

Decision 89 03 014 SEP 7 1989

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
UNITED PARCEL SERVICE, INC. for )  
authority to amend its certificate )  
of public convenience and necessity )  
to operate as a highway common )  
carrier. )

Application 89-03-040  
(Filed March 20, 1989)

OPINION

By this application United Parcel Service, Inc. (UPS) requests that its certificate of public convenience and necessity authorizing operations as a highway common carrier be amended, and that it be authorized to publish a tariff revision reflecting certain changes in the proposed amended certificate.

UPS conducts operations as a highway common carrier and as a highway contract carrier, both authorities referenced by File Cal T-68,429. The carrier requests that the Commission amend its current certificate to operate as a highway common carrier by issuing in its place an in lieu certificate. UPS asserts that the purpose of the request is to conform its common carrier operating authority to the style and manner of certificates currently issued by the Commission to common carriers operating within California. The effect of granting this application will be to eliminate the following restrictions contained in UPS' current certificate:

1. No service shall be rendered in the transportation of any package or article weighing more than 70 pounds or exceeding 130 inches in length and girth combined, or exceeding 108 inches in length, and each package or article shall be considered as a separate and distinct shipment.
2. No service shall be rendered (1) in the delivery of furniture or other articles requiring the protection of quilts or pads or other special handling in order to be

transported without the danger of damage, or requiring unpacking or any other servicing by the carrier at point of delivery, between retail stores, their branches and warehouses, and the premises of the customers of such stores; (2) in the transfer of merchandise between retail stores and their branches and warehouses by vehicles and drivers assigned to the store on a time basis for its exclusive use.

3. No service shall be rendered within the area comprising Los Angeles, Orange, San Bernardino, San Diego, and Ventura Counties in the transportation of packages or articles which are delivered or intended to be delivered on the same business day as tendered.

UPS maintains that it does not contemplate changing the focus of its parcel delivery service described in its Cal PUC Tariff No. 20; rather, that its parcel delivery service will be continued in the style and manner with which the California shipping and receiving public has been familiar for many years. The applicant does not propose to update its tariff to reflect the expanded scope of the certificate requested herein, or to otherwise modernize the format of that tariff.

In justification of its request, UPS alleges generally as follows:

#### Historical Background

UPS has historically held a certificate which has contained limitations on the commodities which may be transported, or the territory which may be served. Its current certificate contains these restrictions, even though the Commission has long since ceased the practice of issuing such specially tailored authorities. To the best of its knowledge, UPS is the only carrier currently operating in California under such restrictions. The Interstate Commerce Commission has granted to UPS, under Docket No. MC-115495 (Sub. 46), unrestricted authority to operate as a common

carrier in interstate or foreign commerce, transporting general commodities.

**Current Regulation of Common Carriers in California  
Justifies Modernization of UPS' Certificate**

Since 1980, with the implementation of Senate Bill 860, no special restrictions have been imposed on any common carrier operating authorities. While the traditional limitations required by statute (e.g., the restriction against the transportation of property requiring a permit to operate as a household goods carrier) continue to be set forth in certificates, no special restrictions have been imposed on any common carrier operating certificates.

On March 7, 1988 Roadway Package Service (Roadway) was granted an unrestricted common carrier certificate to transport general commodities (Cal T-158,315). Thereafter, by Decision (D.) 88-10-009, the Commission permitted Roadway to publish a tariff containing rates and service substantially the same as that set forth in UPS' current tariff, without the imposition of special restrictions. Roadway is a competitor of UPS.

Lawlor Motor Express (PDX) holds a statewide unrestricted general commodities common carrier certificate (Cal T-71,559). It is authorized to transport both traditional less-than-truckload common carrier traffic, and, in addition, packages fashioned after the style and manner of UPS' current operations. By D.88-12-064 the Commission authorized PDX to provide service similar to that provided by UPS pursuant to a departure identical to UPS' departure, while at the same time maintaining traditional common carrier operations under its unrestricted common carrier certificate.

Federal Express Corporation (Cal T-144,210) either directly or indirectly through its affiliates, holds California statewide operating authority which is unrestricted. Other small package carriers regulated by the Commission hold unrestricted

authorities, including Airborne Express (Cal T-91,846), Purolator Courier Corp. (Cal T-91,221), Express Messenger Systems, Inc. (Cal T-156,860), Space Age Delivery Service (Cal T-133,793), Pony Express Courier Corp. (Cal T-155,954), and Local Parcel Service, Inc. (Cal T-118,408). In the interests of competitive parity, UPS maintains, the restrictions set forth in its certificate should be eliminated.

Preservation of Departure

UPS asserts that nothing in the granting of this application should alter the departure from economic regulation previously found applicable in connection with its statewide door-to-door parcel delivery service. (By D.31606, dated December 27, 1939, in Case 4246, and by later decisions, the Commission found that the operations of UPS and of several other parcel carriers should not be included within the minimum rate regulations adopted and made applicable to regular, other than parcel delivery operations performed by less-than-truckload carriers.) The applicant emphasizes that the Commission has consistently found that the small package service of UPS, whose principal competitor is the United States Postal Service, continues to be clearly distinguishable from service offered by general freight carriers. Otherwise, the carrier maintains, it would be subject to cumbersome regulatory requirements not faced by its governmental competitor, and not well suited to the parcel delivery business. Therefore, UPS requests that its departure be perpetuated. To the extent necessary, UPS requests a waiver of Public Utilities (PU) Code §§ 452, 454, and 461.5, Distance Table 8, and the Commission's applicable general orders.

UPS asserts the granting of its application will not have a significant effect upon the environment. It requests ex parte action on this application. In sum, UPS requests (1) amendment of its certificate to eliminate restrictive language as noted above, and the issuance of an in lieu certificate as set forth in

Appendix A to its application, and (2) authorization to publish a tariff revision in the form attached as Appendix B.

Compliance with PU Code § 1063.5

In 1988 (Statutes, Chapter 1175) the Legislature enacted new regulations setting up additional requirements carriers must meet before the Commission may issue or transfer operating authorities. These new PU Code sections are set out in Appendix B. The new requirements center on three areas: workers' compensation insurance, maintenance and operating condition of equipment, and driver qualifications and training. Since this application involves the issuance of a new certificate the new requirements must be met before the sought authority may be granted. UPS has furnished the assigned Administrative Law Judge (ALJ) with the information necessary to determine compliance with these new requirements, which information has been received as Exhibit 1.

Subsection (1) of § 1063.5(a) requires an applicant to be financially and organizationally capable of conducting an operation that complies with the rules and regulations of the Department of the California Highway Patrol governing highway safety. UPS, from the statements in its latest annual report concerning financial ability to conduct the proposed operation, appears well able to comply with this subsection.

Subsection (2) requires an applicant to be committed to observing the hours of service regulations of state and, where applicable, federal law, for all persons, whether employees or subhaulers, operating vehicles in transportation for compensation under the certificate. And Subsection (6) requires an applicant to maintain vehicles used in transportation for compensation in a safe operating condition and in compliance with the Vehicle Code and with regulations contained in Title 13 of the California Code of Regulations relative to motor vehicle safety. With respect to Subsections (2) and (6) of § 1063.5(a), § 1063.5(b) provides that the Commission may base a finding of compliance on a certification

that an applicant has filed with the Commission a sworn declaration of ability to comply and intent to comply. UPS has provided the required declaration.

Subsection (3) requires that an applicant must have a preventive maintenance program in effect for its vehicles used in transportation for compensation that conforms to regulations of the Department of the California Highway Patrol in Title 13 of the California Code of Regulations. UPS has furnished copies of current schedules and forms used to record maintenance performed on all vehicles operated. The company utilizes these forms throughout its operations in California, as well as throughout the country. Under these preventive maintenance procedures, UPS meets or exceeds the safety requirements for its California operations, including those set forth in § 34505.5 of the Vehicle Code requiring an inspection of vehicles for brake adjustment, brake system components and leaks, steering and suspension systems, tires and wheels, and vehicle connecting devices at least every 45 days. Further, no unit of UPS equipment is placed in service on any day without a pretrip inspection by the driver, or by UPS' maintenance staff. UPS' program meets the requirements of Subsection (3).

Concerning Subsection (4), UPS maintains an ongoing program for investigation and monthly reporting of accidents by its drivers, as well as a regular check of each driver's record with the Department of Motor Vehicles. All drivers are re-certified as capable, at least annually. The performance of tractor-trailer drivers is reviewed at least quarterly, and periodic audits of individual drivers are conducted by trained industrial engineers and safety personnel.

Subsection (5) requires that an applicant have a safety education and training program in effect for all persons, whether employees or subhaulers, operating vehicles used in transportation for compensation. UPS conducts a comprehensive safety education and training program, consisting of a review of the carrier's

outline of its safe driving program, an auto accident manual, a safe driving honor plan manual, and familiarization with the Department of Transportation Federal Motor Carriers Safety Regulations. UPS complies with Subsection (5).

UPS has furnished evidence of workers' compensation insurance coverage through May 1992, thereby satisfying the requirement stated in Subsection (7).

As required under Subsection (8), UPS has furnished information concerning the location where documents supporting the factual matters specified in the showing required by this section may be inspected by the Commission and the Department of the California Highway Patrol.

Based upon the furnished material noted above, we find that UPS has complied with PU Code § 1063.5.

Protest

The application was filed March 20. Notice of the filing appeared in the Commission's Daily Transportation Calendar of March 30, 1989. By the wording contained in the calendared application caption, a reader is informed only that UPS wishes to amend its certificate; no mention is made of its request to publish a revised tariff.

On June 12 Edward J. Marnell (Marnell), a "Service Consultant" filed a Motion to Accept a Late Filing. The proposed filing consists of a "Protest and Advise of Participation." Marnell states that the reason he did not file a protest to the application within 30 days as required by Rule 8.3 of the Commission's Rules of Practice and Procedure (Rules) was because he was unaware of UPS' request to publish the revised tariff until approximately May 30.

In his protest Marnell asserts that UPS was obliged to state in the title of its application its intention to file a new tariff so that all parties concerned would know what actions to take. Marnell's protest consists generally of observations

(1) that UPS should be required to file an application setting forth the charges it proposes to assess for shipments weighing 71-100 pounds; (2) that UPS should be required to file a tariff containing rates for the otherwise exempt transportation of articles between retail stores, their customers, and their warehouses; and (3) that UPS should be required to file an application to provide same day service in the transportation of packages or articles delivered or intended to be delivered on the same business day as tendered, within the area comprising Los Angeles, Orange, San Bernardino, San Diego and Ventura Counties.

Marnell alleges that UPS under its present tariff publishes rates for parcels weighing from 1 to 70 pounds, but has never submitted an application to extend parcel rates from 71 to 100 pounds, because UPS has always maintained that it is in direct competition with Parcel Post, which publishes rates for parcels weighing from 1 to 70 pounds only, and which are usually higher than UPS' rates. Marnell contends that UPS must follow the tariff filing procedures specified in General Orders (GO) 80-B and 147-A.

Nowhere in his protest has Marnell complied with the provisions of Rules 8.1 and 8.4 of the Commission's Rules. Rule 8.1 states that a protest must contain a request for a public hearing and an offer of evidence which the protestant would sponsor or elicit at a public hearing. Rule 8.4 requires that a protest must state facts constituting the grounds for the protest, the effect of the application upon the protestant, why the application may not be justified, and the facts which protestant would develop at a hearing which could result in the denial of the application, in whole or part.

On June 14 UPS filed its response to Marnell's protest. The carrier emphasizes that the application involves only the elimination of outdated restrictions contained in its operating authority, restrictions not currently imposed on other highway common carriers operating within California; that its request to



reissue its tariff, modernized to reflect current Commission language, contains no changes in rules, rates or other aspects of the tariff. UPS refers to the untimely nature of Marnell's filing, the failure to satisfy the provisions of Rules 8.1 and 8.4, and the fact that Marnell identifies himself only as an interested party and a service consultant, failing to indicate the nature of his interest or of those with whom he may consult. Further, UPS professes that Marnell makes no competent objection to the application, and maintains that a granting of the application would result in no circumvention of the Commission's general orders. UPS believes that its application to eliminate restrictions perforce involves the publication of the new tariff, which is attached to the application and does not expand or increase UPS' service. Rather, UPS observes, its suggested tariff restates the carrier's practices in compliance with GO 80-B and other decisions relating to tariff publishing rules which have issued since the last restatement of UPS' tariff.

Marnell has failed to satisfy the requirements of Rules 8.1 and 8.4 by not requesting a hearing, nor by offering to furnish evidence which would be elicited at a public hearing. No satisfactory reason is offered by Marnell in support of his request for denial of the application. Marnell's motion to accept the late filed protest will be allowed, based upon the incomplete caption which, arguably, ought to have included a reference to the new UPS tariff; however, the protest attached to the motion is without merit and will be denied.

However, UPS' request for a statewide general commodities certificate may be granted only if conditioned upon the carrier's filing of a tariff reflecting the statewide scope of its holding out. This is the policy currently followed by the Commission. PU Code § 486 states, in pertinent part: "Every common carrier shall file...rates...for the transportation between termini...from each point upon its route to all other points thereon; and from each

point upon its route to all points upon every other route ...operated...." GO 80-B requires, in Rule 6.7. Subsection (e), that carriers file tariffs containing a complete description of certificated operative rights. Counsel for UPS has furnished the ALJ with a letter dated July 7, 1989 stating that the carrier has no objection to the Commission requirement that UPS publish a statewide general commodities tariff. In the circumstances, UPS should be required to file a tariff reflecting its entire scope of common carrier operative rights. UPS' request that its historical departure from rates be continued will be granted, insofar as that departure relates to service competitive with the United States Postal Service. Elimination of the restrictions presently contained in UPS' certificate relating to (1) service between retail stores, their branches and warehouses, and the customers of such stores, (2) the transfer of merchandise between retail stores and their branches and warehouses by vehicles and drivers assigned to the store on a time basis for its exclusive use, and (3) same day service within the five southern California counties will not be adverse to the public interest, nor result in unfair or discriminatory practices to the exclusive benefit of UPS.

Findings of Fact

1. UPS holds a certificate of public convenience and necessity authorizing operations as a highway common carrier. The certificate contains restrictions with regard to service as stated above.
2. UPS requests that it be granted an in lieu certificate in the form certificates are granted to other applicants seeking highway common carrier operating authorities, i.e. without special restrictions.
3. UPS also requests that it be authorized to publish a new tariff in place of its present tariff. The new tariff will set forth rates at the same levels named in the present tariff, and will be in the same form and style as the present tariff. The new

tariff will not contain the restrictions stated above. Rather, the new tariff would be governed by the Application of Tariff Rule, which would include only the present restriction relating to size of shipments.

4. PU Code § 486 and Rule 6.7, Subsection (e) require that highway common carriers publish rates in accordance with the entire scope of their common carrier operating authorities.

5. UPS has complied with the requirements set forth in PU Code § 1063.5 relating to workers' compensation insurance, maintenance and operating condition of equipment, and driver qualifications and training.

6. Marnell has not satisfied the conditions set forth in Rules 8.1 and 8.4 of the Commission's Rules regarding contents of protests to applications.

Conclusions of Law

1. Marnell's protest should be denied.

2. The application should be granted, conditioned upon UPS' filing a tariff naming rates and rules applicable in connection with the entire highway common carrier operating authority contained in the in lieu certificate granted by this decision.

3. The departure from economic regulation granted by D.31606 should be continued in connection with UPS' operations insofar as they compete with transportation performed by the United States Postal Service. For purposes of this decision, those operations relate to service rendered in the transportation of any package or article weighing not more than 70 pounds, or exceeding 130 inches in length and girth combined, or exceeding 108 inches in length, each package or article being considered a separate and distinct shipment.

ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to United Parcel Service, Inc. (UPS) authorizing it to operate as a highway common carrier, as defined in Public Utilities Code § 213, between the points listed in Appendix A.
  2. Tariffs filed by UPS pursuant to this order shall contain rates and rules applicable in connection with the entire authority granted by this decision.
  3. The application is granted as set forth above.
  4. The certificate of public convenience and necessity granted in Ordering Paragraph 1 shall supersede the certificate currently held by UPS. That certificate is revoked on the effective date of the tariff filings required by this decision.
  5. The departure granted to UPS by D.31606 is continued, only insofar as the departure relates to parcel operations competitive with those performed by the United States Postal Service.
  6. The protest of Edward J. Marnell is denied.
- This order becomes effective 30 days from today.  
Dated SEP 7 1989, at San Francisco, California.

G. MITCHELL WILK  
President  
FREDERICK R. DUDA  
STANLEY W. HULETT  
JOHN B. OHANIAN  
PATRICIA M. ECKERT  
Commissioners

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY.

*Wesley Franklin*

WESLEY FRANKLIN, Acting Executive Director

APPENDIX A  
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CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY  
TO OPERATE AS A HIGHWAY COMMON CARRIER  
UNDER SECTION 1063 OF THE  
PUBLIC UTILITIES CODE

United Parcel Service, Inc.  
51 Weaver Street  
Greenwich Office Park 2  
Greenwich, Connecticut 06830

FILE T-68,429

Having made written application to the Public Utilities Commission for a certificate to operate as a HIGHWAY COMMON CARRIER and having complied with the Public Utilities Code, this Commission finds that public convenience and necessity require the proposed service and that the applicant possesses satisfactory financial responsibility to conduct that service.

The carrier identified above by the captioned "T" number as assigned by the Commission, is granted this certificate authorizing the transportation of property for compensation by motor vehicle over the public highways of the State of California as a HIGHWAY COMMON CARRIER, as defined in Section 213 of the Public Utilities Code, subject to the conditions set forth below.

This certificate authorizes the transportation of GENERAL COMMODITIES, subject to the exclusions in Item (6) below, between all points in the State of California.

Conditions under which this certificate is granted:

- (1) Carrier shall comply with all orders, decisions, rules, regulations, directions, and requirements governing the carrier's operations, issued, published, prescribed, or adopted by this Commission pursuant to the Public Utilities Code.
- (2) This certificate shall not be sold, assigned, leased, or otherwise transferred or encumbered without first obtaining Commission authorization.
- (3) To the extent that this certificate duplicates, in whole or part, any other certificate authority held by the carrier or granted in the future, such operative rights may not be separated to allow the sale or transfer of one or more such

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duplicate rights or portion thereof and the retention of another certificated right to perform the same service.

- (4) Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.
- (5) Applicant shall:
  - a. Establish the authorized service and file tariffs within 120 days after the date of this certificate.
  - b. State in its tariffs when service will start; allow at least 10 days' notice to the Commission and make tariffs effective 10 or more days after the date of this certificate.
  - c. Comply with General Orders Series 80, 100, 123, 147, and all other applicable Commission General Orders.
  - d. Comply with General Order Series 84 (collect-on-delivery shipments). If applicant elects not to transport collect-on-delivery shipments, it shall file the tariff provisions required by that General Order.
  - e. Comply with General Order Series 102 and 130. If applicant elects to engage subhaulers, applicant shall have the required bond on file, and applicant shall engage only highway carriers who hold appropriate operating authority granted by this Commission.
  - f. Maintain its vehicles in safe operating condition and in compliance with the California Vehicle Code and with regulations contained in Title 13 of the California Administrative Code relative to motor carrier safety.
  - g. Maintain accounting records in conformity with the Uniform System of Accounts.

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- (6) Under the authority granted, carrier shall not transport any shipments of the commodities checked below:
- a. Used household goods and personal effects, office, store, and institution furniture and fixtures.
  - b. Ordinary livestock.
  - c. Liquids, compressed gases, commodities in semiplastic form, and commodities in suspension in liquids in bulk in any tank truck or tank trailer.
  - d. Mined, building, paving or construction materials, except cement or liquids, in bulk in dump truck equipment.
  - e. Portland or similar cements, either alone or in combination with lime or powdered limestone, in bulk or in packages, when loaded substantially to capacity.
  - f. Fresh fruits, nuts, vegetables, logs, and unprocessed agricultural commodities.
  - g. Any commodity, the transportation or handling of which, because of width, length, height, weight, shape, or size, requires special authority from a governmental agency regulating the use of highways, roads, or streets.
  - h. Liquid or semisolid waste, or any other bulk liquid commodity in any vacuum-type tank truck or trailer.
  - i. Petroleum or petroleum products in tank trucks or tank trailers.

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- j. Hazardous materials as defined by Section 353 of the California Vehicle Code and subject to Section (3) of General Order Series 100 and requiring the higher insurance limits required by that General Order.

Dated at San Francisco, California on SEP 7 1989, 1989.

PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA

By

*Wesley Franklin*

WESLEY FRANKLIN  
Acting Executive Director

NOTICE: This certificate is not effective until any required tariffs are filed with, and accepted by the Public Utilities Commission.

(END OF APPENDIX A)



APPENDIX B  
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1988 STATUTES ADDED TO THE PUBLIC UTILITIES CODE  
WHICH AFFECT THE ISSUANCE OF  
HIGHWAY COMMON CARRIER  
AND HIGHWAY CARRIER AUTHORITIES

460.5. On or before July 1, 1989, every highway common carrier employing workers shall file with the commission a certificate of workers' compensation insurance coverage for its employees or a certificate of consent to self-insure issued by the Director of Industrial Relations. (Added Stats. 1988, ch. 1175.)

1063.5. (a) The commission shall issue or authorize the transfer of no certificate under this article except upon a showing before the commission and a finding by the commission that the applicant or proposed transferee meets all of the following requirements:

(1) Is financially and organizationally capable of conducting an operation that complies with the rules and regulations of the Department of the California Highway Patrol governing highway safety.

(2) Is committed to observing the hours of service regulations of state and, where applicable, federal law, for all persons, whether employees or subhaulers, operating vehicles in transportation for compensation under the certificate.

(3) Has a preventive maintenance program in effect for its vehicles used in transportation for compensation that conforms to regulations of the Department of the California Highway Patrol in Title 13 of the California Code of Regulations.

(4) Participates in a program to regularly check the driving records of all persons, whether employees or subhaulers, operating vehicles used in transportation for compensation requiring a class 1 driver's license under the certificate.

(5) Has a safety education and training program in effect for all persons, whether employees or subhaulers, operating vehicles used in transportation for compensation.

(6) Will maintain its vehicles used in transportation for compensation in a safe operating condition and in compliance with the Vehicle Code and with regulations contained in Title 13 of the California Code of Regulations relative to motor vehicle safety.

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(7) Has filed with the commission a certificate of workers' compensation insurance coverage for its employees or a certificate of consent to self-insure issued by the Director of Industrial Relations.

(8) Has provided the commission an address of an office or terminal where documents supporting the factual matters specified in the showing required by this section may be inspected by the commission and the Department of the California Highway Patrol.

(b) With respect to paragraphs (2) and (6) of subdivision (a), the commission may base a finding on a certification by the commission that an applicant has filed, with the commission, a sworn declaration of ability to comply and intent to comply.

(c) The commission shall, commencing on April 15, 1989, and quarterly thereafter, prepare and submit to the Legislature a report of its implementation of this section. This report may be combined with the report required by Section 3553. (Added Stats. 1988, ch. 1175.)

3553. (a) The commission shall issue or authorize the transfer of no permit under this chapter except upon a showing before the commission and a finding by the commission that the applicant or proposed transferee meets all of the following requirements:

(1) Is financially and organizationally capable of conducting an operation that complies with the rules and regulations of the Department of the California Highway Patrol governing highway safety.

(2) Is committed to observing the hours of service regulations of state and, where applicable, federal law, for all persons, whether employees or subhaulers, operating vehicles in transportation for compensation under the permit.

(3) Has a preventive maintenance program in effect for its vehicles used in transportation for compensation that conforms to regulations of the Department of the California Highway Patrol in Title 13 of the California Code of Regulations.

(4) Participates in a program to regularly check the driving records of all persons, whether employees or subhaulers, operating vehicles used in transportation for compensation requiring a class 1 driver's license under the permit.

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(5) Has a safety education and training program in effect for all persons, whether employees or subhaulers, operating vehicles used in transportation for compensation.

(6) Will maintain its vehicles used in transportation for compensation in a safe operating condition and in compliance with the Vehicle Code and with regulations contained in Title 13 of the California Code of Regulations relative to motor vehicle safety.

(7) Has filed with the commission a certificate of workers' compensation insurance coverage for its employees or a certificate of consent to self-insure issued by the Director of Industrial Relations.

(8) Has provided the commission an address of an office or terminal where documents supporting the factual matters specified in the showing required by this section may be inspected by the commission and the Department of the California Highway Patrol.

(b) With respect to paragraphs (2) and (6) of subdivision (a), the commission may base a finding on a certification by the commission that an applicant has filed, with the commission, a sworn declaration of ability to comply and intent to comply.

(c) The commission shall, commencing on April 15, 1989, and quarterly thereafter, prepare and submit to the Legislature a report of its implementation of this section. This report may be combined with the report required by Section 1063.5. (Added Stats. 1988, ch. 1175.)

(END OF APPENDIX B)