

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

RESPONSE TESTIMONY OF JEFF NORTON

On behalf of Waste Management of Washington, Inc.

November 16, 2012

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

2 A. My name is Jeff Norton. My business address is 720 4th Avenue, Ste. 400, Kirkland,
3 WA 98033.

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

5 A. I am employed by WM Healthcare Solutions, Inc. as Account Development Manager.

6 **Q. Are you the same Jeff Norton who submitted Direct Testimony in this proceeding?**

7 A. Yes.

8 **Q. What is the purpose of your response testimony in this proceeding?**

9 A. I am responding to the factually inaccurate statements set forth in the Direct Testimony
10 of James Ryan.

11 **Q. Can you please describe your discussions with Northwest Hospital?**

12 A. Yes. In early 2012, Northwest Hospital representatives advised me they were interested
13 in acquiring a baler to bale their recyclable cardboard and to sell their cardboard. At
14 that time, Northwest Hospital was also considering contracting with Clean Scapes to
15 handle the Hospital's cardboard recycling. I provided to Northwest Hospital a proposal
16 for Waste Management of Washington, Inc. ("Waste Management") to handle the
17 cardboard recycling at market rates and also advised them that Waste Management
18 could provide regulated medical waste ("RMW") services. Northwest Hospital had
19 been using Stericycle's black Steritubs. In comparison to the black Steritubs, Waste
20 Management's tariff pricing on its Rehrig containers was a much better financial deal
21 for Northwest Hospital and the Rehrig containers are functionally superior to the
22 Steritubs. I discussed with the Northwest Hospital representatives the benefits of
23 having Waste Management manage both their recycling and RMW waste streams. I
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1 informed them that in this streamlined approach, I would be their single point of contact
2 and I would help them with on-site auditing to increase their recycling and decrease
3 their medical waste. Northwest Hospital determined that the Waste Management
4 proposal was a better fit for the Hospital's waste management needs. Based on the
5 Hospital's agreement not to get a baler for its cardboard, Waste Management agreed to
6 collect the recycling for \$95 per trip and to return (or "rebate" as is used in the recycling
7 industry) to Northwest Hospital a portion of the commodity price Waste Management
8 would obtain upon selling the Hospital's cardboard for reuse. The contract provides:
9 "Customer will receive a rebate of \$40/ton for the contents of the Single Stream
10 Compactor – Contents must be inclusive of all customer generated Old Corrugated
11 Cardboard (OCC). Rebate will be paid on Quarterly basis. If recycling commodity
12 return rates are reduced by 25% or more during the term of this agreement, this rebate
13 can be adjusted or removed." See Ex. B to the Direct Testimony of James Ryan at
14 WM000259. Waste Management charges Northwest Hospital tariff rates for the RMW
15 services. *Id.* at WM000261 ("per tariff").

16 **Q. Can you please describe Waste Management's contract with Skagit Valley**
17 **Hospital?**

18 A. Yes. Waste Management was able to offer Skagit Valley Hospital Waste
19 Management's most competitive rates for recycling based on Skagit Valley Hospital's
20 agreement to use Waste Management for RMW services too. Skagit Valley Hospital's
21 RMW services get charged at tariff rates.

22 **Q. Can you please describe your discussions with Valley Medical Center?**
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1 A. Yes. As with Skagit Valley Hospital, Waste Management offered Valley Medical
2 Center Waste Management's most competitive rates for recycling if Valley Medical
3 Center would agree to use Waste Management for RMW services too. Waste
4 Management's proposal to Valley Medical Center included tariff rates for the RMW
5 services. Valley Medical Center did not agree to Waste Management's proposal.

6 **Q. Does this conclude your response testimony?**

7 A. Yes.

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