

EXHIBIT AM-IT

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In Re Application of
**KLEEN ENVIRONMENTAL
TECHNOLOGIES, INC.**

Consolidated Docket Nos.:
TG-040221 and TG-040248
**PREFILED TESTIMONY OF ALLEN
MCCLOSKEY**

I, Allen McCloskey, declare under penalty of perjury of the laws of the state of Washington, that the following is true and correct to the best of my knowledge:

I am a Development Consultant to Kleen Environmental Technologies, Inc. My duties include overseeing this application before the Washington Utilities and Transportation Commission to secure a Certificate of Public Need and Necessity. If the certificate is granted, I will be responsible for the oversight and implementation of the services provided pursuant to that certificate, and provide consultation on how to offer the services in a manner that compliments our existing corporate structure. I have worked with Kleen for 18 months.

I was formerly an active Development Manager for McCloskey Enterprises and in my capacity as such, designed and implemented countless development strategies for various companies.

I have a Bachelors Degree in Business Administration Humbolt State (1993).

PROPOSED SERVICE

1
2 It is the intention of Kleen to treat biomedical waste with the same disciplines, due-
3 diligence, and caution that we exercise in relation to RCRA waste. We are dedicated to
4 providing each of our clients with superior quality service through understanding their needs and
5 total commitment to their success. Our commitment to creating solutions for industries is
6 efficient, cost-effective, and accomplished in a professional manner. It is our ultimate goal to
7 provide value-added services directly supporting our clients' ability to remain competitive in
8 today's world market.

9 Kleen is proposing to offer a full service waste management service, not just your
10 traditional curb side pick-up service. We will offer clients a closer disposal facility for
11 incineration (Utah v. Brooks, Oregon) and an additional method of disposal called hydroclave, a
12 method and technology not offered by any other transporter. We will offer an online interactive
13 generator profile system that will allow generators to review various documents associated with
14 their waste, e.g., manifests, certificates of destruction, invoices, weight tickets, and any other
15 documents associated with the transporting and disposal of their waste, a service not offered by
16 any other transporter. We are proposing to be a full service waste management group for
17 Washington State generators, a service not offered by any other generator. We can offer our
18 existing services with our proposed services to allow savings and preservation of resources for
19 our clients.

20 The existing service providers offer services very similar to curb site pick-up. We are
21 going to be offering a full service waste management approach. We will offer the generator the
22 opportunity to consolidate their waste disposal needs. Our services related to biomedical waste

1 will be just one piece of the total waste management plan designed by our staff. Clients will be
2 encouraged to utilize Kleen for all their waste management needs so as to cut administrative
3 costs associated with the various wastes. We will also be offering an additional method of
4 disposal not currently offered by existing providers, i.e., Hydroclave. Our online user profiles
5 will be an additional service not offered by existing providers.

6 We are confident generators of biomedical waste will prefer our service because: we can
7 be more cost effective for them, including through consolidation of services; we can provide
8 them with more user friendly tracking systems and online profiles; we can better provide them
9 with Certificates of Destruction and manifests to identify waste destruction; and because of our
10 history of doing other business with them and the favorable sentiment in the industry towards
11 us.

12 CUSTOMERS

13 We plan to offer our service to any generator of biomedical waste in the state of
14 Washington, including but not limited to hospital and healthcare facilities, clinics, doctor
15 offices, dental offices, etc. The number of these clients are reflected in our projections attached
16 in spreadsheet format including volume/quantity.

17 WASTE TYPES

18 If granted the application sought, Kleen will accept all types of biomedical waste,
19 including without limitation pathological, softs, pharmaceuticals, residual
20 cytotoxic/chemotherapy waste, sharps, cultures and stocks, laboratory waste, animal carcasses
21 that weigh less than 65 pounds, and anatomical parts that emanate from procedures other than:
22 surgery, obstetrics, autopsies and laboratories. It is our understanding that specifically excluded

1 from the definition of medical waste are any RCRA-designated waste, animal carcasses larger
2 than 65 pounds, and the previously listed anatomical parts.

3 Dental clients generate less medical waste and more hazardous waste, e.g., X-Ray fixer,
4 lead foils, dental amalgam, alcohol solutions, developer solutions, gluteraldehyde. Generally, a
5 majority of waste generated by dental offices is transported for recycle/reclamation and will be
6 transported under Kleen's common carrier permit (CC-61426). Those wastes taken for disposal
7 will either be shipped by FedEx or transportation will be contracted out.

8 COLLECTION

9 For the sake of developing conservative projections we estimate pick-up service for most
10 generators to be conducted once per week. However, there will be exceptions who will generate
11 waste at a level that only requires monthly or on call service. We would like to have all pick-ups
12 take place according to a route schedule but will offer on-call service. If at all possible pick-up
13 for on call service will be worked into planned pick-up routes.

1 We have broken the state into four (4) Regions as follows:

2 <u>Region One</u>	<u>Region Two</u>	<u>Region Three</u>	<u>Region Four</u>
3 Pierce County	Clallam County	Okanogan County	Ferry County
King County	Jefferson County	Chelan County	Stevens County
4 Snohomish County	Kitsap County	Douglas County	Pend Oreille County
Skagit County	Grays Harbor County	Kittitas County	Lincoln County
5 Whatcom County	Mason County	Grant County	Spokane County
	Thurston County	Yakima County	Adams County
	6 Pacific County	Benton County	Whitman County
	Lewis County	Klickitat County	Franklin County
	7 Wahkiakum County		Walla Walla County
	Cowlitz County		Columbia County
	8 Clark County		Garfield County
	Skamania County		Asotin County

9 We would prefer to conduct routes and pick-ups once per week. For example if you look
10 at projections/analysis for region one with four clients each generating 15 units per week by the
11 end of the month we have a truck load ready for disposal. As things progress throughout the year
12 we will see our routes and transportation for disposal increasing.

13 Routes will differ based on the number of generators and the quantity of waste being
14 generated. Routes are based on full truck load of 260 units per load. We would ideally like to
15 conduct routes in such a manner that would fill a truck and allow a driver to transport directly
16 for disposal, which allows us to minimize travel associated with back tracking to Kleen.

17 By the end of year one, we will have 2.5 drivers and one administrator employed for this
18 endeavor. Each driver will be responsible for all matters directly related to the moving and
19 handling of a box of biomedical waste. Two drivers will work full time on biomedical waste.
20 Another driver will spend ½ his or her time on biomedical waste and the other time on existing
21 hazardous waste operations.
22

1 We will start with two 27 foot vans leased to collect and transport the biomedical waste.
2 We will need to secure DOT, FMCSA, WUTC, and other regulatory certificates and
3 registrations for these vehicles, as well as county certifications. We don't anticipate using these
4 vehicles for transporting anything other than biomedical waste and materials and boxes used in
5 the service being sought in this application. The vehicles will be in communication with us by
6 two-way radio and cellular telephone. The vehicles will be kept in closed storage yards, secured
7 and only accessible to authorized personnel. The vehicles will be maintained according to
8 manufacturers recommendations. Vehicle maintenance and inspection logs will be maintained in
9 accordance with the Federal Highway Administration U.S. Department of Transportation.

10 Each container of waste picked up by Kleen will be re-examined and hand-loaded by a
11 certified operator, onto a Kleen truck and prepared for final transport. Each container will be
12 scanned and entered into an electronic tracking system, at which time the manifest will be
13 updated and uploaded to an online generator profile, ready for perusal by a generator
14 representative.

15 PACKAGING

16 Each container will be labeled with a bar-code, scanned into our electronic tracking
17 system and uploaded to each client's personalized online generator dashboard/profile and
18 electronically tracked from pick-up to destruction.

19 STORAGE

20 Upon completion of on-site collection, packaging, inspection, and confirmation of the
21 manifest, Kleen's truck will return to our designated storage facility where the waste containers
22 will be unloaded, weighed (weight ticket generated), and categorized. The waste will again be

1 recorded by the automated tracking system and the online generator profile will be updated and
2 available for perusal by a generator representative. The waste will then be stored until prepared
3 for transport for final destruction.

4 DISPOSAL

5 Biomedical waste generally produced by hospitals, health-care facilities, doctors, and
6 dentists in the course of delivering patient care will likely be transported to Covanta Energy
7 waste-to-energy facility located in Brooks, Oregon, about five miles north of Salem and 40
8 miles south of Portland. Attached hereto as Exhibit A is a true and correct copy of Kleen's
9 contract for disposal at the Covanta facility.

10 Materials transported by Kleen to the Covanta facility will be completely destroyed by
11 means of a high-heat combustion process. Our driver will personally hand load each box of
12 waste onto a conveyor belt at the Covanta facility which will carry the waste onto a feed hopper
13 and directly into the incinerator. Incineration converts the waste material to an inert ash that is
14 then landfilled. This personal participation by our driver will provide our customers an added
15 level of assurance. At the time of destruction the Covanta facility also provides our driver with
16 a Certificate of Destruction that severs any liability associated with this waste, again for the
17 assurance of our customers. Dependant upon the waste constituencies and the preference of the
18 generator, the other waste will be transferred to a Hydroclave facility in Port Coquitlam, British
19 Columbia operated by Hospital Sterilization Services, Inc. The Hydroclave process renders the
20 waste inert so that it can be landfilled.

1 DOCUMENTATION

2 Information on each customer's pick up will be entered into a hand-held scanner,
3 including without limitation the client identifier, the number of units, and type(s) of waste. The
4 information can be immediately transmitted electronically to the main office by cellular
5 technology. Electronic records will be maintained to ensure all information is available as and
6 when required. Manifest/Certificate of Destruction data will also be maintained both
7 electronically and in hard copy to meet Waste Management Act Regulations and current Center
8 for Disease Control regulations codified within 42 CFR 72 and 64 FR 58022. Detailed work
9 orders and invoices will be prepared for each generator electronically and will directly reflect
10 that information that is uploaded to the user profiles. Invoices will be generated on a monthly
11 basis and made available to the client electronically or sent via mail.

12 CERTIFICATION OF DESTRUCTION

13 One common concern expressed by every generator is the assurance that the waste will
14 be properly treated and destroyed. Kleen will take great care to personally witness the
15 destruction of the waste and produce proper documentation (see attached Exhibit B) that clearly,
16 without question, outlines the chain-of-custody; date of pick-up; load-unload of each container;
17 date of transport for disposal; signed off by treatment facility at point-of-delivery. Each
18 treatment facility utilized by Kleen follows all government requirements such as biological
19 testing of treated waste, record keeping of levels of pressure (PSI), sterilization time and
20 temperature at final destruction.

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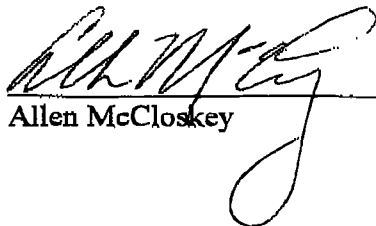
MARKETING

The marketing of the proposed biomedical waste service will be done in conjunction with the promotion of other existing Kleen Services. For the most part, because of the correspondence with generators during this application process and given the number of biomedical waste facilities already served by Kleen, promoting this new service should be rather easy and cost effective. Given the nature of this process many facilities are well aware of our efforts to provide this new service and are simply waiting for us to secure authority. We currently advertise in the Seattle Metro yellow pages; a true and correct copy of which is attached as Exhibit C. We also use brochures and printed materials that describe our current services. See exhibits attached to the prefiled testimony of Robert L. Olson.

INSURANCE

A true and correct copy of our insurance coverage page is attached as Exhibit D.

DATED this _____ day of August, 2004, at _____.


Allen McCloskey