

**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 RESPONSE TESTIMONY OF KURT THORNE

ON BEHALF OF

PACKAGING CORPORATION OF AMERICA

October 14, 2022

TABLE OF CONTENTS

Page

INTRODUCTION..... 3
BDI'S SERVICE 5
CONCLUSION 10

EXHIBIT LIST

Exhibit No.	Description	Page Referenced
KT-02	Aerial photo of the Wallula Mill	4
KT-03	November email from PCA to BDI	8,9

INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Kurt Thorne. My business address is 31831 West Highway 12, Wallula, WA 99363.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Packaging Corporation of America (“PCA”) where I am the Mill Manager for the Wallula, WA Mill (the “Mill”). I have been at PCA for eight years and the Mill Manger for a year and a half. My responsibilities include managing approximately 425 employees and the dozens of outside contractors that provide services to the Mill, I am in charge of the operation of the entire mill, and accountable for the financial and safety concerns with both.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I will testify about the operations at the Mill, the culture and history of PCA, the importance of having reliable, capable, and dependable contractors working for our Mill, PCA’s problems with BDI, and why the outcome of this case is so important to PCA.

Q. DESCRIBE PCA’S INDUSTRIAL OPERATION AND WHAT MATERIALS PCA PRODUCES.



Aerial photo of the Wallula Mill.¹

A. PCA is a large national pulp, paper, and packaging manufacturing company with over 100 manufacturing facilities located throughout the United States and employs over 15,000 people. Our company is headquartered in Lake Forest, Illinois. We are a Fortune 500 Company and the third largest producer of container board and corrugated boxes in North America. The Wallula Mill was built in the late 1950s. The Wallula facility is a complex manufacturing facility which includes an integrated pulp and paper mill, neutral sulfite semi-chemical pulping,

¹ Exh.-KT-02.

chip handling, chemical recovery, wastewater treatment, landfill and composting, corrugated medium and box plant, OCC Plant, and the company's largest trucking and transportation site. We produce approximately 1,800 tons of linerboard and corrugated medium daily. Most of what we produce feeds in converted into boxes at our onsite box plant and is used regionally in the fresh produce, processed food, and beverage markets. During Covid-19 when the State was in lockdown, PCA was deemed to be an essential business and continued operations.

Q. DESCRIBE PCA'S ROLE IN THE COMMUNITY?

A. We are the largest employer in Walla Wall County. We employ approximately 430 employees that live predominantly in the surrounding area. We operate 24 hours a day, seven days a week. PCA has a strong commitment to corporate responsibility and actively supports the communities in which we operate. Some of the things we are involved with in the area include: Food Bank fundraisers, American Red Cross Blood Drives, the Mid-Columbia Regional Science and Engineering Fair, Walla Walla Fair and Frontier Days, the Walla Walla Fire District #5 Firefighters Association, and the Washington Pulp and Paper Foundation at the University of Washington. We are proud to live and operate in this area, and I am proud to work for a company that cares about its community.

BDI'S SERVICE

Q. AS THE MILL MANAGER DID YOU HAVE CONCERNS WITH BDI'S OCC REJECTS SERVICE?

A. Yes, it is pretty simple. BDI has not been able to provide the services PCA needs to

effectively manage and haul our OCC Rejects. Their inability to timely haul and dispose of the OCC Rejects compromised the successful and safe operation of our OCC Plant in numerous ways:

1. The growing number of piles of OCC Rejects created an extreme fire hazard, especially in the hot dry months of summer. Safety is the top priority for PCA. Maintaining and operating our facility in a safe manner so as to ensure the health and safety of our employees and community is a core principle of our company. The growing number of piles created an unsafe environment and jeopardized the safety of our employees and community members. As the person responsible for the safety of my employees, I was greatly concerned with the conditions at the OCC Plant due to the ever-growing piles of OCC Rejects all over the ground. These type of site conditions are not acceptable to PCA. PCA communicated this concern to BDI and BDI dismissed those concerns and seemed unaware of the fire dangers. This is an attitude we cannot tolerate.

2. The piles of OCC Rejects also challenged our ability to maintain compliance with our Title V Air Permit for fugitives. PCA must comply with all environmental rules, regulations and permit obligations. Under our Title V permit, we are required to control fugitive emissions (i.e., dust, fine particles, etc.) from leaving the site. The piles of OCC Rejects, once dry, are easily blown off our site in violation of air permit.² As the person ultimately responsible for environmental compliance at the Mill, I needed this problem resolved.

3. The number of piles and growing height of the piles also impeded traffic flow and created visibility issues for employees operating in and around the OCC Plant. Once again, compromising the safety of our employees. A condition unacceptable to PCA.

² Exh.-SR-06.

4. The process of dumping the OCC Rejects into the BDI dumpsters lead to spillage around the dumpsters, creating an uneven surface for our bobcat operators. The bobcats would lurch forward when dumping the OCC Rejects into the BDI dumpsters causing the windshields to break. Another unsafe and unacceptable work condition.

Each one of these conditions created a work environment unacceptable to PCA standards. The cumulative effect of these forced me to consider slowing down production at our OCC Plant to allow BDI time to catch up, haul the waste to the landfill, and for PCA to clean up the OCC Reject piles. Slowing down production is a major decision with potentially significant financial impacts to PCA, our employees, and customers. No manager wants to be in this position because a contractor cannot perform its responsibilities.

Q. WITH THE CONDITIONS GETTING WORSE AT THE OCC PLANT, WHAT DID YOU DO?

A. I supported my management team in their efforts to find solutions. By May, the situation at the OCC plant was so extreme, we welcomed Jammie's help. Jammie's has an excellent track record with our Mill. They have provided industrial cleaning services at the mill for over 14 years. When Jammie's offered to help with the cleanup, I fully supported the idea. Jammie's stepped in immediately and helped get our OCC Plant back in a safe and compliant working condition. Jammie's also came to PCA with ideas and options on better ways to manage the OCC Rejects. Within a few weeks, Jammie's assessed the situation, developed plans to better manage the OCC Reject waste stream, and implemented the plans with total success. We have had no problems with the OCC Rejects since Jammie's took over.

Q. YOU WERE INVOLVED IN THE MEETINGS WITH BDI. DID YOU FEEL THEY WERE RESPONSIVE TO PCA'S REQUESTS?

A. Not at all. The piles of OCC Rejects remained a constant problem despite months of working with BDI to remedy the situation. I, along with my management team, were very frustrated with BDI's lack of performance.

Q. SKYLER RACHFORD FORWARDED TO YOU AN E-MAIL FROM MR. DIETRICH REGARDING BDI'S SEPTEMBER PROPOSAL FOR THE OCC REJECT MANAGEMENT. HOW DID YOU RESPOND AND WHY?

A. I informed BDI that PCA would not be using the compactor. The compactor option presented was not as efficient as the current process used by Jammie's. Regarding BDI's proposal to do the exact same thing Jammie's was already doing, I told them we would not be switching to BDI, despite BDI's threat of litigation. Jammie's had done a far superior job than BDI. They are also less expensive than BDI because their process was so much more efficient. But quite frankly, that was only a small bonus. We chose to continue with Jammie's because of their expertise in this area, their excellent responsiveness and customer service, and the overall quality of service. The email below shows how I explained to BDI why we were choosing to stay with Jammie's.³

³ Exh.-KT-03, p. 1.

From: "Thorne, Kurt" <KurtThorne@packagingcorp.com>
To: Charlie Dietrich <charlied@basindisposal.com>
Cc: "Rachford, Skyler" <SkylerRachford@packagingcorp.com>, "Yeaton, Casey" <CaseyYeaton@packagingcorp.com>, "Cova, Paul" <PaulCova@packagingcorp.com>, "Wilhelm, Brian" <BrianWilhelm@packagingcorp.com>
Subject: FW: [EXTERNAL] RE: OCC
Sent: Mon, 1 Nov 2021 19:20:37 +0000

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.

Kurt

Kurt Thorne
Mill Manger
PCA, Wallula
509-987-7638

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

A. I am the Mill Manager of a very large complex manufacturing company deemed an essential operation to the economy of the United States. I have the responsibility for ensuring the Mill operates in a manner that protects and promotes the health and safety of all of my employees, contractors and community. I am also responsible for maintaining environmental compliance with all laws, rules, regulations, and permit conditions. BDI's performance compromised my responsibilities to my employees and community. Jammie's performed the service in a reliable, dependable, and quality manner. PCA needs to have contractors capable of providing the safe and compliant services needed for PCA to run its facility.

CONCLUSION

Q. ARE YOU REQUESTING THAT THE COMMISSION GRANT JAMMIES APPLICATION?

A. Yes, I am. I believe that PCA is in the best position to know what it's waste handling needs are and should be able to contract with a provider that has the expertise and the capability to perform the services needed. For this this particular waste stream, Jammie's is best equipped to provide the service PCA needs. We strongly request and ask that the WUTC to grant Jammie's application or determine an application is not needed.

Q. DOES THIS CONCLUDE YOUR RESPONSE TESTIMONY?

A. Yes, it does.