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BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION

In Re Application of No. GA-079331 of
SURE-WAY SYSTEMS, INC.
For A Certificate of Public Convenience and
Necessity to Operate Motor Vehicles in
Furnishing Solid Waste Collection Service

DOCKET NO. TG-042089

**PREFILED TESTIMONY OF
MICHAEL PHILPOTT**

Michael Philpott, subject to penalties of perjury of the laws of the State of Washington,
declares and states as follows:

Overview

1. I am Pacific Northwest District Manager of Stericycle, Inc. In that capacity, I
manage the operations of Stericycle, Inc. in the Pacific Northwest, including Stericycle, Inc.'s
biomedical waste processing facility in Morton, Washington. I am also the person primarily
responsible for day-to-day management of the operations of Stericycle of Washington, Inc. I
have held my present position and have performed these functions since 1999. Prior to that
time, I was employed with BFI Medical Waste Systems of Washington, Inc. ("BFI") in various
positions for four years, holding the position of District Vice President at the time BFI was
acquired by Stericycle. I currently also hold the position of Western Canadian Regional

1 Manager for Stericycle of Canada, Inc., responsible for overseeing the biomedical waste
2 collection services of Stericycle of Canada in western Canada.

3 2. Stericycle of Washington, Inc. ("Stericycle") provides statewide biomedical
4 waste collection, transportation and disposal services to almost 6,000 medical waste generators
5 in Washington pursuant to a Certificate of Public Convenience and Necessity issued by the
6 Washington Utilities and Transportation Commission ("Commission"). A copy of Stericycle's
7 Certificate (G-244) is attached hereto as Exhibit MP-2. Stericycle operates 23 commercial
8 vehicles and employs 25 drivers, five (5) customer service representatives, three (3)
9 transportation managers, one (1) warehouse and supplies manager, one (1) safety and
10 regulatory compliance manager plus myself in providing services to Washington biomedical
11 waste generators under Certificate G-244. In addition, Stericycle receives extensive accounting
12 and management support from its parent company. In addition to biomedical waste collection
13 services regulated by the Commission, Stericycle offers its customers various related programs
14 provided by Stericycle, Inc., including a program for OSHA compliance and bloodborne
15 pathogen training, the Biosystems® program for the management and disposal of sharps waste
16 using reusable sharps containers, a medical waste "mail-back" program for small quantity
17 generators of biomedical waste and a mercury and dental amalgam recycling "mail-back"
18 program for dentists and other dental practitioners.

19 3. Stericycle is a wholly owned subsidiary of Stericycle, Inc., a publicly traded
20 company. Stericycle, Inc. was formed by healthcare professionals to serve the specialized
21 biomedical waste management and disposal needs of the healthcare industry and that remains
22 its primary business focus. Stericycle, Inc. now provides specialized biomedical waste
23 management, collection and disposal services to biomedical waste generators nationwide.
24 Stericycle was formed by Stericycle, Inc. to provide biomedical collection, transportation and
25 disposal services to medical waste generators in Washington.

26 4. Stericycle introduced important innovations in biomedical waste collection

1 services when it entered the Washington market. Those innovations included (i) training of
2 generator personnel in the segregation, handling and disposal of regulated medical waste; (ii)
3 use of hard plastic, leak proof and puncture resistant reusable containers for greater safety and
4 security in the handling of medical waste; (iii) use of a non-incinerative waste processing and
5 disposal technologies to disinfect and reduce the volume of the waste without production of
6 harmful air emissions or incinerator ash; (iv) use of waste processing technologies that
7 permitted recycling of some plastics in source segregated sharps waste; and (v) use of hand-
8 held scanners and computerized bar code labels to track each container of medical waste from
9 pickup to processing and disposal. None of these innovations was present in Washington
10 before Stericycle's entry into the Washington market.

11 5. Stericycle continues to provide superior biomedical waste collection and
12 disposal services to medical waste generators in every corner of Washington. Medical waste
13 management is Stericycle's only business. Stericycle's practices and procedures have been
14 carefully designed to ensure safety and regulatory compliance. Stericycle personnel are
15 focused on the requirements of safety, regulatory compliance and customer service in this
16 intensely regulated and highly specialized business affecting public health and safety.

17 **Initiation of Service**

18 6. Stericycle's services and procedures satisfy all applicable regulatory
19 requirements governing the collection, transportation and disposal of biomedical waste. Before
20 Stericycle initiates service to a customer, Stericycle provides the customer with a
21 comprehensive package of materials describing its services, including a "waste acceptance
22 protocol" explaining the generator's responsibilities for packaging its waste for shipment and
23 the types of waste that Stericycle is authorized to handle. A copy of Stericycle's "new
24 customer" information package, including Stericycle's current waste acceptance protocol, is
25 attached hereto as Exhibit MP-3. Stericycle also provides a copy of its current WUTC tariff to
26 its new customers. A copy of Stericycle's current tariff is attached hereto as Exhibit MP-14.

Container Tracking System/Shipping Documents

1
2 7. Stericycle employs a proprietary computerized tracking system, called
3 "Biotrack®," to identify each container of waste Stericycle collects and to track each container
4 through processing and disposal. In this way, Stericycle can account for the processing and
5 disposal of every container of waste it collects and assure its customers that all of their waste
6 has been properly processed and disposed of.

7 8. Stericycle provides its customers with self-adhesive, customer-specific,
8 preprinted Biotrack bar code labels for their use in labeling each container of waste prepared
9 for pickup by Stericycle. Each of these labels is preprinted the customer's name and address,
10 Stericycle's name and address and a unique bar code identifier. The bar code identifier is a
11 unique identification number for each container involved in a particular shipment. An example
12 of Stericycle's Biotrack bar code label is attached hereto as Exhibit MP-4.

13 9. Stericycle currently bases its collection vehicles (route trucks) at six equipment
14 yards from which services are provided to Washington generators: Kent, Woodinville, Morton,
15 Spokane and Pasco in Washington and Portland, Oregon. Each day, prior to leaving
16 Stericycle's equipment yard, each Stericycle route driver receives a route sheet from the
17 Stericycle dispatcher, with bar codes identifying each customer to be picked up by the driver
18 that day and the shipping manifest number for each customer's pickup. A cover page for the
19 route sheet also includes bar codes identifying the driver, the truck and the route. The route
20 driver begins his route by scanning these bar codes, thus opening a new route file in the
21 Biotrack computer system under the driver's name, the truck number and the route number.
22 The date is automatically provided by the Biotrack system. Copies of a typical route sheet and
23 cover page are attached hereto as Exhibit MP-5.

24 10. The Stericycle dispatcher also provides each driver with a shipping manifest
25 (identified with a pre-printed manifest number) for each generator on the driver's route for the
26 day. The shipping manifest is a multicopy form, preprinted with the generator's name and

1 address, an identifying number for the customer and the pickup location; a manifest number;
2 the route number; and the date. A copy of Stericycle's standard shipping manifest is attached
3 hereto as Exhibit MP-6.

4 11. Prior to pickup, Stericycle's customers affix a Biotrack bar code label to each
5 container of their waste. At pickup, Stericycle's drivers scan those bar code labels with a hand-
6 held computerized scanner. Using the scanner, the driver records each container's unique bar
7 code identifier, as well as the container size and type. The driver then records the number and
8 type of each container on the shipping manifest, confirms the totals with the customer and
9 obtains the customer's signature on the shipping manifest. A copy of the manifest is provided
10 to the customer at pickup. The driver also prints out a report of the bar code data scanned into
11 the Biotrack system at pickup, including the number and type of each container picked up, plus
12 any clean containers or other supplies delivered to the generator, and provides this report to the
13 generator's representative, attached to a copy of the shipping manifest. A copy of a typical
14 Biotrack printout is attached hereto as Exhibit MP-7.

15 **Transportation Logistics**

16 12. When Stericycle's drivers complete their routes each day, they return to the
17 Stericycle equipment yard where they are based. At the yard, the driver transfers the containers
18 of biomedical waste from his route truck directly to a highway trailer for temporary storage and
19 subsequent transportation to Stericycle, Inc.'s Morton biomedical waste processing facility.
20 The original shipping manifests for all pickups on the driver's route are transferred to the
21 highway trailer at the same time. Finally, the driver uploads all of the Biotrack data from his
22 hand-held scanner into the Stericycle computer system.

23 **Treatment and Disposal**

24 13. Generally, with the exception of sharps collected under the Biosystems program,
25 Stericycle transports all biomedical waste it collects from Washington generators to Stericycle,
26 Inc.'s processing facility at Morton, Lewis County, Washington (the "Morton facility"). With

1 the exception of pathological waste, trace chemotherapy waste, other biomedical waste
2 designated by the generator for incineration and sharps in reusable sharps containers, all
3 biomedical waste collected by Stericycle is processed at the Morton facility to render it
4 noninfectious. Stericycle, Inc.'s Morton, Washington biomedical waste processing facility
5 employs two alternative non-incinerative processing technologies to render biomedical waste
6 noninfectious: Stericycle's proprietary electro-thermal deactivation ("ETD") process and
7 steam autoclaving.

8 14. In the ETD process, the waste is introduced into a contained processing area (the
9 "containment area") where it is put through a grinder and then bombarded with radiowaves in a
10 dielectric oven. The ETD process kills pathogens without affecting the molecular structure of
11 the waste itself. Moisture in the waste absorbs energy from the radiowaves, producing heat.
12 The pathogen organisms themselves are also directly disrupted by the radiowaves. Grinding
13 the waste reduces its volume and makes the waste unrecognizable.

14 15. In 2003, Stericycle, Inc. installed a new, state-of-the-art steam autoclave at the
15 Morton facility. Steam autoclaving involves the introduction of pressurized steam into a fully-
16 contained autoclave chamber. The steam heats the waste in the chamber, killing the pathogens.

17 16. Both the ETD and the autoclave process employed at the Morton processing
18 facility render the waste noninfectious in compliance with applicable regulatory standards. The
19 ETD process also grinds the waste, reducing its volume by approximately 85% and rendering it
20 unrecognizable. After compaction, the volume of waste processed in the autoclave is reduced
21 by 75%. In both cases, following decontamination, the waste is transported to a landfill in
22 Oregon for disposal. After processing, the processed waste is no longer infectious and is
23 considered and handled as general solid waste.

24 17. Neither the ETD process nor the steam autoclave process generates any harmful
25 waste effluents or emissions. Stericycle, Inc.'s Morton facility generates no wastes except
26 sanitary wastes discharged to the City of Morton sewer system and small quantities of solvents,

1 greases, oils and similar compounds used in the maintenance of the plant's equipment which
2 are returned to the supplier of these products for recycling or disposal.

3 18. Stericycle requires that its customers segregate their pathological waste, trace
4 chemotherapy waste and any other biomedical waste designated by the generator for
5 incineration from other segments of the biomedical waste stream, pack such wastes in specially
6 designated, easily identifiable grey reusable plastic containers (to distinguish them from the red
7 or black reusable plastic containers used for other types of medical waste) and affix a yellow
8 Biotrack label to the container (as opposed to the white label used for other types of waste).
9 The bar code label of each container containing waste designated by the generator for
10 incineration is scanned at the Morton facility as it is transferred to a highway trailer for further
11 transportation to and disposal at an incineration facility operated by Stericycle, Inc. in North
12 Salt Lake, Utah. Normally, all Washington path/chemo waste handled by Stericycle and any
13 other waste designated for incineration is disposed of at the Stericycle, Inc. North Salt Lake
14 incineration facility.

15 19. Sharps waste in reusable sharps containers collected by Stericycle under the
16 Biosystems program is currently consolidated at Stericycle's Kent, Washington transportation
17 yard and transported directly to a Stericycle, Inc. processing facility in Vernon, California
18 where the containers are emptied and washed and the waste is processed.

19 20. The Morton and Vernon processing facilities and the North Salt Lake incinerator
20 are all equipped with computerized Biotrack bar code scanners linked to Stericycle's computer
21 system. In each case, immediately prior to processing or incineration, as the case may be, the
22 container's bar code label is scanned and recorded. Stericycle's computers match the
23 containers processed with those picked up, using the unique Biotrack bar code identifier of
24 each individual container. Following the processing of the containers associated with a
25 particular shipping manifest, an invoice is generated which notifies the generator of the charges
26 payable for Stericycle's services and certifies that all containers identified on that manifest

1 have been processed. An example of Stericycle's standard invoice and certification is attached
2 hereto as Exhibit MP-8.

3 21. The original shipping manifest for each generator pickup accompanies the waste
4 to the processing facility and is signed by a representative of the processing facility on receipt
5 of the waste. In the case of the Morton facility, the manifest is retained by the facility. In the
6 case of waste incinerated at the North Salt Lake facility or sharps waste processed at Vernon, a
7 copy of the signed manifest is returned to Stericycle. A copy of the signed shipping manifest is
8 made available to the generator on request. In addition, as described above, Stericycle's
9 computerized bar code tracking system generates an electronic record of the containers picked
10 up, transferred and processed and reports can be generated from this data by customer and time
11 period. Stericycle makes such reports available to its customers on request. An example of a
12 computer-generated Container Detail Report for one Washington hospital in June 2004 is
13 attached hereto as Exhibit MP-9.

14 **Recycling/Reuse**

15 22. Over the years, Stericycle has made various efforts to develop a cost-effective
16 way to recycle plastics from the sharps waste stream. The majority of the potentially reusable
17 plastics from this waste stream consists of the sharps container itself. In 2003, Stericycle began
18 offering a new service to Washington generators of sharps waste, called the "Biosystems®"
19 program. Rather than attempting to extract reusable plastics from the sharps waste stream after
20 processing, the Biosystems program offers generators the opportunity to substantially reduce
21 their plastics waste by reusing their sharps containers. Thus, instead of extracting plastics from
22 the waste stream after processing and then reprocessing it for incorporation into new products,
23 the Biosystems program achieves the same benefit on a more cost-effective basis by enabling
24 generators to reuse the sharps containers that make up the bulk of the reusable plastics waste in
25 the sharps waste stream. By permitting the reuse of sharps containers, the Biosystems program
26 enables Washington generators to significantly reduce the amount of their plastics waste,

1 substantially eliminating the plastics represented by single-use sharps containers. Stericycle
2 customers can also eliminate a portion of the substantial expense previously incurred for single-
3 use sharps containers. A copy of promotional materials describing the Bioystems program are
4 attached hereto as Exhibit MP-10.

5 23. The FDA regulates sharps containers as Class II medical devices. The FDA and
6 the Occupational Safety and Health Administration (“OSHA”) set certain requirements
7 applicable to the processing of such containers for reuse. To meet these requirements,
8 Stericycle, Inc. has developed an automated processing and wash line for use with specially
9 designed, reusable sharps containers and has installed this line at several of its processing
10 facilities around the United States, at a cost of many millions of dollars. The Biosystems
11 program offers a cost effective plastics “recycling” opportunity for the generators of medical
12 waste. At a cost less than what would be required to buy new single-use sharps containers,
13 generators are able to “recycle” their sharps containers repeatedly for reuse. Stericycle began
14 offering the Biosystems program to Washington generators in 2003. Currently, Stericycle uses
15 a wash line at a Biosystems facility in California for decontamination of reusable sharps
16 containers offered to Washington generators but is currently installing a Biosystems wash line
17 at the Morton facility. When the Morton wash line is operational later this year, all sharps and
18 all reusable sharps containers handled by Stericycle for Washington generators participating in
19 the Biosystems program will be processed in Washington.

20 **Mail-back Programs**

21 24. Stericycle offers both scheduled and on-call service to its customers. Typically,
22 generators of large quantities of biomedical waste receive regular, scheduled service.
23 Generators of smaller quantities of waste may schedule less frequent pickups or use on-call
24 service. Stericycle also offers the Stericycle, Inc. “mail-back” program for small quantity
25 generators who wish to avoid the costs of having a Stericycle vehicle and driver call at the
26 generator’s facility. A copy of materials describing the Stericycle, Inc. “mail-back” program

1 are attached hereto as Exhibit MP-11. Under this program, generators of small quantities of
2 biomedical waste purchase prepaid shipping containers and ship their wastes to Stericycle, Inc.
3 through the U.S. Postal Service. Through its scheduled, on-call and mail-back services,
4 Stericycle is able to provide cost-effective biomedical waste collection and disposal services to
5 all types and all sizes of biomedical waste generators throughout the state of Washington.

6 25. Stericycle also offers Stericycle, Inc.'s program for the recycling of mercury and
7 dental amalgam wastes to dentists and other dental practitioners. Copies of materials
8 describing this program are attached as Exhibit MP-12. Under this program, generators of such
9 waste purchase prepaid Federal Express Corporation shipping containers from Stericycle, Inc.
10 and ship their wastes to a recycler.

11 **Stericycle Investment**

12 26. Stericycle itself has invested more than \$1.5 million in the equipment,
13 containers and supplies it uses in serving Washington generators. In addition, Stericycle, Inc.
14 has invested over \$2.5 million in the development of its biomedical waste processing facility at
15 Morton, Washington. Stericycle, Inc. is in the process of investing another \$1.2 million at
16 Morton to build an automated processing and container wash facility that will allow reusable
17 sharps containers to be emptied, washed and disinfected in accordance with the requirements of
18 the FDA. That facility is scheduled to be in operation by the fourth quarter of this year.

19 **Stericycle's Customers**

20 27. Stericycle serves almost 6,000 generators of biomedical waste throughout the
21 state of Washington. A copy of Stericycle's 2004 Annual Report to the Commission is
22 attached hereto as Exhibit MP-13. Stericycle is ready, willing and able to serve the biomedical
23 waste collection needs of all generators of such waste in the state of Washington. Attached
24 hereto as Exhibit MP-15 is a table showing by county and zip code all of the biomedical waste
25 generators served by Stericycle in the first half of 2004. This data demonstrates that Stericycle
26

1 is fully meeting its obligations as a biomedical waste collection company to serve all types and
2 sizes of generators throughout the state.

3 28. Stericycle provides biomedical waste collection and disposal services to large
4 quantity generators ("LQGs") and small quantity generators ("SQGs") throughout eastern
5 Washington,¹ including the 12 eastern Washington counties which Sure-Way Systems, Inc.
6 ("Sure-Way") proposes to serve, plus the additional eastern Washington counties Sure-Way has
7 not included in the territory covered by its amended application. Stericycle serves its
8 customers in eastern Washington using five (5) drivers based out of our transportation yards in
9 Spokane and Pasco.²

10 29. In the first half of 2004, Stericycle served 45 LQGs and 769 SQGs were located
11 in the 12 eastern Washington counties in which Sure-Way seeks authority.

12 **Biosystems**

13 30. Stericycle currently serves 14 hospitals under the Biosystems program and that
14 program is expanding rapidly.

15 31. Regulations of the Occupational Safety and Health Administration ("OSHA")
16 prohibit the manual opening of reusable sharps containers if they contain used sharps, so an
17 automated system for opening and emptying the containers is required. Such automated
18 systems can only be used to process the specific sharps containers which the automated system
19 was designed and built to handle. As noted above, sharps waste collected under the Biosystems
20 program is currently being transported for processing to an existing Biosystems facility in
21 Vernon, CA where an automated processing and wash line has been installed. A new
22 automated processing and wash line is being installed at our Morton plant and is scheduled to
23

24 ¹ As used here, the term "eastern Washington" encompasses the counties served by Stericycle drivers
25 based in Spokane and Pasco. Some customers in the U.S. Highway 97 corridor from Wenatchee to
26 Omak are served by drivers based in Woodinville. Klickitat County is served by drivers based in
Portland. LQGs are defined as generators producing monthly revenues of \$500 or more.

² Some eastern Washington customers in the U.S. Highway 97 corridor from Wenatchee to Omak are
served by drivers based in Woodinville.

1 be operating in the fourth quarter of this year. When the new line is operational, all of the
2 reusable sharps containers used by Washington generators under the Biosystems program will
3 be processed in Morton.

4 32. Four sizes of reusable sharps containers are currently offered to Washington
5 generators under the Biosystems program: 2-gallon, 3-gallon, 8-gallon and 17-gallon.
6 Photographs of these containers can be found in Exhibit MP-10. The 2-gallon, 3-gallon and 8-
7 gallon sizes were designed by Biosystems and are distributed as Biosystems products. The 2-
8 gallon and 3-gallon sizes are offered with funnel top lids. The funnel top lid has a round
9 opening in the top of the lid that accommodates most sharps sizes by vertical drop. The 8-
10 gallon container is offered with both a funnel top lid or a trap top lid. The opening in the trap
11 top lid is larger and is covered by a plastic door on a hinge that closes and latches. The trap top
12 lid offers a larger opening and accommodates all sizes of sharps by vertical drop. The 17-
13 gallon container is designed and manufactured by Rotonics Mfg. Inc. and, with the exception of
14 its labeling, is identical to the 17-gal. container used by Sure-Way. The 17-gallon Rotonics
15 container is offered with two types of slide-on lids, single and dual slide. The opening of the
16 17-gallon container is covered by a sliding plastic cover that is held in place by grooves around
17 the top of the container on three sides. The slide lids provide large openings that accommodate
18 all sizes of sharps by vertical drop.

19 33. The funnel top lid permits one-handed disposal and minimizes the steps
20 necessary to access the sharps container and place a used hypodermic needle or other medical
21 sharp into the container. The other lid types provide the same features with larger openings if
22 the lids are left in the "open" position. If the trap top or slide lids are closed, they must be first
23 opened before sharps can be discarded. Typically, they are left open while in use. Recently,
24 Stericycle has developed a "step-on" device that can be used with the trap top lid and permits
25 the trap top door to be opened by stepping on a foot pedal, allowing one-handed access even
26 when the lid is closed.

1 34. The Biosystems 2-gallon and 3-gallon sharps containers are used with locked,
2 wall-mounted cabinets or metal brackets provided and installed by Biosystems. These sizes are
3 primarily used in patient rooms and in examining rooms. The larger sizes are typically used in
4 operating rooms or laboratory spaces. The 8-gallon container is used either with locked, wall-
5 mounted metal brackets or is used as a floor-mounted unit within a locked metal, wheeled dolly
6 that permits the container to be moved conveniently and safely. The 17-gallon Rotonics
7 container is designed to sit on the floor, essentially like a large waste basket. It can also be
8 fitted with a wheeled base so that it can also be moved conveniently and safely. All of the lids
9 on the 2, 3 and 8 gallon Biosystems containers are secured to the containers by secure latches.
10 The lid of the 17 gallon Rotonics container can be secured in the closed position with a plastic
11 fastener.

12 35. When a container with a funnel top lid is removed from service, the opening in
13 the lid is secured with a tight-fitting red cap or plug. The openings of the other lid types are
14 closed and latched or otherwise secured. Under OSHA regulations, the containers must be kept
15 upright at all times during service and during handling and transport.

16 36. Under the Biosystems program, the reusable sharps containers are transported in
17 specially designed, DOT approved wheeled racks. These same racks are used to move
18 containers from place to place within a customer's facility when clean containers are being
19 installed or exchanged for filled containers. On pickup from a customer, each rack is labeled
20 with a unique Biotrack bar code label that allows the rack and its contents to be tracked from
21 the point of shipment to the processing plant through the Biotrack system described above.

22 37. The Biosystems 2-gal., 3-gal. and 8-gal. containers have permanent colored
23 labels that prominently display the biohazard symbol and identify the contents as biohazardous.
24 Similar labels are applied to the Rotonics containers.

25 38. Each reusable sharps container is also labeled with a unique bar code identifier.
26 Each sharps container is scanned by the Biotrack system as it is processed and the record for

1 that container is updated. The number of times that the container has been reused is recorded
2 and tracked and the operator of the wash line is notified automatically when the Biotrack
3 system determines that a particular container has reached the end of its useful life. The
4 container is then removed from service and discarded. This automated tracking system for the
5 tracking of Biosystems containers ensures that a containers is not reused more the number of
6 times it is safe to do so.

7 **Response to Sure-Way**

8 39. The pro forma financial projections filed by Sure-Way Systems, Inc. in (Exhibit
9 DS-3 attached to the Prefiled Testimony of David Sullivan) do not demonstrate that Sure-
10 Way's proposed service is financially feasible. Sure-Way simply assumed revenues and
11 expenses that would allow it to turn a profit by the end of the 12-month pro forma period.
12 Sure-Way has provided no operating plan to demonstrate that it has a reasonable prospect of
13 achieving the revenues and expenses assumed in the pro forma projections. Sure-Way has not
14 shown that the revenues assumed can be achieved at the level of expenses projected. To
15 determine whether the proposed service is financially feasible, Sure-Way must project where
16 its customers will be located, the number and sizes of the waste containers and the types of
17 waste it will handle on a weekly and monthly basis and demonstrate that transportation routes
18 can be designed that will allow Sure-Way to handle the projected volume and achieve the
19 projected revenue within the expense parameters assumed -- while meeting its common carrier
20 obligation to provide service to all sizes of generators throughout the proposed service territory.
21 Sure-Way has not even attempted to provide projections sufficient to establish the financial
22 feasibility of its proposed service.

23 40. Stericycle's customer base in the proposed eastern Washington service territory
24 consists overwhelmingly of small quantity generators, scattered throughout the service
25 territory. Because of the longer distances that route truck drivers must drive between
26 customers and the lower revenues generated by each stop (because of the smaller average size

1 of our eastern Washington customers), our transportation costs to serve eastern Washington are
2 substantially higher than in western Washington. Sure-Way's financial projections do not
3 demonstrate that Sure-Way has taken these facts into account.

4 41. Assuming that Sure-Way were to take 25% of Stericycle's existing business in
5 eastern Washington and that Sure-Way meets its common carrier obligation to serve the entire
6 territory for which it seeks authority, Sure-Way's customer base should mirror Stericycle's
7 existing customer base and Sure-Way's transportation costs should be similar to Stericycle's.
8 Stericycle's 2004 internal financial statements are attached hereto as Exhibit MP-16. Data
9 from Stericycle's records, showing the time expended by Stericycle route truck drivers in
10 serving eastern Washington customers in April and May 2005 and my projections of driver
11 time required for Sure-Way's proposed service are attached hereto as Exhibit MP-17. There is
12 no way that Sure-Way's proposed service can be profitable at the revenue levels projected by
13 Sure-Way in the pro forma income statement attached to the Prefiled Testimony of David
14 Sullivan if Sure-Way serves the whole service territory covered by its application.

15 42. Stericycle data for its 2004 service in eastern Washington (showing number of
16 containers, number of stops and revenue earned by county) is attached hereto as Exhibit MP-
17 18. Data for Stericycle's eastern Washington long haul costs (for long haul transportation of
18 full highway trailers to its processing facilities) is attached as Exhibit MP-19.

19 43. Sure-Way operations in eastern Washington could only be profitable if Sure-
20 Way could limit its service to the relatively concentrated Spokane market adjacent to Sure-
21 Way's existing operations in northern Idaho. I believe that is what Sure-Way will attempt to do
22 if its application is granted and that Sure-Way has no intention of competing with Stericycle to
23 serve the other counties covered by its application. The mileage and transportation cost
24 assumptions in Sure-Way's pro forma projections demonstrate that Sure-Way does not intend
25 to provide more than token service outside Spokane County. However, in light of Sure-Way's
26 common carrier obligation to provide service throughout the proposed service territory if its

1 application is granted, an assessment of the financial feasibility of the proposed service cannot
2 properly be based on the assumption that it will not do so.

3 44. Sure-Way's existing business does not have sufficient current assets or cash
4 flow to fund the substantial start-up costs and operating deficits that are foreseeable for Sure-
5 Way's proposed service.

6 45. Although Stericycle makes every effort to operate efficiently and in a manner
7 that will allow it to earn a profit on its services to all segments of the generator community and
8 in all parts of the state of Washington, Stericycle's profit margin is highest -- because its costs
9 of operation per container handled are lowest -- in serving major population centers. Because
10 Stericycle's rates do not take into account the higher costs per unit of service to small quantity
11 generators in the less populous areas, Stericycle already loses money on service to many such
12 small quantity generators, particularly in rural eastern Washington where they are widely
13 dispersed. If Sure-Way is allowed to erode Stericycle's customer base in eastern Washington,
14 particularly in the Spokane County area, the profitability of Stericycle's service to eastern
15 Washington generators, as well as Stericycle's overall profitability, will be seriously and
16 adversely affected. Since Stericycle's common carrier obligation will require it to continue to
17 serve all generators who request service throughout the state, Stericycle's revenues will be
18 reduced but most of its costs will be unaffected unless it significantly reduces the level of
19 service it provides to its customers. As a result, if Sure-Way's application is granted, Stericycle
20 will almost certainly be forced to reduce the level of its service to eastern Washington
21 generators in outlying locations or to increase its rates.

22 DATED this 13 day of July, 2005.

23
24 

25 Michael Philpott
26

Exhibit MP-2

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

For the Operation of Motor Propelled Vehicles

pursuant to the provisions of Chapter 81 RCW

THIS IS TO CERTIFY that authority is granted to operate as a MOTOR CARRIER in the transportation of the commodities and in the territory described herein to

STERICYCLE OF WASHINGTON, INC.
258 SW 43RD STREET SUITE M-B
RENTON, WASHINGTON 98055

Cert No.
G-244

CORRECTED

Solid Waste consisting of biohazardous or biomedical wastes in the state of Washington.

Solid Waste from the facilities of Stericycle, Inc., for disposal

M. V. G. NO. 1876

12-07-99



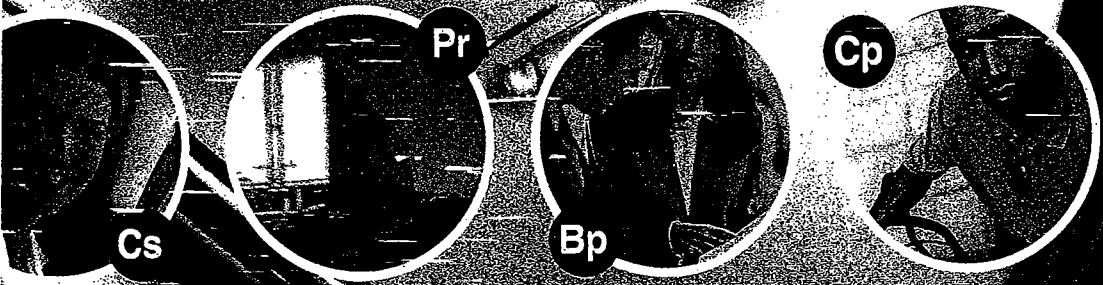
WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

By *Carole J. Starkman*

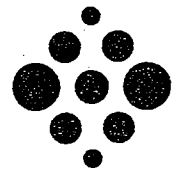
Exhibit MP-3

EXHIBIT MP-3

STERICYCLE...YOUR PARTNER FOR SUCCESS.



MARKET LEADER IN HEALTHCARE COMPLIANCE SERVICES

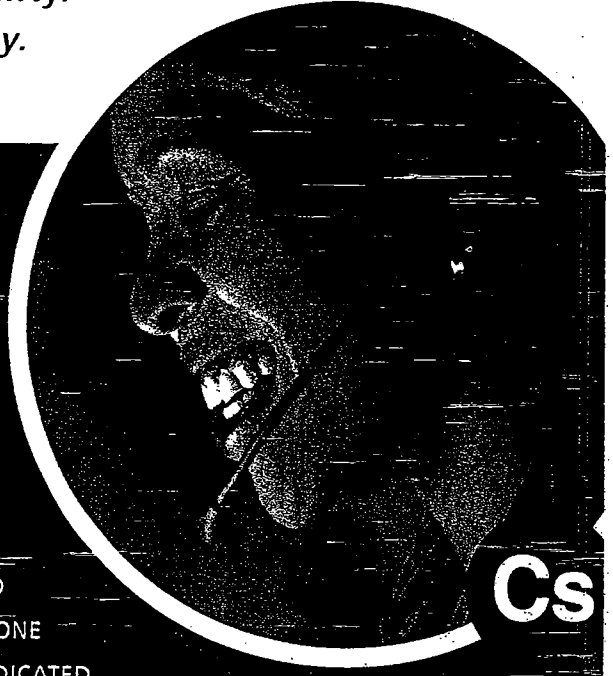


Stericycle

YOU NEEDED TO...

- Responsibly manage your medical waste.*
- Comply with current OSHA regulations.*
- Protect your business against potential liability.*
- Guarantee your employees health and safety.*
- Ensure your success.*

THAT'S WHY YOU CHOSE STERICYCLE, THE LARGEST PROVIDER OF COMPLIANCE SERVICES FOR THE HEALTHCARE INDUSTRY IN THE UNITED STATES. YOU CHOSE THE ONLY NATIONWIDE COMPANY THAT OFFERS INTEGRATED SERVICES AND PROGRAMS — SAFE AND COST-EFFECTIVE MANAGEMENT OF REGULATED MEDICAL WASTE COLLECTION, TRANSPORTATION, TREATMENT AND DISPOSAL, ALONG WITH COMPREHENSIVE OSHA COMPLIANCE PROGRAMS AND PRODUCT SALES. TOTAL CUSTOMER SATISFACTION IS OUR NUMBER ONE PRIORITY, YOU WILL RECEIVE BEST-IN-CLASS SERVICE FROM DEDICATED PROFESSIONALS WHO CARE.



Cs

USE STERICYCLE TO...

- TAKE THE GUESSWORK OUT OF OSHA COMPLIANCE (STERI•SAFESM).
- PROVIDE TRAINING, WASTE MINIMIZATION AND MOCK OSHA AUDITS.
- PROVIDE LEGAL DOCUMENTATION FOR STATE REPORTING.
- SUPPLY COMPLIANCE TRAINING, SHARPS CONTAINERS, SAFETY PRODUCTS, ETC.



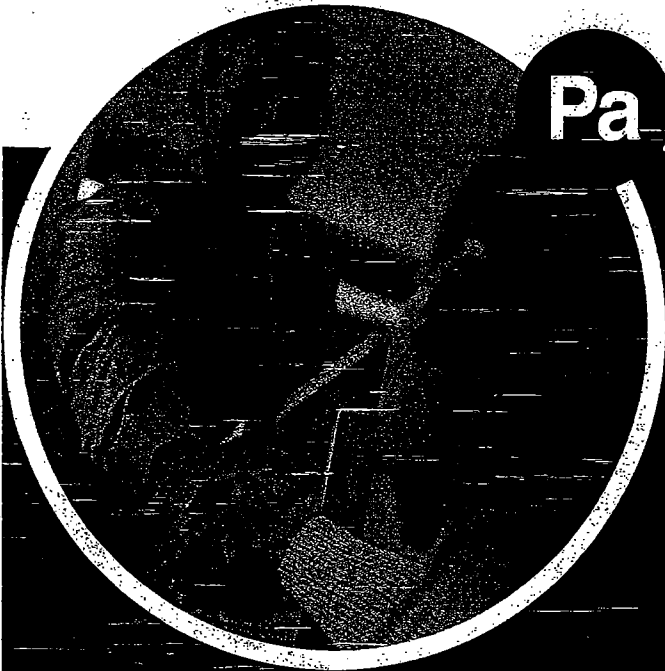
Tr

SINCE 1989, STERICYCLE HAS PROVIDED INTEGRATED SERVICES TO HEALTHCARE COMPANIES NATIONWIDE, INCLUDING HOSPITALS, PHYSICIAN AND DENTAL OFFICES, LABORATORIES AND CLINICS. OVER 275,000* CUSTOMERS HAVE CHOSEN STERICYCLE AS THEIR COMPLIANCE PARTNER.

*CUSTOMERS AS OF 9/02

Cs
Bp
Pr
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STERICYCLE...YOUR PARTNER FOR SUCCESS.



INSIDE, YOU MAY FIND INFORMATION ON THE FOLLOWING TOPICS, INCLUDING:

SAMPLE INVOICE STATEMENT	CALENDAR - SERVICE SCHEDULE
REGULATORY ALERTS	WASTE ACCEPTANCE PROTOCOL

MISSION STATEMENT

TO BE THE LEADING COMPANY DEDICATED TO THE ENVIRONMENTALLY RESPONSIBLE MANAGEMENT OF INFECTION CONTROL AND COMPLIANCE SERVICES FOR THE HEALTHCARE COMMUNITY.

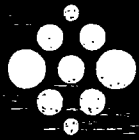
Experts in Infection Control and Healthcare Compliance Services



Laura Batte
Inside Sales Coordinator

20320 80th Avenue South
Kent, WA 98032
www.stericycle.com

Tel: 425.291.9322
Fax: 425.291.9329
lbatte@stericycle.com



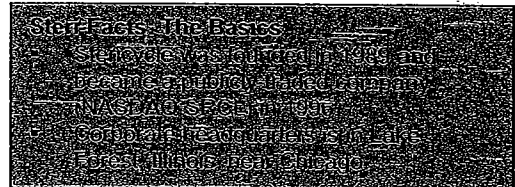
Stericycle®

Experts in infection control and healthcare compliance services.

Company Overview

Products that protect and programs that comply. That's Stericycle – a leading full-service provider of infection control management and compliance services for the healthcare community. Our medical, personal protection, and infectious waste disposal products and services include comprehensive programs that help our customers comply with evolving regulations. It is our mission to improve safety by reducing risk exposure for both patients and professionals, while making healthcare more efficient for everyone.

Since it began in 1989, Stericycle has become the leading provider of regulated medical waste management services in North America. As strict medical waste management regulations were adopted to protect the public, we saw the opportunity to manage medical waste for a wide variety of healthcare customers far more efficiently than they could on their own – and in compliance with regulatory conditions. Moreover, we developed a patented treatment process that is safe, clean and reduces the volume of medical waste in landfills.



Today, we're a national full-service medical waste management provider, and we have a growing global presence. We serve more than 300,000 customers including hospitals, blood banks and pharmaceutical manufacturers, as well as medical and dental offices, outpatient clinics, laboratories and more.

For Stericycle, medical waste management was just the beginning. We're constantly seeking to advance the industry by developing new technologies and improved products that expand the frontiers of medical waste management and compliance services.

For example, in addition to our industry-leading medical waste management services:

- We offer **BioSystems sharps management** services that reduce cost, free up valuable personnel time, and reduce the risk of needle sticks in hospital settings.
- Our **Steri-SafeSM OSHA and HIPAA Compliance programs** help healthcare employers manage current OSHA and HIPAA requirements with state-of-the-art training tools and services for a predictable flat monthly fee.
- Our new **Stericycle JRepositoryTM** is a dynamic, web-based tool designed to improve the total quality of healthcare and provide continual readiness for JCAHO compliance.
- Our **Stericycle Infection Control Management Software** lets professionals spend less time managing data and more time preventing infections.
- Our **Steri-SafeSM disinfectant** is the only hospital-grade disinfectant cleaner with a human safety profile (dermal, oral and ocular) that is EPA Toxicity category IV*.
- Our **Stericycle Direct Return** program removes the guesswork and effort from returning expired pharmaceuticals.

* Support on file

In addition to our diverse customer base and broad range of high-quality services, our advantages include:

- **Industry leadership.** We are the industry's most efficient, fully integrated operator, the leading market innovator, and the industry's environmental and safety leader.
- **Global reach.** We combine our technological expertise with the know-how of local partners to offer total solutions that address local and national requirements. Since 1996,

we have entered into agreements with companies in Brazil, Mexico, Argentina, South Africa, Japan and Australia to either form joint ventures or license our patented treatment technology. Through our Canadian subsidiary, we operate in six provinces.

- **An established national network.** Our 41 treatment/collection centers and 100 transfer and collection sites operate as an integrated network throughout North America.
- **Efficient operations.** Our vertically integrated network and broad geographic presence means we are able to increase our route densities, so our

Strong Facts - Market Leadership
 Stericycle is a leading provider of regulated medical waste management services in North America and has the only national network in the regulated medical waste management market.
 Stericycle is a leading provider of OSHA compliance and training services in the US. Stericycle serves more than 300,000 customers in 48 states, the District of Columbia, Puerto Rico, Canada and Mexico.
 Stericycle's fully integrated network includes 41 treatment/collection centers and 100 transfer and collection sites.
 Stericycle is on Fortune magazine's list of the 100 Fastest Growing Companies in America and Forbes America's 200 Best Small Companies.

drivers make more stops per shift and keep the distance traveled to treatment facilities to a minimum.

Medical Waste Management

Every day, throughout North America and across the globe, Stericycle is collecting, treating and disposing of medical waste in the most responsible methods. We have more than 300,000 customers in 48 states, the District of Columbia, Puerto Rico, Canada and Mexico.

Collect it. Treat it. Dispose of it. Document it. Simply put, that's the process. Yet Stericycle's full-service medical waste management program goes further. We not only champion the need for safe, secure and environmentally responsible management of medical waste, we combine our services with training and education, consulting services, and product sales. We help protect customers and their employees against potential liabilities and injuries associated with the handling, transportation, and disposal of regulated medical waste. For example:

Our Technology
 Our treatment technologies include our proprietary electrothermal deactivation system (ETD) as well as traditional methods such as autoclaving and incineration. The ETD treats all types of regulated medical waste, even an oscillating liquid, without producing waves of heat. The waste is rendered as harmless particles without melting or producing any liquid waste. ETD does not produce hazardous air pollutants and never releases medical waste into the air. It is more acceptable to the public. It also reduces waste volume.
 We prefer alternative treatment technologies such as ETD. Conventional methods currently account for 15% of our treatment capacity - down from more than 30% in 2000. At Stericycle, we ensure that regardless of the method used, our processes are safe, secure, and environmentally responsible.

- Our programs help customers identify, handle and segregate their regulated medical waste, reducing the amount of medical waste they pay to manage.
- We advise and assist healthcare customers with the proper methods of recording and documenting their medical waste management to comply with all regulations. Our Bio-Track bar-coding system tracks the container from the point of generation to treatment.
- We offer training and consulting to help customers reduce the amount of medical waste they generate and improve safety and OSHA regulatory compliance in their workplace.

Stericycle also provides assured destruction of expired pharmaceuticals, recycling of mercury in dental amalgam, and mail-back programs for disposing small or infrequently generated quantities of regulated medical waste, including sharps.

BioSystems Sharps Management Program

BioSystems is the expert in providing safe, environmentally-friendly, and cost effective full-service sharps management solutions to hundreds of major hospitals throughout the U.S. We're much more than collection and safe disposal – our unique sharps containers are easy to use and re-useable, reducing waste in landfills. Our technicians manage the process of container monitoring and disposal, mitigating the risk of sharps injuries due to overfull containers, freeing up valuable time by relieving sharps container handling and disposal responsibility from health professionals. This results in lowered risk and cost.

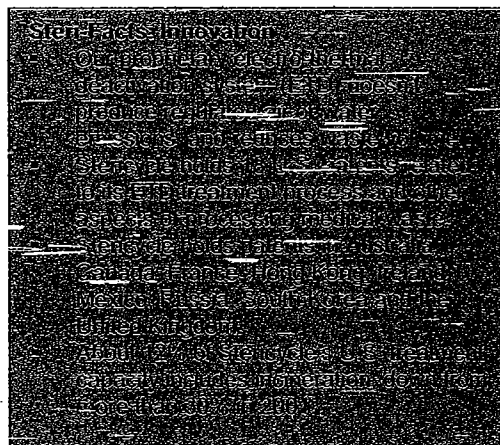
Steri-SafeSM OSHA Compliance Program

With our Steri-SafeSM OSHA Compliance Program, we take the guesswork out of getting into compliance and staying there. It is the worry-free way to keep in compliance, enhance employee safety, keep your waste under control and keep your costs down. A flat monthly fee includes a comprehensive package of services, including waste pickup and disposal, training manuals and interactive CD-ROMs, on-site training and mock inspections, safety product discounts and more.

In addition, our Steri-SafeSM HIPAA Compliance Program gives you all the online web-based tools you need for a low flat monthly fee. It's the easy way to track and manage all the changes in your practice mandated by HIPAA.

Stericycle JRepositoryTM

The Stericycle JRepositoryTM is a comprehensive, web-based compliance tool that helps hospital organizations constantly monitor JCAHO compliance, thereby ensuring continual readiness for unannounced surveys. With its customizable assessments, tracer methodology, automated corrective action plans, event reporting and tracking, and more, the Stericycle JRepositoryTM moves complex manual tasks to an automated quality process – reducing the time and costs usually needed to keep organizations in a state of continuous readiness. Moreover, it allows collaborative communication and accountability among hospital professionals, thereby including everyone in creating total quality improvement.



Infection Control and Safety Solutions Products

From infection control to personal protection, from patient care to waste containment, the Steri-Safe Infection Control & Safety Solutions guide offers a wide range of products that are carefully evaluated to meet the highest standards. Included in our catalog are infection control products, needle stick safety syringes, patient care products, our special waste disposal program for mercury and dental amalgams, and more.

Stericycle Infection Control Management Software

Giving professionals more time to prevent and control infections rather than spend time collecting and reporting data is the objective of Stericycle Infection Control Management Software. It is an infection surveillance and outbreak management tool that helps infection control professionals save lives by attacking the root causes of infection, while also reducing the excessive time demands of infection monitoring and analysis. Every year, infections lead to more than an estimated 30,000 preventable deaths and billions of dollars in healthcare costs**. Our easy-to-learn software standardizes the infection-tracking process, monitors for potential outbreaks, and gives advance warning of possible outbreaks.

Steri-SafeSM Disinfectant Cleaner

Steri-SafeSM Disinfectant Cleaner is a breakthrough disinfectant cleaner for infection control in any setting – including patient care areas, laboratories, food preparation areas, health club facilities, daycare centers, schools and households. It's revolutionary because it offers hospital grade, broad spectrum disinfection without the disadvantages -- Steri-SafeSM is a safe, ready-to-use, non-flammable single product that disinfects multiple surfaces with no special disposal needed. It's the only hospital-grade disinfectant cleaner of its kind that is non-toxic, non-irritating and non-corrosive. In addition, it is the only hospital-grade disinfectant cleaner with a human safety profile (dermal, oral and ocular) that is EPA Toxicity category IV; and it's registered by the EPA for use on food contact surfaces.

Stericycle – Direct ReturnTM

Stericycle -- Direct ReturnTM takes the guesswork, the labor, the risk, and a lot of hassle out of managing expired medications, while reducing pharmaceutical costs. Hospital pharmacies annually lose thousands of dollars in manufacturer credits for outdated, damaged, and unsalable pharmaceutical products due to inefficient, costly and often confusing return processes. Stericycle -- Direct ReturnTM delivers a double-digit percentage increase in average annual manufacturer returns credits. Our technicians will manage expired medications on site, or we'll provide a kit that allows hospitals to easily handle the process themselves. We offer internet-based technology that provides 24/7 online availability of current returns data and reports, on-site packing and shipping service, and a single location to which all expired medications are shipped. It's easy to use, generates increased revenues for the hospital, and reduces the risk to patient health from expired medications.

**U.S. Agency for Healthcare Research and Quality and Johns Hopkins University.

Steri-Safe™

Breakthrough Nanoemulsion Technology – Breaks the “Efficacy-Safety” Paradox

Finally there's a broad spectrum, hospital-grade disinfectant cleaner without the harmful effects to humans, materials or the environment!

Introducing Steri-Safe™ Disinfectant Cleaner

Steri-Safe™ is the only hospital-grade disinfectant cleaner with broad bactericidal, virucidal, fungicidal and tuberculocidal efficacy that does not require special handling or disposal, is non-flammable and is safe to use (non-staining, non-corrosive) on a wide variety of surfaces.

EFFICACY

Bactericidal – *Campylobacter jejuni****
Escherichia coli O157**
Legionella pneumophila
*Listeria monocytogenes***
Methicillin resistant Staphylococcus aureus (MRSA)***
*Pseudomonas aeruginosa**
Salmonella choleraesuis
*Salmonella typhimurium***
Staphylococcus aureus
*Streptococcus pyogenes***
Vancomycin resistant Enterococcus faecium (VRE)***

Virucidal – Hepatitis B**
Hepatitis C**
Herpes simplex Type I**
Herpes simplex Type II**
HIV-1**
Influenza A2***
Rhinovirus 39

Fungicidal – *Candida albicans***
*Trichophyton mentagrophytes***

Tuberculocidal – *Mycobacterium bovis* (TB)

* 2 minutes contact time. In California, *Staphylococcus aureus* contact time is 10 minutes
** 5 minutes contact time
*** 10 minutes contact time

Kills TB, HIV and HBV in five minutes*

SAFETY

- No eye & lung irritation
- No respiratory or dermal toxicity
- No adverse effects around children or asthmatics
- Non-flammable
- No personal protective equipment required
- Non-corrosive and non-staining on any surface
- Approved by EPA for use on food contact surfaces

Steri-Safe™ is the only formula on the market today that meets the CDC Guidelines of an ideal disinfectant.*

* See back for details on back. *Reference – CDC Guideline for Infection Control and Sterilization in Healthcare Facilities, 2008, June 2003.

BENEFITS

- Longest lasting for a broad range of disinfectant uses
- Value – product lasts longer due to material safety
- Employee safety and satisfaction – hypo-allergenic, no contact dermatitis or skin irritation
- Environmental safety – no waste treatment or special disposal required

Powerful, Non-Corrosive
and Ready To Use

For use in:
Hospitals (Surgical & Non-Surgical)
Rehab • Mental Health • Long Term Care
Health Care Corporations • State Health Services

Available in:
8 oz., 22 oz., 1 gal., 5 gal., 55 gal.
See back for ordering information.



W A S T E A C C E P T A N C E P R O T O C O L

Stericycle policy requires compliance with all applicable regulations regarding the collection, transportation and treatment of regulated medical waste. Federal Department of Transportation (DOT) Regulations require the generator of regulated medical waste to certify that the packaging and documentation of transported regulated medical waste complies with DOT regulations regarding waste classification, packaging, labeling and shipping documentation. To ensure that neither Stericycle nor the generator of regulated medical waste violates applicable regulations, it is imperative that all parties understand the rules regarding proper identification, classification, segregation and packaging of regulated medical waste. The purpose of this policy is to summarize the minimum requirements for preparing your medical waste for collection, transportation and treatment. Additional facility or state-specific waste acceptance policies may apply based on permit specifications. Please contact your local representative.

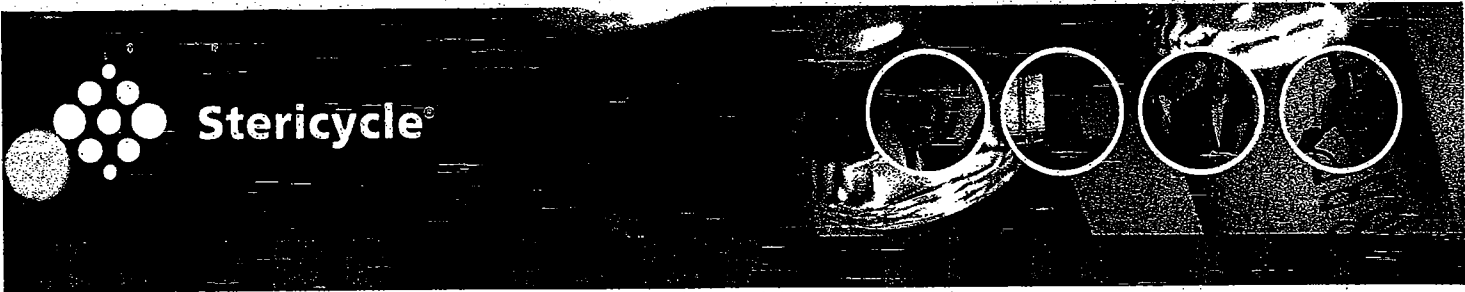
REGULATED MEDICAL WASTE

Stericycle accepts medical waste generated in a broad range of medical diagnostic, therapeutic and research activities. The term "medical waste" includes biohazardous, biomedical, infectious or regulated medical waste as defined under federal, state or local laws, rules, regulations and guidelines. Except as defined by specific state regulations, this excludes pharmaceuticals, waste containing mercury or other heavy metals; chemicals such as solvents, reagents, corrosives or ignitable materials classified as hazardous waste under Federal EPA Regulations. Stericycle cannot accept these excluded materials. In addition, Stericycle cannot accept bulk liquids or chemotherapy waste, radioactive materials, fetal remains or human torsos. Separate protocol and packaging requirements apply for the disposal of non-hazardous pharmaceuticals.

Please contact your local representative for details and packaging specifications. Before accepting pharmaceutical waste from your facility, we must have on file a signed Pharmaceutical Waste Acceptance Protocol. This protocol outlines the bags and labeling that are required. It also gives some guidelines as to what can be considered a hazardous pharmaceutical. If you would like us to pick up your expired pharmaceuticals, please contact our customer service department.

WASTE SEGREGATION AND PACKAGING

The generator is solely responsible for properly segregating, packaging and labeling of regulated medical waste. Proper segregation and packaging reduces the potential for accidental release of the contents and exposure to employees and the general public. All Stericycle customers are provided with packaging instructions which describe the packaging, maximum weights, proper sealing/closure of inner bags and outer containers and proper packaging of sharps. These instructions are designed to comply with the packaging requirements of 49 CFR 173.197, which require that waste be packaged in a container that is 1) rigid; 2) leak resistant; 3) impervious to moisture; 4) of sufficient strength to prevent tearing or bursting under normal conditions.



P A C K A G I N G G U I D E L I N E S

<p>All medical waste collected for disposal, must be placed in a corrugated box or reusable container which is lined. (Massachusetts requires two liners per box.) The bag used for this purpose must be of sufficient strength to prevent ripping or tearing per applicable standards. In addition, the bag must be marked according to federal, state and local regulations (i.e., red in color and/or biohazard symbol).</p>
<p>Place all "red bags" into the reusable shipping containers or corrugated boxes.</p>
<p>Sharp materials ("sharps") must be placed in special puncture-resistant containers. Sharps include needles and syringes, scalpel blades, broken glass, culture slides, culture dishes, broken capillary tubes, broken rigid plastic and exposed ends of dental wire. As with other medical waste, sealed containers filled with sharps may be placed in the shipping container. No loose sharps permitted in corrugated boxes or non-approved reusable containers.</p>
<p>Each bag must be sealed/tied. The reusable containers/corrugated boxes must be securely closed.</p>
<p>The outside of each container must bear a label showing your facility's name and address or a specially provided bar code label.</p>
<p><i>Medical waste does not include chemicals, mercury, solvents, pharmaceuticals (see Waste Acceptance Protocol) or other hazardous wastes. For pathological waste, the preservative agent must be decanted prior to placement in the container.</i></p>

<ul style="list-style-type: none"> • Plastic bags which meet the requirements of federal, state and local regulations • Reusable containers with lids or corrugated boxes which are marked to meet state standards • Tape • Special containers for sharps • Bar code labels (not available in all areas) • Expertise on Medical Waste Regulations and Management
<p><i>The above items may be subject to additional charges.</i></p>

<ul style="list-style-type: none"> • Generators are responsible for packaging their wastes. Only properly packaged containers will be accepted. • Each container will be tested for radiation. Materials with unacceptable radioactive readings will be rejected and should be disposed of at a properly licensed facility. 	<p>This information is based on laws and regulations as of August 2002. However, laws and regulations change. We advise you to stay abreast of all laws and regulations pertaining to the handling and disposal of medical waste. For more complete information, write to the U.S. Department of Transportation (DOT) Research and Special Program Administration Department (see address below) or the appropriate agency in your state.</p> <p>U.S. Department of Transportation (DOT) Research and Special Program Administration Department 400 7th Street Southwest Washington DC 20590</p> <p>or call: (800) 467-4922 www.DOT.gov</p>
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5

Five Questions To Ask Yourself Before OSHA Does!

1. Does our facility have an up-to-date written safety plan?
2. Have all employees received their annual bloodborne pathogens training?
3. Are we conducting and documenting safety meetings?
4. How would my staff react to an OSHA inspection?
5. Does our facility have site-specific material safety data sheets for all of our chemicals?

If you answered "No" to any of these questions, the Steri-Safe™ Compliance Program can help you achieve total compliance with current OSHA regulations. If you answered "Yes" to any of these questions, the Steri-Safe™ Compliance Program will complement or help you maintain your current OSHA program, plus provide computer-based training tools and regular updates to keep your facility in compliance long term. **Guaranteed.**

MORE THAN JUST SAFE... BE STERI-SAFE™

How Little Can Staying in Compliance Really Cost?

You'll be Amazed!

Steri-Safe™
OSHA
COMPLIANCE
PROGRAM

Selecting The Perfect Steri-Safe™ Level For You
There's no easier way to handle your essential OSHA Compliance and Medical Waste Management needs than Steri-Safe™. When choosing the level that's ideal for your facility, remember that the Preferred level gives you the best value. Start benefiting from the most comprehensive solution on the market, Steri-Safe™, by calling Stericycle® Customer Service today.

STERI-SAFE™ PROGRAM LEVELS

Preferred

Select

Guard

OSHA COMPLIANCE TRAINING
OSHA COMPLIANCE TRAINING
With Steri-Safe™ Compliance, you receive 720 minutes of training.

PRODUCT DISCOUNTS
Savings in Sharps Containers, Safety Products, etc.

MSDS SYSTEMS
Over 260,000 Materials Updated Annually

OSHA COMPLIANCE MANUAL
Including Updated Federal Regulations, Charts, Posters, and Labels

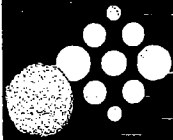
GUARANTEE
If, by following our program, you are found to be in non-compliance with OSHA regulations, Stericycle will pay your fine.



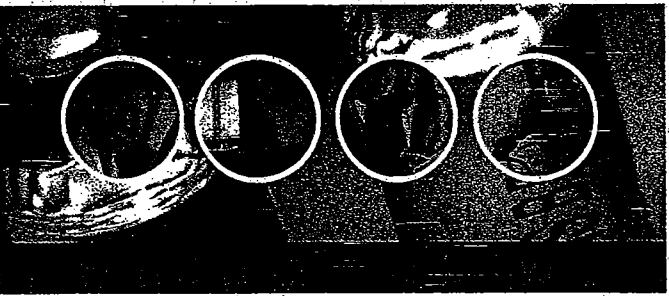
www.stericycle.com



For more information on how you can obtain One-Stop OSHA Compliance and Medical Waste Management for One Low Monthly Fee, contact one of our Compliance Professionals at: **(866) STERI-CALL or (866) 783-7422**



Stericycle®



SAMPLE TRANSACTION INVOICE

* REPRINT *

Stericycle®
The Specialist in Managing Medical Waste

AJC Dental Group
Dr. A. Anybody
1234 Any Street
Anytown, AZ 12345-1234

Page: 1 of 1

1

FOR PICKUP INFORMATION CALL: 800-952-9324

2

INVOICE DATE: 04/30/2002

3

INVOICE NUMBER: 0123456789

DATE	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL
04/02/2002	RECYCLED	1.00	10.00	10.00
04/09/2002	RECYCLED	1.00	10.00	10.00
04/07/2002	RECYCLED	1.00	10.00	10.00

4

5

6

7

8

1

Toll free (866) STERI-CALL [(866) 783-7422]

2

Your account number. Please have this available when calling customer service.

3

Please include this number on your payment.

4

Date of service, manifest number, quantity, description of what was picked up, weight — if applicable, unit price and total!

5

This is the current period charges.

6

Payable aging status of invoice.

7

This area is reserved for messages or special offers.

8

You can select check or credit card payment. If you choose to pay via credit card, your account number, expiration date and signature are required.



FACILITY INFORMATION

	Mission	To be the leading company dedicated to the environmentally responsible management of infection control and compliance services for the healthcare community.
	Technology	Electro-Thermal Deactivation
	Capacity	Maximum: 6,000 lbs/hour Average: 3,400 lbs/hr
	Facility Contact	830 Westlake Boulevard PO Box 1229 Morton, Washington 98356
	Operating Hours	Two 10-hour shifts, Monday through Friday

Stericycle is the nation's number one provider of Medical Waste collection and disposal services, with a network of over 30 processing facilities and 100 collection operations in the United States and Canada. Stericycle's Morton Medical Waste Facility is located south of Seattle metropolitan area. It services the Washington and Oregon geographic area. The facility was established in 1992 and is one of the most technologically advanced medical waste

treatment facilities in the United States. The 15,000 sq. ft. ETD facility is capable of treating and disposing of medical wastes, safely and effectively, both now and far into the future. Currently, the Morton facility processes approximately 18 million pounds of medical waste per year.

The Morton facility applies a patented Stericycle technology called Electro-Thermal Deactivation (ETD). Waste is first reduced in size and rendered



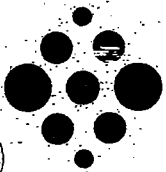
Corporate
28161 North Keith Drive
Lake Forest, Illinois 60045

■ **East Region**
3 Expressway Plaza Suite 114
Roslyn Heights, New York 11577

■ **Central Region**
13975 Polo Trail Drive Suite 201
Lake Forest, Illinois 60045

■ **West Region**
9188 Glenoaks Boulevard Suite 300
Sun Valley, California 91352

■ **Canada Region**
79 Vulcan Street
Toronto, Ontario M9W1L4



Stericycle



Stericycle Medical Waste Systems
Service Schedule for 2004

Customer and Site No: 6060945-001
Frequency: Every 4 Weeks

To Schedule a Pickup, or for Service Related Questions
Please Call: 1-800-Med-Waste

For Information on Steri-Safe, or to Order Sharps Containers
Please Call : 1-800-355-8773

Contact Name: Julie-A/P

For Any Other Questions
Please Call : 800-633-9278

Acme Assisted Living
2317 W 5th
Walla Walla, WA, 99362

Pickup Day and Date:

July
1-Thu 29-Thu

August
26-Thu

September
23-Thu

October
21-Thu

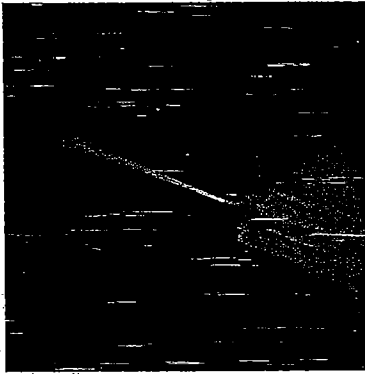
November
18-Thu

December
16-Thu



Introducing

Steri-SafeSM
OSHA
COMPLIANCE
program



A Simple,
Comprehensive
OSHA Compliance
Program.



Now You Can Meet OSHA Requirements

Steri•SafeSM OSHA Compliance Program Manual

IT'S THE LAW

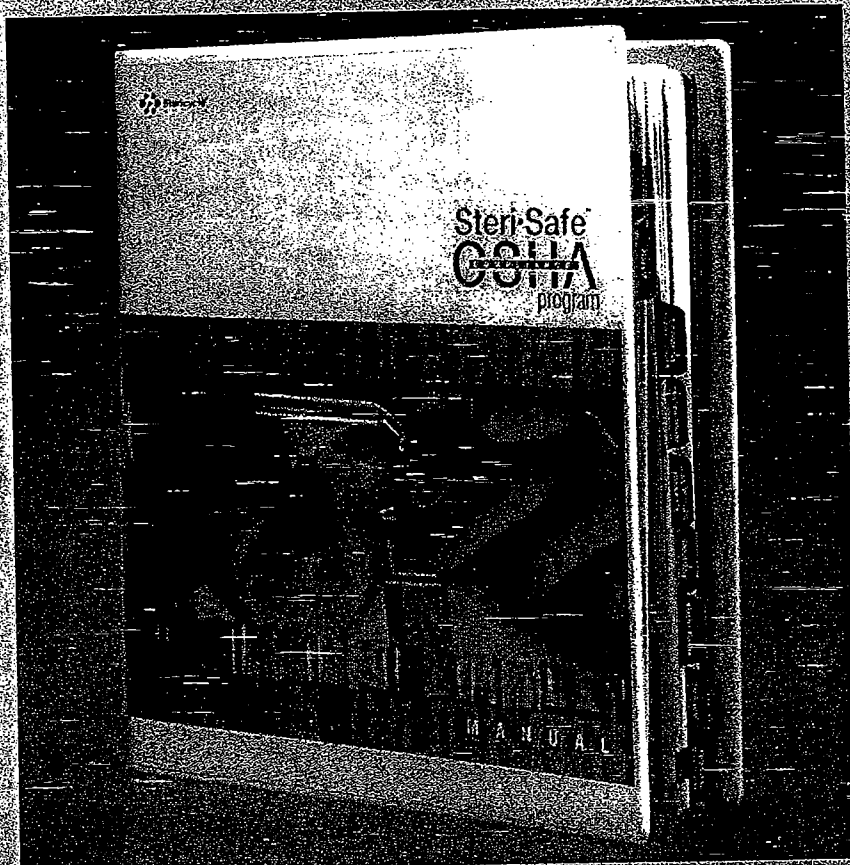
Public Law 91-596, Section 5(A1) General Duty Clause

Provide employees with a safe work environment based on a written exposure control plan.

Title 29, Section 1910.1030 & Applicable State Requirements

Ensure proper removal of on-site medical waste.

OSHA Compliance Program includes:
• Training Materials
• Comprehensive Training Lessons
• OSHA Mandated Plans and Forms



Employee Safety Meeting CD

IT'S THE LAW

Public Law 91-596, Section 5(A1) General Duty Clause

Conduct regular communications with employees regarding safety issues, including documentation.

Material Safety Data Sheets CD

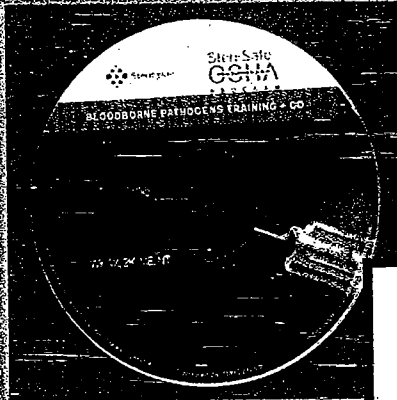
IT'S THE LAW

Title 29, Section 1910.1200

Communicate to employees all potential and existing hazards in the workplace. Material Safety Data Sheets (MSDS) and necessary documentation are required.

MORE THAN JUST SALES

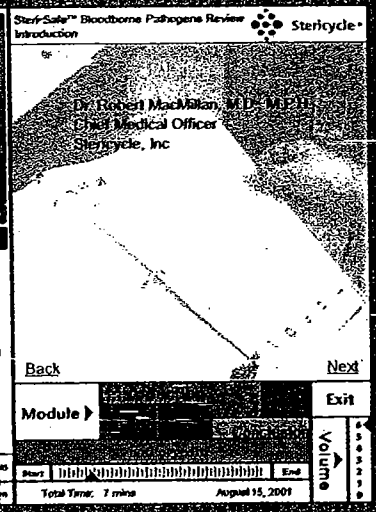
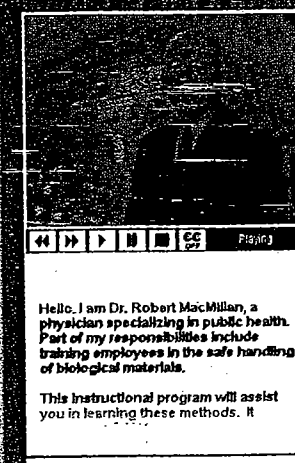
... With One Flat Monthly Fee.



Bloodborne Pathogens Training CD

The Bloodborne Pathogens Training CD-ROM contains 10 interactive training modules that meet the OSHA standard using an interactive motion video presented by Dr. Robert MacMillan, M.D., M.P.H., Chief Medical Officer, Stericycle, Inc.

- Meets OSHA requirements using a DVD at the end of each segment
- Prints a record of training
- In-house training with full-motion video

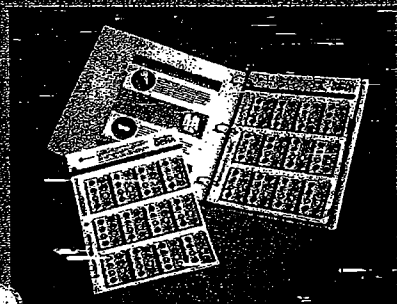


IT'S THE LAW

Title 29, Section 1910.1030

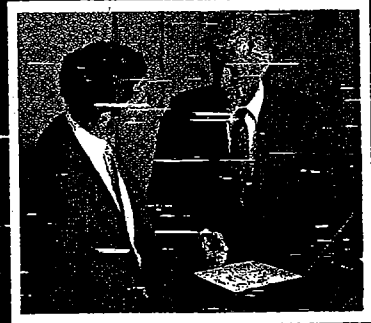
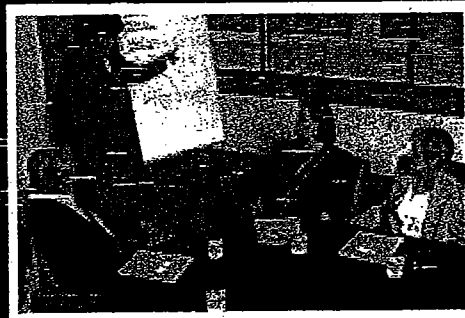
Provide Bloodborne Pathogens Training for all employees who may be exposed to bloodborne pathogens. Training is required prior to their assignment and at least annually thereafter.

Hazard/Personal Protective Equipment ID Poster and Labels



Steri-SafeSM Preferred Level Includes All Program Components plus

Annual On-Site OSHA Training with a Steri-SafeSM Consultant.



On-Site Mock OSHA Inspection with written recommendations

Risk-Free Guarantee

Guaranteed OSHA Compliance Or We Pay Your Fine

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Selecting The Perfect Steri-SafeSM Level For You

There's no easier way to handle your essential OSHA Compliance needs than Steri-SafeSM. When choosing the level that's ideal for your facility, remember that the Preferred level gives you the best value. Start benefiting from the most comprehensive solution on the market, Steri-SafeSM, by calling Stericycle Customer Service today.

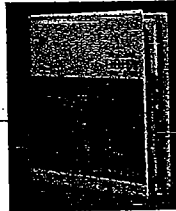
Steri-SafeSM
OSHA
COMPLIANCE
program

Products and Benefits

Select Preferred

Flat Monthly Fee

Determined by Program Level and Number of Employees.



OSHA Compliance Program Manual

Including Updated Federal Regulations, Forms, etc.

Bloodborne Pathogens Training CD

Teaches BBP Standard with Interactive, Full-Motion Video



Quarterly Audio Safety Meeting (QASM) CD

On Critical and Timely Safety Topics.

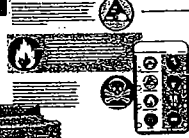


Material Safety Data Sheets (MSDS) System CD

Over 300,000 Materials Updated Annually.

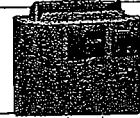


Hazard/Personal Protective Equipment ID Poster
with Hazard/Personal Protective Equipment (PPE) ID Labels.



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Savings on Sharps Containers, Safety Products, etc.



On-Site Mock OSHA Inspection

Conducted By Your Steri-SafeSM Consultant



Annual On-Site OSHA Training

with a Steri-SafeSM Consultant. May qualify for CE Units.

GUARANTEE

Guaranteed OSHA Compliance or We Pay You Fine

*As it pertains to Bloodborne Pathogens and Medical Waste Management practices

Medical Waste Management Services Available - Sold Separately
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Enroll Today

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800-755-3291

to initiate your Steri-SafeSM OSHA Compliance Program or to upgrade your current service level.

Pacific Northwest District Office
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Exhibit MP-4

Regulated Medical Waste



5028-6060945-001-00A000P

Generator
Acme Assisted Living
2317 W 5th
Walla Walla, WA 99362
Ph: (509)555-1212

Transporter
Stericycle

20320 80th Ave S
Kent, WA 98032
(800) 633-9278

Thank You for Choosing Stericycle
Regulated Medical Waste



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Generator
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Walla Walla, WA 99362
Ph: (509)555-1212

Transporter
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5028-6060945-001-00A000V

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Stericycle

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Regulated Medical Waste



5028-6060945-001-00A000Q

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Stericycle

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Kent, WA 98032
(800) 633-9278

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