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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  
JAMES RYAN

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

2. I am the Major Account Executive for Stericycle of Washington, Inc. (“Stericycle”) and have held that position since 2005. My responsibilities in this position include marketing and sales of Stericycle’s biomedical waste collection services and customer service for hospitals and other large volume customers in Washington.

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

4. Terry Johnson of Lake Chelan Community Hospital testified that in general he wanted another biomedical waste carrier so that he could have leverage to obtain a “true market price.” Mr. Johnson did not testify that Stericycle was not providing a market price for its

1 services and did not state any basis for a belief that Stericycle's prices were not market prices.  
2 Mr. Johnson did not testify as to how, in his view, state-wide service from Waste Management  
3 would result in different prices.

4 5. I am the Major Account Executive for Lake Chelan Community Hospital and  
5 Mr. Johnson's direct contact at Stericycle. Mr. Johnson has never communicated to me any  
6 concern that Stericycle's prices were less than market rates.

7 6. Carla Patshkowski of Providence Medical Group testified that she was  
8 dissatisfied with the \$10 minimum monthly billing fee in Stericycle's tariff, which is charged to  
9 customers in any month that no waste is collected from a facility. Ms. Patshkowski does not  
10 testify that the minimum monthly fee is not compensatory for services rendered. Neither Ms.  
11 Patshkowski nor Jerry Quinn, my system-wide contact for Providence Medical Group, has ever  
12 complained to me about being charged a \$10 minimum fee in months when no waste is  
13 collected.

14 7. Ms. Patshkowski has also testified generally that in her opinion Stericycle  
15 provided containers that were too large for the limited biomedical waste generated by some  
16 Providence Medical Group facilities and that Stericycle requires more frequent pick-ups at  
17 some facilities than necessary. Ms. Patshkowski does not identify the facilities she is  
18 discussing. She does not provide any information at all about the size of containers these  
19 facilities were using or wanted to use. She does not testify that the desired container size was  
20 not available from Stericycle. She does not state the collection frequency at these facilities or  
21 the collection frequency that the facilities wanted. She does not testify that any of these  
22 concerns were brought to Stericycle's attention and not remedied.

23 8. Until Ms. Patshkowski's testimony in this proceeding she has not been a  
24 representative of any Providence Medical Group facility with respect to Stericycle's service  
25 delivery. Until last year, Providence Medical Group's system-wide biomedical waste contracts  
26 with Stericycle were negotiated and signed by Materials/Purchasing Manager Jerry Quinn and

1 he was my main contact for system-wide concerns. In the years I worked with Mr. Quinn he  
2 never raised any concern about Stericycle's minimum monthly fee, the size of containers  
3 provided to any providence facility, or the collection frequency at any Providence Medical  
4 Group facility.

5 9. In the Providence Medical Group system service inquiries were made directly  
6 by representatives of each facility either to me if the facility was a hospital or other large  
7 quantity generator or through Stericycle's customer service number if the facility was a small  
8 quantity generator. Ms. Patshkowski does not identify any facility representative who had  
9 service concerns that went unaddressed and I never received any inquiry from any  
10 representative of a Providence Medical Group facility about container size or service frequency  
11 that was not addressed. A representative of our customer service call center has reviewed  
12 records of communications with Providence Medical Group facilities and has informed me that  
13 there is no record of any concerns being raised by these facilities about container size or service  
14 frequency.

15 10. Stericycle offers medical waste containers in sizes as small as a 10 gallon  
16 reusable plastic tub and a 15 gallon cardboard box. These containers are clearly identified in  
17 Stericycle's tariff. I have never had a customer, including any of the Providence Medical  
18 Group facilities, ask for a smaller container. With respect to pick-up frequency, Stericycle will  
19 provide customers with pick-ups only as frequently as the customer needs.

20 11. It is also in Stericycle's interest to provide customers with the smallest  
21 containers and least frequent pick-ups that will meet their needs. Stericycle's profits are  
22 improved when the company can take fewer trips to collect more, full containers on each trip.  
23 That way every dollar spent on transportation is being used to transport as much waste as  
24 possible. To promote efficient transportation to its customers Stericycle routinely offers  
25 biomedical waste audits that would identify whether smaller containers could be used and if the  
26 collection frequency could be decreased. Stericycle employs a Healthcare Compliance

1 Specialist whose job includes performing these waste audits. Generally waste audits lead to  
2 improved efficiency in a way that benefits the customer with lower cost and Stericycle with  
3 more efficient transportation.

4 12. I have asked Mr. Quinn if Stericycle could perform a biomedical waste audit at  
5 all Providence Medical Group facilities. I explained to Mr. Quinn that such audits could lead to  
6 cost savings for the facilities. Mr. Quinn never took me up on the offer to perform waste audits  
7 and no one from any Providence Medical Group facility has ever requested a waste audit. Ms.  
8 Patshkowski testified that Waste Management audited the Providence Medical Group facilities  
9 and found ways to make the service more efficient. This is precisely what Stericycle would  
10 have done had Mr. Quinn allowed it to perform the waste audits offered. I do not think it is fair  
11 to testify that Stericycle provides more service than necessary or that Waste Management  
12 provided a waste audit when Providence Medical Group did not accept Stericycle's offer of  
13 waste audits.

14 13. Emily Newcomer of the University of Washington has filed testimony  
15 concerning Stericycle's customer service. She testifies that Stericycle's customer service was  
16 "only adequately responsive." However, the only complaint she makes is that to obtain  
17 Stericycle's "attention" to issues raised by the University of Washington's Infectious Waste  
18 Committee regarding "waste flow and processing," the University was "required" to involve  
19 Stericycle's "salespeople." Ms. Newcomer's one concern is misguided for several reasons.

20 14. First, Ms. Newcomer is not and has never been the University of Washington's  
21 primary contact with Stericycle. I am the Major Account Executive responsible for the  
22 University of Washington's service. Kristin Elko is the Program Coordinator for the University  
23 of Washington's Recycling and Solid Waste division and corresponds with me concerning the  
24 University of Washington's service. Ms. Elko routinely calls or emails me with service  
25 questions and I am copied on all requests for waste collection.  
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1           15. Ms. Newcomer misunderstands the role of the Stericycle employees she refers to  
2 as “salespeople.” My role certainly includes “sales,” including providing the University of  
3 Washington with any additional service they require. However, the role of a Major Account  
4 Executive is much more than “sales.” I am the first point of contact for the University of  
5 Washington, through Ms. Elko and other employees, for any questions or concerns regarding  
6 its services. I am responsible for listening to these questions and concerns and for coordinating  
7 the proper response by Stericycle. Ms. Elko understands this role and we communicate  
8 regularly about service issues, not just “sales.” Therefore, Ms. Newcomer’s complaint that the  
9 University of Washington was “required” to involve “salespeople” in responding to a service  
10 concern raised by its Infectious Waste Committee is misguided. It is my job responsibility to  
11 listen to and respond to such concerns. Speaking with a local representative who oversees the  
12 account is not an “additional” step, it is necessary to ensure responsive customer service.

13           16. Finally, I note that Ms. Newcomer does not state what the “waste flow and  
14 processing” issues are, how they were communicated to Stericycle, if at all, and she does not  
15 claim that they were not satisfactorily addressed. Although the lack of information makes it  
16 difficult to evaluate her testimony, I believe Ms. Newcomer may be referring to a question  
17 from a University of Washington Biosafety Officer named Linda Arnesen on behalf of the  
18 Infectious Waste Committee in May of this year about how Stericycle processes and disposes  
19 of its sharps waste for the purpose of the University of Washington’s own regulatory  
20 compliance. I brought Ms. Arnesen’s questions to Kelly Merriman, Stericycle’s Safety &  
21 Health Manager, and she responded to them the same day. I attach the available  
22 correspondence between Ms. Arnesen, myself, and Ms. Merriman as Exhibit A. This is a  
23 perfect example of how having a local account representative, like myself, improves customer  
24 service and is not an “additional” step. Neither Ms. Newcomer nor Ms. Elko communicated  
25 any concern about how this question was handled or answered. To the extent Ms. Newcomer  
26

1 harbored some dissatisfaction, that concern was not expressed to Stericycle and Stericycle was  
2 given no opportunity to resolve the concern.

3 17. Julie Sell of Olympic Medical Center also raised a concern related to customer  
4 service. Whereas Ms. Newcomer seemed concerned about having a local representative  
5 involved in customer service, Ms. Sell testifies that Olympic Medical Center has no local  
6 Stericycle contact to arrange scheduling, but must instead make arrangements with Stericycle's  
7 "corporate parent" on the "east coast." This is simply not true. I am the Major Account  
8 Executive responsible for Olympic Medical Center's accounts and am based out of Stericycle's  
9 Kent, Washington office. Ms. Sell knows I am a local employee. Ms. Sell can and does  
10 contact me regularly with questions related to Olympic Medical Center service. For example,  
11 Ms. Sell has most recently contacted me directly to change two Olympic Medical Center clinics  
12 from scheduled to on-call service. Ms. Sell can also use, but is not required to use, Stericycle's  
13 customer service phone number, which will connect her to our call center in Fresno, California.  
14 Stericycle has another call center outside Chicago, but none on the east coast.

15 18. Ms. Sell does not provide any information about the "follow up" requests she  
16 states she was required to make, such as when they occurred and which facilities they were for,  
17 but I am informed by a representative of our call center that there are no records indicating any  
18 concerns or complaints about follow up requests being required to schedule a pick-up. Ms. Sell  
19 has never raised this concern with me.

20 19. Ms. Sell also references a "couple occasions" when Stericycle did not make the  
21 requested biomedical waste collection. I am not aware of any such occasions. Ms. Sell  
22 provides no specific information, such as when any missed pick-up occurred, where it occurred,  
23 how the issue was raised with Stericycle, or how it was resolved. Ms. Sell has not raised any  
24 such concerns with me. There was one occasion in the Spring of 2011 in which an Olympic  
25 Medical Center offsite clinic requested a pick-up for their biomedical waste but actually needed  
26 a pick-up for pharmaceutical waste. Because this service requires different containers and

1 manifests, the Stericycle driver was not prepared to pick up pharmaceutical waste and had to  
2 leave it at the clinic. This mix-up was rectified and the pharmaceutical waste was collected.  
3 After this situation I explained the miscommunication to Ms. Sell and what they can do to  
4 avoid a similar problem in the future. Since the spring of 2011 I am not aware of any problem  
5 concerning the pick-up of waste from Olympic Medical Center.

6 20. Ms. Patshkowski of the Providence Medical Group offered testimony  
7 concerning a billing error. She testified that after Providence Medical Group terminated  
8 Stericycle's services at several facilities Stericycle continued to bill Providence Medical Group  
9 for eight months before the error was resolved. After I read this testimony I investigated Ms.  
10 Patshkowski's testimony. Ms. Patshkowski is correct that Providence Medical Group  
11 continued to receive bills for service to several locations after that service was canceled in an  
12 October 31, 2011 letter. For some reason her emails to a Stericycle representative did not stop  
13 monthly billing for all these locations. Although in this case it took longer than it should have,  
14 Stericycle completely credited all erroneous billings for service that had been canceled.

15 21. Finally, one generator witness, Terry Johnson of Lake Chelan Community  
16 Hospital, has stated his belief that having a single source for biomedical waste collection  
17 services increased the "risk assessment" in the event of a major catastrophe like a forest fire  
18 closing roads or an earthquake. Mr. Johnson did not explain what he means by risk assessment  
19 or what factors contribute to a risk assessment. Neither Mr. Johnson nor any other customer  
20 has ever raised a concern with me about Stericycle's disaster preparedness.

21 22. In the disaster scenarios raised by Mr. Johnson, access to a generator by any  
22 carrier would be equally limited, not just Stericycle's access. The risk posed by such events  
23 would not be changed by the existence of another certificated carrier. To the extent Mr.  
24 Johnson believes that a disaster may affect the carrier rather than the generator, Stericycle is  
25 well positioned to provide uninterrupted service. Stericycle operates approximately 21 box  
26 trucks from five transfer yards to serve customer collection routes. If one yard were affected

1 by a natural disaster, other trucks from other yards would be available to provide service. In  
2 addition, Stericycle provides all customers with a surplus supply of medical waste containers  
3 and bags so that they will be able to continue to safely accumulate waste even if service is  
4 temporarily interrupted. Finally, I understand that the Commission can grant emergency  
5 temporary authority to allow service by another carrier in the highly unlikely event that service  
6 is significantly disrupted due to a natural disaster.

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

9 EXECUTED this 16<sup>th</sup> day of November, 2012 at Mill Creek, Washington.

10  
11 By \_\_\_\_\_

  
James Ryan



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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 JAMES RYAN:

Washington Utilities and  
Transportation Commission  
1300 S. Evergreen Park Dr. SW  
PO Box 47250  
Olympia, WA 98504-7250  
(360) 664-1160  
[records@utc.wa.gov](mailto:records@utc.wa.gov)

- Via Legal Messenger
- Via Facsimile
- FedEx
- Via Email

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

- Via Email

Jessica Goldman  
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- Via U.S. Mail, First Class,  
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- Via Legal Messenger
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- Via Email

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3 Utilities and Transportation Division  
4 1400 S. Evergreen Park Drive SW  
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6 Olympia, WA 98504-0128  
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- Via Legal Messenger
- Via Facsimile
- Via U.S. Mail, First Class,  
Postage Prepaid
- Via Email

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

  
\_\_\_\_\_  
Vickie L. Owen  
[vowen@gsblaw.com](mailto:vowen@gsblaw.com)

-----Original Message-----

From: Linda Arnesen [mailto:lma22@u.washington.edu]  
Sent: Monday, May 14, 2012 2:24 PM  
To: Merriman, Kelly; Ryan, James  
Subject: RE: UW Sharps disposal

Hi Kelly,

Thank you for your interpretation of the KCBOH language. Again, to fully answer the sharps issue for our Infectious Waste Committee, can you please confirm that your answer to my question #1 is a "yes"? Thank you!

Linda Arnesen  
Biosafety Officer  
Research and Occupational Safety, EH&S  
Box 357165, University of Washington  
Ph: (206) 221-3012  
Fax:(206) 221-3068

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-----Original Message-----

From: Merriman, Kelly [mailto:kmerriman@STERICYCLE.com]  
Sent: Monday, May 14, 2012 2:01 PM  
To: Ryan, James; Linda Arnesen  
Subject: RE: UW Sharps disposal

Hi Linda and James,

To answer your below questions...

1) All treated waste (including treated sharps) is transported to the Roosevelt Regional Landfill, which is permitted to accept treated

medical waste. It is deposited in the landfill and immediately covered over by dozers which are operated by landfill employees, usually before our truck pulls away.

2) How sharps waste is handled depends on whether you have re-usable sharps containers (BioSystems) or are using disposable containers. If using the re-usable containers, sharps waste is segregated until it reaches our processing plant. Our robot opens and dumps the waste into an autoclave bin, which is then treated. The treated sharps waste is then mixed in with other treated medical waste as it is compacted into the transport trailer.

If you are using the disposable sharps containers, you would be segregating sharps into containers so that sharps aren't mixed loosely with other biohazard medical waste, which is a safety hazard. You would seal those containers and place into the red bag medical waste. It would then be processed all together when it reaches our processing facility.

KCBOH 10.07.060 language regarding sharps is really intended for waste generators to safely handle and dispose of sharps waste. They want to make sure that generators are not throwing sharps waste into the general solid waste stream, which could injure landfill workers. When they say that "treated sharps waste should be segregated from the general solid waste stream", they are intending that generators use sharps containers instead of throwing loose sharps into the medical waste. They don't mean that all sharps must be completely segregated from other medical waste, just that it needs to be in a container to contain the sharps hazard.

Please let me know if I can be of further assistance in explaining the KCBOH regs.

Kelly Merriman  
Safety & Health Manager  
Stericycle, Inc.

206-719-9138 Cellular  
800-286-1870 eFax  
20320 80th Ave. S  
Kent, WA 98032

-----Original Message-----

From: Ryan, James  
Sent: Monday, May 14, 2012 1:00 PM  
To: Linda Arnesen; Merriman, Kelly  
Subject: RE: UW Sharps disposal

Thanks Linda.

Kelly, can you address Linda's questions below?

Thanks,

James

-----Original Message-----

From: Linda Arnesen [mailto:lma22@u.washington.edu]  
Sent: Monday, May 14, 2012 12:29 PM  
To: Ryan, James

Subject: re: UW Sharps disposal

Hi James,

As we discussed on the phone, the summary of the KCBOH "Sharps" treatment and disposal requirements is attached. (I cut and pasted this from the KCBOH website). In order to put to rest the issue of sharps being properly disposed of, our Infectious Waste Committee would like to confirm that:

- 1) You are covering treated (autoclaved) sharps waste with at least six inches (6") of compacted waste material within twenty-four (24) hours of disposal (see B,11,b, 3rd paragraph from bottom of attached).
- 2) The reason you are not keeping the sharps waste segregated from other treated biomedical waste is because you are disposing of the non-sharps biomedical waste the same as the sharps waste (i.e. treating all of the autoclaved regulated biomedical waste as "sharps").

Thank you!

Linda Arnesen  
Biosafety Officer  
Research and Occupational Safety, EH&S  
Box 357165, University of Washington  
Ph: (206) 221-3012  
Fax:(206) 221-3068

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