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Before the
Washington Utilities and Transportation Commission

In the Matter of the Application of Waste Management of Washington, Inc.
D/B/A WM Healthcare Solutions of Washington
Docket No. TG-120033

DIRECT TESTIMONY OF RODGER LYCAN

On behalf of Waste Management of Washington, Inc.

October 1, 2012

Direct Testimony of Rodger Lycan

1 **Q. Please state your name and business address.**

2 A. My name is Rodger Lycan. My business address is PO Box 2687, Spokane, WA
3 99220.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by Pathology Associates Medical Laboratories (“PAML”) as
6 Procurement Manager.

7 **Q. Would you please describe your educational background and professional
8 employment experience?**

9 A. I received a Bachelor of Arts degree in business from Washington State University in
10 1986. Since then I have worked in supply chain management for ISC Systems in
11 Liberty Lake, WA, Johnson Matthey Electronics in Spokane, WA, Spokane Stainless
12 Products in Spokane, WA, Berg Integrated Systems in Spokane, WA, and PAML. I
13 have worked at PAML since April 2010.

14 **Q. What are your primary responsibilities for PAML?**

15 A. Among other responsibilities, I manage PAML’s purchasing organization including
16 overseeing most of PAML’s supply contracts, ensuring proper handling of PAML’s
17 regulated biomedical waste (“RMW”), and managing our relationship with the RMW
18 service providers.

19 **Q. What are the subjects of the testimony you are offering today?**

20 A. I will testify about the reasons why PAML supports Waste Management of Washington,
21 Inc.’s application for statewide authority to provide RMW services.
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1 **Q. Please describe PAML's facilities.**

2 A. PAML has approximately 60 laboratory facilities throughout the State of Washington
3 which generate RMW.

4 **Q. Who provides PAML's RMW service?**

5 A. RMW services to approximately 60% of PAML's facilities is provided by Waste
6 Management. Stericycle of Washington, Inc. provides RMW services to the remaining
7 PAML facilities outside Waste Management's UTC territory including in Centralia,
8 Walla Walla, Bellevue, Olympia, Tumwater, Shelton, Lacey, Aberdeen, Elma, and
9 Yakima.

10 **Q. Does PAML support Waste Management's application for statewide authority?**

11 A. Yes.

12 **Q. Why does PAML support this application?**

13 A. In PAML's experience, Stericycle does not have much interest in offering competitive
14 prices or in reducing its costs. Once Waste Management filed its RMW tariff, PAML
15 moved its RMW business in the Waste Management territory to Waste Management
16 because Waste Management's pricing was better and because Waste Management was
17 committed to providing PAML with only the service which PAML requires, and not
18 more at a higher price tag. PAML provided Stericycle with advance notice that it would
19 be terminating certain Stericycle accounts to move that business to Waste Management.
20 Upon receiving that notice, Stericycle stopped providing PAML service immediately
21 despite the fact that PAML's notice period had not expired. This left PAML in the
22 untenable position of having facilities with RMW sitting uncollected until the Waste
23 Management contract later took effect. PAML strongly believes that competition in the

1 RMW market will ensure the best quality of customer service and the most competitive
2 pricing for this vital service. PAML desires to have a single contract with one RMW
3 service provider for the sake of efficiency, pricing, and customer service.

4 **Q. If this application is granted, will PAML move all of its Washington RMW services**
5 **to Waste Management?**

6 A. Yes.

7 **Q. Does this conclude your direct testimony?**

8 A. Yes.

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