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BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In Re Application of  
WASTE MANAGEMENT OF  
WASHINGTON, INC.  
d/b/a WM Healthcare Solutions  
of Washington  
720 4th Ave. Ste 400  
Kirkland, WA 98033-8136

Docket No. TG-120033

PREFILED REBUTTAL TESTIMONY OF  
RON ADAMS

1. I am over the age of 18 and am competent to testify to the matters addressed below.

2. I am the Regional Sales Director for Stericycle, Inc. for the Northwest Region and have held that position since April 2011. This region includes the state of Washington and all service provided by Stericycle of Washington, Inc. ("Stericycle"). My responsibilities in this position include directing the marketing, sales, account management, and customer service efforts to hospitals and other large volume customers. Prior to this position I served as Account Executive from August 2009 to April 2011. My responsibilities in this position included marketing, sales, and customer service to hospitals and other large volume customers.

1           3.     I have reviewed the prefiled testimony of biomedical waste generators that  
2 Waste Management has filed in this proceeding and respond to portions of that testimony here.

3           4.     Rodger Lycan testified on behalf of Pathology Associates Medical Laboratories  
4 (PAML) that "Stericycle does not have much interest in offering competitive prices or in  
5 reducing its costs." Mr. Lycan has not explained the basis for this belief.

6           5.     Mr. Lycan has not been the principle contact between Stericycle and PAML. I  
7 was the Account Executive assigned to PAML's accounts until I became Regional Sales  
8 Director, at which time the account was passed first to Seana Padberg and then James Ryan,  
9 who report to me as Regional Sales Director. I communicated frequently with Lori Creighton,  
10 PAML's Supervisor of Procurement regarding Stericycle's services to PAML facilities until  
11 she retired in early 2011. I am not aware that Mr. Lycan has been the principal contact for  
12 either Ms. Padberg or James Ryan. Despite frequent communications with Ms. Creighton, I  
13 have never had a conversation in which she indicated that she or Mr. Lycan thought  
14 Stericycle's prices were not competitive or that Stericycle did not manage its costs. To the  
15 extent such concerns existed, they went unexpressed and Stericycle had no opportunity to  
16 address those concerns.

17           6.     Mr. Lycan either does not know or does not mention that Stericycle made  
18 several specific offers to Ms. Creighton to make sure that PAML was being provided the lowest  
19 cost service possible. In 2010 Ms. Creighton asked me about how she could reduce PAML's  
20 waste collection costs. In response, I offered Ms. Creighton a waste audit for all of PAML's  
21 facilities. Stericycle routinely offers these audits to its customers and employs a Healthcare  
22 Compliance Specialist whose job includes performing these waste audits. Had they been  
23 performed, the waste audits would have made sure that PAML's facilities were taking full  
24 advantage of all cost saving opportunities, including segregating waste properly, filling  
25 containers to the maximum allowable weight, using the right size container for cost, space and  
26 safety, and reducing the frequency of pick-ups to maximize the amount of containers per pick-

1 up which lowers costs. I made several attempts in spring and fall of 2010 to schedule these  
2 audits with Ms. Creighton but she never took advantage of the offer. I disagree with Mr.  
3 Lycan's assessment that Stericycle has "no interest in offering competitive prices" when PAML  
4 did not take responsibility for its costs of service by declining to take advantage of Stericycle's  
5 offer to audit and lower the cost of that service.

6 7. Mr. Lycan also testified that Stericycle provides more service than PAML  
7 needs. Mr. Lycan provides no explanation of this concern. He does not state which of  
8 PAML's facilities supposedly receive more service than necessary. He does not explain  
9 whether the concern is that one or more facilities are provided with pick-ups that are too  
10 frequent, containers that are too large, or other service elements that Mr. Lycan believes are  
11 unnecessary. Mr. Lycan also does not state that any such concerns were brought to Stericycle's  
12 attention but were not addressed by Stericycle. As noted above, I communicated regularly with  
13 Lori Creighton to resolve PAML's service needs. Ms. Creighton never communicated to me  
14 that she or any other person at PAML believed Stericycle was providing more service than  
15 necessary. I am also not aware that such concerns were made to Ms. Padberg or Mr. Ryan.  
16 Had that concern been raised to any of us we would have addressed it immediately. It is a  
17 routine matter for all of us to adjust containers and pick-up frequency when requested by  
18 customers.

19 8. Moreover, as I discussed above, PAML also did not accept Stericycle's offer to  
20 audit their waste and to help reduce the service provided as much as possible. I do not think it  
21 is fair for Mr. Lycan to complain generally about being provided with too much service when  
22 PAML did not take responsibility for identifying and eliminating any unnecessary service when  
23 Stericycle offered it that opportunity.

24 9. Mr. Lycan next makes claims about the cancelation of service by several PAML  
25 facilities. He testifies that when PAML gave Stericycle notice that these facilities were  
26 terminating service Stericycle stopped providing service before the "notice period" had expired.

1 I understand Mr. Lycan's complaint to be that Stericycle stopped providing service before  
2 PAML requested the termination of service, causing those facilities to be unexpectedly without  
3 service. I have investigated Mr. Lycan's claim and have found that it does not accurately  
4 reflect how service to the canceling PAML facilities was discontinued.

5 10. On or about October 21, 2011, the Stericycle, Inc.'s corporate office informed  
6 Stericycle's Field Representative Seana Padberg that PAML had delivered the corporate office  
7 a letter of cancelation indicating that PAML would be canceling service at several of its  
8 locations. The letter of cancelation indicated that the final pickup day at these locations should  
9 be October 28, 2011.

10 11. This date did not correspond to a scheduled pick up date at all the canceling  
11 facilities so Stericycle's staff contacted each of the canceling facilities to ask whether they  
12 wanted their final pick-up to be before or after October 28<sup>th</sup>. Some facilities chose to schedule  
13 their final pickup one or two days before the date in PAML's letter of cancelation because they  
14 had already received replacement supplies from Waste Management. In many cases, however,  
15 the facilities requested that the final pick-up be after the date in the cancelation letter because  
16 those facilities had not yet received replacement supplies from Waste Management and wanted  
17 to delay their final pick-up until they had arrived. The final pick-ups were scheduled as  
18 directed by the facilities either on a regularly scheduled pick up date or on a specially  
19 scheduled pick-up date after the facility confirmed that it had received replacement supplies.  
20 These final pick-up dates for the canceling facilities ranged from October 26, 2011 to  
21 November 2, 2011 as follows:

22	Pathology Associates-Main PAML	Spokane	10/31/2011
23	PAML Fifth and Browne PSC	Spokane	11/2/2011
24	PAML Medicus Branch Lab	Spokane	10/27/2011
25	Valley Houk PAML PSC	Spokane	10/27/2011
26	North Spokane PAML PSC	Spokane	10/26/2011
	PAML Cytogenetics	Spokane	11/2/2011
	PAML Family Medicine of Spokane	Spokane	11/2/2011
	PAML Spokane Falls Family	Spokane	11/2/2011

1	PAML Franklin Park Med Center	Spokane	10/26/2011
2	PAML South Hill Family Med	Spokane	10/31/2011
3	PAML Associated Family Phys	Spokane	10/27/2011
4	PAML Family Health Center	Spokane	11/2/2011
5	PAML Northpoint PSC	Spokane	10/26/2011
6	YVFW Riverstone	Spokane	10/28/2011
7	Liberty Lake PSC	Liberty Lake	11/2/2011

12. My investigation indicates that Stericycle worked closely with the PAML facilities to ensure that the transition to a new service provider went smoothly and even delayed the final pick-up dates at the facilities' requests until they confirmed that Waste Management had delivered replacement supplies. Stericycle discontinued its services when the facilities said they were ready and not before. In addition, no PAML facility raised any complaint about service being discontinued too soon and, if they had, Stericycle would have provided additional pick-ups until the facility was ready.

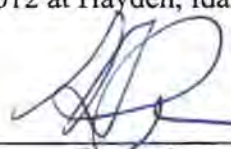
13. In her testimony Jean Longhenry claims that Wendel Family Dental Centre has "experienced on-going, monthly errors in Stericycle's bills." I have directed an investigation of Ms. Longhenry's claims. Wendel Family Dental Centre has three accounts with Stericycle corresponding to its three offices. These accounts are small generator accounts which have access to 24 hour customer service through Stericycle's customer service call center in Fresno, California.

14. On April 14, 2011 Wendel Family Dental Centre closed its accounts with Stericycle. For a few additional months the accounts were incorrectly billed a \$10 minimum monthly fee as an on-call customer. When these billings were brought to the attention of customer service they were credited by Stericycle. Wendel Family Dental Centre reinitiated its service on April 5, 2012 and there have been no billing questions since then. According to my investigation, Wendel Family Dental Centre has not, therefore, experienced "on-going, monthly" billing errors.

1 I declare under penalty of perjury under the laws of the State of Washington and the  
2 United States that the foregoing is true and correct to the best of my knowledge and belief.

3 EXECUTED this 16 day of November, 2012 at Hayden, Idaho.

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5 By



Ron Adams

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### CERTIFICATE OF SERVICE

I, Vickie L. Owen, certify under penalty of perjury under the laws of the State of Washington that, on November 16, 2012, I caused to be served on the person(s) listed below in the manner shown a copy of PREFILED REBUTTAL TESTIMONY OF RON ADAMS:

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- Via Legal Messenger  
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Dated at Seattle, Washington this 16<sup>th</sup> day of November, 2012.



Vickie L. Owen  
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