EXH. JDS-17T 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

BASIN DISPOSAL, INC.,

Complainant,

v.

JAMMIE'S ENVIRONMENTAL, INC.,

Respondent.

Docket TG-220243

Docket TG-220215

PREFILED RESPONSE TESTIMONY (NONCONFIDENTIAL) OF

JAMMIE D. SCOTT

ON BEHALF OF JAMMIE'S ENVIRONMENTAL, INC.

JAMMIE'S ENVIRONMENTAL, INC.

PREFILED RESPONSE TESTIMONY (NONCONFIDENTIAL) OF JAMMIE D. SCOTT

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JAMMIE'S ENVIRONMENTAL, INC.

PREFILED RESPONSE TESTIMONY (NONCONFIDENTIAL) OF JAMMIE D. SCOTT

LIST OF EXHIBITS

Exh. JDS-18	JEI total hours for PCA in 2021/2022.
Exh. JDS-19	April 19, 2022 email exchange between Jammie Scott and WUTC Staff.
Exh. JDS-20	JEI OCC invoices.
Exh. JDS-21	JEI total labor hours for all customers 2021.

disposing of the OCC Rejects—including providing onsite services—is

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inconsistent with our experience with BDI. From the time Jammie's got involved in May 2021 to clean up the OCC yard and help get control of the OCC Rejects that had accumulated during BDI's operations, BDI was strictly focused on picking up its containers. To my knowledge, never once did a BDI employee assist with any onsite cleanup, even when it was apparent that PCA needed onsite support to manage and prepare the OCC Rejects for hauling and disposal. It was only after Jammie's began to implement onsite procedures to better prepare the OCC Rejects for disposal and more efficient hauling and disposal processes that BDI offered to provide the same services Jammie's was providing.

Third, Mr. Dietrich's comments on whether Jammie's meets the incidental exemption are misplaced. Jammie's disposal of OCC Rejects is directly connected to the other OCC Rejects services Jammie's provides PCA, is a small fraction of the total work Jammie's does for PCA, including work cleaning PCA's OCC machinery and facility, and is an even smaller part of Jammie's overall business providing industrial cleaning and related services to customers.

Fourth, Mr. Dietrich makes several statements in his testimony that are false or misrepresent the facts, which I correct in this testimony.

Q. What is the purpose of your response testimony?

A. My response testimony addresses the points raised above including that from my experience in the industry, Mr. Dietrich's testimony demonstrates that BDI did not provide satisfactory service to PCA. I also rebut several of his statements

relating to whether Jammie's meets the incidental exception set forth in WAC 480-70-011(1)(g). Overall, I reiterate that if the Commission decides a certificate is needed, Jammie's respectfully requests that the Commission grant Jammie's a Class C solid waste certificate to continue providing OCC Rejects disposal service to PCA.

II. BDI'S TESTIMONY DEMONSTRATES IT DID NOT PROVIDE SATISFACTORY SERVICE TO PCA

- Q. After reviewing Mr. Dietrich's testimony, did you learn anything about BDI's OCC Rejects disposal service to PCA?
- A. Based on my experience in the industry, Mr. Dietrich's testimony validated

 Jammie's prefiled direct testimony that BDI did not provide satisfactory service to

 PCA. Mr. Dietrich's testimony confirmed that BDI treated OCC Rejects like

 regular municipal garbage when it is not. As Mr. Dietrich's admits in his

 testimony, BDI views OCC Rejects no differently than any other garbage

 disposed at a landfill. This is incorrect, and I believe a primary reason why BDI

 failed to adequately serve PCA. BDI quickly fell behind in disposing of the OCC

 Rejects because their sole focus was on hauling the OCC Rejects like traditional

 garbage when what PCA needed was onsite services to manage and prepare the

 OCC Rejects for disposal. Hauling and disposal is only one component of OCC

 Rejects service.

¹ Exh. CD-1T at 3:20-4:3.

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A. No. Because of the excess water content of this particular industrial waste, the OCC Rejects require frequent onsite management and processing. The OCC Rejects must be collected and sorted prior to hauling and disposal. OCC Rejects that have a high level of water content must be mixed with drier OCC Rejects.

Managing the flow of OCC Rejects and mixing the OCC Rejects to ensure an appropriate level of water content prior to disposal is a continuous process and is labor intensive. As Mr. Dietrich admits in his testimony, BDI often could not haul OCC Rejects due to the water content of the industrial waste.³ BDI's seeming unwillingness to handle and prepare the waste for disposal was a primary reason why PCA was constantly overwhelmed with the OCC Rejects and as noted above, ultimately contributed to BDI failing to adequately dispose of the OCC Rejects.

From my perspective, BDI's inability to haul the OCC Rejects due to water content problems demonstrates BDI's inexperience in managing industrial wastes that require special treatment, processing or handling.

² Exh. CD-1T at 4:2-3.

³ Exh. CD-1T at 6:15-19.

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Q. What was BDI's proposed solution to the wet OCC Rejects problem?

A. As explained by Mr. Dietrich, BDI would simply let containers full of wet OCC Rejects sit idle for days while the OCC Rejects dried.⁴ BDI would also "load the containers onto our trucks to allow the liquids to drain out."⁵ As Mr. Dietrich admits, however, "it wasn't an effective solution."⁶ To my knowledge, BDI did not provide any onsite services to PCA to help the problem but was strictly focused on hauling. BDI was never involved in sorting, mixing or managing the OCC Rejects on the ground prior to hauling and disposal.

Q. Do you agree with Mr. Dietrich that BDI's proposed solution was ineffective?

A. I think "ineffective" is putting it mildly. Leaving full containers and enormous piles of industrial waste to accumulate in the hope that they would somehow dry out on their own was at best a fruitless endeavor and at worst a reckless decision that created hazardous conditions for PCA. Because BDI was only focused on hauling, BDI seemed to view the wet OCC Rejects as a PCA problem that did not concern BDI. In my business, BDI's approach is difficult to understand.

Customers turn to Jammie's to find safe and effective solutions to problems. This is what PCA needed for the OCC Rejects and what Jammie's provided for PCA

once it got involved.

⁴ Exh. CD-1T at 7:23-8:7.

⁵ Exh. CD-1T at 8:22-23.

⁶ Exh. CD-1T at 8:24.

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Q. What did PCA do with the OCC Rejects while BDI let the containers full of OCC Rejects sit on the ground?

- A. Because BDI could not haul full containers with wet OCC Rejects, PCA had no choice but to pile them up in the OCC yard. This created the significant mess of OCC Rejects all over the OCC yard and against the OCC building. This led PCA to hire Jammie's to assist in cleaning up and ultimately managing the OCC Rejects waste going forward.
- Q. Mr. Dietrich states that BDI suggested to PCA that PCA should build a bunker to help manage the OCC Rejects and then use a "conveyor system to load the materials onto a tractor trailer." Were you aware of, or did anyone from Jammie's participate in, those communications?
- Not that I am aware of. As I explained above, BDI never did anything aside from A. haul its containers. It was Jammie's that brought its own loader on site, began using a belt trailer, and constructed the initial bunker. Neither BDI nor PCA ever communicated to Jammie's that BDI suggested any other OCC Rejects disposal method aside from BDI's container system, which Mr. Dietrich admitted was not working.

⁷ Exh. CD-1T at 5:4-7.

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Q. Mr. Dietrich states that in the spring of 2021, BDI believed "it had resolved all of PCA's potential concerns." What is your reaction to that statement?

- A. Mr. Dietrich's statement is inconsistent with Jammie's observations at the Mill and our communications with PCA. When Jammie's was asked by PCA to assist with cleaning up and disposing of the OCC Rejects, the OCC yard was an absolute mess of OCC Rejects. There were large piles of uncollected OCC Rejects and BDI containers full of uncollected OCC Rejects all over the OCC yard. PCA expressed significant frustration with BDI's responsiveness in hauling and disposing of the OCC Rejects. Mr. Dietrich's statement completely disregards the serious problems the OCC Rejects were causing the Mill because they were not being managed and disposed of adequately.
- Q. Was there anything else from Mr. Dietrich's testimony that you believe demonstrates BDI's unsatisfactory service to PCA?
- A. Mr. Dietrich referenced PCA raising "vague concerns" about the fire hazards caused by the piles of OCC Rejects⁹ but he testified that he "[doesn't] know anything about a fire hazard or safety hazard." Mr. Dietrich does not seem to be taking seriously the fire dangers caused by the piles of OCC Rejects. As Mr. Scott explained in his prefiled direct testimony, summertime weather at the Mill is very

⁸ Exh. CD-1T at 10:10-15.

⁹ Exh. CD-1T at 11:6-7.

¹⁰ Exh. CD-1T at 28:1.

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hot and dry and Jammie's conducts fire mitigation efforts at the Mill to prevent fires caused by dry wood products. While OCC Rejects are usually wet when initially produced, they quickly become a fire hazard when they dry out and are left in large piles. The fact that Mr. Dietrich does not recognize that dried out OCC Rejects piled up against PCA's buildings could be a fire hazard frankly demonstrates a lack of professional experience with industrial wastes. Regardless, PCA raised its concerns to BDI, and BDI did not take those concerns seriously. To disregard an industrial waste customer's safety concern is unacceptable in my business and is perhaps another reason PCA does not feel BDI is qualified to manage and haul the OCC Rejects.

III. JAMMIE'S HAULING AND DISPOSAL OF OCC REJECTS IS INCIDENTAL TO ITS OTHER SERVICES

- Q. Do you agree with Mr. Dietrich's suggestion in his testimony that Jammie's OCC Rejects work is not incidental to the services it provides PCA?
- A. No. Mr. Dietrich states that OCC Reject disposal is the "primary" service

 Jammie's provides to PCA. 12 He testifies that his understanding is based on a proposal Mr. Scott sent PCA on May 19, 2021, relating to Jammie's cost to transport and dispose of OCC Rejects. 13 As set forth in my initial testimony, this

¹¹ Exh. OJS-1T at 8:8-19.

¹² Exh. CD-1T at 24:5-8.

¹³ Exh. CD-1T at 24:9-23

percent of Jammie's total work for PCA. Please see Exh. JDS-18 for an Excel file containing this data. And while Jammie's does not itemize time spent providing on-site management services versus time spent transporting the OCC Rejects for disposal, a significant part of the OCC Reject work is managing the flow of OCC Rejects onsite and preparing the OCC Rejects for disposal. I estimate about half of Jammie's OCC Rejects time is spent providing onsite management services. Thus, for 2021, I estimate approximately seven percent of the work Jammie's did for PCA was for hauling OCC Rejects.

Q. Has that trend continued in 2022?

A. For 2022, the percentage has increased. 15 This increase is primarily because

Jammie's suspects BDI interfered with the Finley Butte Landfill where Jammie's

was disposing of the OCC Rejects and, in my opinion, strongarmed them into not
accepting OCC Rejects from Jammie's. Attached as Exh. JDS-19 is my email
exchange with Commission Staff on this issue, and where Commission Staff tried
to help resolve the issue. Jammie's new disposal facility is much further away
from the PCA facility which increases the transportation time. Regardless,
Jammie's time spent hauling remains a small percentage of the total work
Jammie's does for PCA. I estimate that just hauling OCC Rejects represents about
ten percent of the work Jammie's currently does for PCA. If Jammie's is able to

¹⁵ See Exh. JDS-19.

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15 16 resume disposing at Finley Butte, that percentage will likely return to 2021 figures.

Thus, Jammie's does significant work at the Mill that is separate from the actual hauling and disposal of the OCC Rejects.

Q. Is this consistent with the overall nature of Jammie's business operations?

- A. Yes. As I have explained before, Jammie's is primarily an industrial cleaning company. We provide a variety of industrial cleaning services, including those at the PCA Mill that I listed above. Jammie's provides waste disposal as an incidental adjunct to cleaning or cleanup services and having ten percent of those services be apportioned for hauling waste for disposal would not be uncommon for our customers. Jammie's has never been required to obtain a solid waste certificate for those services, as I explained in my prefiled direct testimony. 16
- Q. Is Mr. Dietrich right that Jammie's "admitted that it doesn't take part in generating OCC Rejects."17
- No. Mr. Dietrich is misrepresenting Jammie's response to BDI's data request. A. BDI Data Request No. 039 asked "Admit that Jammie's does not operate the

¹⁶ Exh. JDS-1T at 5:1-6:9.

¹⁷ Exh. CD-1T at 24:3-4.

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equipment at the PCA Facility by which OCC Rejects are generated."18 Jammie's response was:

While Jammie's Environmental, Inc. does not operate the PCA OCC processing machinery, it supplies and operates equipment at the PCA Facility relating to the OCC Rejects cleaning and maintenance process.

As explained in Jammie's response, Jammie's does not operate PCA's machinery used to process the OCC. However, as described in my prefiled direct testimony and in Mr. Scott's prefiled direct testimony, Jammie's has been working in the OCC building cleaning the OCC processing machinery for maintenance since before OCC production even began.¹⁹ That work has been ongoing to this day. Attached as Exh. JDS-20 are invoices Jammie's sent PCA for OCC cleaning services performed. During Jammie's cleaning of the OCC machinery, wet OCC Reject waste is separated and Jammie's manages and disposes of the wet waste with the other OCC Rejects generated through the OCC production process.

Is hauling OCC Rejects a significant part of Jammie's overall business? Q.

No. Like all waste hauling we do, OCC Rejects represents a small part of A. Jammie's business. Jammie's customer base is diverse, and the types of services performed and wastes managed and disposed of can vary greatly between customers. Jammie's prides itself in being able to serve the unique needs of its customers. While Jammie's serves numerous customers in states across the

¹⁸ Exh. CD-11.

¹⁹ Exh. JDS-1T at 10:1-8; Exh. OJS-1T at 4:10-5:4.

western United States—including multiple pulp mills—PCA is the only customer for which it is currently mixing, hauling and disposing OCC Rejects. PCA is only one of Jammie's many customers and is a small fraction of Jammie's overall work. For example, in 2021, Jammie's workers billed 141,152.75 hours for services provided to customers.²⁰ Jammie's total work for PCA in 2021 was, as noted above, only 12,661 hours, or about nine percent of Jammie's total labor and of that, 1,809 hours was for all of Jammie's OCC Rejects services for PCA (this includes onsite management and transportation services).²¹ This means Jammie's OCC Rejects work for PCA in 2021 (again, this includes all OCC Rejects work, not just transportation) represented just over one percent of Jammie's overall work. That number of course would be slightly higher in 2022 due to the added transportation time as explained above.

Jammie's OCC Rejects disposal services for PCA represents a very small part of Jammie's overall business, none of which is regulated as a solid waste collection service. Jammie's does not seek out solid waste collection hauling or disposal services nor is Jammie's in any way seeking to compete with BDI or any traditional solid waste collection company. Jammie's OCC Rejects work for PCA is incidental to Jammie's broader business of industrial cleaning and related services to customers.

²⁰ Exh. JDS-21.

²¹ Exh. JDS-18.

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- Q. If disposing of waste is such a small component of Jammie's overall business, why is hauling the OCC Rejects for PCA important to Jammie's?
- Serving its customers' industrial waste disposal needs as part of an industrial A. cleanup service is a fundamental part of Jammie's business. When customers hire Jammie's for services, they expect that Jammie's will be able to provide a full service. Not being able to dispose of waste as part of an industrial waste cleaning or cleanup service would significantly harm Jammie's business—and frankly all businesses like Jammie's—because it could limit the types of services Jammie's can provide. A decision by the Commission that Jammie's OCC Reject disposal service does not meet the incidental exemption, while also denying its Class C certificate application, would fundamentally change Jammie's business. It could substantially reduce the services Jammie's and its competitors have provided customers for years under the understanding that such services were unregulated. As pertaining to PCA directly, having a single company provide the OCC Rejects disposal services in conjunction with the OCC Rejects yard cleanup and work to prepare the OCC Rejects for disposal is far more efficient for PCA. One of the reasons why BDI fell behind on disposing of the OCC Rejects was the inability to properly dispose of the OCC Rejects in real time. BDI was not always available to haul its containers and when it did attempt to haul, often could not due to OCC Reject moisture content. As demonstrated by Jammie's successful work managing the OCC Rejects for PCA, having one company manage the OCC Rejects from

start to finish ensures that the flow of OCC Rejects is always being monitored,

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managed and disposed of efficiently. Since Jammie's assumed management of the OCC Rejects, I understand that PCA has been highly satisfied with Jammie's service. Hauling the OCC Rejects for PCA is important to Jammie's because it is important to PCA.

IV. JAMMIE'S RESPONSES TO CERTAIN ASSERTIONS MADE BY BDI, MANY OF WHICH ARE INACCURATE OR MISREPRESENT THE FACTS

- Q. Were Jammie's and its subcontractor Tribeca Transportation at the PCA facility in May and June 2021 as discussed by Mr. Dietrich?²²
- A. Yes, we were. As discussed previously, Jammie's was hired by PCA to help clean up the OCC Rejects that had backlogged in the OCC yard. As described in my prefiled testimony and Mr. Scott's prefiled testimony, Jammie's helped for weeks to get PCA caught up on disposing the OCC Rejects that had accumulated while BDI was hauling.²³ As part of that service, we experimented with using a belt trailer, which we found to be an effective solution to managing the OCC Rejects. Tribeca assisted us in experimenting with a belt trailer.

²² Exh. CD-1T at 12:1-13:3.

²³ Exh. JDS-1T at 17:1-20:6; Exh. OJS-1T at 8:1-13:7.

Q. Mr. Dietrich highlights that at one point in the summer, Jammie's and PCA intentionally built a stockpile of OCC Rejects.²⁴ Why did you do that?

- A. We did it so we could test out using a belt trailer instead of hauling by dump truck or container and wanted a larger volume of OCC Rejects to load as a test.

 Jammie's does not, however, keep a "stockpile" of OCC Rejects sitting at the Mill as an ongoing practice. As I explain below, the OCC Rejects are constantly being generated and the pile of OCC Rejects is in constant rotation.
- Q. BDI highlights an email PCA sent on June 17, 2021, where Kasey Markland from PCA notes that "BDI actually did a decent job of keeping up this last week" as evidence that BDI had been doing a good job disposing of the OCC Rejects. 25 Do you agree with BDI's interpretation of Ms. Markland's comment?
- A. No. In my opinion, and based on Jammie's communications with PCA, the opposite was true. While BDI may have had one better week disposing of the OCC Rejects, Ms. Markland's statement reveals PCA's frustrations with BDI that had gone on for months. The fact is, BDI had not been keeping up with hauling.

 Ms. Markland's email indicates that BDI's work the prior week was the exception

²⁴ Exh. CD-1T at 26:18-27:11.

²⁵ Exh. CD-1T at 27:3-6. Mr. Dietrich references page 18 of Exh. CD-9 but I believe he is actually referring to page 16 with the email from Ms. Markland.

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for BDI, not the norm. This is the precise reason Jammie's was involved and why we were testing out more efficient solutions than BDI's containers.

- Q. Mr. Dietrich states in his testimony that using a belt trailer, bunker and loader was actually BDI's idea.²⁶ Did you or anyone from Jammie's ever hear that suggestion from BDI or PCA?
- A. Not to my knowledge. From the time Jammie's got involved cleaning up the uncollected OCC Rejects until the time PCA largely stopped using containers to dispose of OCC Rejects in late August 2021, BDI had absolutely no involvement in any OCC Rejects management or loading operations. BDI was solely concerned with hauling containers. Jammie's suggested a bunker as its role managing the OCC Rejects increased, which it built in August 2021. BDI was not involved in that process at all.
- Q. Mr. Dietrich states that Jammie's has an "enormous" pile of OCC Rejects on days when Jammie's takes some loads and that Jammie's has made the OCC Rejects problem worse.²⁷ Is he right about that?
- No. Mr. Dietrich is correct that depending on the day, there is a pile of OCC A. Rejects being prepared for disposal, but he is absolutely wrong that Jammie's has made the problem worse. OCC Rejects are being generated on a continual basis.

²⁶ See Exh. CD-1T at 10:10-15.

²⁷ Exh. CD-1T at 27:19-28:9.

Jammie's is frequently collecting, sorting wet and dry OCC Rejects, mixing the OCC Rejects to ensure the proper water content for disposal, and loading the OCC Rejects into its trailers for disposal. This is a constant process; the material is not left to sit in one spot. The OCC process does not stop or slow down which means there will always be product in the bunkers that is being maintained. While managing the OCC Rejects is by no means a clean process, the OCC yard today does not resemble the mess it was in May 2021 when there were piles of disorganized OCC Rejects in the OCC yard, while BDI containers sat idle full of OCC Rejects. In addition, when Jammie's prepares a pile of OCC Rejects for disposal, it is not a "stockpile" as Mr. Dietrich suggests. It is simply a pile being prepared for disposal.

- Q. Mr. Dietrich states that several photos taken in February 2022 show a pile of OCC Rejects prepared for disposal.²⁸ Is this correct?
- A. I think Mr. Dietrich has his dates wrong. Two of the photos referenced by Mr. Dietrich show the permanent concrete bunker being constructed by PCA, which took place months prior to February 2022. Regardless, as explained above, yes, Jammie's prepares piles of OCC Rejects for loading and disposal. These piles can vary in size depending on the day and the disposal cycle. This is simply how the disposal process works. It is contrasted, however, by BDI's practice of leaving full containers surrounded by piles of OCC Rejects for days.

²⁸ Exh. CD-1T at 27:12-18.

Q. Mr. Dietrich suggests that Jammie's has made any fire or safety risk worse.²⁹

Do you agree?

- A. No. The fire risk was due to piles of dried OCC Rejects sitting uncollected for days on end piled up against the OCC building, and Jammie's processing eliminated that problem. Jammie's piles are in constant rotation and are kept within one of the two bunkers. The fire and safety risks today simply do not exist like they did when BDI was involved. PCA has not expressed any fire or safety concerns with how Jammie's has managed the OCC Rejects.
- Q. BDI references emails from September 3 and October 11, 2021, to demonstrate that Jammie's had problems keeping up with the OCC Rejects.³⁰ Is he right about that?
- A. No. Neither had anything to do with being behind in managing the OCC Rejects. For the September 3 email, PCA was increasing OCC production and Jammie's was making sure it had necessary personnel and equipment in place to keep up with PCA's production levels. As for the October 11 email, Mr. Lowary was simply letting PCA know that Jammie's was unable to haul that day due to a sick driver. There is no mention in the email that Jammie's "had trouble eliminating the pile due to PCA's production levels" as Mr. Dietrich incorrectly suggests.

²⁹ Exh. CD-1T at 27:19-28:9.

³⁰ Exh. CD-1T at 28:10-23.

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Q. Mr. Dietrich references an instance where Jammie's informed PCA that it could not haul OCC Rejects that have too much water content.³¹ Is he right about that?

A. Neither Jammie's nor BDI can haul OCC Rejects with excess water content. However, as described in our prior testimony,³² this is why Jammie's developed a process for sorting and mixing the OCC Rejects to ensure any OCC Rejects disposed of have the proper water content. BDI did nothing to improve the water content problem except letting waterlogged OCC Rejects sit uncollected in BDI containers. In the instance BDI cites, Jammie's also used its machinery to remove excess OCC Rejects water off the OCC yard area. This example demonstrates Jammie's ability to problem solve, address the OCC Rejects water problem, as well as other unique needs at the Mill.

V. CONCLUSION

- Q. Does that conclude your prefiled response testimony?
- A. Yes, it does.

³¹ Exh. CD-1T at 29:1-13.

³² Exh. OJS-1T at 6:11-20, 11:1-5; Exh. JDS-1T at 19:18-20:1; 24:24-25:6.