From: Anunda, Sospeter O. (DOC)

To: "Joe Paviglianti"

Cc: Skeers, Jacob G. (DOC); Dirkes, Michael D. (DOC); "Teri Paviglianti"; Rebamonte, Gari J. (DOC); Likin, Harry K.

"Linc" (DOC); Judy, Stephen C. (DOC); Colwell, Michael C. (DOC); Estep, James R. (DOC); Koval, Joe L. (DOC)

Subject: New rate for SCUSA

**Date:** Tuesday, June 21, 2011 12:18:55 PM

## Hello Joe,

Did you agree with the terms of the proposal Tom Williamson outlined below on May 09, 2011. If you did, I don't have any confirmation in writing. Please note the rate adjustment is based on increase in volume mattress collections, all plastics, cardboards, and the expansion to Portland market. If you agree, it will become effective July 1, 2011 .This proposal will be reviewed quarterly to make sure the terms are met by both parties. Please let me know, if you require any additional information.thx.

From: Williamson, Tom M. (DOC) [mailto:tmwilliamson@DOC1.WA.GOV]

Sent: Monday, May 09, 2011 8:57 AM To: Joe Paviglianti; Daryl Newton Cc: Anunda, Sospeter O. (DOC) Subject: New rate for SCUSA

After a very careful review of last year's sales and discussing this with Joe Koval our CFO and Sospeter Anunda our operational manager. We propose that we try out a new rate for SCUSA based on volume. What we mean by volume is that we need to increase the number of mattresses and box springs brought into our facilities.

We offer a rate for SCUSA to SOL of \$5.50 from the current \$6.25. This of course does not include SOL fee. We also would like to offer a fee of .25% on recycles materials such as the Plastic and Cardboard, based on our Selling price at the time of our recycle.

Example if we sell the plastic at .19 per pound and the bags are 2 pounds this would equal .38 per bag at 1500 mattress bags per month. This would be \$570.00 and that is equal to \$142.50 to SCUSA.

**Increase in Volume**. We need all the mattresses that go into the trailers ( no more non profits cherry picking our trailers) and the trailers need to fully cubed to reduce our transportation expenses.

We need all plastics and cardboard from SCUSA not just plastics that wrap the mattresses. Our plastic market have grown and we need volumes of plastic to get to the higher prices. Also we need to expand our market into the Portland area to add additional volumes. To this end SOL and CI need to develop new pricing to recoup our additional transportation expenses. But that is an issue that we can work on.

Tom Williamson

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Regards,

Sospeter Anunda

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" Delaying now is not postponing a decision. To delay is to deliberately choose to avoid effective steps to reduce the risks of climate change" Professor Ross Garnaut.