process. The OCC
13 Rejects require special processing, handling, and transportation techniques that
14 certainly make it different from typical waste. For example:

- 15 • **Special quantity:** The quantity of OCC Rejects requires that it be
16 processed and handled differently. Because of the volume of OCC Rejects
17 generated, it requires full time, on-site management to ensure the OCC
18 Rejects are collected, processed, loaded, and hauled efficiently. Jammie's
19 uses two 86 cubic yard belt trailers to ensure it always has adequate
20 capacity to dispose of the OCC Rejects. This is obviously different from
21 typical garbage at the Mill that is placed into container bins for pickup by
22 BDI. Today, Jammie's has full-time, on-site employees at the Mill who
23 help manage the OCC Rejects to ensure it is disposed of timely.
- 24 • **Special processing:** Because of volume, the OCC Rejects must be quickly
25 collected and prepared for disposal. To reduce moisture content for
26 disposal, Jammie's built a bunker and developed a process for mixing the

¹² WAC 480-70-041.

1 OCC Rejects to ensure that the OCC Rejects can be loaded and disposed
2 of without leaking. Instead of using container bins, Jammie's 86 cubic
3 yard belt trailers further allow the wet and dry materials to be blended
4 together so that the overall moisture level is reduced. This is a time and
5 labor-intensive additional step in the processing and handling of the
6 materials that Jammie's employees perform on a near daily basis.

- 7 • **Special handling:** Once mixed, the OCC Rejects are loaded using a five-
8 yard wheel loader that Jammie's provides. This replaced the smaller
9 Bobcat loader that PCA was using before Jammie's began providing the
10 service.
- 11 • **Special transportation:** To keep up with volume, the OCC Rejects are
12 transported in real time using 86 cubic yard belt trailers which take the
13 waste directly to landfills. This allows Jammie's to efficiently load, haul
14 and dispose of the OCC Rejects and return with an empty trailer for
15 further loading. Jammie's currently uses two belt trailers to transport and
16 dispose of the OCC Rejects.

17 **Q. Why is Jammie's seeking a specialized Class C solid waste certificate instead**
18 **of a Class A or B certificate?**

19 A. Jammie's is seeking a specialized Class C solid waste certificate because
20 Jammie's is not seeking to become a traditional solid waste collection company.
21 However, throughout my career, I have encountered numerous situations where
22 Jammie's is asked to provide a waste service that the local garbage company
23 would not or cannot provide usually due to the special or unique nature of the
24 waste at issue.

25 I understand that Class C certificates are designed for situations where a
26 traditional solid waste collection company may not be the best fit for a specialized
27 waste stream like the OCC Rejects. This is not a situation where the economies of
28 scale that justify the common carrier model should dictate that BDI must provide
29 the OCC Rejects services. I do not believe that common carrier principles are not

1 that rigid as exemplified by the Class C solid waste certificate option. The Class C
2 certificate appears to recognize that in some cases, a traditional garbage collection
3 company like BDI may not have the resources or expertise to handle some waste
4 streams or the unique operations of some customers.

5 The Class C certificate class describes Jammie's waste disposal services for PCA
6 perfectly. The OCC Rejects are a narrow waste stream for one industrial customer
7 that requires more specialized waste service than a normal solid waste garbage
8 service. Jammie's has demonstrated that it has the resources, experience, and
9 knowledge to provide the OCC Rejects service to the Commission's satisfaction.

10 **Q. Has Jammie's met the requirements for a specialized Class C solid waste**
11 **certificate?**

12 A. Yes. Jammie's is exceptionally qualified to handle this specific waste stream for
13 PCA. Jammie's has been providing specialized industrial and commercial
14 cleaning and waste services since 1999, including at the Mill for over 10 years.
15 We have equipment and crews working at this facility daily who, among the
16 myriad other cleaning services on site, manage the OCC Rejects through all
17 stages.

18 Because of the unique qualities of the OCC Rejects that I described above
19 (including that they are wet, heavy, and voluminous), they require special
20 equipment and are very labor intensive from the start of the cleaning and
21 processing through the end disposal. While BDI was unable to properly handle

1 the OCC Rejects, Jammie's has the knowledge, experience, equipment and on-site
2 staff performing the services now.

3 Jammie's completed its specialized Class C solid waste certificate Application
4 which it filed on April 1, 2022, where it provided the information required by
5 RCW 81.77.040. To the extent the Commission needs any additional information
6 to evaluate Jammie's Application, Jammie's is happy to provide that information.

7 **B. BDI Objectively Failed to Meet its Statutory Obligation to Provide**
8 **Satisfactory Service to PCA**

9 **Q. Did BDI fail to meet its statutory obligation to provide satisfactory service to**
10 **PCA?**

11 A. Yes, I believe BDI objectively failed to provide satisfactory service to PCA. As
12 the solid waste certificate holder for the area, BDI has an obligation to provide
13 adequate service to customers. In this case, BDI was required to adequately
14 dispose of the OCC Rejects for PCA and it failed to do so. As I explained above,
15 BDI's attempt at disposing of the OCC Rejects left an unacceptable mess at the
16 Mill, created unsafe conditions for all who work there, raised environmental
17 compliance problems for PCA, and compromised PCA's ability to operate its
18 facility. Based on Jammie's observations and communications with PCA, BDI's
19 multiple failures can be summarized as follows:

- 20 • BDI failed to develop an adequate plan for managing the unique needs of
21 the OCC Rejects, even though it had months of advance notice from PCA
22 prior to the OCC processing starting.

- 1 • BDI treated the OCC Rejects like typical garbage using 20-yard container
2 bins that PCA would load. The bins, however, filled quickly and once full,
3 BDI failed to timely pick them up leading to piles of OCC Reject waste all
4 over the OCC yard.
- 5 • BDI failed to find a solution for the moisture content in the OCC Rejects,
6 causing the OCC Rejects to go uncollected and left in piles or in
7 uncollected bins.
- 8 • Once BDI was behind on collecting and disposing of the OCC Rejects,
9 BDI never adapted or invested more resources to address the problem,
10 which allowed the piles of OCC Rejects to unsafely accumulate at the
11 Mill. BDI, as a large company, certainly could have invested more
12 resources in meeting PCA's needs but it failed to do so.
- 13 • PCA raised its concerns with BDI multiple times during the spring and
14 summer 2021 but BDI never made any material changes to its OCC
15 Rejects disposal practices that improved the situation.

16 As I noted above, BDI's poor execution reflects a general lack of experience,
17 resources, and knowledge of how to effectively manage unique industrial waste
18 streams. This is not surprising given that BDI's primarily service is as a
19 residential garbage collector. PCA's operation at the Mill is a large industrial
20 operation that is far different from residential or even general commercial garbage
21 collection. Handling the OCC Rejects waste requires daily, on-site monitoring and
22 the ability to immediately stay on top of the waste stream through real time
23 disposal practices. BDI never provided those services to PCA.

24 **Q. Do you believe BDI could provide the services now?**

25 A. Not in an effective manner. BDI had never disposed of OCC Rejects before its
26 work with PCA¹³ and serious questions remain whether BDI is committed to

¹³ Exh. JDS-12 (BDI's Supplemental Response to JEI Data Request No. 003).

1 providing PCA the level of support it needs for the OCC Rejects. For example,
2 BDI admitted it still does not have all the equipment that would be needed to
3 provide the service to PCA.¹⁴ BDI also has not made all the tariff changes it
4 would need to make to provide the service.¹⁵ It blames Jammie's for being unable
5 "to collect data related to the haul from PCA" to make those tariff changes, but
6 this is baseless. BDI worked at the OCC facility for months and is well aware of
7 the nature of the work that should be sufficient to make any needed tariff changes.

8 **Q. Should PCA have a say in who provides industrial waste services to the Mill?**

9 A. Yes, I believe so. As a large industrial operation with unique waste needs, PCA is
10 in the best position to determine what waste needs it has and who is best equipped
11 to manage that waste. BDI had the opportunity to provide the service to PCA with
12 months of notice prior to the OCC facility starting and BDI failed to adequately
13 meet PCA's needs. PCA has determined and has informed both Jammie's and
14 BDI that the OCC Reject waste requires more specialized service and that
15 Jammie's is best equipped to provide the service going forward.

¹⁴ Exh. JDS-13 (BDI's Response to JEI Data Request No. 026).

¹⁵ Exh. JDS-14 (BDI's Response to JEI Data Request No. 028).

1 **V. JAMMIE’S MAINTAINS ITS POSITION THAT A SOLID**
2 **WASTE CERTIFICATE IS NOT REQUIRED IN THIS CASE**

3 **Q. Does Jammie’s believe that its OCC Rejects disposal services meets the**
4 **exemption under WAC 480-70-011(1)(g)?**

5 A. Yes. WAC 480-70-011(1)(g) exempts from WUTC regulation “[t]he operations of
6 private carriers who, in their own vehicles, transport solid waste purely as an
7 incidental adjunct to some other established private business owned or operated
8 by them in good faith. This private-carrier exemption does not include persons
9 transporting solid waste from residential sources, such as apartment houses or
10 mobile home parks, in vehicles designed or used primarily for the transport of
11 solid waste.”

12 This rule describes Jammie’s work for PCA. Jammie’s does not hold itself out,
13 advertise, or seek business as a solid waste collection company like BDI.

14 Jammie’s core business is providing cleaning or cleanup services to industrial or
15 commercial business and incidental to those services, Jammie’s disposes of waste
16 associated with its cleaning or cleanup services. That’s exactly what happened in
17 this case. Jammie’s was initially hired by PCA to clean and help maintain the
18 OCC processing area. Then, when BDI failed to perform, using its own vehicles,
19 Jammie’s was hired to clean up the OCC Rejects mess and dispose of the waste.

20 Jammie’s is not simply operating as a substitute solid waste collection company in
21 competition with BDI. Jammie’s was ultimately hired by PCA to manage the

1 OCC Rejects waste from generation to disposal to ensure that PCA's OCC
2 processing operations can operate unencumbered.

3 **Q. Why, if you believe Jammie's is exempt, are you applying for a solid waste**
4 **disposal certificate?**

5 A. In January 2021, I reached out to Commission Staff to inquire whether any
6 permits would be required for Jammie's to provide the OCC Rejects service to
7 PCA. After discussing the work with Commission Staff, I was confident that
8 Jammies met the exemption under WAC 480-70-011(1)(g), which Staff
9 confirmed.¹⁶

10 However, a few weeks after Staff's email, I received a second email from Staff
11 explaining that they had changed their mind about whether Jammie's meets the
12 exemption.¹⁷ Prior to that, in discovery, I learned that without informing Jammie's
13 or PCA, counsel for BDI met with Staff and communicated BDI's desire to
14 perform the OCC Reject services for PCA.¹⁸ After receiving Staff's email, I
15 immediately began the process of preparing Jammie's Application for a
16 specialized Class C solid waste certificate, which I filed on April 1, 2022.

¹⁶ Exh. JDS-15 (February 15, 2022 JEI email with Commission Staff).

¹⁷ *Id.*

¹⁸ Exh. JDS-16 (February 7, 2022 BDI counsel email with Commission Staff).

1 **Q. Has Commission Staff taken a position on Jammie’s Application?**

2 A. No, it has not.

3 **Q. How would requiring a solid waste certificate impact Jammie’s business?**

4 A. The certificate itself would have no impact on Jammie’s business and Jammie’s
5 would fully comply with all requirements associated with being a regulated
6 company. However, Jammie’s is somewhat concerned that regulating Jammie’s
7 disposal of OCC Rejects could lead to the widespread regulation of other
8 industrial cleaning services that have traditionally gone unregulated because they
9 are “incidental” to other work performed and the actual waste disposal component
10 does not conflict with services performed by traditional solid waste disposal
11 companies. In addition to other companies like Jammie’s who specialize in
12 industrial cleaning services, there are thousands of businesses in Washington that
13 haul industrial wastes in conjunction with their business that have never been
14 regulated. From Jammie’s perspective, regulating Jammie’s management of OCC
15 Rejects for PCA—one specialized waste stream for one customer where BDI
16 would continue to provide general garbage service—seems different than the
17 types of services the Commission typically regulates. In this case, the normal aims
18 of having an exclusive grant of authority in a given territory—promoting service,
19 efficiency, consistency and supporting the public interest—are not supported.

1 **Q. How has this matter impacted Jammie's?**

2 A. The matter has been incredibly stressful and disruptive to my Company. We are
3 fully committed to complying with the law and have provided the OCC Rejects
4 service to PCA with a good faith understanding that a certificate was not required.
5 If a certificate is required, I believe Jammie's meets the requirements for a Class
6 C certificate and that Jammie's providing the OCC Rejects services is in the best
7 interest of PCA.

8 **VI. CONCLUSION**

9 **Q. Does that conclude your prefiled direct testimony?**

10 A. Yes, it does.