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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  
TAYA BRILEY

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

2. I am the President of Washington Hospital Services (“WHS”), a wholly owned subsidiary of the Washington State Hospital Association (“WSHA”). WSHA is a non-profit trade association representing 97 hospitals located throughout Washington. WHS works to ensure that WSHA’s members have access to the services they need to support their operations and facilities at the best prices, including biomedical waste collection services. My testimony is based on my personal knowledge and on consultations with WSHA and WHS staff, present and former.

3. WHS was asked by WSHA and WSHA’s member hospitals to evaluate the services proposed by Stericycle of Washington, Inc. and its parent company, Stericycle, Inc. (collectively, “Stericycle”) when Stericycle entered the medical waste marketplace in

1 Washington in the early 1990s. After its initial evaluation, WHS endorsed Stericycle and  
2 supported its application for authority from the Washington Utilities and Transportation  
3 Commission (the "Commission"). WHS continues to endorse Stericycle as a reliable and cost-  
4 effective provider of biomedical waste management and collection services.

5 4. At the time Stericycle entered the Washington market in the early 1990s,  
6 biomedical waste collection was offered by a number of garbage companies as a minor side  
7 business to their general garbage collection services. However, even these limited services  
8 were only offered in parts of the state, mostly in western Washington. Healthcare facilities in  
9 many parts of the state were simply landfilling their biomedical waste untreated along with  
10 their other solid waste. The garbage companies that offered biomedical waste collection  
11 services in the early 1990s did not fully understand the environmental concerns of the  
12 healthcare industry or the regulatory issues that healthcare providers were dealing with under  
13 the then relatively new OSHA Bloodborne Pathogens Standard. Most of the source-segregated  
14 biomedical waste that was collected by the garbage companies was collected and transported in  
15 cardboard boxes and incinerated. A significant part of this waste stream was disposed of at an  
16 incinerator in Ferndale, Washington that was accumulating a growing pile of toxic incinerator  
17 ash on site without a clear plan for disposing of it safely.

18 5. Stericycle was a pioneer in offering specialized biomedical waste services that  
19 included more than just sending a truck to pick up waste from a hospital's loading dock and  
20 transporting it to a landfill or incinerator. Stericycle introduced waste segregation training and  
21 OSHA compliance training for hospital personnel. Stericycle also pioneered new and  
22 environmentally desirable technologies and service options, including the use of reusable  
23 puncture-resistant plastic waste collection containers, biomedical waste tracking, record  
24 keeping and accountability from pickup to treatment and non-incinerative disposal.

25 6. Since its entry into the Washington biomedical waste marketplace, Stericycle  
26 has provided Washington hospitals reliable and cost-effective biomedical waste management

1 and collection services. WHS has endorsed Stericycle since the early 1990s and has received  
2 no significant complaints about Stericycle's services in all that time. On periodic review of its  
3 endorsement, WHS has received positive reports about the reliability and responsiveness of  
4 Stericycle's services from WSHA members.

5 7. Stericycle has continued to innovate in response to the environmental objectives  
6 of Washington healthcare providers. In recent years, Stericycle developed a sharps waste  
7 management program with reusable sharps containers. This was a first in Washington. Much  
8 of the traditional sharps waste stream consists of the plastic sharps collection containers  
9 themselves. Disposable sharps containers provide most of the potentially recyclable plastic in  
10 the sharps waste stream. So, responding to the environmental interests of Washington hospitals  
11 and other healthcare providers in reducing their waste, Stericycle invested in designing reusable  
12 sharps containers, obtaining clearance for their use from the federal Food & Drug  
13 Administration and designing and installing an entirely new sharps waste processing line for  
14 dumping and treating the waste and washing and disinfecting the containers to prepare them for  
15 reuse. The use of reusable sharps containers by Washington hospitals and other healthcare  
16 facilities has eliminated a huge amount of sharps waste that would have otherwise ended up in  
17 landfills.

18 8. Stericycle's innovative approach to sharps waste management did not stop there.  
19 To assist hospitals in managing their sharps waste, Stericycle introduced in-facility sharps  
20 waste management services. Under this program, Stericycle personnel exchange empty for full  
21 sharps containers in patient care areas of the hospital on a regular schedule, thus helping to  
22 reduce needle-stick risks associated with over-filled sharps containers. To facilitate the  
23 distribution and collection of reusable sharps containers in patient care areas within a hospital  
24 and their subsequent transportation, Stericycle designed and built special wheeled racks that are  
25 wheeled through the hospital to distribute empty sharps containers and collect filled sharps  
26 containers, wheeled to the hospital loading dock and then wheeled into Stericycle's trucks for

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1 transportation to its Morton treatment facility. These racks are lockable for security both  
2 within the hospital and during transportation. The U.S. Department of Transportation has  
3 explicitly approved the use of these specially designed racks for the transportation of sharps  
4 waste under DOT's Hazardous Materials Regulations.

5 9. In our view, as implemented in Washington, Stericycle's reusable sharps  
6 container program has many advantages. Stericycle's process has increased the confidence of  
7 hospitals have that their biomedical wastes are handled professionally and appropriately,  
8 reducing the potential for harm to health care workers and the environment. Stericycle's  
9 program does not require transportation of the waste to out-of-state sites for processing and  
10 reclamation and then further transportation to another destination for incorporation into other  
11 products. Stericycle's program does not involve the costs or energy inputs required to separate  
12 recyclable plastics from the waste or to introduce the recycled plastic into new products. These  
13 extra steps involve added cost and significant additional consumption of energy, particularly  
14 fossil fuels. Minimizing fossil fuel consumption is important to WSHA members. The  
15 movement of reusable sharps containers in Stericycle's program involves no extra  
16 transportation steps. The sharps containers are moved with their contents to Stericycle's  
17 Morton facility for treatment; the containers are then returned to the hospital at a time when  
18 other waste is picked up, so there are no extra transportation steps in the Stericycle program.

19 10. Stericycle has provided reliable biomedical waste management and collection  
20 services to Washington healthcare facilities since the early 1990s at stable prices. This reflects  
21 cost control efforts responsive to the cost concerns of Washington healthcare providers.  
22 Stericycle's price per gallon of waste collected has remained essentially unchanged since it  
23 entered the Washington market. Such price stability is very unusual among hospital service  
24 providers. Since January 1992, Bureau of Labor Statistics data indicate that the Consumer  
25 Price Index (CPI-U) has increased 68%. Obviously, Stericycle's costs of doing business have  
26 also increased during this period. Yet, Stericycle has kept its rates substantially unchanged. In

1 real dollars, Stericycle's rates are now lower than they were in the early 1990s. In our view,  
2 this shows that Stericycle is aggressively controlling its costs in response to the needs of the  
3 healthcare industry -- and that Commission's supervision of carrier rates is working as  
4 intended.

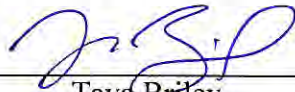
5 11. WHS takes no position on the pending application of Waste Management for  
6 biomedical waste collection authority. I understand that some Washington hospitals and other  
7 healthcare providers have expressed the desire for a choice of medical waste service providers  
8 and a belief that competition among providers will enable them to obtain more responsive  
9 service and better prices. My understanding, however, is that the Washington Legislature has  
10 chosen supervision and regulation by the Commission as the best means to ensure responsive  
11 service and fair pricing. WHS can report many of its members are highly satisfied with  
12 Stericycle's services. WHS is unaware of any service option or service feature of Waste  
13 Management's biomedical waste collection program that is not already offered (or offered in an  
14 equivalent or better form) by Stericycle and as previously noted Stericycle's rates in real terms  
15 have decreased over the years.

16 12. WHS urges the Commission to carefully consider the potential effects that  
17 dividing the medical waste market among multiple service providers may have on rates and  
18 service levels. Dividing a limited revenue stream among multiple carriers who are nonetheless  
19 required to continue to serve healthcare facilities throughout the state may affect the  
20 profitability of the carriers with possibly disruptive consequences for rates and/or service  
21 levels.

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

24 EXECUTED this 16<sup>th</sup> day of November, 2012 at Seattle, Washington.

25  
26 By \_\_\_\_\_

  
Taya Briley

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1 **CERTIFICATE OF SERVICE**

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

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6 Transportation Commission  
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11 [records@utc.wa.gov](mailto:records@utc.wa.gov)

- 12  Via Legal Messenger
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- 14  FedEx
- 15  Via Email

16 Administrative Law Judge  
17 Gregory Kopta  
18 [gkopta@utc.wa.gov](mailto:gkopta@utc.wa.gov)

- 19  Via Email

20 Jessica Goldman  
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11 Dated at Seattle, Washington this 16<sup>th</sup> day of November, 2012.

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13 \_\_\_\_\_  
14 Vickie L. Owen  
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