

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of
JAMMIE'S ENVIRONMENTAL, INC.,

DOCKET TG-220243

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

BASIN DISPOSAL, INC.,

Complainant,

v.

JAMMIE'S ENVIRONMENTAL, INC.,

DOCKET TG-220215

Respondent.

PREFILED RESPONSE TESTIMONY OF BRIAN WILHELM

ON BEHALF OF

PACKAGING CORPORATION OF AMERICA

October 14, 2022

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INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Brian Wilhelm. My business address is 31831 West Highway 12, Wallula, WA 99363.

Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR TITLE?

A. I am employed by Packaging Corporation of America (“PCA”). I am the Mill Operations Manager at PCA’s paper mill located in Wallula (the “Mill”).

Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES AS THE MILL OPERATIONS MANAGER.

A. As the Mill Operations Manager, I have overall responsibility for the manufacturing operations at the Mill. I supervise the operations on the Paper Machines, the Shipping Department, the OCC Plant, Pulp Production, the OCC Yard, and the Power and Recovery Department. My overall responsibilities are to ensure all these manufacturing areas operate in safe, reliable, and environmentally sustainable way to produce linerboard and corrugated medium sold to various box manufacturing facilities worldwide. I lead a team of direct and indirect reports of approximately 220 employees. My role is to provide leadership and tactical management to my team.

Q. HOW LONG HAVE YOU WORKED FOR PCA?

A. I’ve worked for 15 years at the Mill. I’ve been working at my current position as the Mill Operations Manager for approximately a year and a half. Before being promoted, I was the

Paper Production Manager and Maintenance Manager. I've worked in a variety of areas in the Mill giving me an in-depth understanding and appreciation of the manufacturing complexities of such a large operation.

Q. WHY DID PCA INTERVENE IN THIS CASE AND WHY ARE YOU PROVIDING TESTIMONY?

A. PCA intervened in this case because the problems PCA experienced while BDI was disposing of the OCC Rejects significantly disrupted PCA's operations and impacted PCA's ability to safely operate our OCC Plant. PCA was forced to make a business decision to have Jammie's Environmental, Inc. ("Jammie's") manage the waste. Since Jammie's took over managing the OCC Rejects, our problems with the OCC Rejects have been solved. PCA felt it was important to intervene and provide testimony as to BDI's very poor service and PCA's strong support for Jammie's. As a company, we do not believe BDI is able to adequately manage the OCC Reject waste and believe Jammie's should be allowed to continue to provide the service. As the only customer involved, we hope that the Washington Utilities and Transportation Commission ("WUTC") will consider PCA's perspective in this matter, as we will be the one most impacted by the WUTC's decision.

Q. WHAT TOPICS WILL BE COVERED IN YOUR TESTIMONY?

A. I will be testifying about my direct and indirect interaction with BDI and Jammie's. As Operations Manager, supervising the operation of the OCC Plant is a key responsibility. I will explain how BDI's lack of performance had a significant impact on the success of the OCC Plant and a direct impact on Mill's linerboard and corrugated medium production. I will also

testify about my interaction with the WUTC and what PCA did to confirm it was operating in compliance with the WUTC rules.

Q. WHAT IS AN OCC PLANT AND WHY IS IT IMPORTANT TO PCA?

A. An OCC plant converts post-consumer recycled boxes (Old Corrugated Containers or “OCC”) into pulp that can be used on paper machines to make valuable pulp and paper products. Wood fiber is a renewable resource and an essential material used to make our products. Wood fiber comes from both first-use (virgin) fiber and recycled fiber. Responsible and sustainable procurement of fiber is both a key policy and principle at PCA. Corrugated cardboard is the most widely recycled packaging material on the planet. PCA promotes the recyclability of our products through the use of the Corrugated Recycles symbol and encourages all of our customers to print it on their qualifying products.

Through the OCC Plant, PCA is able to use a significant amount of recycled material as a fiber source thereby reducing the amount of timber required to be harvested. The more we can rely on OCC-made fiber, the less timber we need. This supports PCA’s key principle for sustainability as well as reducing our greenhouse gas emissions. At the Mill, we currently use approximately 35% OCC and 65% virgin fiber for our linerboard and corrugated products. The OCC Plant is an integral part of PCA’s manufacturing business and is critical to our success in a very competitive marketplace.

BDI'S SERVICE

Q. IN YOUR SUPERVISORY ROLE, WHAT HAS BEEN YOUR INVOLVEMENT WITH BDI?

A. Skyler Rachford and Kasey Markland were the primary PCA management contacts interacting directly with BDI. I provided support when needed, attended meetings with BDI, and ultimately was involved in the final decisions. Kasey and Skyler kept me informed on BDI's lack of performance and the constant struggles they had with the OCC Reject piles. I attended the February 2021 onsite meeting with BDI when we discussed various ideas on how best manage the OCC Rejects. We had e-mailed BDI asking for an onsite meeting to brainstorm ideas and asked for their input and help in determining the best ways to handle the OCC Reject waste stream. We wanted to make sure we had the best plan possible for when OCC production would begin and that BDI was prepared to immediately begin disposing of the OCC Rejects.

Q. WHAT HAPPENED AT THE FEBRUARY 2021 MEETING WITH BDI?

A. For PCA, Kurt Thorne, Paul Cova, Kasey Markland, Skyler Rachford, and myself were present at the meeting. For BDI, Charlie Dietrich, another BDI Supervisor, and a truck driver were present at the meeting. PCA walked BDI through the entire basement of the OCC Plant, reviewed the building footprint with BDI, and showed them the spaces PCA had reserved for handling the OCC Rejects. PCA presented several different ideas to BDI for handling the OCC Rejects including the following:

1. Loading the OCC Rejects in the back of the building directly into trucks;
2. Using a conveyor belt truck for hauling the OCC Rejects;
3. Building a bunker in the back of the building to store OCC Rejects as there is more

space in the back;

4. Using railcars to load and transport the OCC Rejects.

We specifically asked BDI for their thoughts and input on ways to best handle the OCC Rejects. I distinctly remember that BDI did not offer ideas, they remained very quiet and non-committal during the meeting. BDI said they would review these ideas and get back to us with their thoughts. They never did. I thought it was very odd and quite frustrating that BDI did not seem interested in helping PCA find alternative ways to managing the OCC Rejects. To me, it seemed that BDI was set on using their typical roll-off boxes, like the ones already used in the Mill, and were resistant to trying something different. In the end, using their standard roll-off boxes was exactly what BDI did, which did not work for the OCC Reject waste and ended up creating significant problems for PCA. Below is an email where Sam Holm at PCA mentions how we immediately were trying to discuss different ideas.¹

On Feb 18, 2021, at 3:24 PM, Holm, Sam <SamHolm@packagingcorp.com> wrote:

Charlie,

Our OPS Manager and Paper Machine Production Manager have been doing some brainstorming and they have some different ideas about handling of the waste stream coming out of the OCC plant. They would like to meet with you and your team to walk through their ideas and get your input. Would you and your team be available to come to the mill tomorrow sometime for a tour and discussion.

Please let me know your availability for either tomorrow or Monday, keeping in mind that we expect to start the process of feeding materials next week. so the sooner the better.

Thanks.

Samuel Holm
C# 509-627-9155

¹ Exh.-BW-02.

Q. CHARLIE DIETRICH TESTIFIED THAT BDI PROPOSED USING A BUNKER AND TRACTOR TRAILER DURING THE FEBRUARY MEETING. IS THIS YOUR RECOLLECTION?

A. No. I was surprised to read that in Charlie's testimony. My recollection is that PCA suggested that idea to BDI and asked for BDI's opinion on this idea as well as others. It was BDI who seemed dismissive of the idea and was more intent on using their roll-off boxes. After seeing some of the discovery in this case, I now believe this may be because BDI did not have the equipment or resources in place to take a different disposal approach. PCA is not an expert on hauling waste and was open to any idea that would help solve the OCC Reject problem and more efficiently dispose of the OCC Rejects. BDI's suggestion that PCA rejected suggestions that could have improved the process is simply false.

Q. WHAT IS BDI'S TYPICAL WAY OF MANAGING AND HAULING THE DUMPSTERS LOCATED AROUND THE MILL?

A. BDI places solid waste dumpsters around the Mill (for general trash), and BDI has a driver that usually comes to the Mill once a day Monday through Friday. The driver looks at the dumpsters, hauls the full dumpsters to the landfill, and returns the empties back the Mill. There is very little communication between BDI and PCA for these dumpsters. BDI effectively took the same approach with the OCC Rejects as it does with general trash. This turned out to be a mistake.

Q. WHEN OCC PRODUCTION STARTED IN EARLY MARCH 2021, WAS BDI ABLE TO KEEP UP WITH DISPOSING OF THE OCC REJECTS?

A. No. BDI quickly fell behind and piles of OCC Rejects started to accumulate in the OCC yard. BDI was never able to catch up.

Q. FROM MARCH TO EARLY AUGUST, DID BDI EVER MENTION TO PCA THAT THEY WOULD NEED A DIFFERENT TARIFF TO HAUL THE REJECTS IF THEY USED A METHOD OTHER THAN THE CURRENTLY USED ROLL-OFF BOXES?

A. No, they did not. In fact, I find Charlie's testimony very contradictory to how things actually occurred. During all of our brainstorming efforts and constant requests to BDI to help find solutions to the OCC Rejects piling up, BDI never told PCA they would need a different tariff code if they changed the method of hauling until early August. If BDI truly wanted to help PCA find solutions to the OCC Reject disposal problems, I would think BDI would have told PCA about the tariff change and applied for approval in the early stages of start-up. They did not. To me, this confirms my belief that BDI was never really interested in changing their practices and that BDI was set on staying with their typical roll-off box method. That is what they know how to do. I understand they still have not obtained a new tariff rate. The e-mail below is the first time BDI ever mentions the need for a new tariff rate.²

² Exh.-BW-03.

From: Charlie Dietrich
Sent: Tuesday, August 3, 2021 6:07 AM
To: PaulCova@packagingcorp.com; Rachford, Skyler <SkylerRachford@packagingcorp.com>; KaseyMarkland@packagingcorp.com; Wilhelm, Brian <BrianWilhelm@packagingcorp.com>
Subject: Rejects Disposal

Good morning,

Paul, thank you for your message last night.

I wanted to provide an update on the process and information we discussed the last time we met.

I am actively working with the WUTC (Washington Utilities and Transportation Commission) to get a rate approved for the trucking/bunker proposal. Being the regulated hauler for the area, we have to go through the approval process and vetting in order to start a new type of haul (equipment and material specific). As I have stated before, we are the only hauler allowed to dispose of the rejects which in turn means that our rate has to be analyzed and approved as reasonable by the commission. As soon as the rate is approved I will reach out with the proposal.

In regards to the compactors, I have reviewed the tests we have done with you guys (filling up the compactor and then weighing/dumping) and have a few open questions that we can discuss. My original plan was to present my findings for both scenarios in one packet so that we could come to a final conclusion.

Thanks,

Charlie Dietrich

*PO Box 3850
Pasco, WA 99302-3850*

*Ph. 509-542-4959
Cell 360-635-8995*

Q. IN BDI'S RESPONSE TO JEI DATA REQUEST 028, BDI SAID THEY COULD NOT COLLECT SUFFICIENT INFORMATION TO APPLY FOR A NEW TARIFF RATE.³ DID BDI EVER ASK YOU FOR INFORMATION TO SUPPORT A NEW TARIFF RATE?

A. No never. Not even to date. See Exh-BW-05 for BDI's current tariff rates.⁴

³ Exh.-BW-04.

⁴ Exh.-BW-05.

Q. WHEN PCA NOTICED BDI WAS UNABLE TO KEEP UP WITH THE DISPOSAL, HOW DID PCA COMMUNICATE WITH BDI AND WHAT WAS THEIR RESPONSE?

A. Kasey Markland and Skyler Rachford kept me updated on what was happening at the OCC Plant and I could see the piles of OCC Rejects increasing in size and quantity at the Plant. Kasey and Skyler talked with BDI at least weekly expressing our frustration at their inability to keep up with disposing of the OCC Rejects. We asked them repeatedly to haul the dumpsters and keep up with the OCC Reject generation. They simply could not keep up and were non-responsive to our requests for different ideas for handling the OCC Rejects. We grew increasingly frustrated with BDI's inaction and lack of customer service. We asked several times, "what can we do different" and only heard, "we'll look into it and see what we can come up with." This was BDI's typical response when discussing the OCC Rejects problem.

At one point, BDI even blamed their inability to haul more OCC Rejects on BDI's transfer station hours. BDI's transfer station hours are only open during the day and not open on the weekend. They continually said OCC Rejects had to go to transfer station and opposed any other option like a railcar or a shipping truck. Since BDI was using the transfer station that they own, their trucks would go in one direction to the transfer station then track back passing the Mill to haul it to the landfill. This seemed like a very inefficient way to transport the Rejects. We never understood why BDI couldn't simply transport the waste directly to the landfill.

Q. BDI BLAMED THEIR INABILITY TO HAUL BECAUSE THE OCC REJECTS WERE TOO WET. DID BDI EVER PRESENT IDEAS ON HOW THEY COULD HELP MANAGE THE WET REJECTS?

A. No. BDI was strictly focused on hauling the OCC Rejects. BDI did not present any

ideas to PCA for the onsite management of the Reject waste stream until September 2021(after seeing Jammie's methods). Instead, wet rejects were loaded into the BDI dumpsters and would sit for days until the Rejects dried out. BDI viewed the wet OCC Rejects as PCA's problem and that if the OCC Rejects weren't dry enough to haul, they couldn't help. While the OCC Rejects are clearly PCA's waste, we needed a waste service that could help us with the entire process in disposing of the OCC Rejects. BDI was unable to provide that service.

Q. MR. DIETRICH STATES THAT IN THE SPRING OF 2021, BDI HAD RESOLVED ALL OF PCA'S CONCERNS? IS THAT TRUE?⁵

A. Not at all. BDI never resolved PCA's concerns. Despite our months of trying to work with BDI, giving BDI every opportunity to perform, they simply could not keep with the amount of OCC Rejects being generated nor could they have the resources, expertise or equipment to handle the moisture content of the OCC Reject waste stream.

Q. DID BDI'S PERFORMANCE CREATE ANY SAFETY OR OPERATIONAL HAZARDS?

A. Yes, several. The growing quantity and size of the piles created a significant and alarming fire hazard. As the OCC materials dry, the fire hazard becomes greater. If any of the piles caught on fire, given the amount of wood product at the Mill, the fire would quickly spread potentially causing a catastrophic event. At one point, we had so many excess OCC Rejects on the ground that it covered a fire hydrant. This is a totally unacceptable practice. The growing piles also impeded traffic flow and created operational challenges in the area. Finally, we were

⁵ Exh. CD-01T at p. 10:10-15.

at risk in violating our Title V Air Permit for fugitive emissions due to OCC Rejects blowing around the OCC yard. All of these conditions were the direct result of BDI's inability to manage and haul our OCC Rejects.

Q. MR. DIETRICH STATES THAT "I DON'T KNOW ANYTHING ABOUT A FIRE HAZARD OR SAFETY HAZARD".⁶ DOES THAT CAUSE YOU CONCERN?

A. That causes me great concern and just illustrates BDI's complete lack of understanding and expertise in with this type of waste material.

Q. DID BDI MAKE ANY CHANGES TO THEIR PROCESS AFTER YOU COMMUNICATED YOUR FRUSTRATION?

A. BDI said they would hire more drivers and they did. But we never saw any improvement in service. Frustrated, we scheduled an onsite meeting in July 2021 to discuss solutions as BDI's service was not improving. The meeting was very unproductive because BDI came to the meeting with no new ideas or options for handling the OCC Rejects. BDI offered to do what Jammie's was already doing for us, nothing more. Weeks prior, we had started using Jammie's to help clean up the massive piles of OCC Rejects that had accumulated. In my opinion, this is the only reason BDI started to engage with PCA. It got their attention. It wasn't until we started using Jammie's that BDI showed any real interest in helping PCA solve the problems with our OCC Rejects. For example, BDI had discussions with Skyler about BDI bringing their own loader and employee on site to help with the OCC Rejects. This only happened, however, after Jammie's had already been doing that.

⁶*Id.* at p. 28:1.

Q. WHEN WAS THE FIRST TIME BDI CAME TO PCA WITH A WRITTEN PROPOSAL?

A. In September 2021, we had a meeting with BDI where Charlie Dietrich presented a proposal. This was the first time we saw any written proposal from BDI. There was some back-and-forth e-mails between Charlie, Paul Cova, and myself in August regarding use of the compactors but there was no formal proposal from BDI. BDI still needed to procure the equipment and labor in order to haul the OCC Rejects in an economically viable way. With their current equipment, they could only haul 1/3 of the OCC Rejects generated via compactor with a hauling frequency that made this option cost prohibitive. Below is an email exchange between BDI showing the cost breakdown.⁷

⁷ Exh.-BW-06.

From: Charlie Dietrich
Sent: Tuesday, August 24, 2021 5:54 AM
To: Cova, Paul <PaulCova@packagingcorp.com>
Subject: OCC Rejects - Hybrid

Hi Paul,

I appreciate the opportunity to meet last week and further discuss this plan. As I have said from the beginning, we are here to service you in the best and more efficient way possible.

After our discussion, I have the following idea:

Compactor

- The compactor will require 24/7 service, this will take time to procure equipment, labor, and discussions with the transfer station. However, we can start hauling the compactor during regular operating hours. These hours would start around 6:00a and end around 9:00p.
- With the weight of the compactor, for the time being, we will make up for the lighter loads by increasing the frequency that we will haul the container. I anticipate a haul every 3 hours. This would put the hauls for the day around 5.
- Fifteen hours of work would mean the compactor would contain around 24 tons of material. The remaining 45-55 tons would then be put into the drop boxes under the current system.

Drop Box/Semi

- I would like to discuss the possibility of hauling the remaining 45-55 tons with a semi and belt trailer (like discussed in the proposal). I think this would increase the flexibility and efficiency of the disposal process, as well as save costs (see below).

	80 Total tons per day
	24 Tons compacted in 15 hours
	56 Tons remaining
	5 compactor Loads
	8 additional drop box loads
	or
	2 additional semi loads
Compactor + Drop Box [Daily]	\$ 6,326.58
Compactor + Semi [Daily]	\$ 5,111.91

Because 100% of the material will be captured in one of these two methods, Jammie's environmental will need to stop hauling the rejects to the landfill immediately. As discussed, under the UTC tariff, we are the only authorized hauler.

Give me a call and we can discuss.

Thanks,

Charlie Dietrich

PO Box 3850

Q. EXPLAIN WHY THE PROPOSAL WAS STILL INADEQUATE?

A. At the September meeting, BDI came to PCA with a proposal doing the same thing Jammie's was already doing. This was a common pattern for BDI. Yet, the pricing in the proposal wasn't clear and it was uncertain whether BDI even had the equipment to perform the work in the proposal. I have subsequently learned, via BDI's testimony, they could not even provide onsite OCC Reject handling services as stated in their proposal because they had not yet applied for a new tariff rate. If BDI was at all serious about helping PCA, they would have applied for the tariff change months before and been ready to perform. After our months of experience with BDI's inadequate performance hauling OCC Rejects, we had little faith that they could deliver on their proposal. Even if BDI had the equipment, they do not have the same level of expertise or experience as Jammie's in handling unique or specialized waste streams. Also, BDI had repeatedly failed to respond to PCA's plea for additional ideas. Despite what BDI would sometimes say, it was clear to us that partnering with PCA to find solutions to the OCC Reject problems was not important to BDI. From a business perspective, after we finally had stabilized the OCC Rejects waste stream by having Jammie's manage the waste, we were simply unwilling to take another chance on BDI.

Q. WHY IS THE OUTCOME OF THIS CASE IMPORTANT TO PCA?

A. PCA is the third largest producer of containerboard and corrugated medium in North America. We set high expectations for our company and employees and expect the same of our all of contractors. We run a world-class facility and to be successful in this competitive, we must have reliable, dependable, and qualified contractors. Our manufacturing operations are complex and multi-faceted. We rely on contractors in numerous ways throughout the Mill to assist in operating our mill. Effectively and efficiently managing our all of our waste streams is one of these needs. We tried to use BDI for the handling and disposal of our OCC Rejects. We talked with them in December 2020 informing them of our needs, then met with them onsite in February 2021 to tour the facility footprint and brainstorm ideas. We talked with them weekly after the start-up sharing our concerns with their ability to keep up with the volumes of OCC Rejects being generated. The OCC Plant started operating in March 2021. I understand there is always learning curve for a new process. However, by June 2021, the OCC Reject piles were so numerous and so high, it put us in a very compromised operating scenario. The growing piles created a significant fire hazard, caused unsafe working conditions for our bobcat operators, we were in jeopardy of violating our air permit, and general housekeeping at the OCC Plant was terrible with the growing piles. We need to run our OCC Plant at full capacity to be confident we can meet customer demands. Because BDI could not keep up with the disposal of the OCC Rejects, we talked about slowing down production to allow BDI time to catch up with the piles of OCC Rejects. Slowing production because one of contractors cannot provide the services needed is not the way you run a Fortune 500 company and for us, is not an acceptable option. We need to have a contractor that is capable of providing the services needed for PCA to run its manufacturing operations in a safe and compliant manner.

JAMMIES SERVICE

Q. EXPLAIN HOW JAMMIES BECAME INVOLVED AND HOW WORKING WITH THEM HAS BEEN?

A. Jammie's has provided a variety of industrial cleaning and cleanup services for the Mill for 14+ years. Jammie's is who we turn to when we have unique or complicated waste cleaning or cleanup problems. Owen Scott, Jammie's Operation Manager, was here for the annual outage in late May 2021. He saw the piles of rejects across the OCC Yard and asked me about it. After doing business with Jammie's for 14+ years, I said I would be happy to entertain any ideas to solve the problem. Owen realized that the OCC Rejects needed additional handling and were not the typical waste streams generated at the Mill. At first, Jammie's worked in tandem with BDI in a support role to help cleanup and haul the OCC Rejects. In time, however, it became clear to Owen that BDI's roll-off boxes were not a good solution and suggested different ways of managing the Rejects. I welcomed the new ideas. Owen made a plan and gathered trucks, brought over a loader, and built the "Conex" bunker. By August, the Reject piles were in better control and the OCC Plant site was much cleaner. By September, Jammie's had assumed total management of the OCC Rejects from start to finish completely removing the problem for PCA. This was a relief to PCA. Jammie's was solution oriented and came to PCA with ideas on how best to manage the OCC Rejects and solved several of the problems we were having with BDI. Our efficiency has improved immensely, employees are no longer driving around the garbage bins trying to dry out rejects everywhere, visually our Mill looks better, and Jammie's works whenever we need them to. Currently, they are onsite 7am – 9pm, Monday through Friday, but will work on weekends if we need them to.

CONTACT WITH THE WUTC

Q. EXPLAIN ANY STEPS PCA TOOK TO MAKE SURE PCA WAS OPERATING IN COMPLIANCE WITH THE WUTC?

A. We first became aware of the WUTC after Jammie's started receiving letters from BDI threatening Jammie's to stop hauling the OCC Rejects for PCA. We also received a letter from BDI's counsel. We stayed in communication with Jammie's while they communicated with the WUTC to ensure they were allowed to haul OCC Rejects from our Mill. Jammie Scott told us that she called a staff member at the WUTC in January 2021. At first WUTC staff said they did not need a permit for any of their hauling. We later heard that Jammie's got a common carrier permit. As pressure from BDI on the WUTC continued, Jammie's was later told by the WUTC that they needed to submit an application for a solid waste certificate. We encouraged Jammie's to move forward with the application as we greatly valued their service and wanted to continue to use Jammie's.

On our end we did our own due diligence. We received communications from BDI's counsel, and internally did our own research on the WUTC regulations. We reached out to the WUTC contact (Kathryn McPherson) Jammie's had been communicating with and explained our operations.

Q. EXPLAIN ANY COMMUNICATIONS PCA HAD WITH THE WUTC AND ANY SUBSEQUENT UNDERSTANDING YOU HAD AFTER THESE COMMUNICATIONS.

A. After seeing an email in January 2021 to Jammie's from Kathryn McPherson at the WUTC, I was reassured that we were operating in compliance with the WUTC rules. For further confirmation, I reached out to Kathryn in February 2021. We invited her to tour the OCC Plant

so she could see the operations and have first-hand knowledge of the situation and services provided by Jammies. Below are the emails sent from Kathryn McPherson to Jammies as well as our legal counsel reaching out for a phone call with Kathryn.⁸

⁸ Exh.-BW-07.

Jammie,

Thank you for speaking with me in detail about your business. I am including the link to apply for your common carrier permit. Based on our discussion, your company is exempt from requiring a solid waste certificate. The service of transporting waste is incidental to the cleanup and collection onsite of the industrial waste.

WAC 480-70-011 (1) (g) The operations of private carriers who, in their own vehicles, transport solid waste purely as an incidental adjunct to some other established private business owned or operated by them in good faith.

By definition of WAC 480.70.041, your company does transport waste: Solid waste or solid wastes means all putrescible and nonputrescible solid and semisolid wastes including, but not limited to:

- Garbage;
- Rubbish;
- Refuse;
- Swill;
- Ashes;
- **Industrial wastes;**
- Sewage sludge;
- Demolition and construction wastes;
- Abandoned vehicles or parts of abandoned vehicles; and
- Source-separated recyclable materials collected from single and multifamily residences.

Your company would be classified as a common carrier.

RCW 81.77.010 (1) "Common carrier" means any person who collects and transports solid waste for disposal by motor vehicle for compensation, whether over regular or irregular routes, or by regular or irregular schedules;

Common carriers are required to have a permit based on RCW 81.80.075 (1) (1) A common carrier, contract carrier, or temporary carrier shall not operate for the transportation of property for compensation in this state without first obtaining from the commission a permit for such operation.

Link for Common Carrier Application. The application can be filed online at <https://efiling.utc.wa.gov/Form>.

I am including Eric Villar on this email. He is responsible for the processing of new common carrier applications and very knowledgeable. Also, per our discussion, here is my best knowledge of "flow control." Its very basic for me to help keep track of info on counties.

Thank you,

Kathryn McPherson

Investigator, Solid Waste Enforcement

Transportation Safety Division

(360) 522-6121

Kathryn.Mcpherson@utc.wa.gov

www.utc.wa.gov

From: Blancaflor, Dawn <DawnBlancaflor@packagingcorp.com>
Sent: Monday, January 31, 2022 12:44 PM
To: Jammie Scott <jammie@jammiesenviro.com>; Wilhelm, Brian <BrianWilhelm@packagingcorp.com>
Cc: Butkus, Paul <PaulButkus@packagingcorp.com>; Thorne, Kurt <KurtThorne@packagingcorp.com>; Owen Scott <owen@jammiesenviro.com>
Subject: RE: Regulations for exemption on solid waste carrier

Hi team,

I'm just got off the phone with Kathryn at the UTC. She was very helpful! She confirmed that you (Jammie) you have received your Common Carrier Permit, are exempt from getting the Solid Waste Certification, and PCA is free to contract with you for your services.

Please remind me, what was the last correspondence from BDI. I suggest we hope on a quick call to discuss. Thoughts?

Q. EXPLAIN THE DETAILS OF HER VISIT.

A. Kathryn came to the Mill and we toured the OCC Plant. She asked about the trucks and dumpsters. I showed her the Jammie's truck that was leaving the Mill at the time, the loader Jammies' brought in, and the bunker that Jammie's built to control the waste. I explained to her the process we used with BDI, how the piles of OCC Rejects grew, and where they were generally located at the Plant. I talked about the housekeeping issues and the difficulty of working in such a congested area. I explained the equipment damage, the safety issues, and the burden PCA had trying to handle the waste. The waste required an immense amount of material handling and it was consuming a lot of time.

I walked her through the process and showed her the various OCC Reject waste streams generated during the pulping process. I took her to the BDI dumpsters we are still using for the glass and metals.

After the OCC tour, I took her on a drive around the entire Mill site. She counted around 30 BDI dumpsters at the time throughout the mill site. I explained these dumpsters are for our municipal waste such as pallet waste, plastics, scrap metal, tarping material, and general clean up. She was able to see what BDI was hauling and what BDI wasn't hauling. I also explained

the other industrial services that Jammie's provides throughout the mill. She spent several hours at the Mill. After the day, Kathryn expressed to me that she felt like there was a large difference between the management of the OCC Rejects that Jammie's is doing and the typical waste hauling done by BDI.

Q. AFTER THE VISIT, WHAT WAS YOUR UNDERSTANDING OF THE WUTC'S POSITION?

A. Kathryn told me that she felt that Jammie's was rightfully hauling the material and it should not be a problem. To me it indicated that we were operating in compliance with the WUTC rules. I was frankly stunned when the WUTC came back and recommended to Jammie's that they apply for a solid waste certificate.

CONCLUSION

Q. DO YOU BELIEVE BDI CAN PROVIDE PCA THE SERVICE IT NEEDS FOR THE MANAGING AND DISPOSING OF THE OCC REJECTS?

A. No, I do not believe BDI can provide the services PCA needs. Our prior experience with BDI in handling the OCC Rejects was very poor and from a business perspective, PCA frankly cannot afford to have another experience like that. While BDI is suited to handle the Mill's normal municipal waste, they are not equipped or have the experience to handle a unique waste stream like the OCC Rejects.

Q. ARE YOU REQUESTING THAT THE COMMISSION GRANT JAMMIE'S APPLICATION?

A. Yes, I am. I believe that PCA is in the best position to know what its waste handling needs are and that for this particular waste stream, Jammie's is best equipped to provide the service. We strongly request and ask that the WUTC grant Jammie's application or determine an application is not needed.

Q. DOES THIS CONCLUDE YOUR RESPONSE TESTIMONY?

A. Yes, it does.