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Date: April 26, 2022  
**CT- 2021-002**

**CT-2021-002**

Sara Pelletier for / pour  
REGISTRAR / REGISTRATIRE

OTTAWA, ONT.

Doc. # 143

**THE COMPETITION TRIBUNAL**

**IN THE MATTER OF** the *Competition Act*, R.S.C. 1985, c. C-34, as amended;

**AND IN THE MATTER OF** the acquisition of Tervita Corporation by SECURE Energy Services Inc.;

**AND IN THE MATTER OF** an Application by the Commissioner of Competition for an order pursuant to section 92 of the *Competition Act*.

**BETWEEN:**

**THE COMMISSIONER OF COMPETITION**

**Applicant**

- and -

**SECURE ENERGY SERVICES INC.**

**Respondent**

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**AFFIDAVIT OF ANDREW HARINGTON**  
**(Sworn April 26, 2022)**

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I, **Andrew Harington**, of the City of **Toronto**, in the Province of Ontario,  
**MAKE OATH AND SAY:**

1. I am a Chartered Professional Accountant (formerly referred to as a Chartered Accountant), Chartered Financial Analyst charterholder, and Chartered Business Valuator. I am a Principal in the Toronto office of The Brattle Group. I have been retained by Blake, Cassels & Graydon LLP, counsel for the respondent, to provide my expert opinion regarding productive efficiencies that would be lost in the event that the Competition Tribunal were to issue an order

under section 92 of the *Competition Act* for a disposition of certain assets of the respondent, SECURE Energy Services Inc.

2. Pursuant to that request, I prepared a report dated and sworn March 25, 2022 (the “**Harington Efficiencies Report**”). The Commissioner of Competition retained Dr. J. Gregory Eastman and Dr. Nathan H. Miller who prepared reports dated April 11, 2022 responding to my report (the “**Eastman Rebuttal Report**” and “**Miller Rebuttal Report,**” respectively).

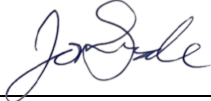
3. Attached as Exhibit “A” to my affidavit is my expert report responding to the Eastman Rebuttal Report and certain aspects of the Miller Rebuttal Report in this matter dated April 26, 2022.

4. Included as Appendix “A” to the Harington Efficiencies Report is my curriculum vitae.

5. Included as Appendix “B” to the Harington Efficiencies Report is my acknowledgement of expert witness.

6. I swear this affidavit for the purposes of the within application and for no other purpose.

**SWORN** remotely by )  
 Andrew Harington )  
 in the City of Plettenberg Bay, )  
 in the Province of Western Cape, )  
 in the country of South Africa, )  
 before me in the City of Toronto )  
 in the Province of Ontario, )  
 on April 26, 2022 in accordance )  
 with O. Reg 431/20, Administering )  
 Oath or Declaration Remotely. )




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A commissioner for taking affidavits  
**Joe McGrade**




---

**Andrew Harington**



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**This is Exhibit "A" to the Affidavit  
of  
Andrew Harington  
Affirmed on April 26, 2022**

# Commissioner of Competition v. SECURE Energy Services Inc.

REPLY TO THE REBUTTAL REPORTS OF DR. J. GREGORY EASTMAN  
AND DR. NATHAN MILLER

PREPARED BY

Andrew C. Harington  
CPA, CA, CFA, CBV

APRIL 26, 2022



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## **SCHEDULES**

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**EXHIBIT**

Electronic copy of schedules, data, programming code, and documents listed  
in the Supplemental Scope of Review ..... 1



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April 26, 2022

Blake, Cassels & Graydon LLP  
199 Bay Street  
Suite 4000, Commerce Court West  
Toronto, Ontario M5L 1A9

Attention: Mr. Robert Kwinter

**Re: Commissioner of Competition v. SECURE Energy Services Inc.**

## I. Introduction

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1. Blake, Cassels & Graydon LLP (“Counsel”), counsel to SECURE Energy Services Inc. (“SECURE”), previously requested my opinion on the quantum of productive efficiencies under section 96 of the Act (“Productive Efficiencies”) likely to be realized as a result SECURE’s acquisition of Tervita Corporation (“Tervita”) (the “Transaction”) and the Productive Efficiencies that would be lost in the event of a hypothetical remedial order of the Competition Tribunal (“Tribunal”).



2. Pursuant to that request, I prepared a report dated March 25, 2022 (the “Harington Efficiencies Report”).
3. The Commissioner of Competition (the “Commissioner”) retained:
  - a. Dr. J. Gregory Eastman (“Dr. Eastman”) who prepared a report dated April 11, 2022 (the “Eastman Rebuttal Report”) responding to the Harington Efficiencies Report;<sup>1</sup> and
  - b. Dr. Nathan H. Miller (“Dr. Miller” and, together with Dr. Eastman, the “Commissioner’s Experts”) who prepared a report dated April 11, 2022<sup>2</sup> (the “Miller Rebuttal Report”) and referred to in the Eastman Rebuttal Report.
4. In this report, I provide my reply to the Eastman Rebuttal Report and certain aspects of the Miller Rebuttal Report. Important background and other information have been provided in the Harington Efficiencies Report<sup>3</sup>, the Eastman Rebuttal Report, the Miller Report and the Miller Rebuttal Report. This report should be read in conjunction with those reports.
5. For ease of reference, I have adopted the same terms as used in the Harington Efficiencies Report. Where the Commissioner’s Experts have used definitions different than those I used in the Harington Efficiencies Report, I have specified the definition adopted herein.

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<sup>1</sup> The Eastman Rebuttal Report also referenced the report by Mr. Rory Johnston dated February 24, 2022 (the “Johnston Report”), which was addressed in the Harington Efficiencies Report.

<sup>2</sup> Dr. Miller has previously prepared a report dated February 25, 2022 (the “Miller Report”).

<sup>3</sup> I refer the reader to my CV and executed Code of Conduct attached to the Harington Efficiencies Report.

## II. Mandate and Executive Summary

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6. Counsel has asked me to:
  - a. Provide my comments on the Eastman Rebuttal Report;
  - b. Provide my comments on those portions of the Miller Rebuttal Report that pertain to Productive Efficiencies; and
  - c. If necessary, based on my review of the reports of the Commissioner's Experts and any other information that has come to my attention since the date of the Harington Efficiencies Report, update my conclusions as set out in that report.

## III. Summary of Conclusions

7. Nothing in the Eastman Rebuttal Report causes me to revise the conclusions set out in the Harington Efficiencies Report as to the Productive Efficiencies arising from the Transaction or the Productive Efficiencies lost in the event of either of the Hypothetical Divestiture Orders.
8. For further discussion see Section VI.
9. However, I have revised my conclusions as to the Productive Efficiencies arising from the Transaction in relation to the Director and Officer Insurance policies. The effect of this revision is not significant and does not affect the Productive Efficiencies lost in the event of either of the Hypothetical Divestiture Orders.
10. For further discussion see Section VIII.

## IV. Assumptions

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11. All assumptions are as set out in this report, including in the footnotes to the Schedules.

## V. Scope of Review

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12. In reaching my conclusions, in addition to the documents listed in the Harington Efficiencies Report, I have reviewed and relied upon information from the additional documents and discussions listed in Appendix A.
13. Except as otherwise noted herein, I have not audited or otherwise verified the information listed in Appendix A. My conclusions are dependent upon the accuracy of this information.

## VI. My Comments on the Eastman Rebuttal Report

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14. The Eastman Rebuttal Report sets out various comments on the Harington Efficiencies Report. As indicated above, I have reviewed the Eastman Rebuttal Report and there is nothing that arises from the Eastman Rebuttal Report that leads me to revise my conclusions in the Harington Efficiencies Report.

15. For purposes of responding to the comments in the Eastman Rebuttal Report, I have summarized the comments into the following themes:
- a. The Productive Efficiencies are not the result of a reduction in output, service, quality or product choice
  - b. Whether the absorbing FST/SWD facilities have sufficient capacity
  - c. The cost savings arising from FST/SWD facility closures
  - d. The cost savings arising from landfill facility closures
  - e. The incremental customer transport costs
  - f. Geographic based cost savings
  - g. Corporate cost savings
  - h. The Productive Efficiencies lost under Hypothetical Orders
  - i. Other comments in the Eastman Rebuttal Report
16. I provide my comments in respect of each of the above themes below.

## VI.A. The Productive Efficiencies are not the result of a reduction in output, service, quality or product choice

17. Dr. Eastman claims, “To the extent the closing and absorbing facilities represent differentiated products, the cost savings resulting from facility closures represent a loss of choice and therefore are not productive efficiencies,”<sup>4</sup> citing the Commissioner’s *Merger Enforcement Guidelines*.<sup>5</sup>

18. The relevant section of the Commissioner’s *Merger Enforcement Guidelines* cited by Dr. Eastman states:

“Not all efficiency claims qualify for the trade-off analysis. The Bureau excludes the following:

- ...
- savings resulting from a reduction in output, service, quality or product choice.<sup>6</sup> [emphasis added]

19. Productive Efficiencies result from “real cost savings in resources, which permit firms to produce more output or better quality output from the same amount of input.”<sup>7</sup> As a result, my understanding of the purpose of paragraph 12.20 of the Commissioner’s *Merger Enforcement Guidelines* is to avoid merging parties from reducing output, service, quality, or product choice and then claiming any cost savings from such a reduction of products or services as an efficiency. For example, a merging party

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<sup>4</sup> Eastman Rebuttal Report, paragraph 9.

<sup>5</sup> Competition Bureau Canada, “Merger Enforcement Guidelines,” October 6, 2011 This is despite the fact that the Commissioner’s *Merger Enforcement Guidelines* also explicitly recognize that facility closures are a productive efficiency at para. 12.20 (“...gains that are achieved outside Canada (examples include productive efficiency gains arising from the rationalization of the parties’ facilities located outside Canada that do not benefit the Canadian economy).” [emphasis added])

<sup>6</sup> Competition Bureau Canada, “Merger Enforcement Guidelines,” October 6, 2011, paragraph 12.20.

<sup>7</sup> Competition Bureau Canada, “Merger Enforcement Guidelines,” October 6, 2011, paragraph 12.14.

could not say that pre-merger they were producing 100 units, post-merger they will only produce 50 units, and that the savings from producing 50 fewer units counts as an efficiency. Similarly, a merging party could not stop offering certain services to customers and then claim that the cost savings from no longer offering those services is an efficiency.

20. As I indicated in paragraphs 56 and 59 of Harington Efficiencies Report, “I have considered Productive Efficiencies generated by the Transaction to reflect the likely reduction in the resource costs incurred by SECURE, following the Transaction, as compared to the aggregate resource costs that SECURE and Tervita would have incurred separately absent the Transaction but with no reduction in output” ... and ... “I have not included ... gains that would represent a redistribution of income.”
21. Similarly, my analysis is not based on any cost savings resulting from a “reduction in product choice”. My analysis is based on Productive Efficiencies arising in part from the consolidation of redundant waste disposal facilities having low utilization rates and significant excess capacity. These facilities are not “products”. Rather, these facilities serve to offer waste disposal services to customers, and SECURE will continue to offer those same waste disposal services to customers going forward<sup>8</sup> but at a lower overall cost, generating Productive Efficiencies that will accrue to the benefit of the Canadian economy as a whole.
22. Tervita, prior to the Transaction, and SECURE, both prior to and after the Transaction, provide waste processing and disposal services. Reflecting the nature of these services, and the fact that I have calculated all Productive Efficiencies on the basis of no reduction in the quantum of output or product

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<sup>8</sup> Supplementary Affidavit of Keith Blundell, paragraph 3. In addition, I note that Dr. Miller claims that customers view SECURE and Tervita facilities as “close substitutes”. See, e.g., Miller Report, paragraph 81.

choice, none of the Productive Efficiencies included in my conclusions arise on account of a reduction in output or product choice as suggested by Dr. Eastman.

## VI.B. Whether the absorbing FST/SWD facilities have sufficient capacity

23. Dr. Eastman suggests that, under the intended integration plans of SECURE management, that:
  - a. there will be insufficient capacity at certain of the absorbing FST/SWD facilities to be able to accept the volumes that existed in those markets in 2018 and 2019; and
  - b. there will be insufficient capacity to be able to absorb expected future market growth for the industry as a whole.
24. Both of these factors were addressed in the Harington Efficiencies Report but Dr. Eastman undertook a separate analysis which, as is shown below, is faulty, internally inconsistent and contrary to the facts underlying the Harington Efficiencies Report. Dr. Eastman also ignores the statements in the Harington Efficiencies Report addressing the Johnston Report and implicitly makes an erroneous assumption that all oil producing areas are at the same stage in their life cycle.
25. Each of these statements in the Eastman Rebuttal Report is discussed below.

### Purported FST/SWD capacity constraints at certain FST/SWD facilities

26. Dr. Eastman concludes that there will be insufficient capacity at certain of the absorbing FST/SWD facilities to be able to accept the volumes that existed in those markets in 2018 and 2019.<sup>9</sup> The flaw in Dr. Eastman's analysis is highlighted in his conclusion that "average monthly volumes from the

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<sup>9</sup> Eastman Rebuttal Report, paragraphs 45-46.

pre-COVID-19 Period exceed average 2021 monthly capacity at absorbing facilities.”<sup>10</sup> [emphasis added]

27. As I described in my initial report<sup>11</sup>, no single method can be used to definitely determine the capacity for an FST or SWD facility and, accordingly, the most reliable indicator is to look at the actual volume that went through a facility over an extended period of time. Clearly, if the facility is capable of processing that volume, then the actual capacity would be no less than that volume, although it could be significantly more. As a result, this indicator of “capacity” depends on the period used for calculating it.
28. This was clearly considered in Appendix F of my initial report where I had calculated the average capacities over longer periods, i.e., average over January 2018 to October 2021 as well as the maximum of averages of 12-month periods between January 2018 to October 2021.<sup>12</sup> For waste, treating and oil, there is no basis to believe that facility capacities have changed during this period. The use of a longer period simply provides more data points and, therefore, a more reliable estimate of the minimum capacity. For water, however, the capacity for each SWD does fluctuate and, ultimately, the SWD becomes full. It is, therefore, necessary to address the capacity for those on a case-by-case basis.
29. By contrast, Dr. Eastman uses the average of a short period during Covid-19, being the period of January 2021 to October 2021. Dr. Eastman’s chart of volumes at Table 1 of the Eastman Rebuttal Report highlights that volumes in this period were lower than in 2018 and 2019. Accordingly, the

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<sup>10</sup> Eastman Rebuttal Report, paragraph 45.

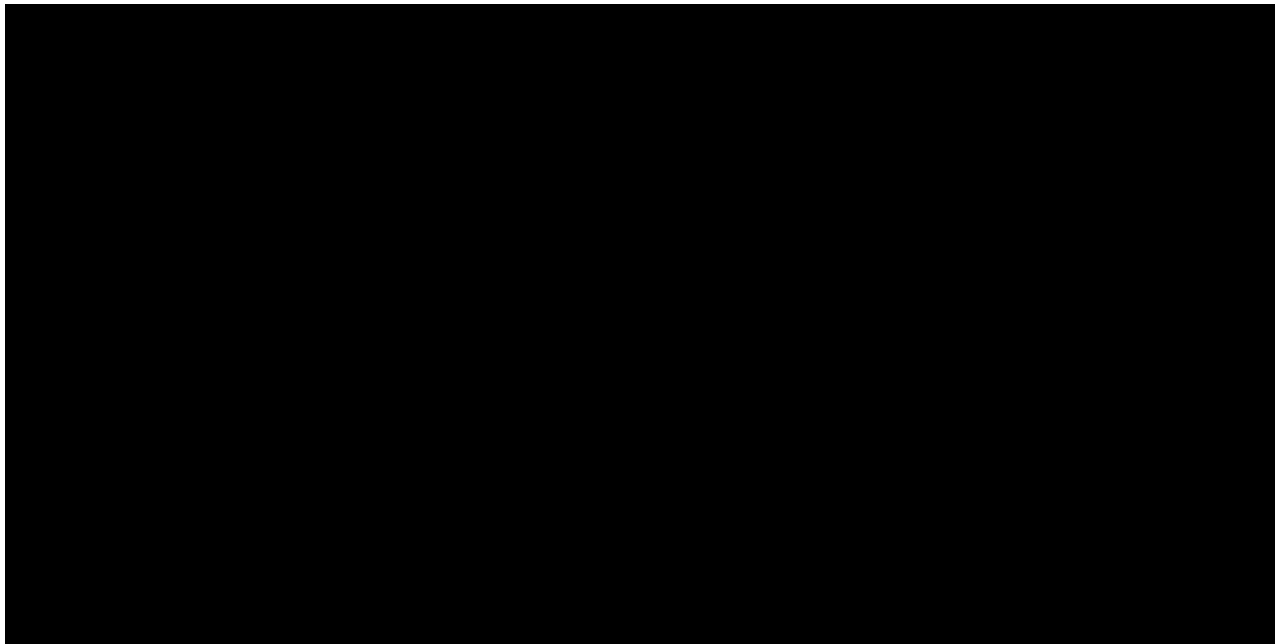
<sup>11</sup> Harington Efficiencies Report, Appendix F, paragraph 21.

<sup>12</sup> See for example, Harington Efficiencies Report, Appendix F, Table 5.



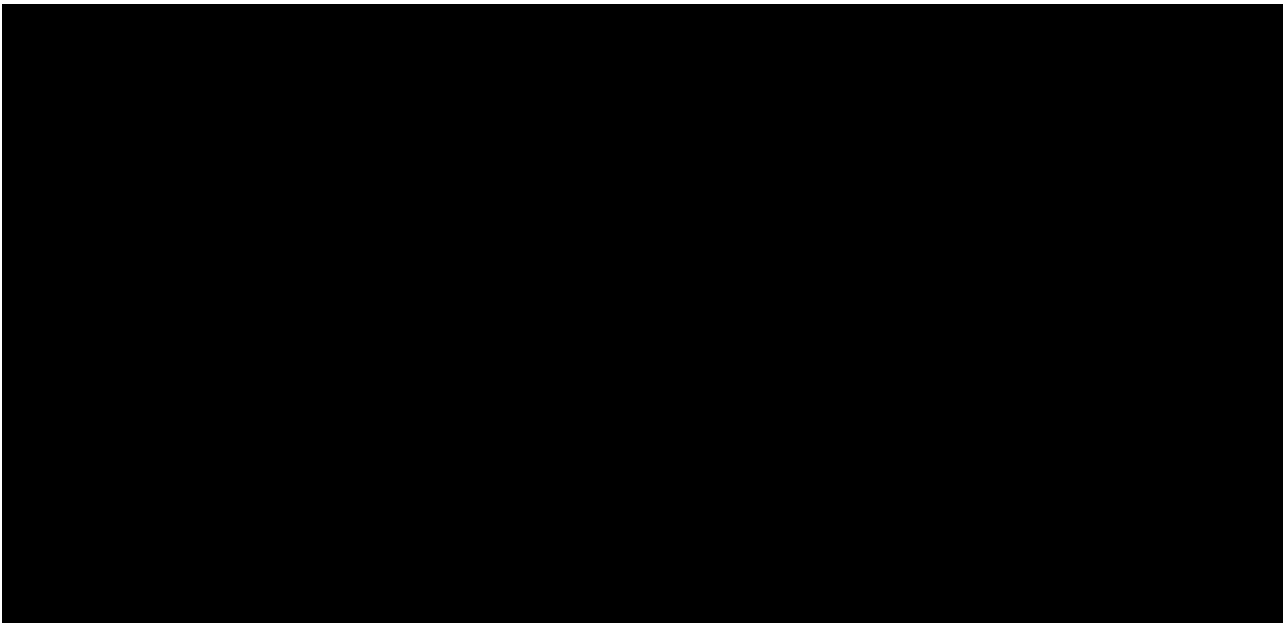
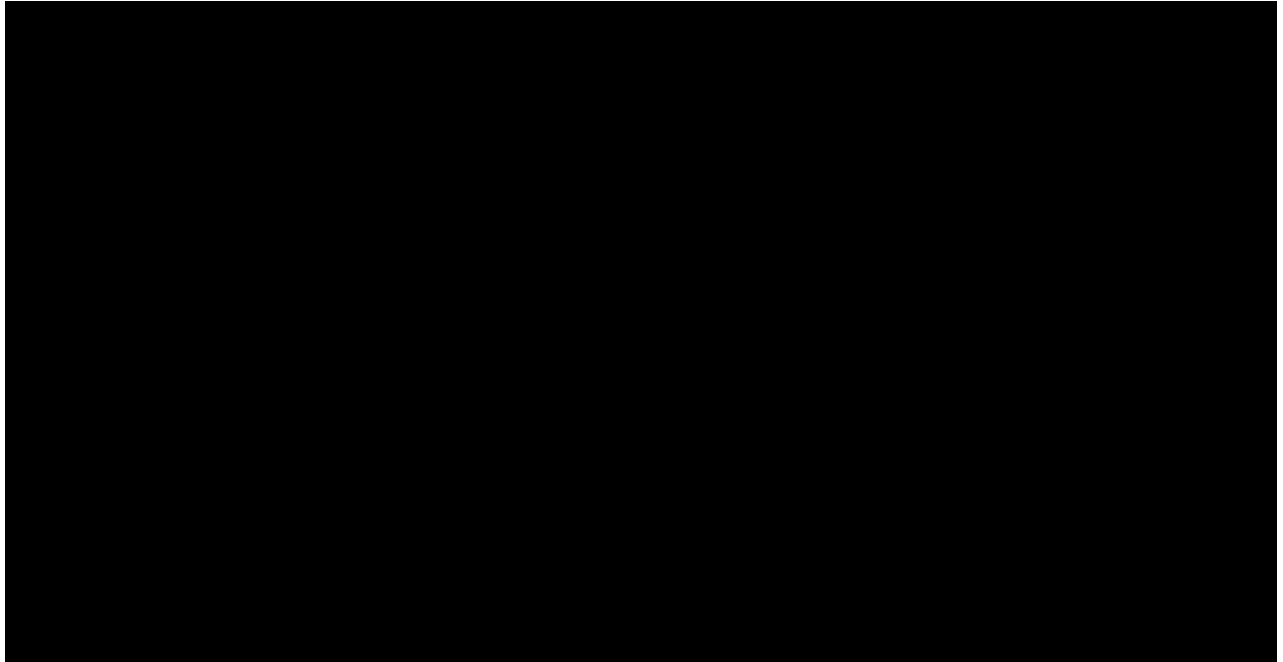
use of this short period had a self-fulfilling effect on his conclusions when he compares capacity calculated based on volumes in the Covid-19 period with volumes prior to Covid-19.

30. This effect is highlighted in Figure 1 to Figure 4 (for water, waste, oil and treating, respectively) below where I have include the actual observed capacities at the absorbing facilities over:
- a. the period January 2018 to October 2021 (i.e., including both the pre-Covid-19 period and Covid-19 period);
  - b. the highest consecutive 12-month period in the period January 2018 to October 2021; and
  - c. the “capacity” calculated by Dr. Eastman as set out in Table 2 (“Eastman Table 2”) during the Covid-19 period.



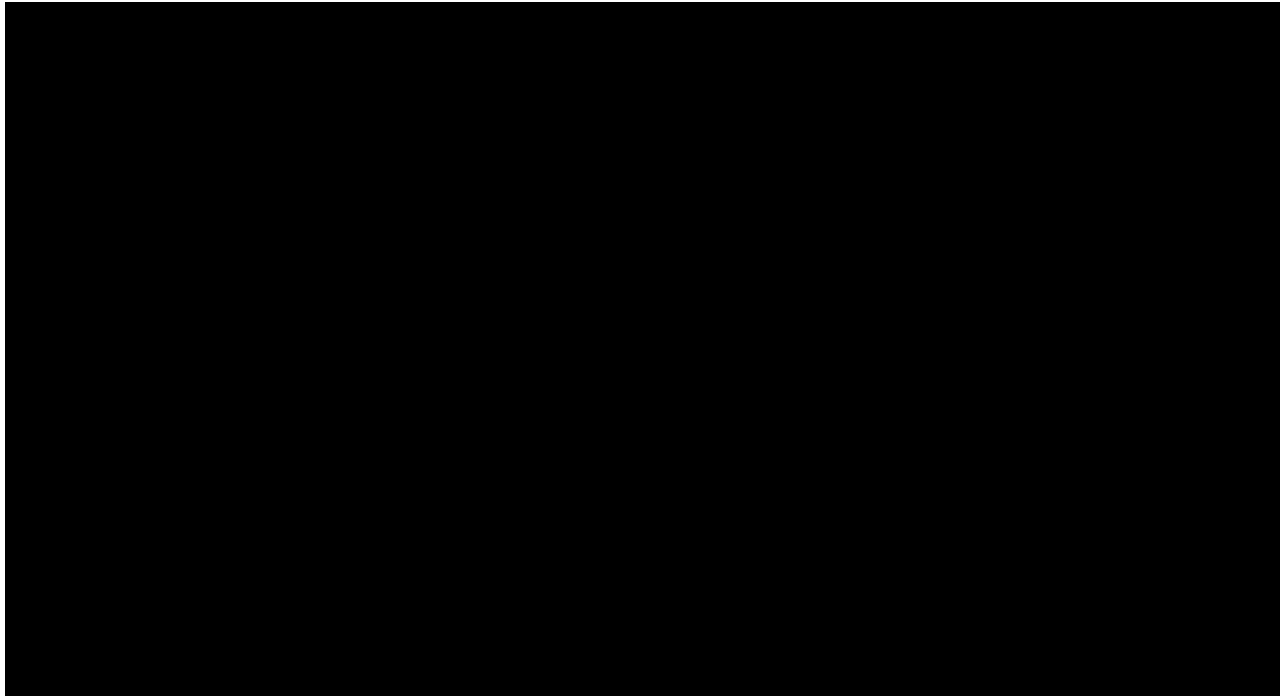
31. As can be seen from Figure 1, the average water capacities at absorbing facilities mentioned in Eastman Table 2 are, in almost all instances, considerably lower when calculated using only volumes


from the Covid-19 period. This trend is also apparent across waste, oil and treating as highlighted in Figure 2 to Figure 4 below.<sup>13</sup>



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<sup>13</sup> Note that not all services are provided at all locations.



32. After comparing the average volumes during 2018 and 2019 to the “capacity” calculated based on volumes during the period January 2021 to October 2021, Dr. Eastman concludes that volumes in 2018 and 2019 in seven integration clusters 

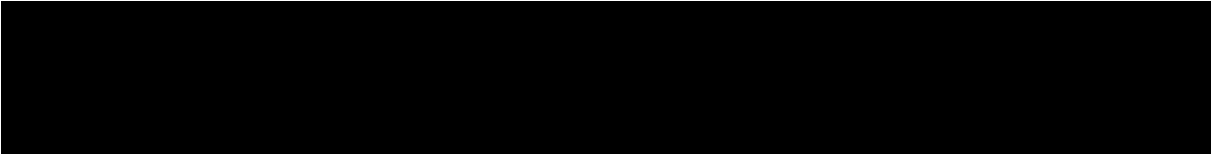


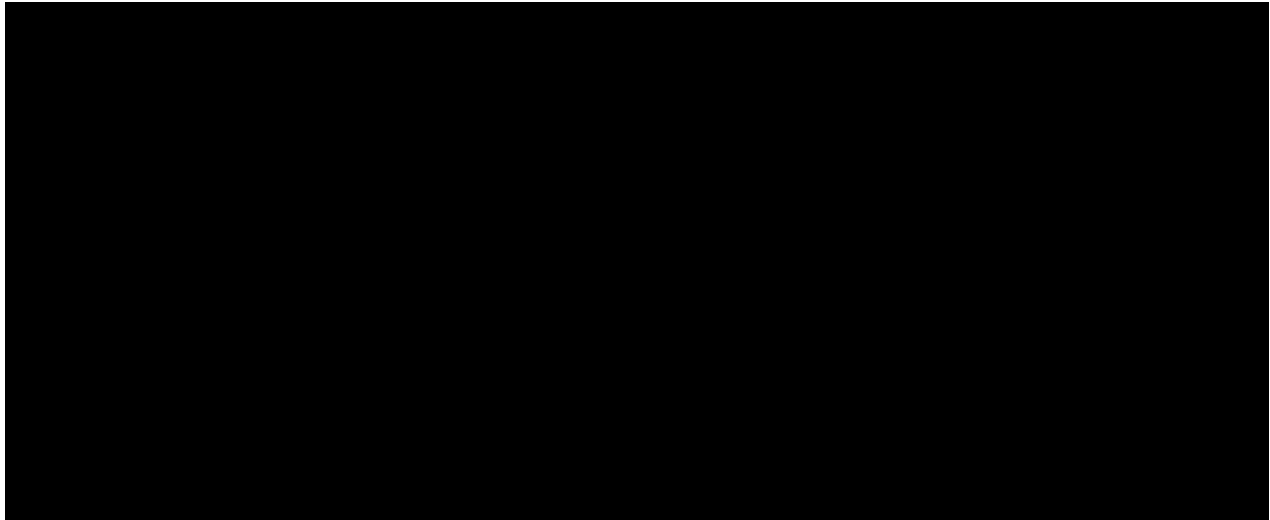
33. In Table 1 below, I show the effect on Dr. Eastman’s Table 2<sup>15</sup> of using either the capacity calculated using (i) actual volumes over the longer period January 2018 to October 2021 and (ii) the maximum consecutive 12 month period in the period January 2018 to October 2021 for each integration cluster in Dr. Eastman’s Table 2.<sup>16</sup>

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<sup>14</sup> Eastman Rebuttal Report, page 20.

<sup>15</sup> For ease of reference, I have excluded the capacity analysis for oil in Table 1 since Eastman Table 2 did not have any instances of oil capacity being lower than average volumes during 2018 and 2019. For oil volumes and capacity analysis, see Schedule R1.

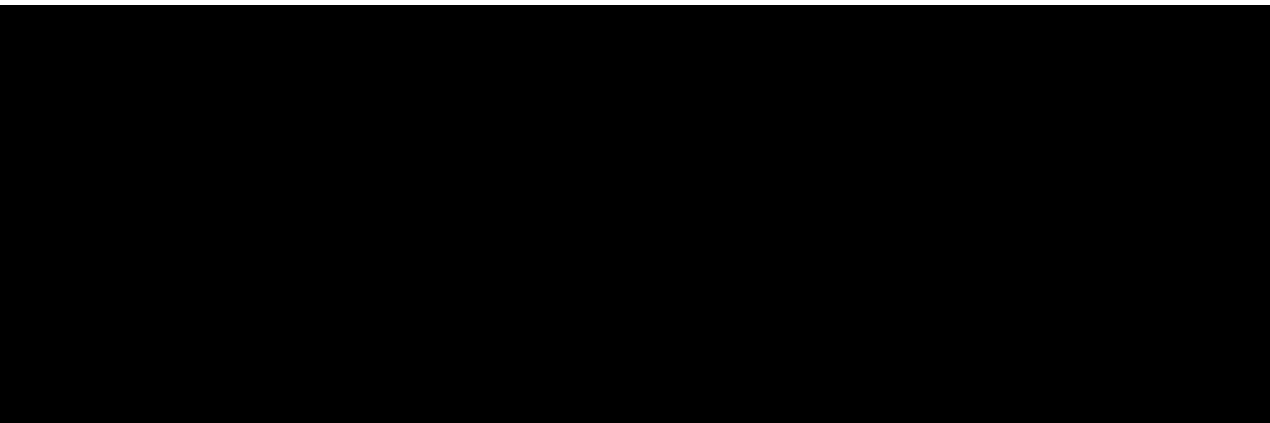
<sup>16</sup> 

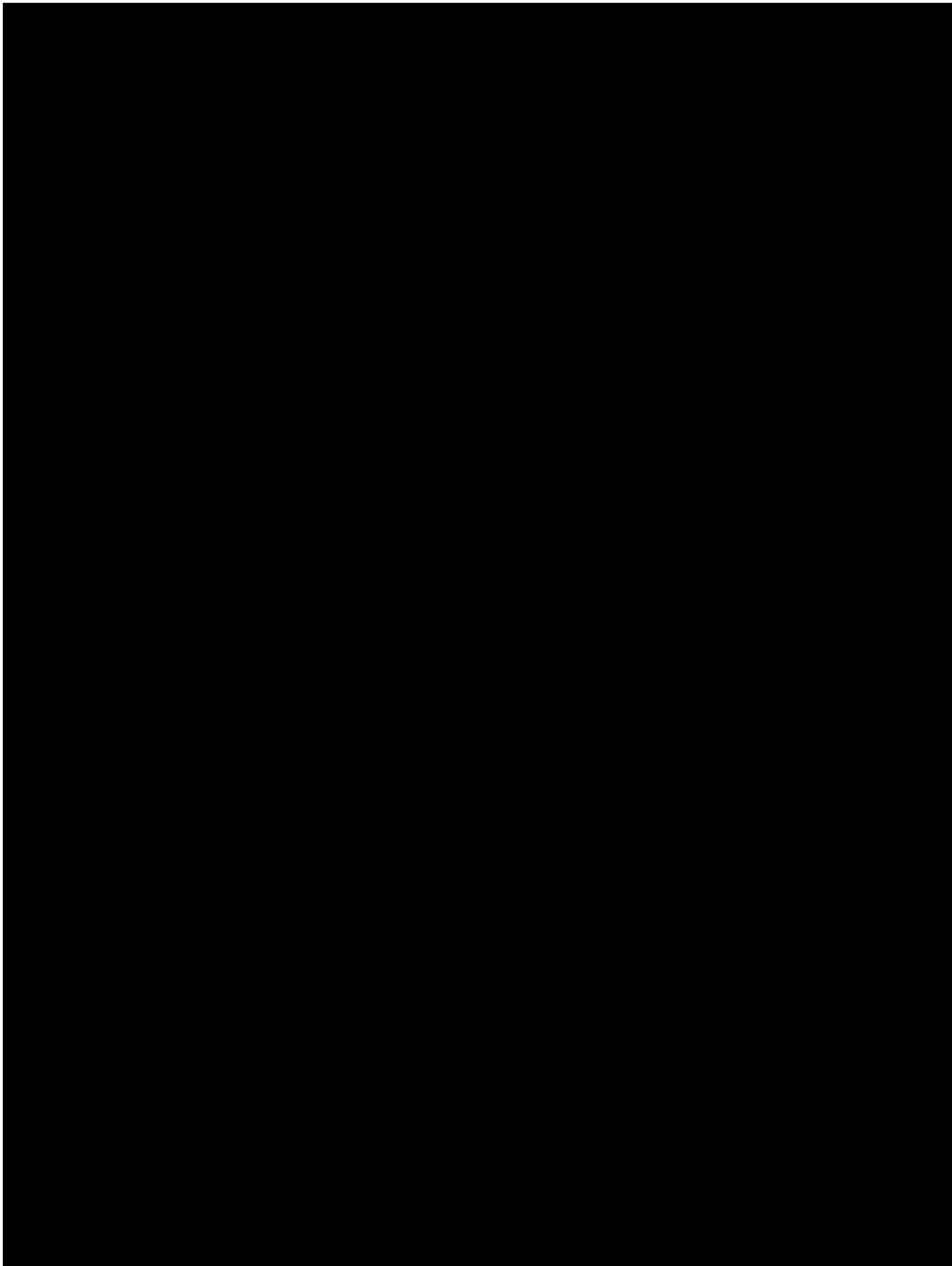


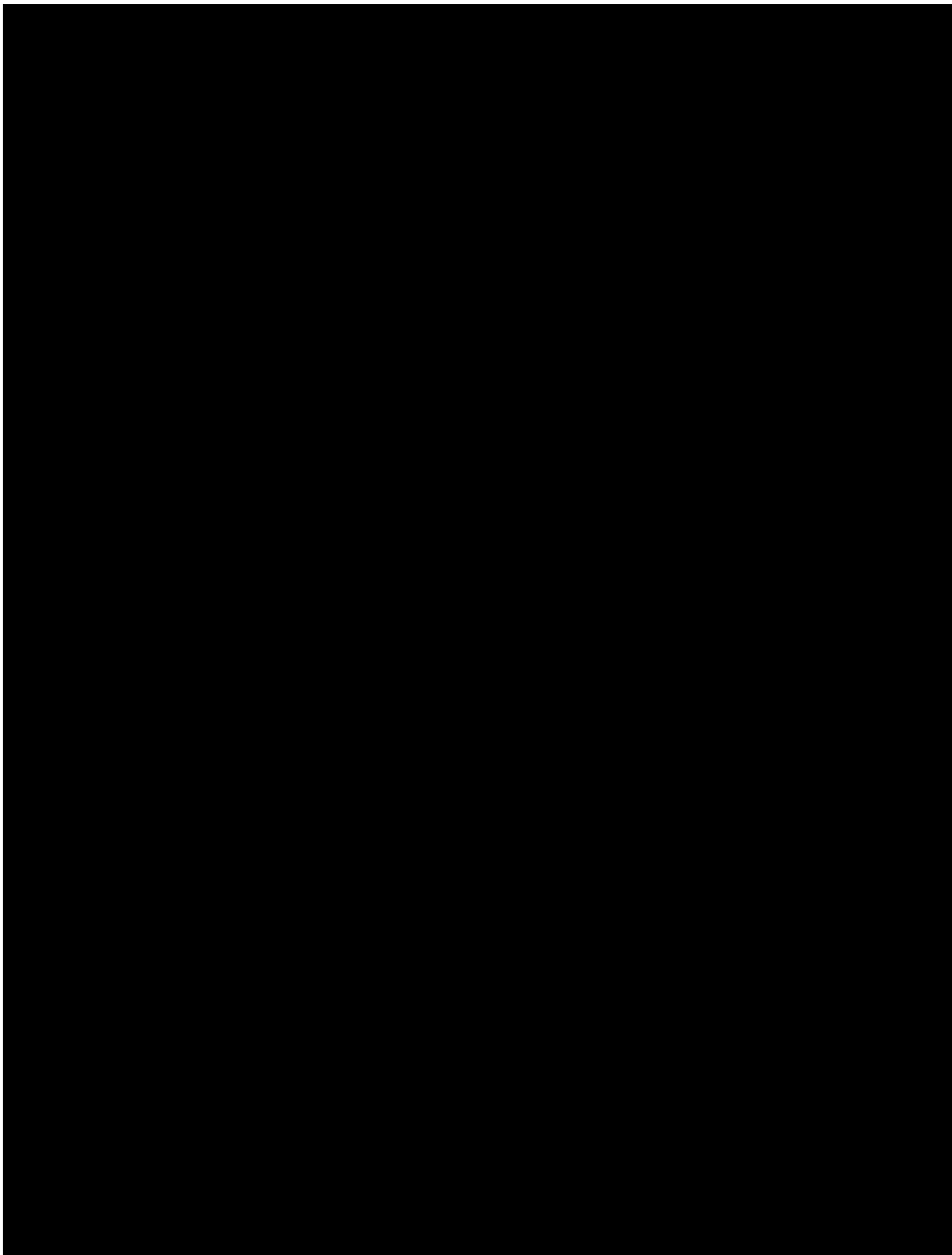
34. It can be observed from Table 1 above that, by simply estimating capacity based on the observed volumes over the full period January 2018 to October 2021 rather than the depressed period January 2021 to October 2021, there is sufficient capacity [REDACTED]



35. Further, by simply estimating capacity based on the observed volumes over the highest consecutive 12-month period in the period January 2018 to October 2021 rather than the depressed period January 2021 to October 2021 there is sufficient capacity [REDACTED]








## Purported inability to absorb expected future market growth for the industry as a whole

41. Dr. Eastman suggests that my analysis “does not appear to address the impact of changes in the current and future economic environments on product volumes”<sup>22</sup> and that, while he acknowledges that I do “address the Johnston Report,”<sup>23</sup> he states that my “capacity analysis does not appear to adequately address these forward looking impacts.”<sup>24</sup> As clearly stated, in Section IX.C of the Harington Efficiencies Report, I do not consider the conclusions in the Johnston Report to affect the intended integration plans for the following reasons:
- a. The WCSB can largely be divided up into heavy oil (generally the oil sands) and conventional oil with approximately 77% of production being heavy oil;

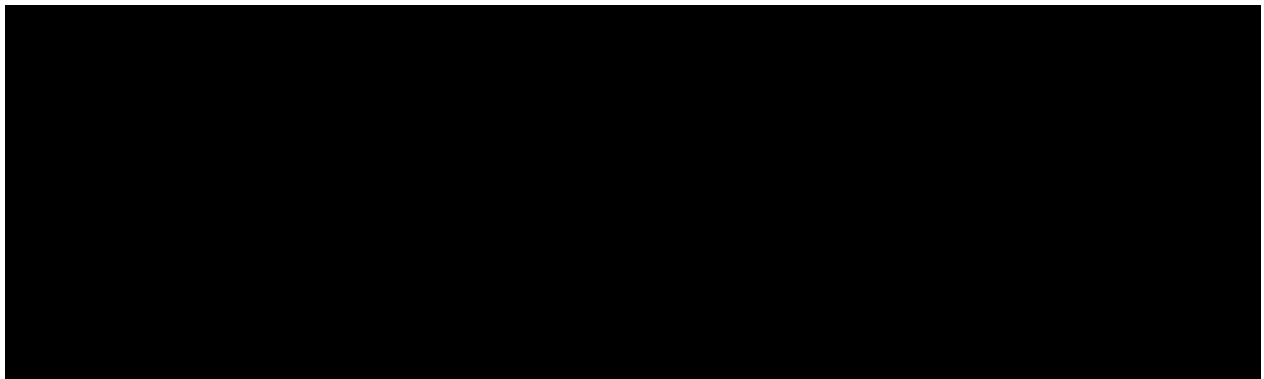
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<sup>22</sup> Eastman Rebuttal Report, paragraphs 38.

<sup>23</sup> Eastman Rebuttal Report, paragraphs 41.

<sup>24</sup> Eastman Rebuttal Report, paragraphs 42.

- b. The oil sands account for approximately two-thirds of Canadian oil production;
- c. Most of the growth in WCSB output is expected in heavy oil, i.e., the oil sands;
- d. Prior to the Transaction, SECURE had few assets that serve heavy oil, i.e. the oil sands and, accordingly, the facility integration activities do not occur in this area;
- e. Conventional oil projections should be considered separately for each region as some regions are tapped out and some regions are expecting growth;



- 42. Accordingly, the conclusions in the Johnston Report are not applicable to the regions in which the facility integration is intended to occur.
- 43. Further, Dr. Eastman notes statements by Secure Management that higher oil prices resulted in increased activity levels for the company as a whole.<sup>25</sup> However, not all oil producing regions in Canada are at the same stage of production. Dr. Eastman's implicit assumption that all oil producing area are at the same stage in their life cycle is erroneous.<sup>26</sup>
- 44. Reflecting the above, nothing arises from this aspect of the Eastman Rebuttal Report that leads me to revise my conclusions in the Harington Efficiencies Report.

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<sup>25</sup> Eastman Rebuttal Report, paragraphs 39.

<sup>26</sup> See Affidavit of David Engel, dated March 25, 2022, paragraph 12.



## VI.C. The cost savings arising from FST/SWD facility closures

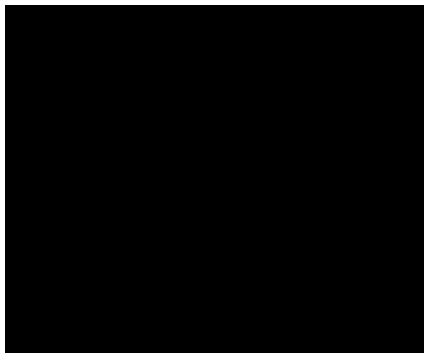
45. Having concluded as to the likelihood of the integration activities, the next step in the quantification of Productive Efficiencies was to identify which case savings would arise from the facility closures. In this regard, Dr. Eastman asserts that my analysis of fixed cost savings relies on an incomplete analysis of the fixed and variable cost structures of the closing and absorbing facilities.<sup>27</sup>
46. For purposes of responding to the comments in the Eastman Rebuttal Report relating to this assertion, I have summarized the comments into the following topics:
- a. My correlation analysis and my selection of the fixed/variable aspect of certain costs based on the nature of the cost for SWDs
  - b. My correlation analysis and my selection of the fixed/variable aspect of certain costs based on the nature of the cost for FSTs
  - c. Purported diseconomies of scale
  - d. The FST/SWD labour analysis
  - e. Purported differences in the cost structures of the absorbing facilities.
47. I provide my comments in respect of each of the above topics below. For ease of reference, I refer the reader to Tables 12, 13, 14 and 15 in the Harington Efficiencies Report, which summarize the selected fixed cost components for SWDs and FSTs.

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<sup>27</sup> Eastman Rebuttal Report, section VI.C.

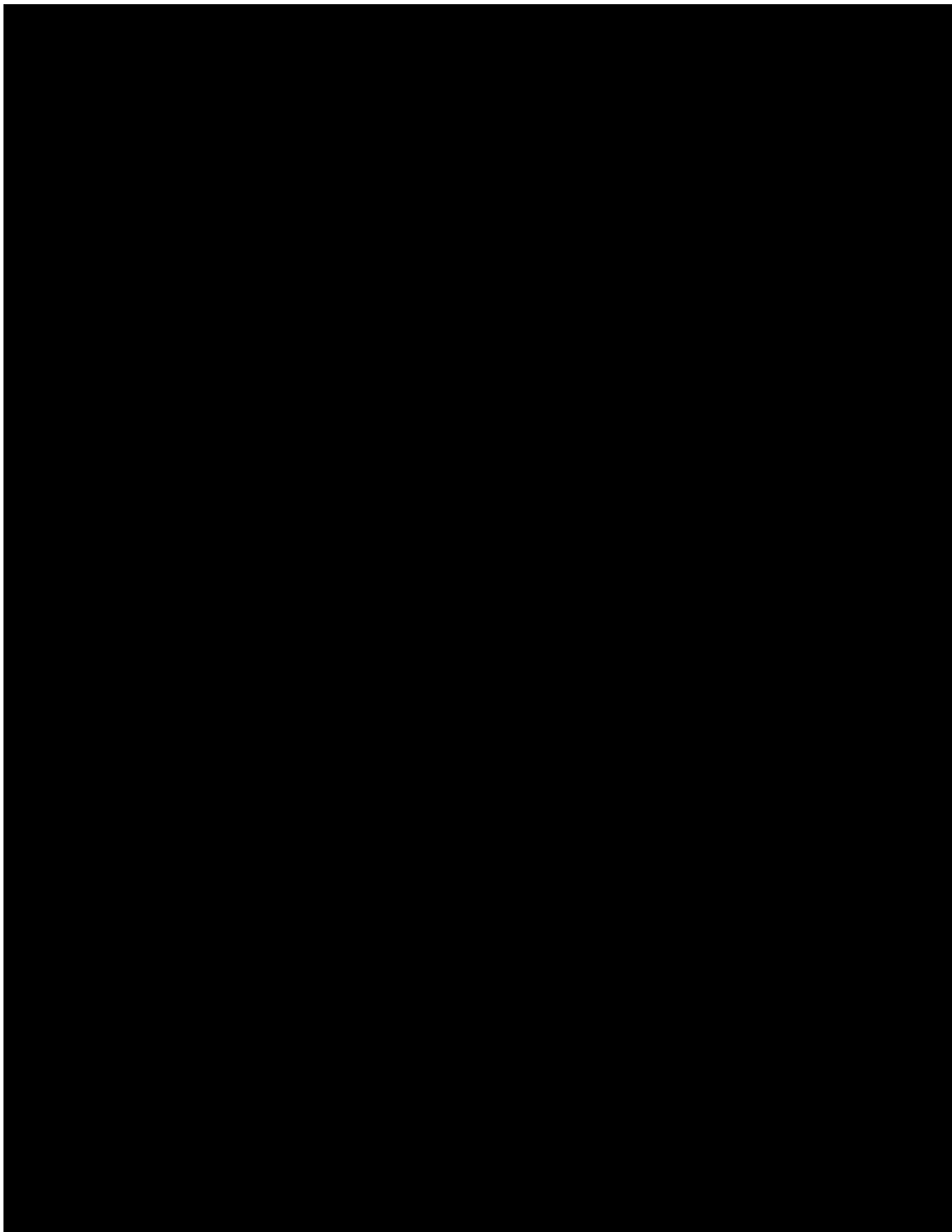
## My correlation analysis and my selection of the fixed/variable aspect of certain costs based on the nature of the cost for SWDs

48. My methodology for selecting costs is described in detail in the Harington Efficiencies Report in section X.A.2.a for SWDs.
49. Dr. Eastman states that my “analysis of labour and non-labour facility rationalization cost savings fails to consider the variability in ratios of fixed versus variable expenses across closing and absorbing facilities ... but does not provide verification that this average is appropriate for each specific facility for which [I have] claimed efficiencies [and] [t]herefore, it is not possible to verify whether there will be any productive efficiencies arising from shifting volumes from closed or closing facilities to absorbing facilities.”<sup>28</sup> Dr. Eastman undertakes no analysis of his own in this regard.
50. As noted in Tables 12 and 13 of the Harington Efficiencies Report, excluding property taxes (which are not considered when assessing Productive Efficiencies), there are only four cost categories which account for the majority of operating costs at an SWD:



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<sup>28</sup> Eastman Rebuttal Report, paragraph 53.





52. Accordingly, even if Dr. Eastman’s comments as to variability across facilities were valid, by selecting the lower of the SECURE and Tervita figures, I have made a conservative estimate of the portion of costs that are fixed when I could quite reasonably have selected, for example, an average of the two percentages, and there is no reason to believe that the Productive Efficiencies would likely be lower than the figure that I have calculated.
53. Reflecting the above, nothing arises from this aspect of the Eastman Rebuttal Report that leads me to revise my conclusions in the Harington Efficiencies Report.

### **My correlation analysis and my selection of the fixed/variable aspect of certain costs based on the nature of the cost for FSTs**

54. My methodology for selecting the extent to which cost categories are fixed for closing facilities, and therefore the cost is avoided by closing the facility, is described in detail in the Harington Efficiencies Report in section X.A.2.b for FSTs.
55. As noted above, Dr. Eastman states that “it is not possible to verify whether there will be any productive efficiencies arising from shifting volumes from closed or closing facilities to absorbing facilities.”<sup>35</sup> Dr. Eastman undertakes no analysis of his own in this regard.

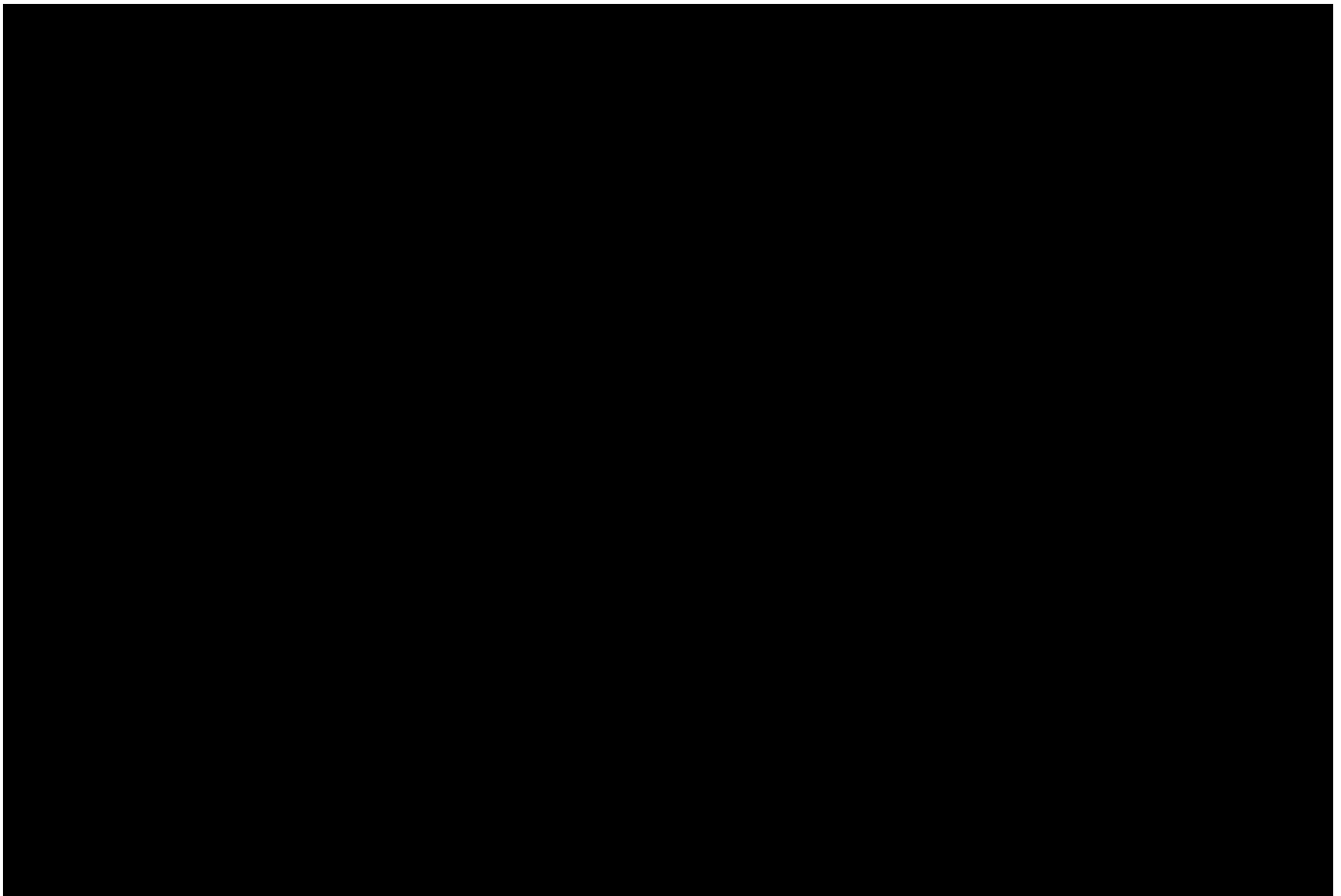
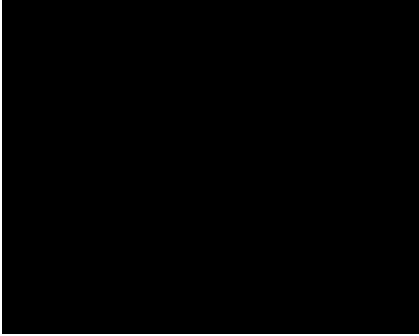
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<sup>33</sup> Harington Efficiencies Report, Table 12.

<sup>34</sup> Harington Efficiencies Report, Table 13.

<sup>35</sup> Eastman Rebuttal Report, paragraph 53.

56. As noted in Tables 14 and 15 of the Harington Efficiencies Report, excluding property taxes (which are not considered when assessing Productive Efficiencies), there are only four cost categories which account for the majority of operating costs at an FST:



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<sup>36</sup> A conclusion that a cost is variable (or not fixed) means that no Productive Efficiencies were included in my conclusions with respect to that cost category.

<sup>37</sup> Harington Efficiencies Report, Table 12.

[REDACTED]

58. Accordingly, even if Dr. Eastman’s comments as to variability across facilities was valid, I have made a conservative estimate of the portion of costs that are fixed. [REDACTED]

[REDACTED]

Accordingly, there is no reason to believe that the Productive Efficiencies would likely be lower than the figure that I have calculated.

59. Reflecting the above, nothing arises from this aspect of the Eastman Rebuttal Report that leads me to revise my conclusions in the Harington Efficiencies Report.

### Purported diseconomies of scale

60. Dr. Eastman claims that my initial report does not appear to consider the potential “diseconomies of scale” that would result from increases in volumes at absorbing facilities. He mentions that diseconomies of scale can lead to reductions in production efficiency and higher marginal costs<sup>39</sup> and states that “Mr. Harington also does not address the potential for further diseconomies of scale”<sup>40</sup> but provides not detail of the nature of such purported diseconomies.

61. Note that Dr. Eastman did not present any supporting analysis from SECURE and Tervita’s financial performance for his assertions. [REDACTED]

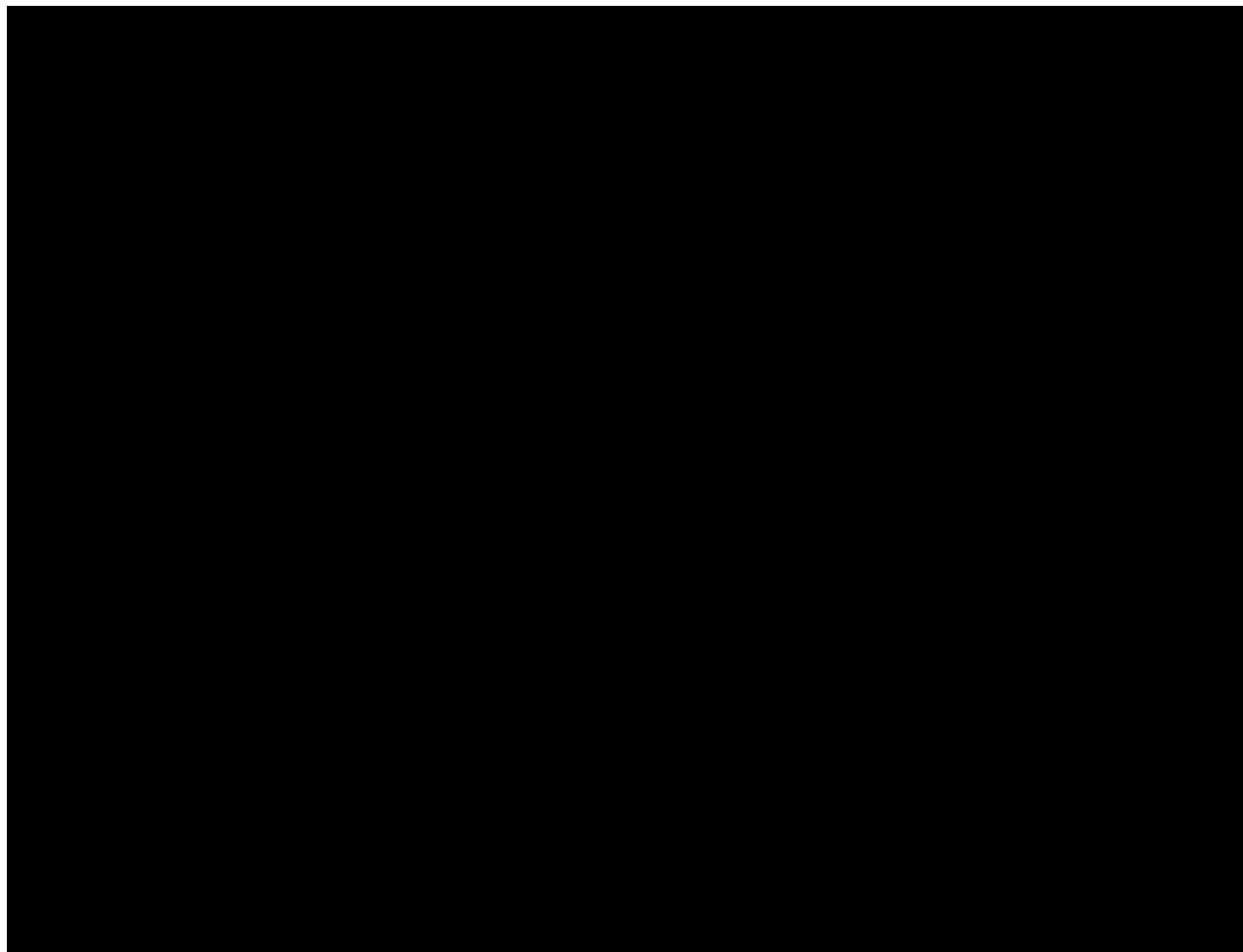
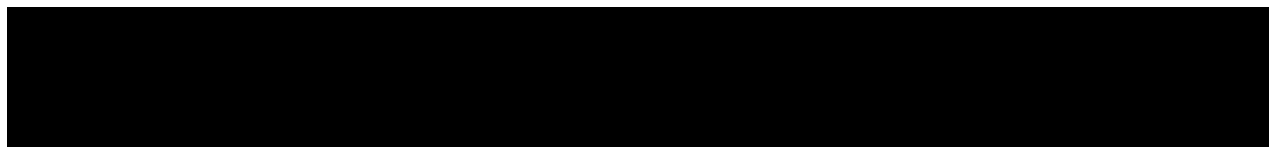
[REDACTED]

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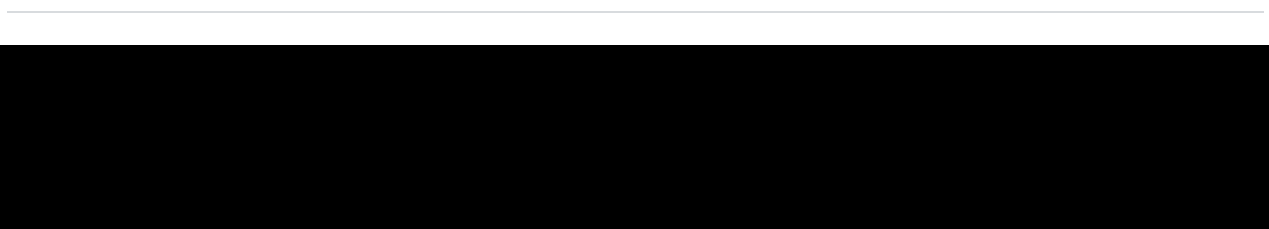
<sup>38</sup> Harington Efficiencies Report, Table 13.

<sup>39</sup> Eastman Rebuttal Report, paragraph 47, page 22.

<sup>40</sup> Eastman Rebuttal Report, paragraph 48, page 23.



62. Based on the Figure 5 above, it is evident that there is no factual support in SECURE and Tervita's operating data for Dr. Eastman's assertion of potential diseconomies of scale at the absorbing facilities.<sup>41</sup>



63. Further, as described above, Dr. Eastman makes an incorrect statement by saying that I did not account for increased repair and maintenance cost at absorbing facilities.<sup>42</sup> My analysis explicitly includes all incremental costs that will be required at the absorbing facilities. [REDACTED]

[REDACTED]

[REDACTED] This makes Dr. Eastman’s statement factually incorrect.

64. Reflecting the above, nothing arises from this aspect of the Eastman Rebuttal Report that leads me to revise my conclusions in the Harington Efficiencies Report.

### FST/SWD labour

65. As described in section X.A.1 of the Harington Efficiencies Report, I analyzed the actual headcount reduction that occurred as a result of the FST and SWD facility closures that have occurred to date and found that, [REDACTED]

[REDACTED]

66. Dr. Eastman asserts that this “seems to conflict with statements made in the Affidavit of Keith Blundell which noted that [REDACTED]

[REDACTED]

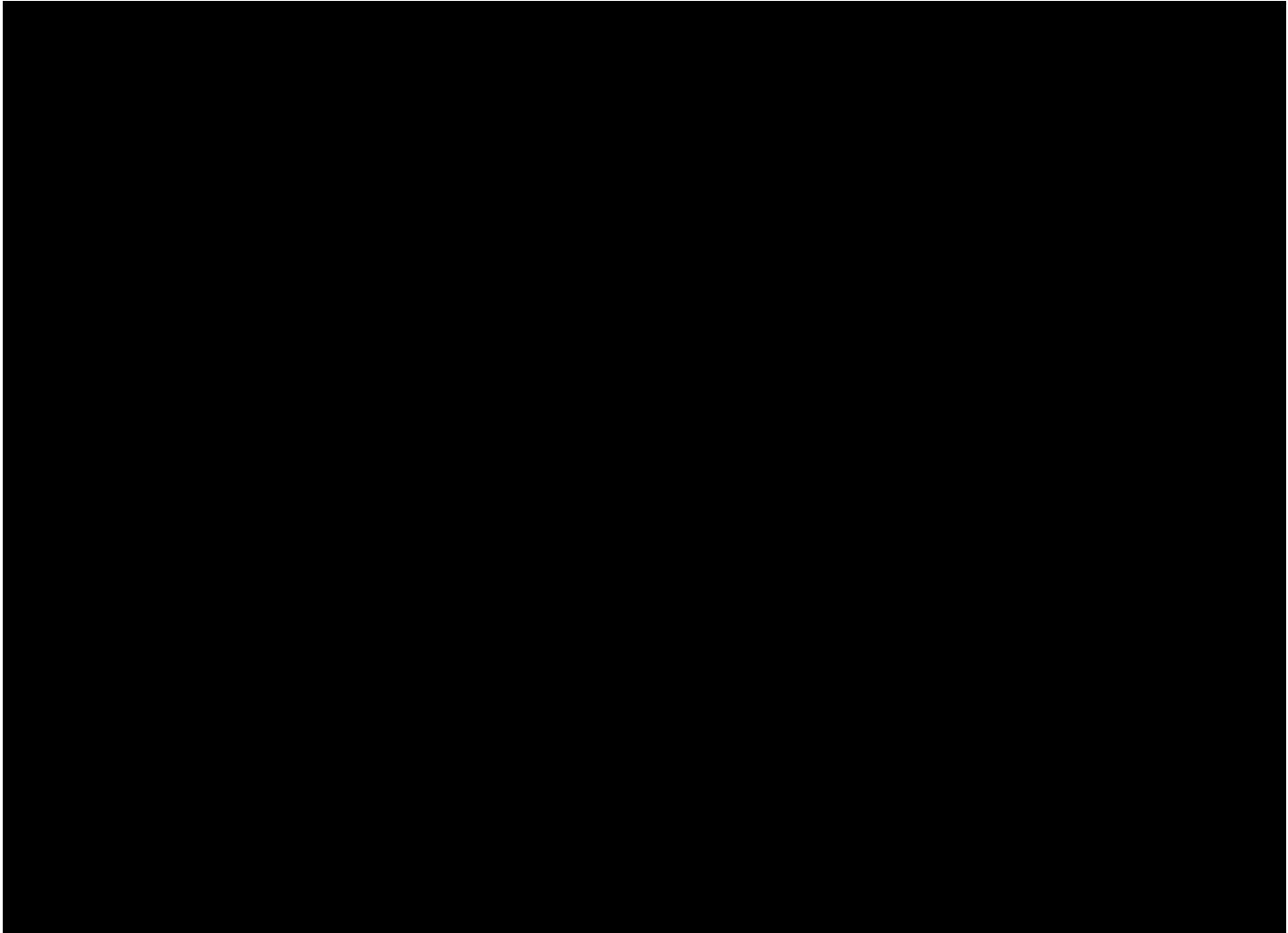
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<sup>42</sup> Eastman Rebuttal Report, paragraph 47, page 22.

<sup>43</sup> See Harington Efficiencies Report, Table 12, Table 13, Table 14, Table 15, and paragraph 113.

<sup>44</sup> Eastman Rebuttal Report, paragraph 60.





68. Dr. Eastman’s assumption is, therefore, not valid and nothing arises from this aspect of the Eastman Rebuttal Report that leads me to revise my conclusions in the Harington Efficiencies Report.

### Purported differences in the cost structures of the absorbing facilities

69. Dr. Eastman asserts that my “analysis fails to consider the variability in ratios of fixed versus variable expenses on a location-by-location basis [and therefore he is] unable to verify [my] assumption that



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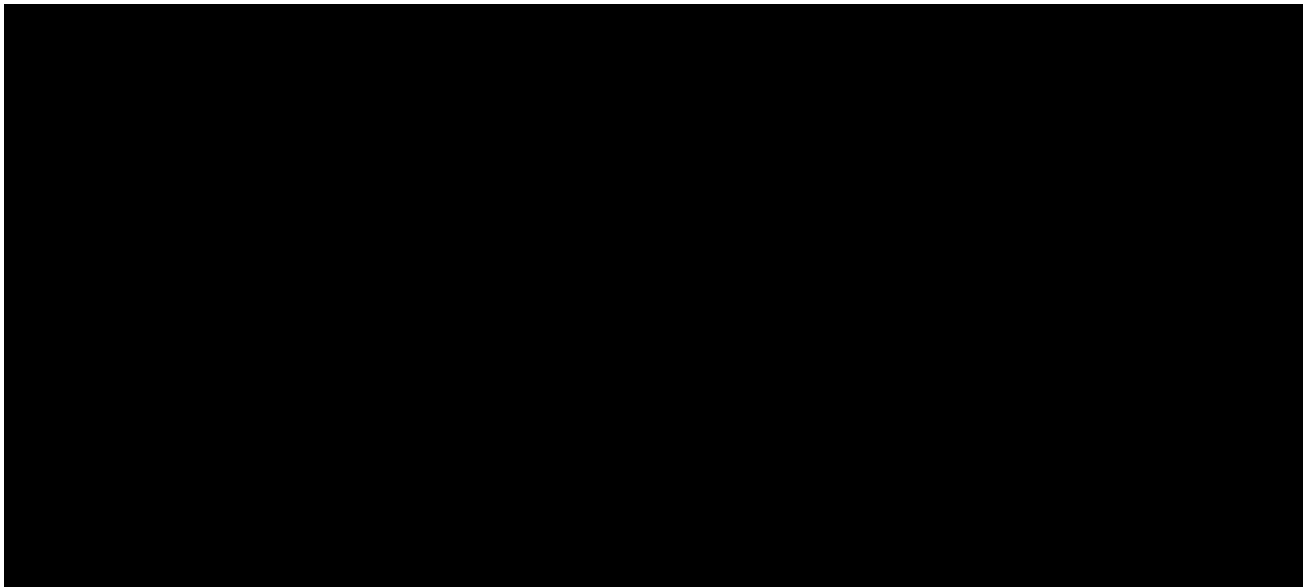
<sup>45</sup> Supplementary Affidavit of Keith Blundell, paragraph 5.

<sup>46</sup> Supplementary Affidavit of Keith Blundell, paragraph 7.

<sup>47</sup> Eastman Rebuttal Report, paragraph 61.

70. Dr. Eastman is correct that I have not undertaken my analysis on a location-by-location basis but the most likely effect of this is that my conclusion as to Productive Efficiencies is understated for the following reasons:

- a. As described in Section X.A.2 of the Harington Efficiencies Report and at paragraphs 48 to 58, above:
  - i. For cost categories for which I relied upon a correlation methodology, I selected a conservative estimate for the fixed cost component;
  - ii. For cost categories which could reasonably be expected to be predominantly variable, I assumed that 100% of the costs would be variable;



71. Reflecting the above, nothing arises from this aspect of the Eastman Rebuttal Report that leads me to revise my conclusions in the Harington Efficiencies Report.

## Summary

72. With respect to the cost savings from the integration of SWD/FST facilities, Dr. Eastman does not provide any alternative assumptions, calculations or opinions.<sup>48</sup> As set out in each of the previous sections, I remain of the opinion that my assumptions are reasonable and, if anything, err on the conservative end and, accordingly, that the efficiencies set out in the Harington Efficiencies Report are appropriate, reasonable and likely to be achieved.

## VI.D. The cost savings arising from landfill facility closures

73. Dr. Eastman claims that the fixed cost savings relating to landfills in my initial report rely on an incomplete analysis of the fixed and variable cost structure of the closing and absorbing facilities. He states, as he does with respect to FSTs and SWDs, that by applying the average correlation to the facilities, I disregard the different fixed and variable cost structures across locations and variability in the operating efficiency across landfills.<sup>49</sup> He purports to demonstrate the variability in operating efficiency for landfills by calculating the ratio of revenue, wages, and total costs to volumes for the facilities subject to integration as set out in Table 5 of the Harington Efficiencies Report.<sup>50</sup>

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<sup>48</sup> See, for example, paragraph 53 of the Eastman Rebuttal Report which states “Consequently, based on Mr. Harington’s analysis, not only am I unable to verify the claimed efficiencies, it is also unclear whether the facility rationalization would lead to any productive efficiencies” or, at paragraph 63, which states “As Mr. Harington’s analysis does not appear to sufficiently support his assumptions or address the limitations noted above, I am unable to verify these fixed cost savings.”

<sup>49</sup> Eastman Rebuttal Report, paragraph 54.

<sup>50</sup> Eastman Rebuttal Report, paragraph 55.

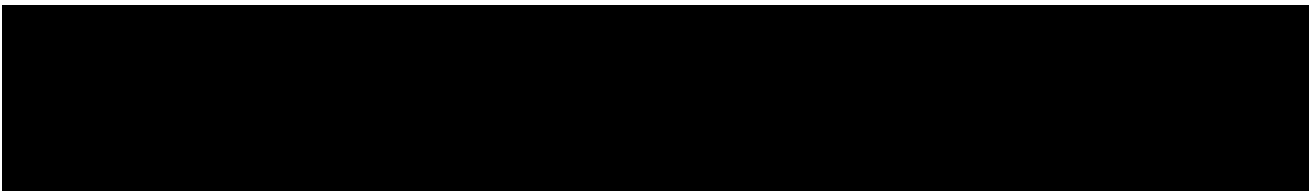
74. Dr. Eastman's analysis and conclusions are faulty for the following reasons:

- a. By sorting his list by company rather than by geographic market, Dr. Eastman fails to demonstrate that local market conditions affect the operating efficiency of each facility and explain a large portion of the variability that he observes;

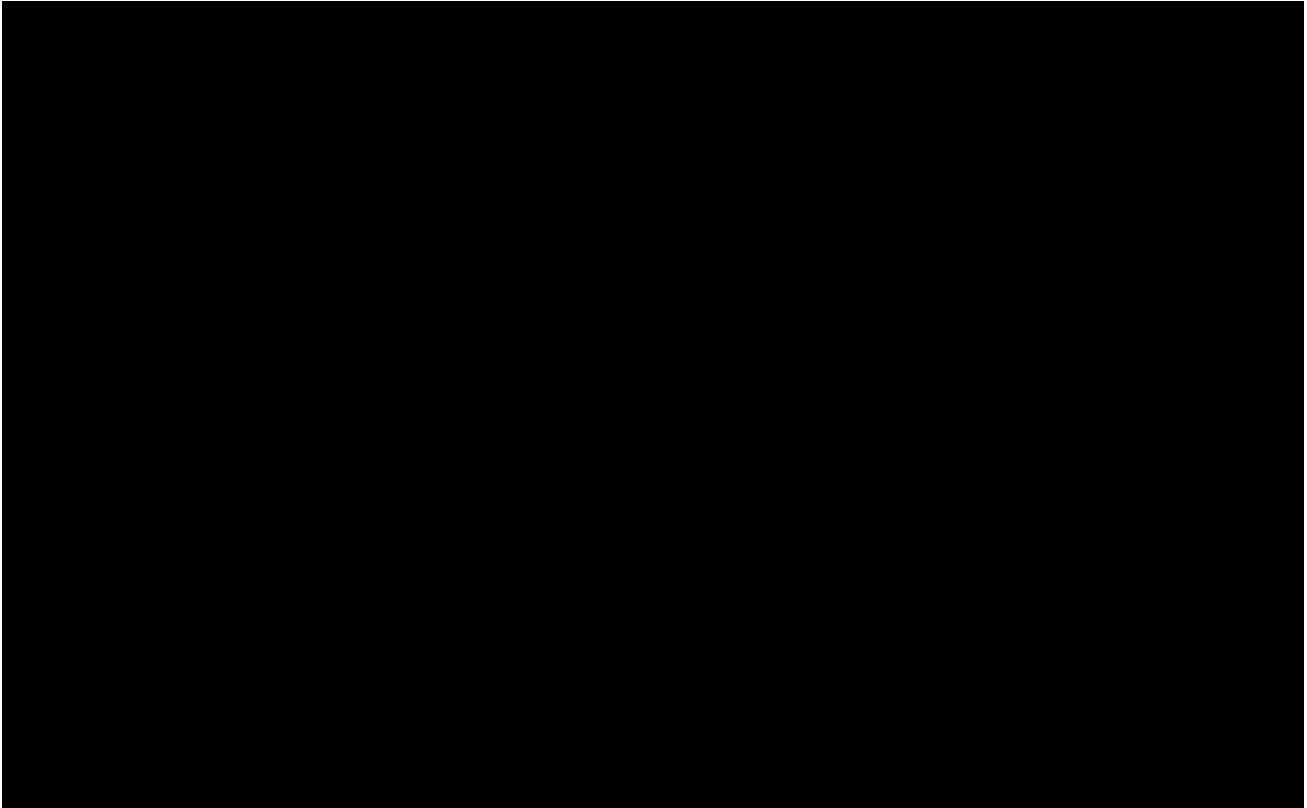


- c. Dr. Eastman fails to observe that larger landfills<sup>52</sup> operate more efficiently than smaller landfills.

75. I demonstrate the two facts in (a) and (b) above in Table 2 below by simply rearranging the landfills in Eastman Rebuttal Report Table 3 by the integration cluster (or say the local market) and indicating whether a landfill is an absorbing facility or a closing facility.



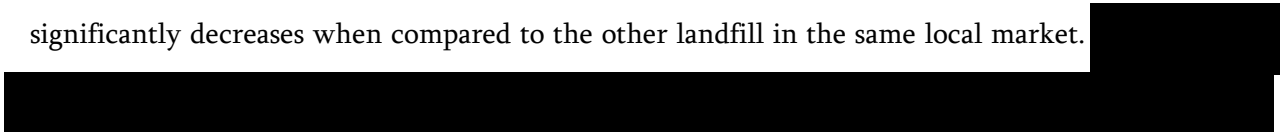
<sup>52</sup> Based on waste volumes in tons as the measure for size.



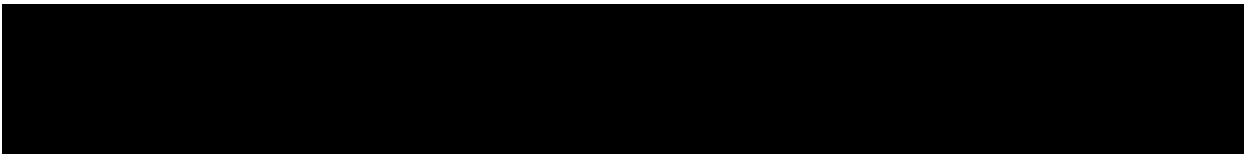
76. I discuss each of the above in more detail below.

### Location Market Conditions Affect the Efficiencies of Landfills

77. As indicated in Table 2 above, the apparent range of efficiency ratios expenses to volumes significantly decreases when compared to the other landfill in the same local market.

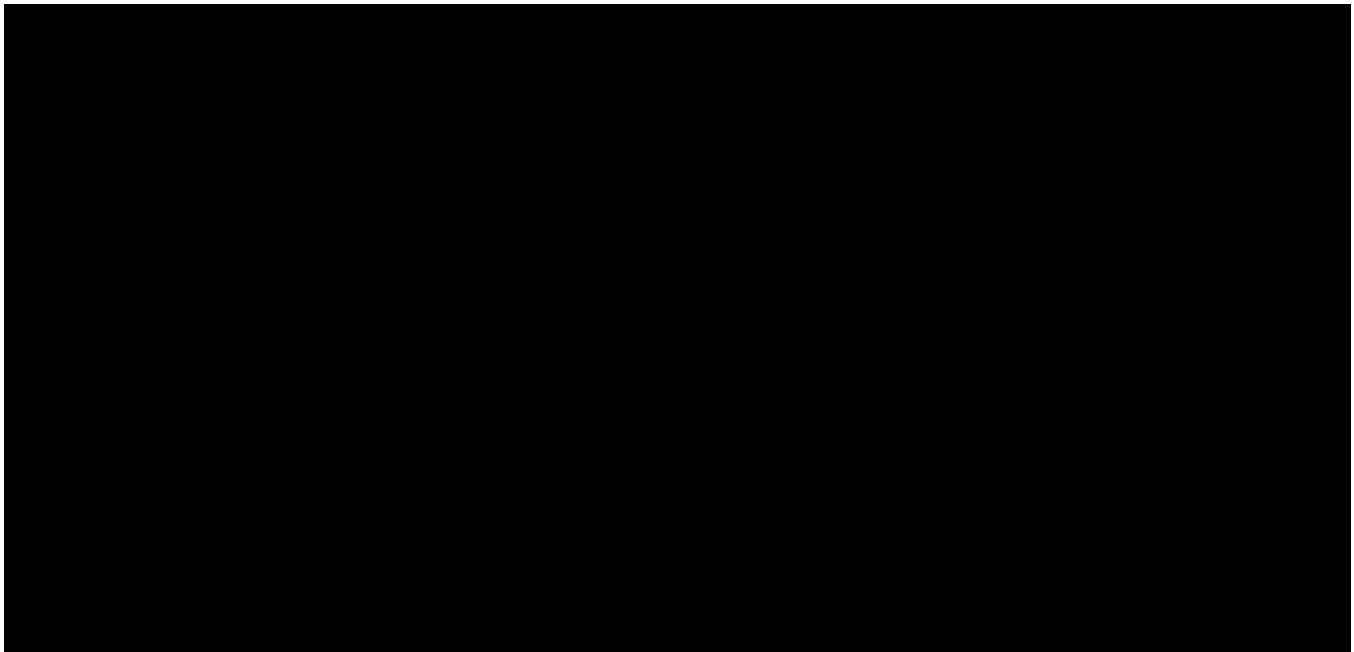


This comparison is more meaningful because facilities in the same geographic market are affected by the same external factors, while those in other markets could face external factors that are quite different. These will include:





78. By sorting his list by company rather than by geographic market, Dr. Eastman fails to illustrate this fact, which substantially eliminates his purported differences in the fixed cost structures across locations.



81. Accordingly, by considering the average cost structures of all landfill facilities (absorbing and closing) in my analysis, instead of the cost structures of just the absorbing landfills, I am, if anything, being conservative. That is, had I considered the cost structures of only the absorbing facilities, my fixed costs savings calculation would likely have been higher.

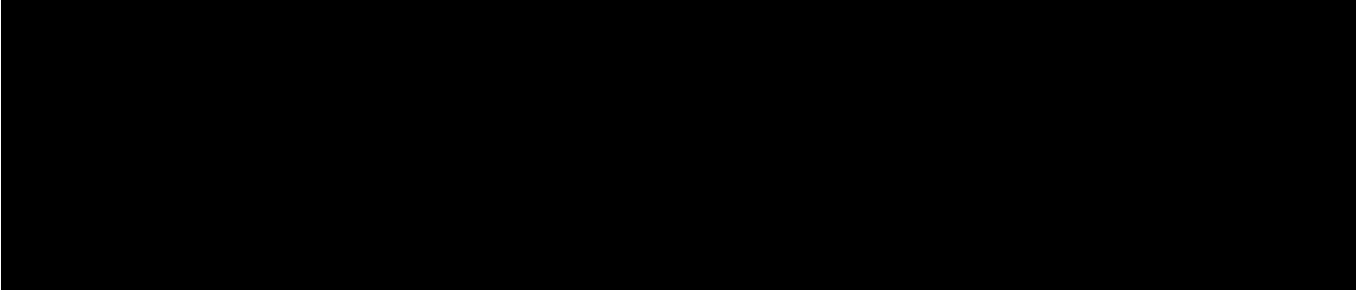


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<sup>53</sup> See for example, SESL0001514.xlsx

<sup>54</sup> Harington Efficiencies Report, Schedule 3.2.4.

## Larger landfills operate more efficiently

82. Dr. Eastman's fails to consider that, after accounting for differences arising from different regional markets, the remaining variability in ratios correlates with differences in size between landfill facilities.



## Summary

84. With respect to the cost savings arising from the landfill facility consolidations, I remain of the opinion that my assumptions are reasonable and, if anything, err on the conservative end and, accordingly, that the efficiencies set out in the Harington Efficiencies Report are appropriate, reasonable and likely to be achieved.

## VI.E. The incremental customer transport costs

85. Dr. Eastman states that, based on his review, my analysis of the incremental customer transport costs arising from the facility consolidations is likely understated for two reasons:

- a. First, my “analysis does not include the impact of increased wait times that may result from increased volumes as a result of facility closures, causing potential bottlenecks that may increase wait times” [emphasis added];<sup>57</sup> and
- b. Second, the data that I used to model the transport costs is from 2020, a period of time with depressed product volumes, potentially understating the total customer product inflow.

86. With respect to the second item, there was a typographical error in my Harington Efficiencies Report at paragraph 134 where I incorrectly stated that the analysis conducted by Dr. Duplantis was based on customer shipment data for 2020. In fact, the analysis was conducted based on shipment data for 2019, the same period analyzed by Dr. Miller. [REDACTED]

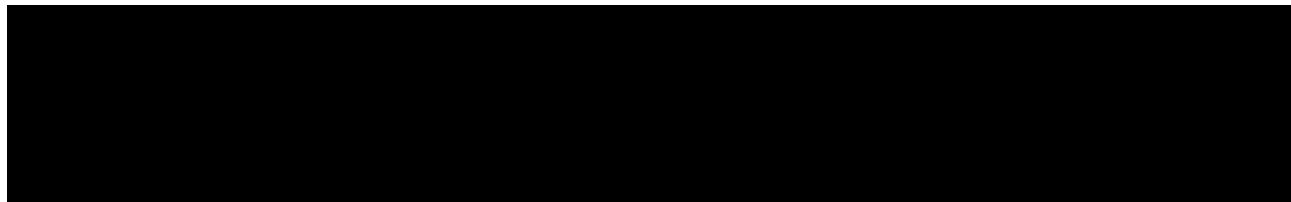
[REDACTED] Accordingly, using 2019 shipment data is conservative.

87. With respect to the wait times, Dr. Eastman undertakes no quantitative analysis but rather refers, at paragraph 65 of the Eastman Rebuttal Report, to the analysis undertaken by Dr. Miller.

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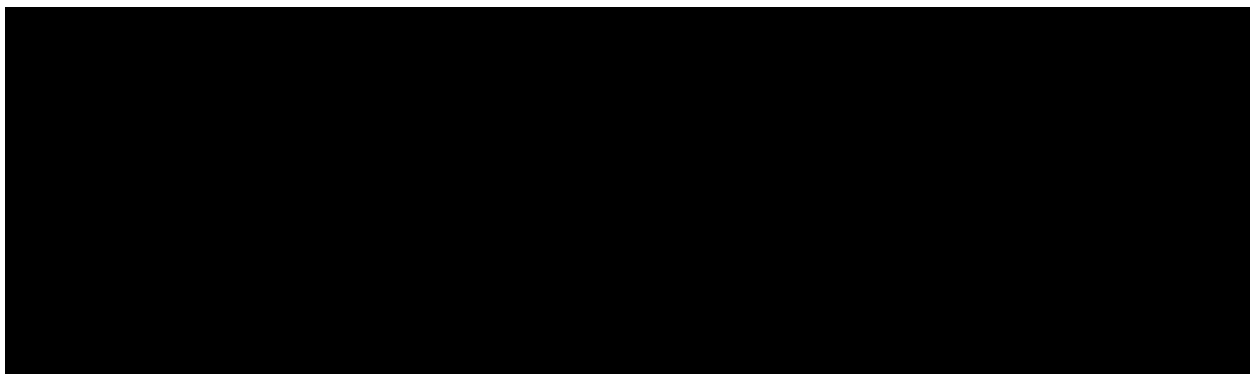
<sup>57</sup> Eastman Rebuttal Report, paragraph 65.





89. With respect to Dr. Miller's calculations:

- a. Dr. Miller bases his calculations on the intended integration plans as they existed prior to closing of the transaction. The updated integration plans are set out in the Harington Efficiencies Report. By not updating the integration plan for his calculation, Dr. Miller has overstated the number of trips.
- b. His calculation of the number of trips made in 2019 includes all trips made by customers to a closing facility, even if the facility is only partially closing. By including shipments for services that are not being closed, Dr. Miller has significantly overstated the number of trips in his calculation.



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<sup>58</sup> Miller Rebuttal Report, footnote 152.



<sup>60</sup> Harington Efficiencies Report, paragraph 11(a) and 11(b).

[REDACTED]

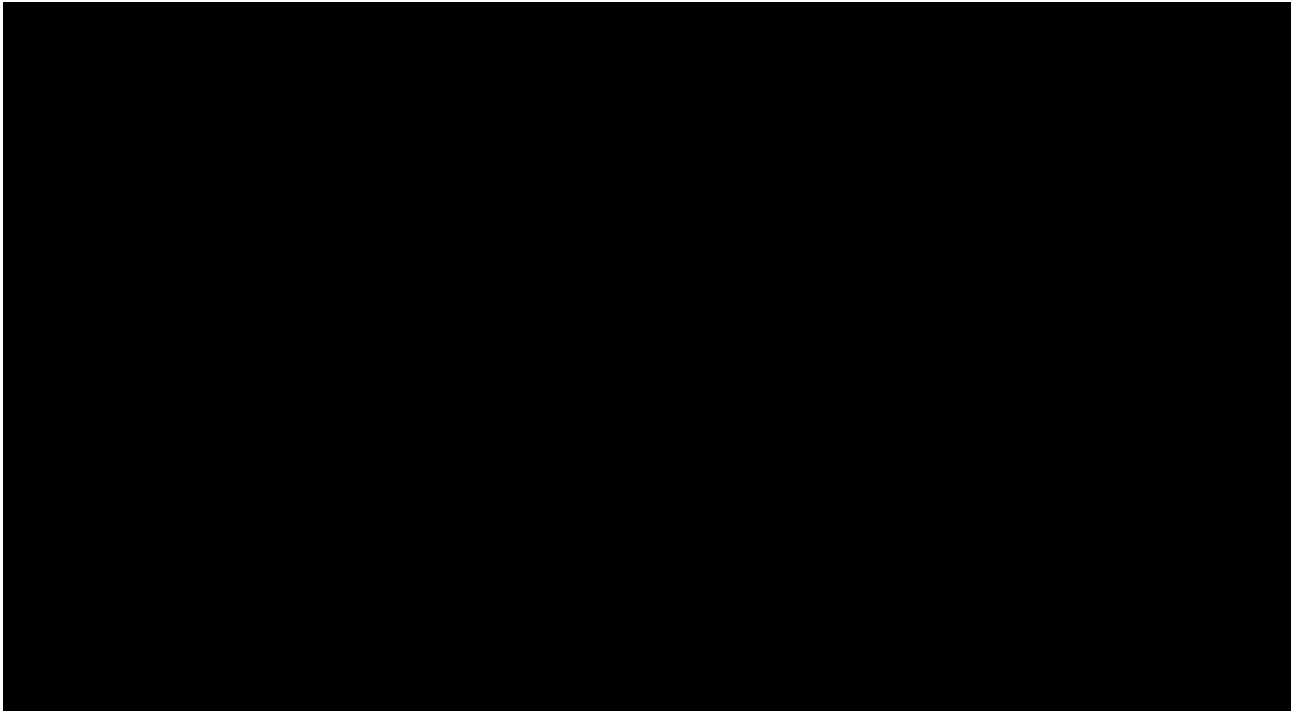
[REDACTED]

[REDACTED]

91. To put Dr. Miller’s unsubstantiated assumption of the additional waiting time per trip of between 15 minutes and 60 minutes in context, the additional hours of driving due to facility closures that I included in the Harington Efficiencies Report [REDACTED].<sup>62</sup> Considering that there are [REDACTED] trips above, this indicates that the average increase in driving time between facilities is [REDACTED] minutes per trip.<sup>62</sup> That is to say, reflecting the density of SECURE facilities (and not considering third party facilities), if the closure of facilities results in an increase of only [REDACTED] minutes of driving time, it is not plausible to assume that every driver would now willingly wait for up to 60 minutes when they could, instead, drive to another facility.

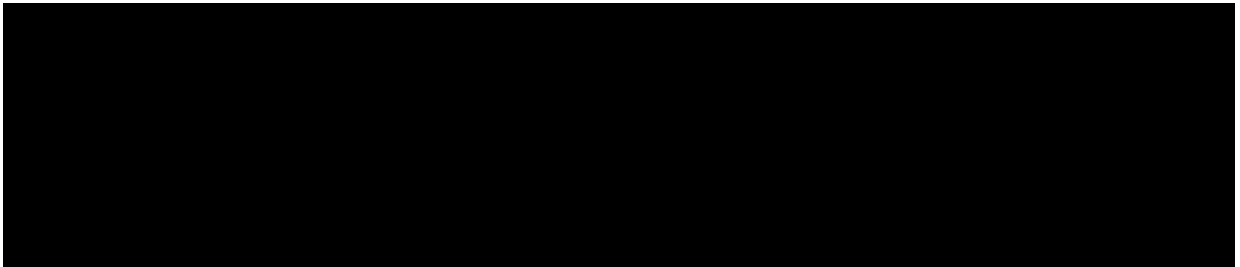
[REDACTED]

92. Second, both Dr. Miller and Dr. Eastman ignore the qualitative benefits described in paragraph 203 of the Harington Efficiencies Report relating to the customer transport costs. These include:



93. Third, with respect to Dr. Eastman's statements:

a. Dr. Eastman refers, at paragraph 44, to correspondence between SECURE personnel noting that



b. Dr. Eastman makes a statement that



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<sup>63</sup> Affidavit of Dave Engel, paragraph 81.

<sup>64</sup> See SESL0028018.msg.

[REDACTED] and cites, as support for this statement, to SESL0031094.msg. It is not clear how this document supports Dr. Eastman's statement. [REDACTED]

[REDACTED]

[REDACTED]

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<sup>65</sup> Eastman Rebuttal Report, paragraph 68.

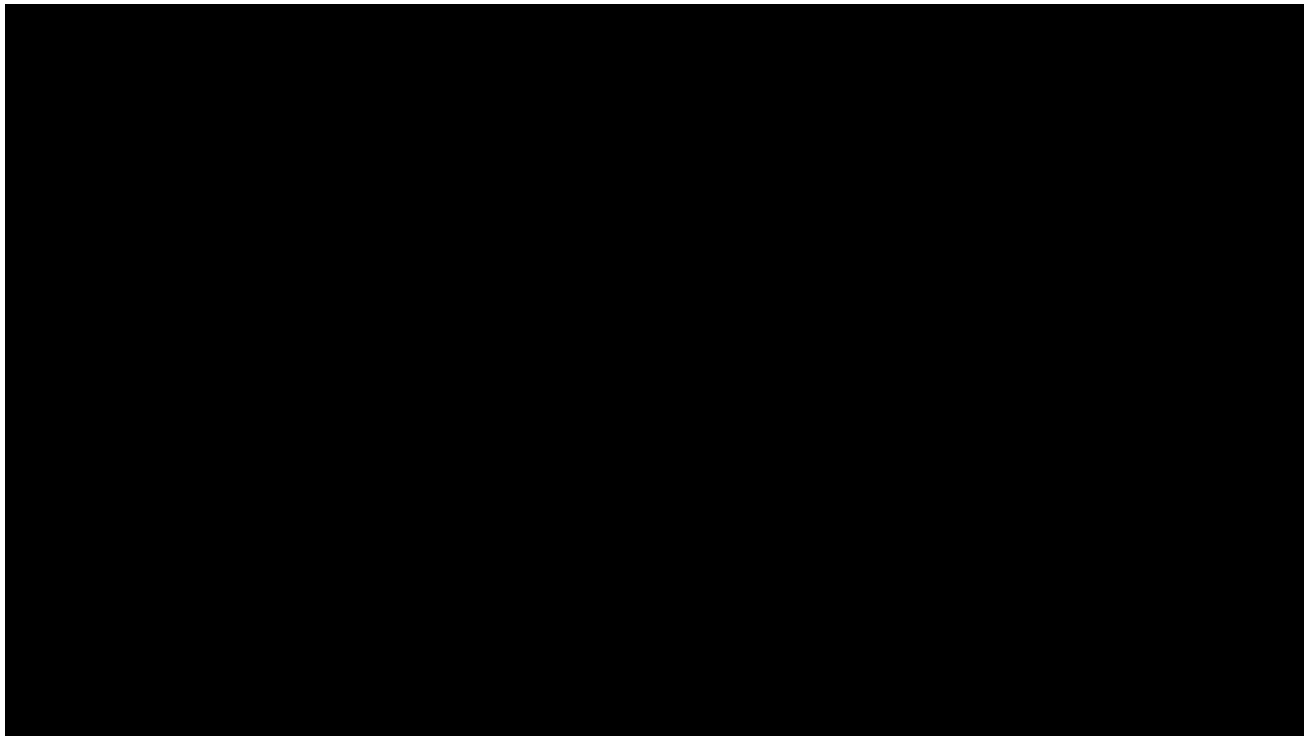
<sup>66</sup> SESL0031094.msg

<sup>67</sup> Eastman Rebuttal Report, paragraph 68.

<sup>68</sup> See Harington Efficiencies Report, Appendix F, Table 7.

<sup>69</sup> See SESL0040157.msg.

94. Finally, with respect to landfills, because of customer diversion prior to the landfill facility closures in order to accelerate those closures, I conservatively assumed that the incremental customer transport costs for all landfills would occur immediately following closure of the Transaction rather than only after the integration has occurred. Dr. Eastman criticizes this assumption saying I “performed no analysis of the quantity of volumes that would be diverted, and he has not evaluated the incremental time or distance that would be incurred by the customer [and] it is unknown whether these costs would exceed all of the cost savings in those interim periods before the landfills are closed.”<sup>70</sup> In response:



95. Accordingly, my assumption that the incremental customer transport costs during the interim period are occurring with effect from the Transaction date is very conservative and most likely understates the Productive Efficiencies from the Transaction.

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<sup>70</sup> Eastman Rebuttal Report, paragraph 69.

## VI.F. Geographic based cost savings



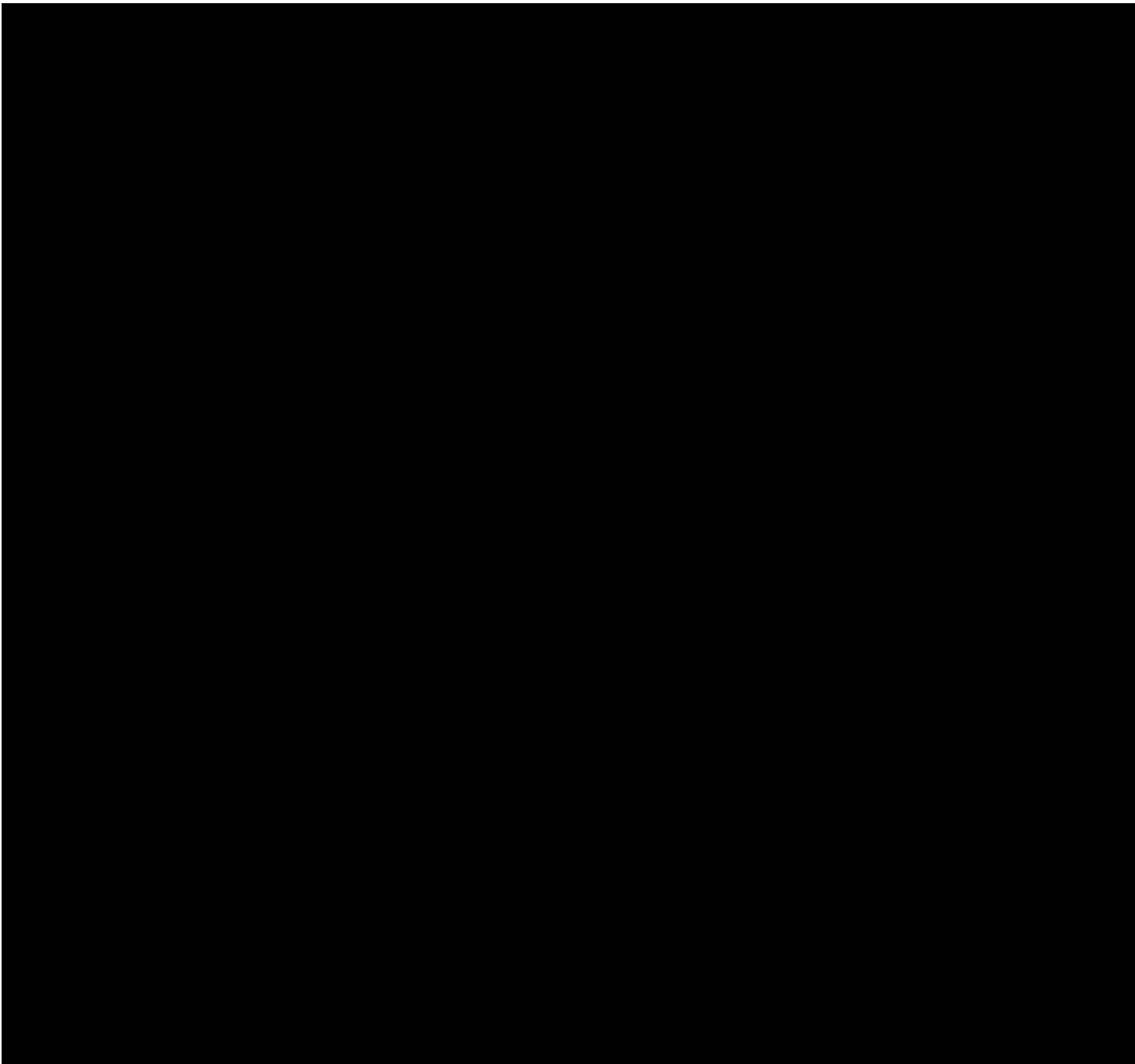
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<sup>72</sup> Eastman Rebuttal Report, section VI.E.

<sup>73</sup> Eastman Rebuttal Report, paragraph 74.

<sup>75</sup> Supplementary Affidavit of Keith Blundell, paragraph 13.

<sup>76</sup> Supplementary Affidavit of Keith Blundell, paragraph 14.



103. Reflecting the above, nothing in the Eastman Rebuttal Report causes me to revise the conclusions set out in the Harington Efficiencies Report as to the geographic based Productive Efficiencies.

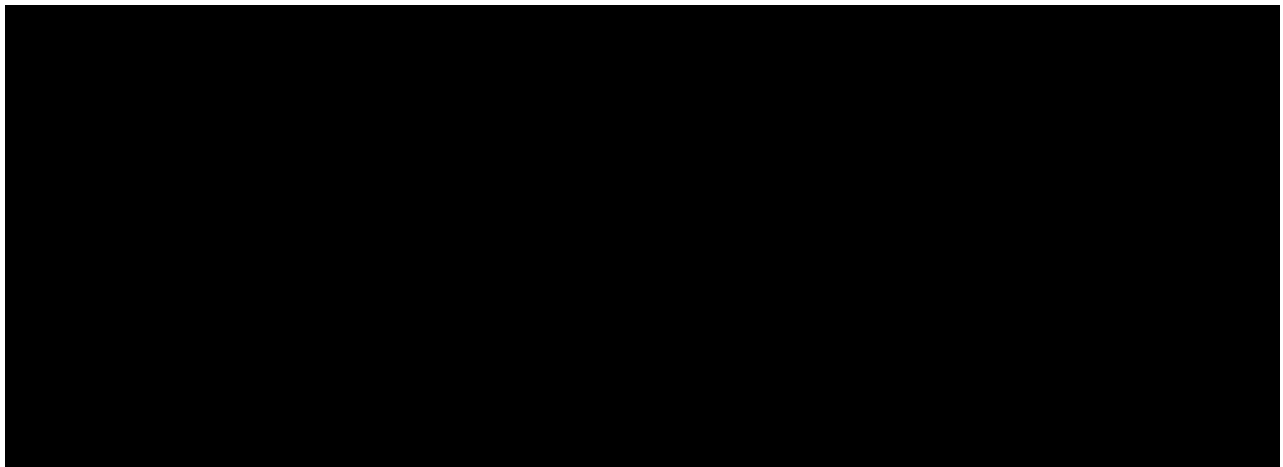
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<sup>77</sup> D and A Suspension – Cost Estimate Report – Kerrobert Pipeline System – IFU.pdf, page 2.

<sup>78</sup> Supplementary Affidavit of Keith Blundell, paragraph 15.

## VI.G. Corporate cost savings

104. Dr. Eastman states that [REDACTED] corporate employees were terminated in April and May 2021, prior to the closing of the Transaction. Mr. Harington provides no support or justification for these terminations, and it is not clear from the available documentation why these [REDACTED] corporate employees were terminated prior to the closing of the Transaction. Particularly, it is not clear if these roles were eliminated under the authority of Tervita in contemplation of the Transaction or if these roles would have been eliminated absent the Transaction.”<sup>79</sup> [emphasis added]
105. Below is an extract from “Employee Cost Tracker for Dean - 2022.02 V4.xlsx”, the document used to track headcount reductions arising from the Transaction.



106. As clearly indicated in Table 5, the [REDACTED] employees were not terminated but resigned in the period after the Transaction was announced.
107. As stated at paragraph 192 of the Harington Efficiencies Report, “SECURE has, for securities disclosure purposes, been identifying all headcount reductions that have occurred as a result of the Transaction.” While paragraph 193 of the Harington Efficiencies Report incorrectly refers to “the

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<sup>79</sup> Eastman Rebuttal Report, paragraph 77.



names of the people that have been terminated” [emphasis added], it is appropriate to include people that have departed of their own accord where, absent the Transaction, that position would have been refilled. The net effect of a termination, or a resignation that is not refilled, are both equivalent in that a “resource has been freed up” and are Productive Efficiencies.

108. On the same principle, footnote 81 of the Harington Efficiencies Report indicates that headcount reduction Productive Efficiencies would also include “employees that would have been terminated but have been retained to fill a position that was otherwise vacant and that would have been filled absent the Transaction.” This too equates to the freeing up of a resource and is a Productive Efficiency.
109. Notably, [REDACTED] other employees departed after the closure of the Transaction by way of resignation that have also been included in the headcount reductions.
110. All of the above scenarios are included as headcount reductions arising from the Transaction that are included in the [REDACTED]
111. Reflecting the above, nothing arises from this aspect of the Eastman Rebuttal Report that leads me to revise my conclusions in the Harington Efficiencies Report.

## VI.H. The Productive Efficiencies lost under Hypothetical Orders

112. Dr. Eastman confirms, at paragraph 87, “the lack of available information regarding the nature of a potential divestiture” given that the Commissioner has not indicated any specific divestiture order being sought and appears to adopt the instructions that I was provided with regard to the Hypothetical Divestiture Orders.

113. With respect to these Hypothetical Divestiture Orders, Dr. Eastman acknowledges, at paragraphs 84 to 86, that the Productive Efficiencies from the facility integrations would be lost in the event of an Order.
114. With respect to the field lease office saving, Dr. Eastman and I agree that it would depend on the potential purchaser and its ability to support the operating locations. In this regard, however, as I describe in paragraph 211(b) of the Harington Efficiencies Report, a competitively acceptable purchaser of the facilities is unlikely to have existing field office capacity in the relevant regions and will likely require the field offices. Accordingly, in my opinion, this Productive Efficiency is likely to be lost.
115. Dr. Eastman makes statements that appear to indicate that he believes that the facilities would be divested to multiple purchasers. For example:
- a. “In the event the facilities identified in the order are divested to multiple purchasers, the amount of efficiencies that are claimed to be lost in the event of the order is likely overstated.”<sup>80</sup>
  - b. “I understand that a single purchaser may not exist in either hypothetical divestiture order scenario and that the facilities may be sold to multiple individual purchasers.”<sup>81</sup>
  - c. “As discussed below, my analysis of the impact of a potential divestiture Order is based on the premise that multiple individual purchasers will acquire the divested assets.”<sup>82</sup>
116. In support of this assumption, Dr. Eastman states that “Based on my review of witness statements of White Owl, [REDACTED] Clean Harbors, Catapult, and Green Impact, it appears that these potential

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<sup>80</sup> Eastman Rebuttal Report, paragraph 11.

<sup>81</sup> Eastman Rebuttal Report, paragraph 18.

<sup>82</sup> Eastman Rebuttal Report, paragraph 18.

purchasers are likely to have the capacity and infrastructure to absorb more of the corporate costs than are estimated in Mr. Harington's analysis."<sup>83</sup>

117. As I indicated in Appendix J of the Harington Efficiencies Report, where I analyzed potential strategic buyers [REDACTED] Catapult and Green Impact only operate SWDs. [REDACTED]

118. With regard to the above:

- a. As I indicated in paragraph 213 of the Harington Efficiencies Report, amongst other factors, the acquirer or acquirers will need to have the financial strength to take on the ARO obligations for the facility that it is acquiring. Dr. Eastman has not considered this in his analysis;
- b. As I indicated in Appendix J of the Harington Efficiencies Report, a significant number of the facilities are not providing an adequate return to support the ARO and "will need to be sold in 'packages' or an aggregate 'package' to allow the profit from viable facilities to support the less profitable facilities' associated ARO liabilities";<sup>85</sup> and
- c. As I indicated in paragraph 217 of the Harington Efficiencies Report, I agree that strategic purchasers likely exist for the SWD facilities.

119. Dr. Eastman states that "Mr. Harington himself concedes that it is not clear that a single purchaser exists and that the facilities may be sold piecemeal."<sup>86</sup> To be clear, this is not a concession on my part but rather a conservative assumption as I stated in paragraphs 217(b) and 219 of the Harington

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<sup>83</sup> Eastman Rebuttal Report, paragraph 82.

<sup>84</sup> Witness Statement of White Owl Energy Services Inc., paragraph 6.

<sup>85</sup> See Harington Efficiencies Report, Appendix J, paragraph 40.

<sup>86</sup> Eastman Rebuttal Report, paragraph 82.

Efficiencies Report. Contrary to Dr. Eastman, in my opinion there would be significantly greater corporate Productive Efficiencies lost in the event the network was broken up and facilities were sold separately to multiple purchasers. In particular, in my opinion, this would optimally only be undertaken where one or more facilities could not be sold to that single purchaser because it is not a competitively acceptable purchaser.

120. In particular:

- a. For a purchaser that has one facility and acquires another, such an acquisition would be a 100% increase in its business. To assume that a business can double in size without adding back office support is not plausible; and
- b. There are approximately [REDACTED] facilities included in the Hypothetical Divestiture Orders. It is not clear to me that [REDACTED] in-market strategic purchasers exist, especially for the FSTs, and note that these purchasers would need to address all the requirements listed in paragraph 213 of the Harington Efficiencies Report. If there are such purchasers, then Dr. Eastman has not identified them.

121. Notwithstanding that Dr. Eastman states that his “analysis of the impact of a potential divestiture Order is based on the premise that multiple individual purchasers will acquire the divested assets,”<sup>87</sup> the adjustments to the headcounts set out in the Harington Efficiencies Report set out in paragraph 93 of the Eastman Rebuttal Report are based on the Clean Harbors Reply Witness Statement, which asserts that [REDACTED] in senior management, financial, legal and human resources would not be required if Clean Harbors were to acquire the divested facilities.<sup>88</sup>

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<sup>87</sup> Eastman Rebuttal Report, paragraph 18.

<sup>88</sup> Eastman Rebuttal Report, paragraph 93; Reply Witness Statement of Clean Harbors - Public.pdf, paragraph 12.

122. I understand from the Supplementary Affidavit of Keith Blundell that, especially as compared to an SWD, because FSTs processes additional waste streams, including emulsion, clean oil, and waste, additional head office staff are required to manage these sites. In particular:
- a. Production accounting needs to track and report on several additional streams.
  - b. Crude Oil Marketing staff are required to work with customers, compete for oil barrels and blendstock, and market barrels of oil; and
  - c. Schedulers are required to schedule product deliveries and pipeline shipments.
123. Further support is needed to work with Regulators on these additional streams requiring specifically experienced finance, accounting, regulatory, operations engineering, quality and measurement (especially for oil pipeline connected sites), emergency management (where certain streams require separate safety and emergency programs), land (relating to the additional landowner agreements and pipelines) and sales staff that require an understanding of the multiple streams.
124. Given the cost basis of an FST as compared to an SWD, the acquirer would also require treasury staff to oversee ARO calculations and posted securities, in addition to the regular accounts receivable and payable associated with the greater number of customers and vendors.
125. Finally, with respect to head office lease space, to the extent that any acquirer requires additional corporate headcount, it will require additional corporate office space. Even under Dr. Eastman's assumptions as set out on Table 4 in his report, ■ additional employees will be required in the event of a Hypothetical Divestiture Order, and these employees will require office space. Assuming average

office space is approximately 250 sf/person,<sup>89</sup> the office space Productive Efficiency lost would be [REDACTED]

126. Reflecting the above, nothing in the Eastman Rebuttal Report causes me to revise the conclusions set out in the Harington Efficiencies Report as to the corporate Productive Efficiencies lost in the event of either of the Hypothetical Divestiture Orders.

## VI.1. Other

127. Dr. Eastman states in footnote 58 of the Eastman Rebuttal Report that “I understand that customers could respond to closed facilities by planning, permitting, constructing, and operating their own facilities. Any planning, permitting, construction, and fixed-operating costs incurred with respect to these self-service facilities would represent a reduction in the productive efficiencies.” [emphasis added]
128. It is not clear to me what Dr. Eastman refers to as “the” productive efficiencies.
129. I agree with Dr. Eastman that any planning, permitting, construction and fixed operating costs incurred with respect to these self-service facilities would represent negative productive efficiencies to the Canadian economy. However, any customer that elected to undertake such activities would only do so in the event that it was economically rational to do so and, as such, would avoid expenses that it was otherwise incurring by utilizing the services of SECURE. These saved costs would include, for example, trucking costs that the company was incurring to deliver the product to SECURE, and

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<sup>89</sup> See, for example, <https://www.iofficecorp.com/blog/office-space-per-employee>. This is consistent with my experience.

the avoidance of these costs would represent positive productive efficiencies to the Canadian economy.

130. It would, however, also avoid the profit margin that was paid to SECURE that would represent a saving to the customer, but not a saving to the Canadian economy.
131. Further, the SWDs that Dr. Eastman cites are, like landfills, depleting assets. When a well is full, another well needs to be drilled. Accordingly, while the customer would incur an upfront cost of constructing a well, the well that SECURE was operating would have a longer operating life such that, over time, the cost of planning, permitting and constructing wells are not likely to be a factor when considered from the perspective of the Canadian economy.
132. Without analyzing the facts relating to the particular customer, therefore, it is not possible to state with certainty whether the decision by a customer to operate its own facilities would result in a net reduction or increase in productive efficiencies.

## VII. My Comments on the Miller Rebuttal Report

133. To estimate the landfill ARO costs, Dr. Miller assumes that the ongoing post-closure monitoring costs for landfills will be incurred over a period of only 10 years.<sup>91</sup> However, SESL0035131.xlsx, the document relied upon by Dr. Miller, indicates that the post closure duration period for ongoing costs [REDACTED] Accordingly, by including the ongoing ARO costs for only 10 years

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<sup>91</sup> Miller Rebuttal Report, paragraph 107.

<sup>92</sup> SESL0035131.xlsx

instead of [REDACTED] years, Dr. Miller understates the ARO costs and, as a result, Exhibit 5 of Miller Rebuttal Report overstates the margins of the landfill facilities.

## VIII. Revision to My Conclusions in the Harington Efficiencies Report

134. In my Harington Efficiencies Report, I had included [REDACTED] of cost savings relating to Director & Officer Insurance (“D&O Insurance”) based on the evidence available to me as of March 25, 2022.<sup>93</sup> However, as indicated in the Supplementary Affidavit of Keith Blundell, this [REDACTED] of costs savings was comprised of [REDACTED] in savings related to a [REDACTED]. [REDACTED] As I have done with other insurance savings, I consider these savings from [REDACTED] [REDACTED] non-qualifying for purposes of calculating Productive Efficiencies.

135. Accordingly, I have deducted these cost savings from the Productive Efficiencies included in Schedule 1 of the Harington Efficiencies Report. The impact of this adjustment is to reduce the 10-year net present value of the Productive Efficiencies from the Transaction by [REDACTED]. This cost item was not included in the efficiencies lost under a Hypothetical Divestiture Order and, accordingly, there is no effect on my conclusions in that regard. See Schedule R6 for details of my calculation. My revised conclusion on the Productive Efficiencies from the Transaction is included in Table 6 below.

<sup>93</sup> Harington Efficiencies Report, Schedule 3.4.2.

<sup>94</sup> Supplementary Affidavit of Keith Blundell, paragraph 28.





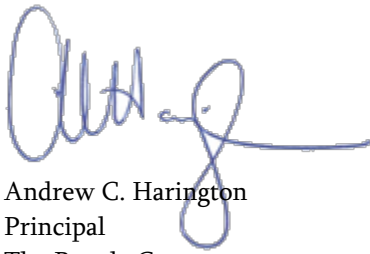
## IX. Restrictions and Limitations

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136. This report is not intended for general circulation or publication nor is it to be reproduced or used for any purpose other than that outlined above without my written permission in each specific instance. The Brattle Group does not assume any responsibility or liability for losses occasioned to you or any other party as a result of the circulation, publication, reproduction, or use of this report contrary to the provisions in this paragraph.
137. I reserve the right (but will be under no obligation) to review and/or revise any and all assumptions and/or calculations included or referred to in this report and, if considered necessary, to revise any calculations in light of any information which becomes known to us after the date of this report.
138. This report was prepared for SECURE Energy Services Inc., in accordance with The Brattle Group's engagement terms, and is intended to be read and used as a whole and not in parts.

139. There are no third party beneficiaries with respect to this report, and The Brattle Group does not accept any liability to any third party in respect of the contents of this report or any actions taken or decisions made as a consequence of the information set forth herein.

Yours truly,

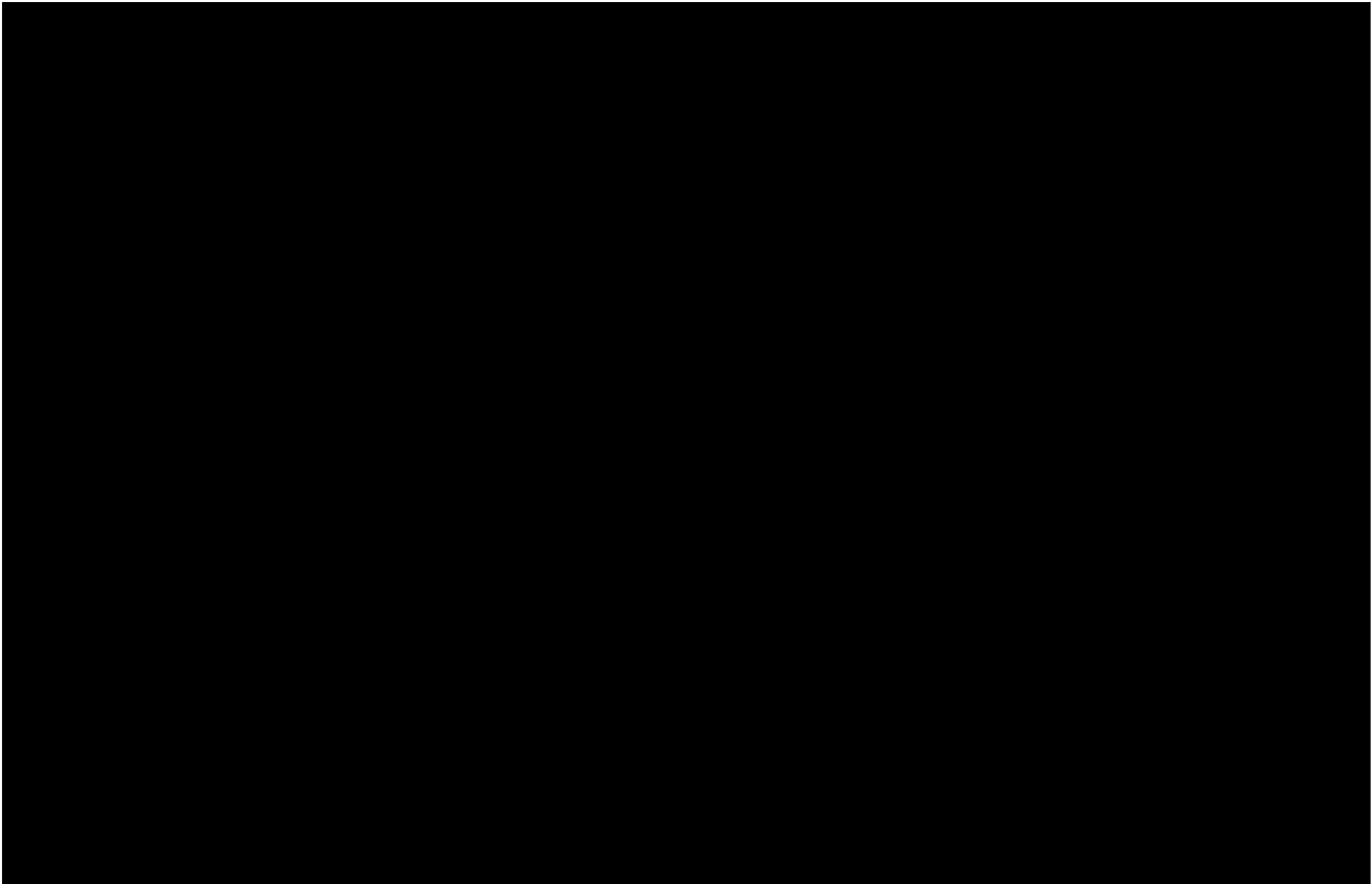
A handwritten signature in blue ink, appearing to read "Andrew C. Harington". The signature is stylized with a large initial "A" and a long horizontal stroke extending to the right.

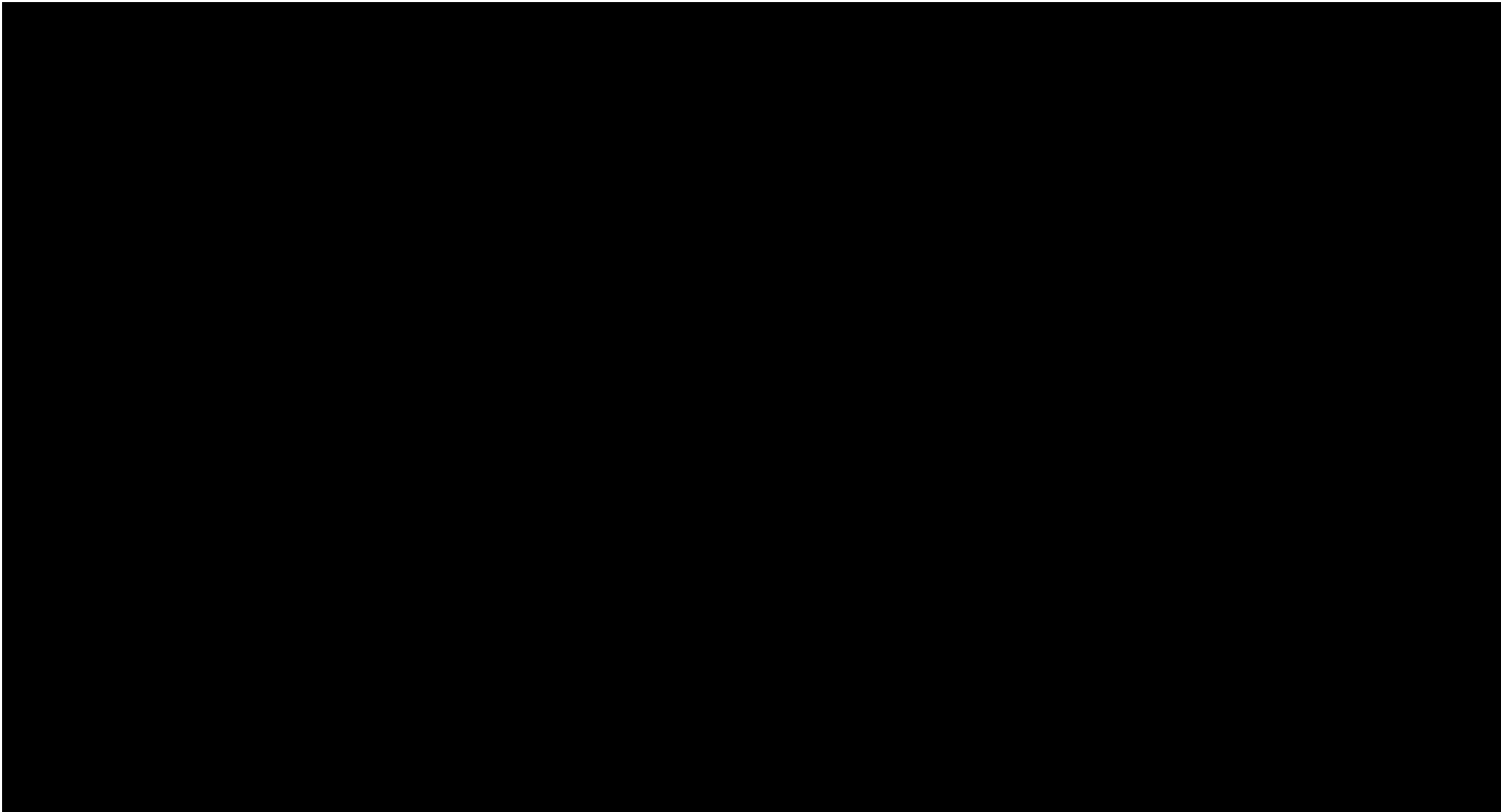
Andrew C. Harington  
Principal  
The Brattle Group

## Commissioner of Competition v. SECURE Energy Services Inc.

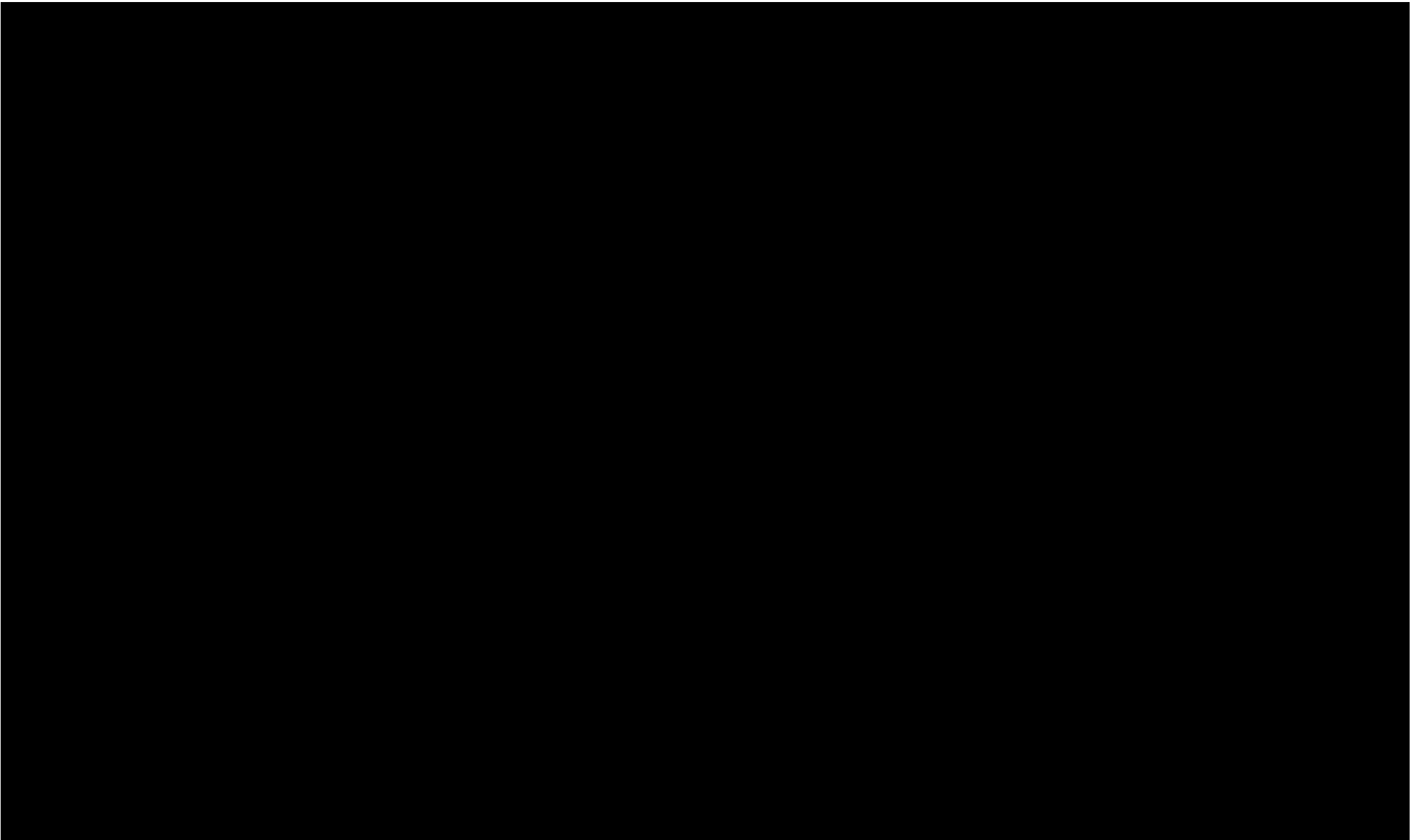
### Table of Contents - Harington Reply Report

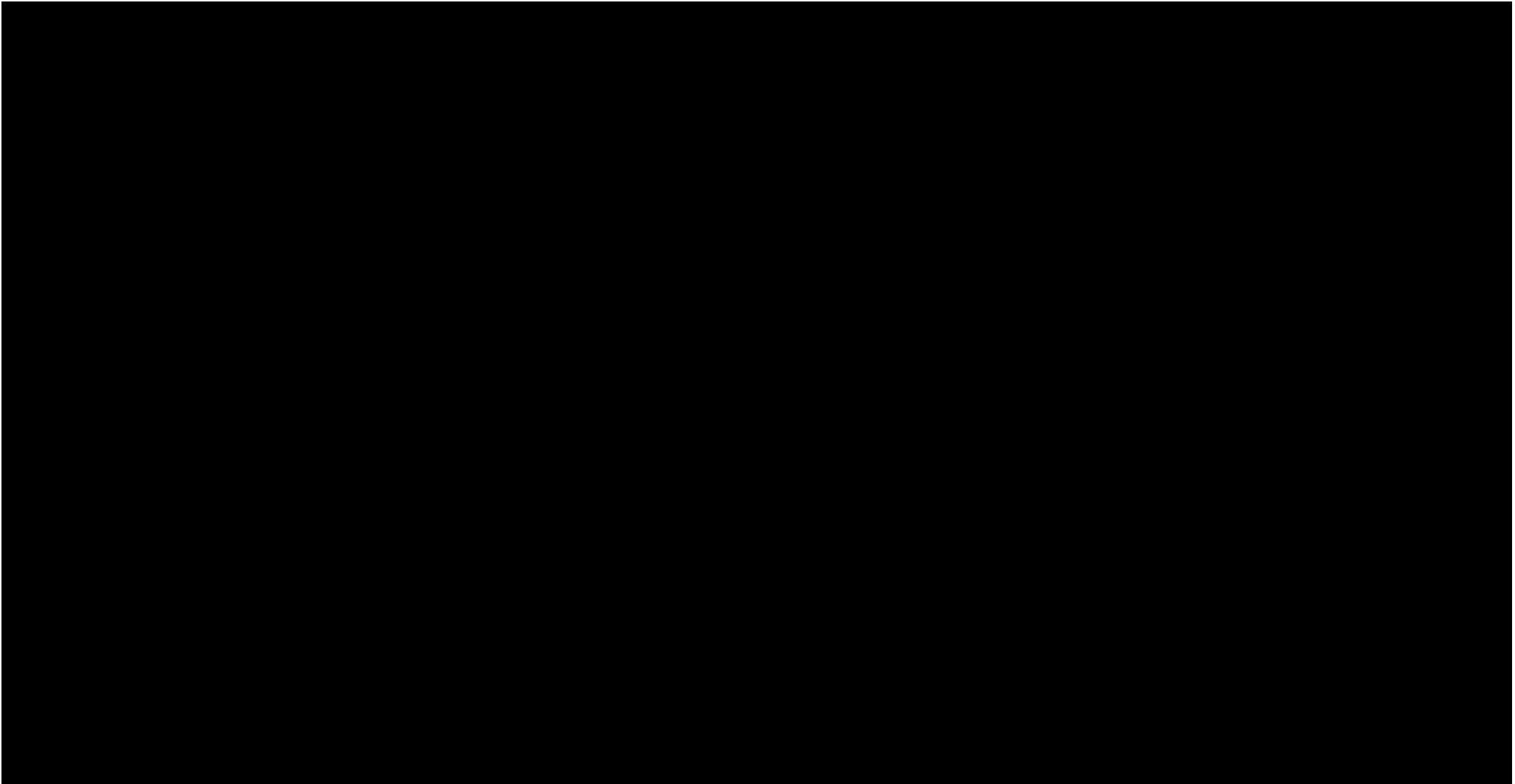
Schedule Number	Schedule Title	Schedule Subtitle	Currency & Units
R1	Amended Table 2 of Eastman Rebuttal Report		
R2	Amended Table 3 of Eastman Rebuttal Report	Ratios for the Year 2020	
R3	FST Facility EBITDA Margins	For the Year 2021	CA\$
R4	Customer Transport Costs and Wait Times		
R5	Customer Transport Costs	Adjustment to number of trips	
R6	Reduction in Director & Officer Insurance Cost Savings		CA\$ 000s
R7	Illustrative Pipeline Operating Costs and ARO		CA\$



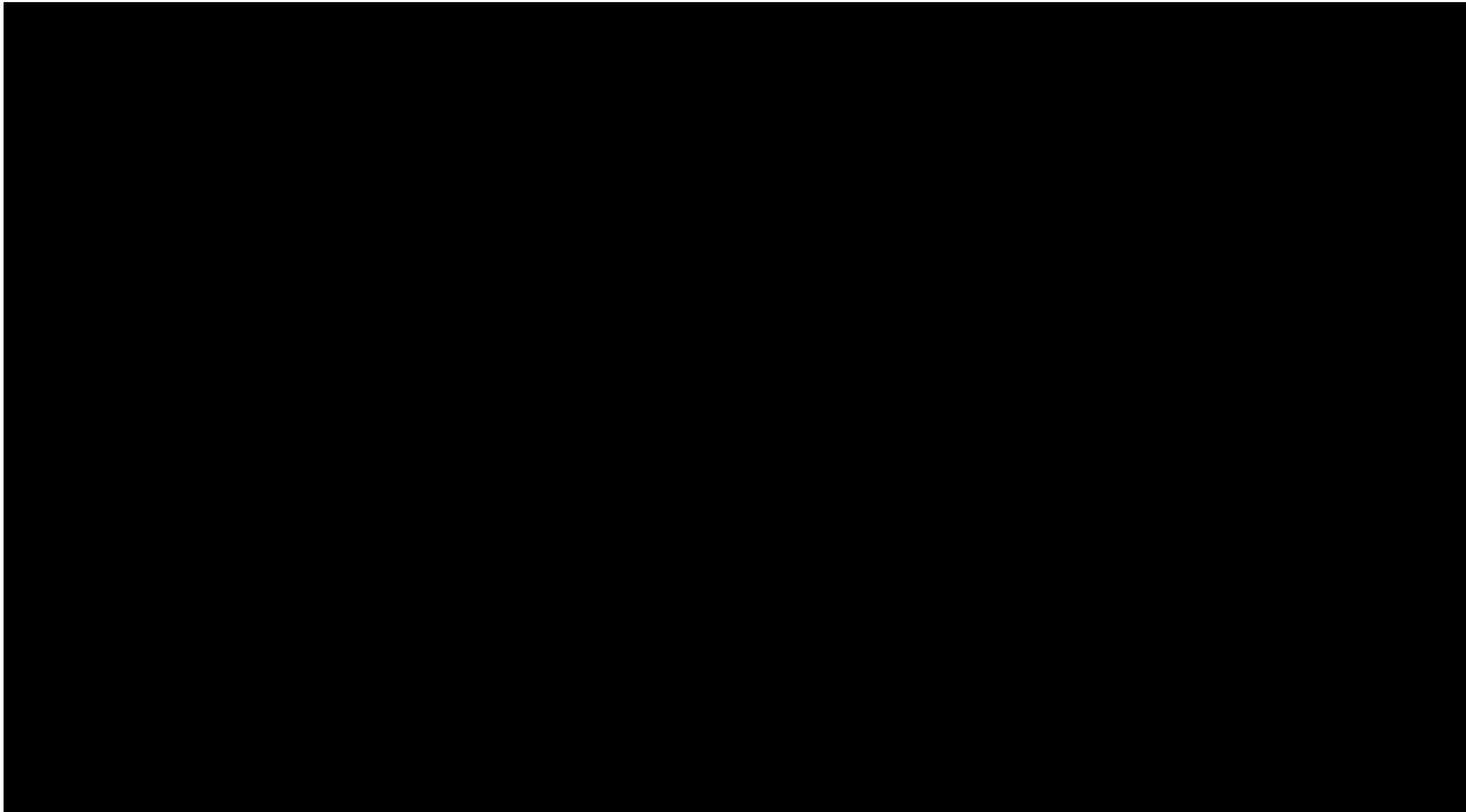


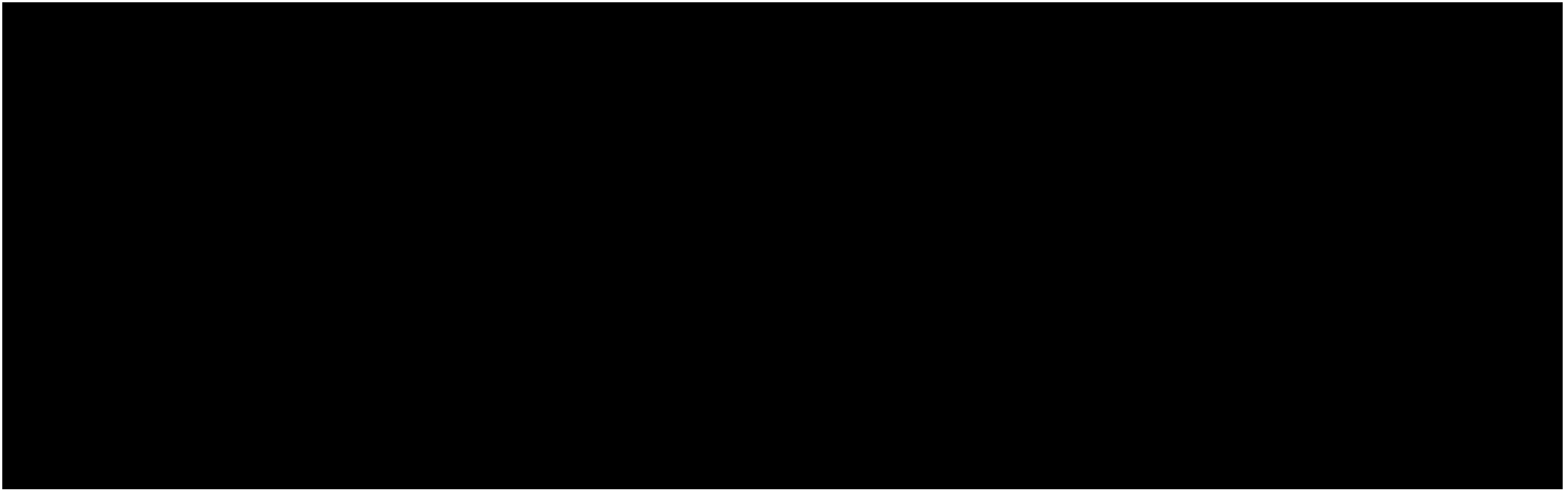


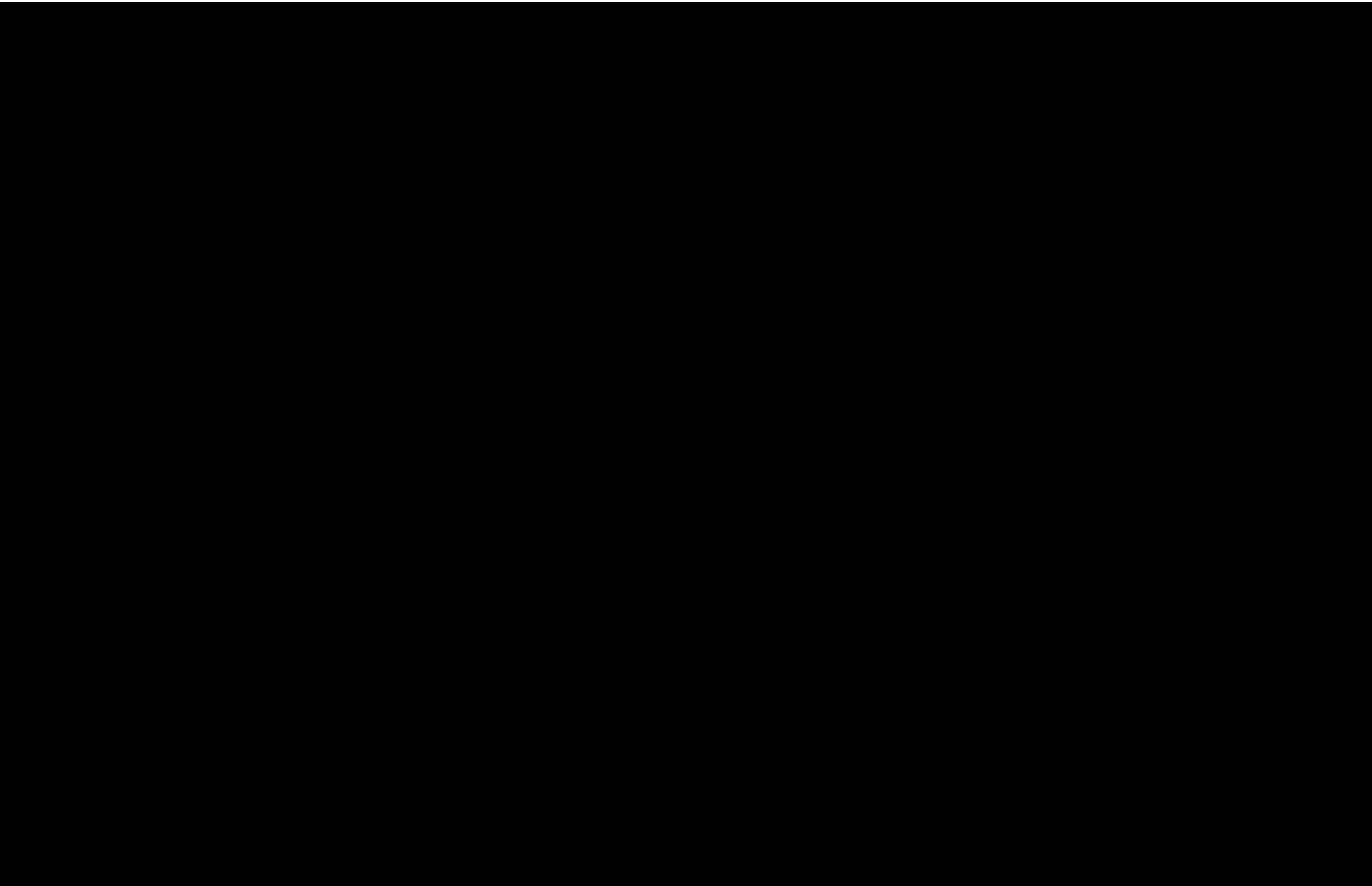












# Appendix A

## Scope of Review

In reaching my conclusions, I have reviewed and relied upon information from the documents and discussions set out below, in addition to those set out in the Harington Efficiencies Report. Except as otherwise noted herein, I have not audited or otherwise verified the information contained in these documents. My conclusions are dependent upon the accuracy of this information.

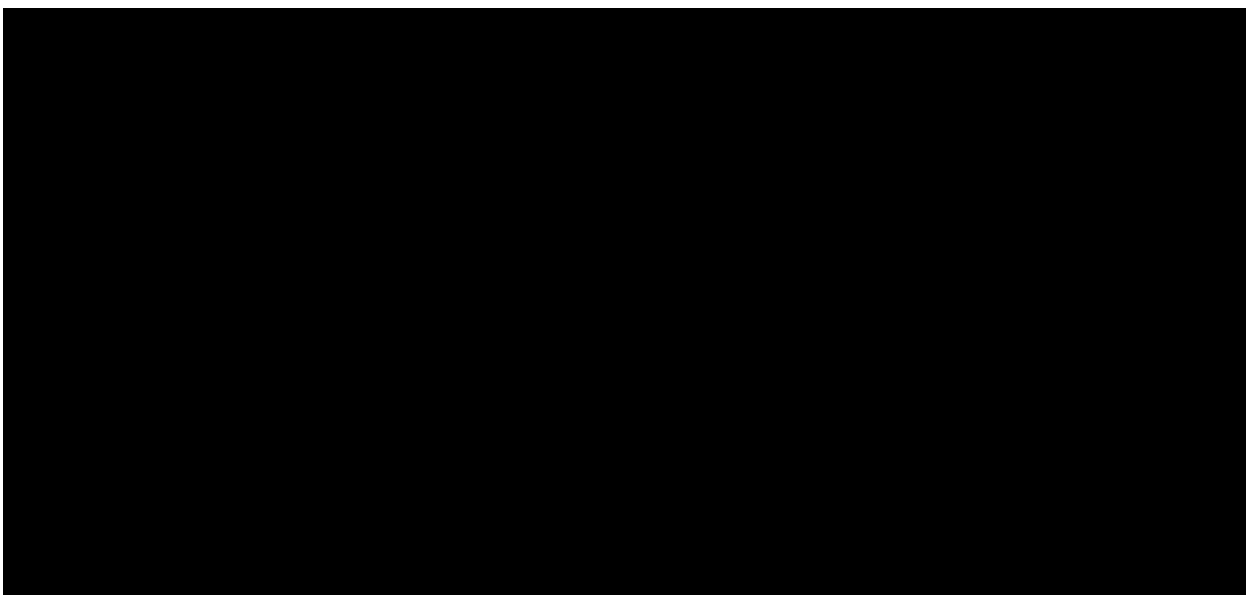
A. Submissions relating to the litigation:

1. Affidavit of J. Gregory Eastman - Confidential Level A.pdf
2. Expert Rebuttal Report of Nathan H. Miller - Confidential Level A.pdf
3. Reply Witness Statement of Clean Harbors - Public.pdf
4. Supplementary Affidavit of Keith Blundell, dated April 26, 2022.
5. Witness Statement of White Owl Energy Services Inc. - Public.pdf

B. SIR Productions:



C. Documents of SECURE and the former Tervita:



D. Publicly available information

1. Average Office Space Per Employee In 2021 And Beyond \_ iOFFICE.pdf

E. Calls regarding integration activities:

Date	Start Time	End Time	Attendees
[Redacted Content]			