Decision 82 06 091 JUN 1 5 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation for the purpose of considering and determining whether recyclables should be exempt for rate regulation.

OII 85 (December 16, 1980)

Donald M. Fennel and Joel Wallace, for Wallace Transport, respondent. Ronald C. Broberg and H. W. Hughes, for California Trucking Association; Jess J. Butcher, for California Manufacturers Association; Graham & James, by David J. Marchant, Attorney at Law, and James Henly, for California Carriers Association; Robert F. Conheim, Attorney at Law, and Regis Kunz, for Solid Waste Management Board; William H. Sterling, for Can Manufacturers Institute; Douglas M. Shapiro, for Institute of Scrap Iron & Steel; Suzi Perret, for National Association of Recycling Industries (N.A.R.I.); Jack Thompson and Alan Edelstein, for California Teamsters Public Affairs Council; Patrick W. Pollack, for Louisiana-Pacific Corporation; Robert M. Sheffield, Attorney at Law, for Independent Paper Stock Company; Sam R. Bowman, for Glass Packaging Institute; Don Weijland, for Allan Company Waste Paper; James D. Martens, for California Dump Truck Owners Association; and Frank Spellman and Phillip E. Davies, for themselves; interested parties.

Robert Cagen, Attorney at Law, and Gordon McColl, for the Commission staff.

OPINION

This is an investigation on the Commission's own motion for the purpose of considering and determining whether the transportation of recyclable materials by highway carriers should be exempt from Commission rate regulation. Ordering Paragraph 1 of Order Instituting Investigation (OII) 85 directs the consideration of the following topics:

- "A. Whether the transportation of recyclables should be subject to the standards of rate review established in Decisions Nos. 90663 and 91861.
- "B. Whether contract carriers transporting recyclables should be required to comply with the procedural requirements for rate reductions contained in Decisions Nos. 90663 and 91861.
- "C. Whether the prevailing wage in O.I.I. 53 should apply to the transportation of recyclables.
- "D. Whether rates on recyclables should be required to contribute to carrier profitability.
- "E. Whether contract carriers transporting recyclables should be required to comply with guidelines for contract carrier operations contained in Appendix G to Decision No. 89575.
- "F. Whether recyclables should be included on the list issued by the Commission staff on April 30, 1980, entitled Commodities and Geographic Areas Exempt from Rate Regulation Within the Permissive Scope of Highway Contract Carrier Operations."

Copies of the OII were served on all highway common carriers, highway contract carriers, and 75 business and governmental organizations. A hearing was held on the case before Administrative Law Judge Pilling on July 6-8, 1981 at San Francisco.

The list of appearances shows the names of the parties and the organizations they represent who took part in the hearing. Background

The State Legislature has determined that the productive recycling and reuse of materials found in solid waste are in the public interest and should be encouraged. It has simultaneously determined in ACR 481 that intrastate truck rates to transport those materials have a negative impact on their marketability for reuse and requested the Commission, in cooperation with the State Solid Waste Management Board (SWMB), to investigate truck rates under which recyclable materials move and recommend adjustments to those rates in order to remove any negative impact which the rates may have on the movement of recyclable materials. Subsequently, the Commission filed its report with the State Legislature (Exhibit 8A). The report was based on a study which focused on four different commercial and residential solid waste materials: scrap aluminum (Exhibit 8C), scrap paper (Exhibit 8B), scrap iron and steel (Exhibit 8D). and cullet (Exhibit 8E) (collectively, APIC scrap). The report shows that APIC scrap accounts for over 70% of the total tonnage of residential and commercial solid waste produced yearly in California and that residential and commercial solid waste accounts for the bulk of solid waste in the State. The report recommended:

- "2. ...the Commission should authorize a commodity exemption for the applicable tariffs so that general commodity and dump truck carriers may transport the recyclable material at negotiated rates which can be responsive to market conditions.
- "3. The Commission should encourage the SWM Board through its review process of the County plans for Solid Waste management, and through use of its statewide toll free 800 number, to see that each program include and develop a

Assembly Concurrent Resolution No. 48 (1977) (ACR 48)

communication plan which would provide a way for the potential carriers of recyclable materials and the various waste material sources to make contact with each other."

The Commission, by resolution adopted June 5, 1979, endorsed the recommendations found in the report. This investigation is in furtherance of that resolution.

Primary Benefits from Recycling

The chairman of the SWMB testified that California is faced with a garbage crisis in trying to dispose of the 46 million tons of waste the State generates each year. The SWMB estimates that by 1985 approximately 60% of the State's current landfill capacity will be consumed and as many as 200 landfills will have been closed. Diverting recyclable materials from the solid waste stream into the productive recycling process will conserve valuable landfill space. In its testimony the SWMB chairman recommended that scrap plastics and scrap tires (PT scrap) also be included in any list of specific scrap commodities which may be exempted for rate regulation as PT scrap substantially contributes to landfill and resists decomposition.

Various witnesses testified that recycling can bring about substantial energy savings over the processing of virgin materials into finished products. A representative of Circo Glass testified that by infusing cullet (crushed glass) into a glass batch mix containing virgin materials the furnace temperature can be reduced from 2,800 degrees Fahrenheit to as low as 2,400 degrees Fahrenheit. A representative of the Institute of Scrap Iron and Steel, Inc. (Southwestern and Northern California Chapters) testified that it takes four times as much energy to make steel from iron ore as it takes to make the same steel from the ferrous recyclable. The National Association of Recycling Industries, Inc.(NARI) presented an exhibit which showed that, in contrast to the use of virgin material

to make the finished product, the recycling of scrap aluminum results in an energy saving of 96%, the recycling of scrap paper results in an energy saving of 63%, and the recycling of scrap rubber results in an energy saving of 71%.

Market Characteristics of Scrap

The contamination level of recyclable scrap determines its relative marketability. Industrial scrap, which has a low contamination level and is also available in large quantities at the site where it is generated, is in greater demand while commercial and household scrap, which has a high contamination level, is in lower demand. Because of the diversity of products from which commercial and residential scrap is derived the recycling of this scrap entails expenses not associated with recycling industrial scrap in identifying, sorting, grading, sizing, packing for transportation, and reprocessing. Due to the wide dispersal of commercial and residential scrap, additional expenses are incurred in its collection and consolidation. The demand and price of commercial and residential recyclable scrap are subject to abrupt and wide fluctuations.

When the processing and transportation costs of scrap are greater than the market price of the scrap it is generally not economically feasible to recycle these commodities. Since over 80% of the commercial and residential recyclable solid wastes are not at this time being recycled, it is assumed that the costs required for recovery are greater than their going market prices.

Generation, Recycling, and Transportation of APIC Scrap

The staff and SWMB estimate the yearly generation of APIC scrap in the State to be as follows:

	Millions of Tons
Scrap aluminum	.1
Scrap paper.	10.8
Scrap iron and steel	-5
Cullet	-9
·	12.3

The yearly volume and rate of recycling of APIC scrap in the State is estimated to be:

•	Volume Recycled	Rate of
	(millions of tons)	Recycling
Scrap aluminum	.05	50%
Scrap paper	2.16°	20%
Scrap iron and steel	.025	5%
Cullet	-09	10%

The staff estimates from its studies that, while 70% of regulated carriers' equipment is capable of transporting APIC scrap, between \(\lambda\) 85% and 90% of APIC scrap being recycled is hauled in proprietary carriage, with the possible exception of waste paper. The staff could identify less than 50 for-hire carriers - one half of 1% by the number of carriers holding Commission authority - as participating in the waste material market. The staff also found that the bulk of APIC scrap being recycled which was hauled by forhire carriers moved on special rates such as carrier-requested rate reductions, rail-competitive rates filed by highway carriers, or productivity rates applicable to the transportation of scrap newspaper. The carrier-requested rate reductions ordinarily do not apply generally but are limited in their scope to a particular scrap for a particular shipper between specified origin and destination points. Only a very few carriers were found to be using rates appearing in transition tariff (TT) 2 (the current tariff governing the movement of APIC scrap, except cullet, in bulk, which is governed by Minimum Rate Tariff (MRT) 7-A) and only a very few for-hire carriers considered transporting APIC scrap as a main source of their overall transportation revenue.

To encourage the transportation of recyclables the SWMB has set up a plan for use of its statewide toll-free 800 telephone number to provide information to recyclers and carriers to assist them in the movement of recyclable materials to market. The SWMB anticipates this plan will be executed if OII 85 is implemented.

Commission Regulatory Procedures and Policies

The Commission currently requires contract carriers desiring to haul a commodity subject to TT-2 to enter into a continuing contract providing service over a period of time and to file the contract with the Commission. If the rate in the contract is less than the applicable rate in TT-2 the contract must be on file with the Commission 30 days before the rate is allowed to become effective. A reduced rate contract, to be accepted for filing, must be accompanied by a cost justification which shows that the particular hauls will contribute to carrier profitability. The cost justification must show actual carrier costs, including actual wage. cost, except that if the carrier's wage cost is below the prevailing wage the wage cost used must be the prevailing wage. The reduced rate filing is subject to a petition for suspension before it becomes effective and, if the petition is accepted, the effective date of the rate is stayed until a hearing on the petition is held and the case decided. Decision (D.) 89575 provides that the continuing contract cannot be predicated on a single shipment and that a contract carrier generally may not solicit individual one-time shipments.

A highway common carrier desiring to reduce its tariff rate below that found in TT-2 must follow the same procedures as set out for contract carriers.²

Contract carriers seeking to reduce a rate below that found in a minimum rate tariff, such as MRT 7-A, must file a formal application to deviate from that rate. The application is subject to protest and the applicant may not charge the reduced rate until it is authorized to do so by formal Commission order.

Rules and regulations governing tariff filings by common carriers and contract filings by contract carriers, under the transition period of the Commission's reregulation program are named in General Order 147, adopted in D.93766 (November 13, 1981).

Staff Contentions and Recommendations

The staff contends that the reason so few for-hire carriers transport scrap is the lack of opportunity for carriers to charge, and shippers to obtain, rates which reflect the immediacy of the scrap market conditions. Unless shippers are allowed to have the flexibility to immediately lower shipping costs to meet market conditions, recyclables are likely to sit in waste form until market conditions change. The staff considers that the flexibility afforded by a rate exemption for APIC and FT scrap is crucial to encourage recycling. A rate exemption policy would likewise encourage an active, nonregulated market climate and result in an increase of fulltime for-hire carrier activity in the scrap transportation market as well as assisting some carriers in obtaining a backhaul. To implement this policy the staff recommends APIC and PT scrap be added to the list described in topic F found at the beginning of this decision. Staff believes contract carriers transporting APIC and PT scrap should not be required to comply with the rules set out in topics A through E because it would negate in large part the flexibility which will be afforded by the rate exemption. The SWMB, the California Manufacturers Association (CMA), and other noncarrier parties interested in the movement of that scrap concur in this recommendation. The staff further recommends the Commission leave for future consideration the addition of other recyclable commodities to the rate exemption list as the record in this case supports only the exemption of APIC and PT scrap.

Additional Commodities Recommended for Rate Exemption

Louisiana-Pacific Corporation (L-P) is a major user of waste paper which it recycles into usable paper. It also uses wood residue, including wood scrap, chips, sawdust, shavings, and bark to manufacture woodpulp and paper, and as a fuel. It recommends that the following commodities be declared rate-exempt:

"Wood residues from manufacturing plants, forests, solid waste dumps and other locations, including wood scrap, pieces, chips, sawdust or bark, which are to be used to manufacture pulp or paper or are to be used as fuell"

L-P states that it daily "reuses" the equivalent of 100 truckloads of waste wood and paper at one of its major plants. Its energy costs have increased so drastically that, unless alternative less costly energy sources can be found, this major plant may be shut down. L-P believes that its need and the public need for new energy sources mandates the recovery of waste woods from solid waste dumps, wood slash, and residue from forests be made available for the generation of power. L-P contends that continued transportation regulatory control over the above-described commodities acts as an impediment to and discourages resources recovery in California.

NARI recommends that all recyclables be declared rate exempt. At the minimum, it wants the rate exempt list to include, in addition to APIC and PT scrap, scrap copper/brass, lead, zinc, and textiles as millions of tons of these commodities are recycled each year in California.

Contentions of Parties Opposed to Rate Exemption for Recyclables

California Trucking Association (CTA), while agreeing that the State faces a landfill crisis, contends that the staff's proposed rate exemption is superfluous. It states:

"The marketplace bargaining prohibited by the minimum rate order when the staff commenced its OII 85 study is now an everyday event. Carriers and shippers no longer need a rate exemption to negotiate rates. They are knowledgeable of what the other is willing to pay/receive for the service and may translate this knowledge into action under the reregulation program. To date, many reduced marketplace rates for recyclables have been filed with the Commission. (See Exhibit 11)" (Closing Statement page 3.)

CTA contends that the staff recommendation to waive the profitability and prevailing wage standards (Proposal C) is directly contrary to Commission public transportation policy, citing D.90663, D.91265, and D.93183. The actual study performed by the Commission staff, CTA contends, did not adequately consider the economic impact of its recommendation, nor did it fully analyze the trucking industry. Nor did the staff conduct any economic field research into the carrier

industry but instead gleaned its information on the transportation industry from third-party conversations. In addition, the staff made no analysis on the impact of the exemption upon the producers of virgin commodities, which go into the finished product.

CTA contends that <u>United States Steel Corporation v Public Utilities Commission</u> (1981) 29 Cal 3d 603 requires the Commission to assess the economic impact of its decisions, particularly in this case where it is clear that an exemption from regulation will result in giving some commodity shippers an advantage over others using the same or similar vehicles and routes. CTA urges the Commission to deny the request for a rate exemption from the reregulation program and discontinue the proceeding.

California Teamsters Public Affairs Council (Teamsters) contends that not one pound of trash or scrap will be diverted from landfill by reason of a rate exemption. Most local centers set up to collect residential and commercial scrap simply do not generate enough of any type of scrap to warrant an over-the-road for-hire carrier stopping and picking it up. Nor do local recycling centers have the machinery necessary to prepare a shipment of scrap to endure any haul but a very short one, to grind cullet for bulk shipment, or to bale newspaper. Shipments from local recycling centers are very small, travel very short distances, and the use of a 40-foot van to transport those small shipments is highly impracticable and uneconomical. Teamsters further contends that a rate exemption would affect only the transportation of scrap materials that now move in commerce by highway carriers and would benefit only the established scrap dealers, exporters, brokers, and manufacturers of the finished product to the detriment of those highway carriers as well as the purveyors of raw materials and the carriers hauling those raw materials. Teamsters contends there is no facility for recycling nonrecappable tire carcasses in California and that the closest location where scrap tires are recycled into another product is in Arizona. The movement of tires for recycling is entirely

interstate. Finally, Teamsters contends the rate exemption will provide a competitive advantage to highway carriers who engage owner-operator subhaulers to the severe disadvantage of carriers who pay their drivers prevailing wages, all of which is contrary to Commission policy enunciated in D.91861: "In order to avoid disruptions in the labor market and to encourage competition on the basis of operational efficiency, we will require that all rates established under the [reregulation] program adopted therein reflect the prevailing wage as recently defined in Decision No. 91265."

California Carriers Association, whose members are dump truck carriers that transport a variety of materials governed by MRTs (7-A, 17-A, and 20, does not oppose a rate exemption for cullet since there is virtually no transportation of cullet in dump truck equipment by for-hire carriers, and those members of the association that do haul cullet do not object to its exemption. However, it opposes the adoption of any generally stated rules of exemption which fail to specify in a precise manner the particular nature of the commodities to be exempted from rate regulation.

Discussion

We believe the staff's exemption proposals will remove the negative impact which intrastate truck rates and rules have had on the marketability of APIC and PT scrap. Given the dearth of for-hire truckers participating in the movement of those commodities, it is evident that our rates and rules act to deter most of those materials from moving by for-hire truck transportation and force shippers and receivers of those commodities to provide their own transportation. Such a situation is inimical to the marketing of any commodity. Without the impediments of lengthy Commission rate procedures and artificially constructed rates and rules to dampen their efforts, for-hire carriers and scrap shippers will be free to cooperate in working out their own arrangements to move scrap on a shipment-by-shipment

basis at rates which reflect the immediacy of the market conditions, or, if they desire, on a continuing basis. While these impediments, of course, are not the sole cause of the garbage and energy crisis, their removal should have a beneficial rather than a negative effect on the marketability of APIC and PT scrap. The exemption should apply to highway common carriers, as well as to highway contract carriers. While highway common carriers must publish and file their tariffs of rates for exempt, as well as nonexempt, commodities (PU Code §§ 486 and 487; G.O. Series 80), they should be relieved of the requirements of G.O. 147 pertaining to rate reductions and related matters in connection with rate-exempt commodities.

CTA contends generally that the record does not contain any study on the economic impact of exempting APIC and PT scrap, citing the <u>U.S. Steel</u> case as requiring such studies. The following indicates why the holding in <u>U.S. Steel</u> is not applicable to this proceeding:

In <u>U.S. Steel</u>, United States Steel Co. took the position throughout the proceeding that the Commission's actions would unfairly discriminate against it. The opposite is true in this proceeding; the principal shipper interests (CMA, Louisiana Pacific, Glass Packing Institute, and National Association of Recycling Industries), support the staff recommendations for exemption of APIC and PT scrap. Only carriers have claimed that manufacturers of the new products may be harmed by an exemption for recyclables. It may be questioned whether carriers have the first-hand knowledge or legal standing to complain of possible harm to others from the proposed Commission action.

In <u>U.S. Steel</u>, there was no rational basis apparent from the record to support the approved discrimination in rates between domestic and foreign steel producers. With no rational basis for the rate differential, the Court found the differential to be violative of equal protection of the law. In the current case, sufficient reasons exist for differing rate treatment between recyclables and virgin commodities, which are fully supported by

evidence. First, the use of recyclables helps to mitigate the effects of the "garbage crisis", the growth of garbage with no place to put it. Every unit of crushed glass, scrap iron, aluminum and paper which is recycled is one less unit of garbage. Second, the use of recyclables in manufacturing saves substantial energy over the use of virgin materials in manufacturing. For example, the refining of bauxite ore into aluminum requires a great deal of electricity. The recycling of aluminum scrap into aluminum products saves much of this energy. Third, the manufacturers which use virgin materials can and do use recyclables. Therefore, it seems illogical to claim that manufacturers which use virgin products may be harmed by an exemption, since those same manufacturers can use recyclables and take advantage of the exemption. This is different from U.S. Steel, where domestic and foreign steel producers were clearly different groups.

CTA also argues that shippers of virgin commodities which go into the finished products will be subject to rate discrimination if we declare APIC and PT scrap to be exempt from rate regulation. We do not agree. In the first place some of the virgin commodities are themselves rate-exempt. Logs, which go into the making of paper, are rate-exempt and petroleum, whose derivatives go into the making of tires and plastics, when moving in tank trucks, is also rate-exempt. Second, experience has shown that virgin commodities do not move in the same or similar vehicles or over the same routes as the subject scrap. Logs move on pole trailers from forests, sand and ores move in dump trucks from mines, and petroleum moves in tank

trucks from wellhead, pipeline terminal, or bulk storage, while scrap moves primarily in van, open top, or flatbed equipment from collection points. In the third place, there has been no showing that there is presently any parity between the scrap rates and rates for virgin commodities or that in setting existing rates the Commission has made an attempt to achieve some sort of rate parity. Indeed, based on the paucity of scrap now moving it would be more likely that the scrap shipper is the one that historically has been virgin commodities. CTA's arguments lack substance.

NARI recommends that all recyclables be declared rateexempt. The word "recyclable", of course, means "capable of being
recycled". Obviously, the word includes many newly produced
articles, e.g. steel beams (being shipped to a building project), which can subsequently be recycled even though their useful life was in just beginning. We prefer the staff's recommendation that rate
exemptions on recyclables be extended to specified commodities as the
need is shown to exist, rather than be extended on a blanket basis
with a commodity description (i.e. "recyclable") that is imprecise
and subject to commodity classification disputes in later proceedings
before us.

While wood residues are certainly a solid waste, the recovery and use of wood residues to make paper or other articles is not a recycling process, as the wood itself is the virgin material out of which paper and other articles are made. Although L-P's request has merit, this proceeding is concerned only with recyclable materials; therefore we will deny L-P's request to place wood residues on the rate-exempt list. We invite L-P to file a separate application to place wood residues on the exempt list. Any other action might be unfair to those who relied on the scope of the OII as it was originally issued.

We will reissue the document entitled Commodities and Geographic Areas Exempt from Rate Regulation Within the Permissive Scope of Highway Contract Carrier Operations, adding the recyclable commodities that we find should be rate-exempt. In reissuing this document, we will correct certain errors that have come to our attention. We are mindful that we previously amended the list to reflect the Court's action in <u>United States Steel</u> (D.93458 in Case 5432 OSH 1019 et al.).

Findings of Fact

- 1. In accordance with paragraph 2 of the reregulation program outlined in D.90663 and with paragraph 2 of the reregulation program outlined in D.91861, the Commission staff issued a document listing commodities and geographic areas exempt from rate regulation under those programs.
- 2. California is faced with a crisis of serious proportions in disposing of its solid wastes.
- 3. The productive recycling of materials found in solid waste is energy-efficient and in the public interest. It should be encouraged.
- 4. The number of for-hire carriers participating in the movement of waste materials is one-half of 1% of the carriers holding Commission highway carrier authority.
- 5. Commercial and residential solid waste accounts for the bulk of solid waste produced yearly in the State.
- 6. The cost required for the recovery of recyclable commercial and residential solid waste is greater than its going market price.
- 7. APIC scrap accounts for over 70% of the total yearly tonnage of commercial and residential solid waste produced in the State.
 - 8. 80% by weight of APIC scrap is now not being recycled.
- 9. Of the APIC scrap that is being recycled, 85% to 90% by weight moves in proprietary carriage, with the possible exception of waste paper.

- 10. Intrastate motor carrier rate regulation covering the transportation of APIC scrap has a negative impact on the marketability of that scrap.
- 11. This negative impact can be eliminated by exempting contract carriers hauling APIC scrap from rate regulation and other requirements set forth in topics A through E.
- 12. PT scrap contributes substantially to landfill because of its resistance to decomposition.
- 13. According PT scrap the same regulatory exemptions as APIC scrap will have a beneficial effect on its marketability.
- 14. Using wood residues to make paper is not recycling that material.
- 15. The following order complies with the guidelines in the Commission's Energy Efficiency Plan.
- 16. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
- 17. The principal shipper interests, which manufacture APIC and PT from virgin materials as well as remanufacture APIC and PT scrap, support the proposed exemption.
- 18. No rate discrimination between shippers will result from the exemption of APIC and PT scrap from minimum rates.
- 19. There is a persuasive need to give priority to the transportation of APIC and PT scrap as it will help with solving the State's waste disposal crisis; and the following order should be effective today.

Conclusions of Law

- 1. The Commission may exempt selected commodity transportation from rate regulation under Division 2 of the PU Code.
- 2. Exempting APIC and PT scrap from our rate reregulation program is reasonable.
- 3. In transporting APIC and PT scrap, carriers should not be required to be subject to:
 - a. The standards of rate review established in D.90663 and D.91861.
 - b. The procedural requirements for rate reductions contained in D.90663, D.91861, and General Order 147.
 - c. The prevailing wage requirement in OII 53.
 - d. The requirement that their rates contribute to carrier profitability.
 - e. The guidelines for contract carrier operations contained in Appendix G to D.89575.
- 4. The adding of a commodity to the list of rate-exempt commodities contained in the document referred to in Finding of Fact 1 will accomplish the exemption of transportation of that commodity from the requirements named in paragraphs a., b., c., and e. of Conclusion of Law 3.
- 5. The document referred to in Finding of Fact 1 should be reissued with APIC and PT scrap added to the list of rate-exempt commodities.
- 6. The request of L-P to add wood wastes to the list of rateexempt commodities should be denied.

- 7. The request of NARI to add all recyclables to the list of exempt commodities should be denied.
- 8. Although the policy provisions of the California Environmental Quality Act, California Public Resources Code Sections 21000 and 21001 apply to these proceedings, the Environmental Impact Report provisions, California Public Resources Code Sections 21100 et seq. do not.

ORDER

IT IS ORDERED that:

- 1. Transportation described in Appendix A is exempt from the rate reregulation programs set out in D.89575, D.90663, and D.91861 and implemented in General Order 147 (Tariff and Contract Filings).
- 2. Appendix A supersedes the document entitled: Commodities and Geographic Areas Exempt from Rate Regulation Within the Permissive Scope of Highway Contract Carrier Operations, issued April 30, 1980.
- 3. Persons wishing the Commission to extend the exemptions in Appendix A to other specified recyclable commodities may file an application for exemption of commodities from rate regulation, serving a copy on all appearances in this proceeding.

4. The Executive Director shall cause a copy of this decision to be served by mail on each highway common carrier, each highway contract carrier, and each subscriber to Transition Tariffs 1-B, 2, 9-B, 11-A, 15, and 19.

This order is effective today.

Dated _____JUN 151982 _____, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. CRAVELLE
LEONARD M. CRIMES, JR.
VICTOR CALVO
PRISCILLA C. CREW
Commissioners

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

Joseph E. Bodovitz, Executive Dir

PURLIC UTILITIES COMMISSION

STATE OF CALIFORNIA

TRANSPORTATION DIVISION

COMMODITIES AND GEOGRAPHIC AREAS

EXEMPT FROM RATE REGULATION

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ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.

SECTION 1 -- PURPOSE AND SCOPE

- This publication is a revision and supersession of the document entitled "Commodities and Geographic Areas Exempt from Rate Regulation Within the Permissive Scope of Highway Contract Carrier Operations", issued April 30, 1980.
- 2. Transporation named in this publication is exempt from rate regulation to the following extent:
 - a. As provided in Item 30, Transition Tariff 1-B;
 - b. As provided in Items 30 and 40, Transition Tariff 2;
 - c. As provided in Item 50, Transition Tariff 9-B;
 - d. As provided in Item 50, Transition Tariff 11-A;
 - e. As provided in Item 50, Transition Tariff 19;
 - f. As provided in Rule 3, General Order 147.
- 3. Transportation named in this publication is rate-exempt transportation service, as that term is used in Appendix A of General Order 147.
- 4. Common carriers which desire to perform transportation named in this publication must publish and file rates applicable thereto in-accordance with General Order Series 80 or 117.

SECTION 2--LIST OF COMMODITIES EXEMPT FROM RATE REGULATION

Accessories, motion picture: Subject to Note 1.

Accessories and supplies, motion picture; film, motion picture - Except as otherwise noted this exemption applies only within the City and County of San Francisco.

Adhesive, Adjuvants, Spreaders or Stickers; Subject to Notes 1, 2, 3, and 5.

Aluminum Scrap

Aluminum Sulphate; Subject to Notes 1, 2, 3, and 5.

Animals, live: this exemption applies only within the San Diego Drayage Area as described in Section 5.

Automobiles, set up, in initial movement from the plant at which the automobiles were manufacturered or assembled to the point of destination and the return transportation of such automobiles to the plant in cases where delivery has not been accomplished.

Paggage; Subject to Note 1.

Rodies, automobile, flattened.

Buttermilk: Subject to Note 6.

Carriers (used backages) empty returning or forwarded for return loads; Subject to Notes $1,\,3,\,{\rm and}\,7.$

Cement Clinker: Subject to Notes 1, 2, and 3. This exemption does not apply when the commodity is transported in bulk in dump truck equipment.

Cheese, Pot; Subject to Notes 1, 2, 3, and 6.

Compounds, tree or weed killing: Subject to Notes 1, 2, 3, and 5.

Concrete transported in motor vehicles equipped for mechanical mixing in transit.

Containers, intermodal cargo, viz.; rigid, reusable vans, platforms, or other devices, without wheels; into which property may be loaded for carriage; not less than eighteen feet in length; having corner castings or other hardware which facilitated lifting, stacking, and mounting; furnished or approved by ocean carriers for transportation of property aboard their vessels. This exemption also applies to:
(1) the movement of shipper furnished semitrailer chassis when such movement is in connection with the exempt transportation of intermodal cargo containers and (2) movement is in connection with the exempt transportation of mechanically refrigerated intermodal cargo containers.

Cottage cheese; Subject to Notes 1, 2, 3, and 6.

Cotton

Gream (Subject to Note 6)

Cullet (Scrap Glass)

Pirectories, telephone; Subject to Note 2.

Directories, telephone, new distributed to subscribers, and old, picked up from subscribers. Note -- applies only within East Bay Drayage Area as described in Section 4 and within the City and County of San Francisco.

Eggs (Subject to Note 6)

Fertilizers, as described in Note 8; Subject to Notes 1, 2, and 3.

Film, motion picture; Subject to Note 1.

Fruit, dried, unmanufactured and unprocessed (Subject to Note 10)

Fruit, fresh or green, including dates, fresh, not cold pack nor frozen (when rates are not otherwise provided in Minimum Rate Tariff 8-A).

Fruit, which are placed in a preservative and are destined to a cannery for processing into a preserved or pickled fruit.

Fungicides, agricultural; Subject to Notes 1, 2, and 3.

Furniture, household appliances and other home furnishings which have been sold at retail by a retail merchant, transported from retail stores or retail store warehouses, or transported from retail customers to retail stores or retail store warehouses. The exemption applies only when the distance between point of origin and destination does not exceed 35 constructive miles, computed in accordance with the Commission's Distance Table 8. This mileage restriction does not apply for transportation within the East Day Drayage Area and San Diego Drayage Area as described in Section 5 and the City and County of San Francisco.

Furniture, uncrated, new, of state, county or municipal governments, or transported under an agreement whereby the governments contracted for carrier's services; Subject to Notes 1, 2, and 3.

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Houses, which have been disengaged from their foundations, or sections thereof and integral parts or contents when the contents are transported within the houses.

Mulls, almond, including shells and other waste from the hulling and shelling of almonds, not processed for use as animal or poultry feed.

Ice Cream Mix, unflavored; Subject to Notes 1, 2, 3, and 4.

Insecticides, agricultural; Subject to Notes 1, 2, and 3.

Iron, Scrap

Jewelry transported from or to wholesale houses in packages weighing 10 pounds or less; Subject to Notes 1, 2, and 3.

Lime, common; Subject to Notes 1, 2, 3, and 5.

Liquids, compressed gases, commodities in semiplastic form and commodities in suspension in liquids in bulk, in tank trucks, tank trailers, tank semitrailers or a combination of such highway vehicles (the terms "tank trucks, tank trailers, tank semitrailers" include truck, trailer or semitrailer with carrier or shipper provided collapsible tank or bags 20 feet or more in length, 2,000 gallons or more in capacity and 20,000 pounds or more weight carrying capacity). For description of commodities in liquid, see Note 9. This exemption does not apply to commodities in semiplastic form or commodities in suspension in liquids when such transportation is incidental to the construction, operation or maintenance of oil or gas wells, geothermal steam wells, oil pipe lines or oil storage facilities and when the transportation is performed in vacuum or pump tank vehicles.

Livestock, other than ordinary livestock.

Logs (wood)

Milk. liquid (Subject to Note 6)

Motor vehicles, disabled, when towed by a tow car.

Motor vehicles when towed by a tow car, exemption applies only when said transportation is performed within the East Bay Drayage Area as described in Section 5 and within the City and County of San Francisco.

Newspapers, newspaper supplements, sections or inserts (not scrap or waste); Subject to Note 1.

Nuts, in the shell (when rates are not otherwise provided in Minimum Rate Tariff 8-A).

Note, field shelled (when rates are not otherwise provided in Minimum Rate Tariff 8-A).

Optical goods transported from or to wholesale houses in packages weighing 10 pounds or less; Subject to Notes 1 and 3; for San Diego Drayage Area see below.

Optical goods, as follows, when said transportation is performed within the San Diego Drayage Area described in Section 5:

Cases, eye glass or spectacle, NOI; Cases, eye glass or spectacle, not covered nor lined; Eyerlasses or spectacles, NOI; Lenses, optical, NOI;

- 1. Ground or polished:
- 2. Not surface ground nor polished (Lens Blanks);

- 18mg

Optical glass, not ground or polished;

Optical goods or instruments, NOI;

Sunglasses with other than vision-corrective lenses -

- On cards or not on cards, mounted on display racks or stands; or not mounted on display racks or stands, but shipped in the same package with racks or stands;
- On cards or counter cards, not mounted on display racks or stands;
- Not mounted on display racks or stands, cards or counter cards.

Paper, Scrap

Pica, fruit

Plant Growth Inhibitor, Modifier or Regulator; Subject to Notes 1, 2, 3, and 5.

Plastics, Scrap

Pot cheese; Subject to Notes 1, 2, 3, and 6.

Poultry, live.

Printed Matter, viz.; Advertising Matter, Books, Directories, Magazines, Pamphlets, Periodicals, Rating Books, Registers or Services; when tendered to one carrier at one time in a single lot consisting of identical articles for distribution to not less than eight separate addresses and where the weight of each delivery does not exceed 25 pounds; NOTE: This exemption applies only within the City and County of San Francisco.

Screp viz.;

Aluminum, Glass (Cullet), Iron, Paper, Plastics, Steel, Tires

Sea Shells, crushed, ground powdered or disintegrated; exemption applies only when shipper certifies on the shipping document covering the transportation that the shells are being shipped for use as a fertilizer; Subject to Notes 1, 2, and 3.

Sheep Camp Outfits - which include wagons, dogs, horses, mules, burros, camp equipment comprising tents, stoves, cooking utensils, cots, bedding, harness and other appurcenances in use at camp, but do not include hay, grain, feed, merchandise, groceries, clothing or trailer coaches.

NOTE: A livestock carrier permit or a seasonal livestock permit is required for the transportation of ordinary livestock including sheep. The exemption for sheep camp outfits accompanying shipments of sheep applies only within the geographic areas described as follows:

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- (a) Within the exterior boundaries of a city:
- (b) Shipment having both point of origin and destination within Metropolitan Zones 218, 227, 228, 229, 234, 235, and 236; and shipments having both point of origin and destination within Metropolitan Zones 301, 302, 303, 304, 305, 306, 307 and 308;
- (c) Shipments having both point of origin or destination at Corn Fed Cattle Co. Feed lot, 5440 Southern Avenue, South Gate, on the one hand and point of destination or origin within Metropolitan Zones 218, 227, 228, 229, 234, 235 and 236.
- (d) See Section 5 for description of the geographic areas of Metropolitan Zones 218, 227, 228, 229, 234, 235 and 236; and 301 to 308 inclusive.

Shell Marl, crushed, ground or powdered; exemption applies only when shipper certifies on the shipping document covering the transportation that the shell mark is being shipped for use as a fertilizer; Subject to Notes 1, 2, and 3.

Shells, walnut

Steel, Scrap

Sulphur: Subject to Notes 1, 2, and 3.

Tires, Scrap

Trailer Coaches and Campers, including integral parts and contents when the trailer coaches and campers are property of the United States, state, county or municipal governments or they are transported under an agreement whereby the government has contracted for carrier's service.

United States mail transported for the United States Postal Service under contract.

Vegetables, dried, unmanufactured, viz.: Beans (except Mesquite) lentils, onions, peas, (except cow peas), pepper pods.

Vegetables, fresh or green, including mushrooms, fresh, not cold pack nor frozen (when tates are not otherwise provided in Minimum Rate Tariff 8-A).

Vegetables, which are placed in a preservative and are destined to a cannery for processing into a preserved or pickled vegetable.

Vehicles, Disabled; when transported by towing.

Voting Booths, Ballot Boxes, Election Tents and Election Supplies, when transported from or to polling places.

Commodities of abnormal size or weight which because of such size or weight require the use of and are transported on low bed trailers; LOW BED TRAILER means trailing equipment, other than van-type, having its principal load carrying bed or platform not more than 42 inches above ground or street level. Subject to Notes 1, 2, and 3.

- Commodities weighing 100 pounds or less per package or piece when delivered from retail stores or retail store warehouses, or when returned to the original stores or retail store warehouses, via the carrier which handled the outbound movement.
 - NOTE: This exemption applies only within East Bay Drayage Area and San Diego Drayage Area as described in Section 5, and the City and County of San Francisco.

- Commodities which consist of or contain materials essential to National Defense and which have been donated to and are transported for the United States government, governmental agencies or non-profit organization acting for in behalf of said government in the collection, assembly or transportation of said commodities in connection with the recovery of said essential materials from the commodities transported; Subject to Note 2.
- Commodities when transported in an armored car operated under permit from the Commissioner of the California Highway Patrol.
- Commodities which have been sold at retail by a retail merchant, and transported from a retail store or retail store warehouse to residences of retail customers or transported from residences of retail customers to retail stores or retail store warehouses, and such transportation is performed in vehicles in the exclusive use of the retailer and provided no shipment exceeds 2,000 pounds in weight, further, that the merchandise is for the use or consumption of retail customers and is not for use in the furtherance of an industrial or commercial enterprise; and provided that the retailer shall certify on the shipping document for each delivery that the merchandise was sold at retail to a retail customer.
- Disaster Supplies, i.e., those commodities which are allocated to provide relief during state of extreme emergency or state of disaster; and those commodities which are transported for a civil defense or disaster organization established and functioning in accordance with the California Disaster Act to ultimate point of storage or use prior to or during a state of disaster or state of extreme emergency.
- Property of the United States, or property transported under an agreement whereby the United States contracted for the carrier's services. See Used Property.
- Property transported to a United States Post Office for mailing and United States Mail transported from a post office to the addresses thereof. Applies only to transportation between points within a radius of 25 miles of the intersection of First and Main Streets, Los Angeles, said mileage to be computed in accordance with the provisions of the Distance Table.
- Property transported for a displaced person when the cost thereof is borne by a public entity as provided in Section 7262 of the Government Code.
- Property transported by special messenger service; NOTE: Exemption applies only within the East Ray Drayage Area as described in Section 5.

Shipments of the following commodities, when transported by carriers engaged in courier service: (1) Business Records, viz.; checks, drafts, money orders, securities, transit items, sales sudit media, tabulation cards, dats processing materials, legal documents, printed "or reproduced documents" or data and related items, video tapes, films and printed news stories; (2) Medical specimens, viz.; Human and animal specimens, contained in glass or plastic tubes or vials, or whole blood serum for medical laboratory examination; individual units of whole blood; glass slides for microscopic tissue examination; urine and stool specimens; sputum, wound and other similiar cultures; tissue samples for pathological examination; X-ray photographs; medical transmittal documents, and documents reporting results of laboratory examination, and specimen envelopes, laboratory test forms and transmittal containers furnished by medical laboratories to their clients, Courier Service is defined as operations having the following characteristics: (a) A carrier vehicle fleet consisting of only vehicles having a licensed weight of 4,500 pounds or less; (b) Delivery shall be made within 24 hours after pickup.

Shipments weighing 100 pounds or less when delivered from retail stores or retail store warehouses where the property has been sold at retail by a retail merchant, or when returned to the original retail store shipper via the carrier which handled the outbound movement, when the distance between the point of origin and destination does not exceed 35 consecutive miles computed in accordance with DT 8; Subject to Notes 1, 2, and 3.

Shipments weighing 10 bounds or less when transported by carriers which operate no vehicles exceeding a licensed weight of 4,000 pounds. Note: Exemption applies only to transportation between points located within the Los Angeles Basin Territory as

SECTION 3--GEOGRAPHIC AREAS WITHIN WHICH, TRANSPORTATION OF PROPERTY IS EXEMPT FROM RATE REGULATION

Within all incorporated cities, EXCEPT:

Walter Contract

- a. Alameda, Albany, Berkeley, Emeryville, Oakland and Piedmont, within East Bay Drayage Area as described in Section 5.
- b. San Francisco City and County.
- c. All cities located within the Metropolitan Los Angeles Area.
- d. Chula Viata, Coronado, El Cajon, Imperial Beach, La Mesa, National City, and San Diego within the San Diego Drayage Area as described in Section 5.

Crescent City and all territory within three miles of the city limits.

Freeno and vicinity as described in Section 5.

Retween Marysville and Yuba City and between said cities on the one hand and the adjacent plant of the Harter Packing Company on the other hand.

Modesto and vicinity as described in Section 5.

Sacramento and vicinity as described in Section 5.

Between the Sonora Freight Depot of the Sierra Railroad Company and Sonora.

Stockton and vicinity as described in Section 5.

Watsonville and vicinity as described in Section 5.

SECTION 4--EXPLANATORY NOTES

NOTES:

- 1. Exemption does not apply within the East Bay Drayage Area as described in Section 5.
- 2. Exemption does not apply within the San Diego Drayage Area as described in Section 5.
- 3. Exemption does not apply within the City and County of San Francisco.
- 4. Exemption does not apply to transportation for which rates are provided in Minimum Rate Tariffa 3-A, 4-B, 7-A, 8-A, 10, 11-A, 12-A, 14-A, 17-A and 20.
- Exemption applies only when the commodity moves in mixed shipments with other commodities named in Note 8, does not exceed 30 percent of the weight of the entire shipment.
- 6. (a) Except as provided in paragraph (b), exemption applies only in connection with straight or mixed shipments of commodities making reference hereto and only when shipped in quantities of not less than 20,000 pounds.
 - (b) The provisions of paragraph (a) of this note do not apply in connection with:
 - (1) The transportation of eggs moving in straight shipments from point of production.
 - (2) Shipments moving in tank trucks, tank trailers, tank semitrailers or a combination of such highway vehicles or in milk shipping cans from point of production.
- 7. This exemption applies to only used empty carriers which are returning from an outbound paying load of traffic for which rates are not provided in any minimum rate tariff, or which are being forwarded for a return paying load of traffic for which rates are not provided in any minimum rate tariff. Subject to Notes 1 and 3.

Empty carrier (used packages);

Rags, in bundles, bales or boxes,
Barrels, loose,
Blocks or Braces (wooden), viz: Cable Reel
Bottles, in boxes or crates or in barrels, boxes or
crates with or without covers
Boxes, fibreboard, KD or folded flat with or without inside fillers,
Boxes, wooden,
Cans, tin, loose in packages,
Carboya, in boxes, with or without neck protection
Carriers, bakery goods, wheeled,
Carriers, NOIBN, subject to package requirements
as specified in the GC,
Cases, egg, with or without fillers,
Casks, loose,
Chests, fruit, loose,
Containers, rubber bulk commodity shipping, collapsed, loose or in packages,
Coops, loose,

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SECTION 4 -- EXPLANATORY NOTES (continued)

7. (concluded)

Cores, in bags, bundles, boxes, or crates, less truckload; loose or in packages, truckload.

Crates,
Cylinders, acid, ammonia, glycerine or gas, loose or in packages,
Demijohns, in barrels, boxes or crates, with or without tops.
Jugs, in barrels, boxes or crates, less truckload, in packages, named or packed in excelsior, hay straw or other similar material, truckload,
Kegs, loose,
Packing Cushions or Pads:
Shipping, Cotton or Jute, cloth covered, in bundles or packages,
Pails, iron or steel
Pallets, metal or wooden, shipping, including inside spacers or supports for palletized loads,
Pallets, Platforms or Skids, for lift trucks, iron, steel or wood, or combined: with fixed bodies or enclosures or with standing ends,
sides, stakes or standards, loose or in packages, or without bodies,
enclosures, standing ends, sides, stakes or standards loose or in packages,
Puncheons, loose,
Ouicksilver Flasks, iron or steel; loose or in packages,
Recks, shipping, engine colling radiator, SU or KD,
Reels, loose
Skids, iron steel or wooden,
Spools, NOIBN, metallic, in bags, barrels, boxes, or crates, less
truckload; loose or in packages, truckload,
Spools, NOIBN, wooden; in bags, barrels, boxes or crates, less truckload;
in packages named, truckload,
Tierces, loose,
Vans (other than lift), knocked down or folded, loose, including pads
or wrapping for packing,

A. Fertilizers, viz.:

Fertilizing Compounds (manufactured Fertilizers), liquid, NOIBN, in bulk in barrels.

Fertilizer (See Note A) viz.:

Fertilizer Compounds (manufactured Fertilizers), NoIBN in the GC, Ashes, incinerator, in packages or in bulk.

Ashes, wood, in packages, or in bulk.

Reet Sugar Refinery Waste, concentrated, mixed or not mixed with

Lime Refuse, dry in bulk or in sacks; liquid, in barrels,

Rlood, dried, in bags or barrels,

Bone Black, spent, in barrels, boxes or bags,

Cypsum, crushed, ground or powdered,

Lime Refuse, in packages or in bulk,

Manure, animal, NOIBN in the GC

Manure, domestic fowl, in packages or in bulk,

Meal, refuse raisin seed, in bags,

Mold, leaf,

Pomace, grape, in packages or in bulk,

Scourings, sheep wool, in bags or in bulk

Screenings, sheep wool, in bags or in bulk

Sea Shells, crushed, ground or powdered,

Super-phosphates, in packages or in bulk,

Tankage, garbage, dry, in bags, or in bulk,

Tankage, packing-house, dry, in bags, or in bulk.

SECTION 4--EXPLANATORY NOTES (continued)

NOTE A: -- Will not apply on Nitrate of Sods. Sulphur, or any of the chemicals entering into the manufacture of Fertilizing Compounds.

Fertilizers, viz.:

Ammonia, phosphate of,
Ammonia, sulphate of, in packages or in bulk,
Ammonium, sulphate nitrate (Leunasaltpeter), in bags or in bulk,
Calcium carbonate ammonium nitrate (Calnitro)
Calcium nitrate urea (Calurea),
Cyanamid,
Lime (Calcium), nitrate of, in packages or in bulk,
Pomace, olive, in packages or in bulk,
Potash, suriste of, in packages or in bulk,
Potash, nitrate of,
Potash, suphate of, in packages or in bulk,
Pulp, olive, in packages or in bulk,
Sodium (Soda), nitrate of, or Chili Saltpetre in packages, or in bulk,
Sulphate, zinc, monohydrate, agricultural-grade,
Urea.

Note: "CC" means - Governing Classification viz: The National Motor Freight Classification - NMT 100-H, C.P.U.C. 19 including supplements thereto or reissues thereof.

C. Liquida transported in tank vehicle subject to this note include but are not limited to the following commodities:

> Arsenic Acid Hydrochloric Acid Nitric Acid Phosphoric Acid Sulphuric Acid Concrete Additives (Plasticizer) Chocolate Acetone Acrylate, Ethyl Alcohol NOI Alcohol MULL Aluminum Ammonia Thiosulphace Calcium Chloride Chemicals NOI Ethyl Acetate Glycerine Clycol Isobutyl Acetate Methyl Ethyl Ketone Trichloroethane Methylene Chloride Perchlorethylene Caustic Soda Sodium Chlorate Silicate of Soda

Dextrin Feed Animal Feed Supplements Fertilizing Compounds (Manufactured Fertilizers) Juice, Fruit Molasses Sugar Syrup, Corn. Vinegar Whey Yeast Carbon Dioxide Sulphur Dioxide Grease, Animal Wine Shortening Facty Acid, Esters
Oil, other than petroleum
Oil, other than medicinal
Paints, NOI Compounds, Paint Plastic materials Refrigerants Lacex Sulphur, Crude Tallow, Animal

SECTION 4--EXPLANATORY NOTES (concluded)

9. (concluded)

Sodium Sulphite
Styrene
Trichloroethylene
Vinyl Acetate
Zinc Sulphate
Cleaning Compound
Anti-Freeze Compound
Foundry Core Compound
Water Purifying Compound
Egg Whites

Water
Methylene Chloride
Alcohol Solvents
Alcohol Isoproponal
Ethylene Glycol
Butyl Acetate
Methyl Isobutyl Ketone

10. Exemption applies only as to dried fruit in the natural state and which has not been cleaned, washed, stemmed or otherwise prepared or partially prepared for human consumption.

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SECTION 5--TERRITORIAL DESCRIPTIONS

EAST BAY DRAYAGE AREA

EAST BAY DRAYACE AREA IS DEFINED AS FOLLOWS:

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The Cities of Alameda, Albany, Berkeley, Emeryville, Oakland, Piedmont, and including that area within the following boundaries:

Beginning at the point the Alameda-Contra Costa County line meets the shoreline of San Francisco Bay: easterly and southerly along said county line to Claremont Avenue and Oakland city limits: southerly and westerly along Oakland city limits to the San Leandro city limits; northerly along the Oakland-San Leandro city limits to the intersection of Durant Avenue and Foothill Boulevard; southwesterly along the Oakland-San Leandro city limits to the Oakland International Airport; along the Oakland-San Leandro city limits from the south shore of the Oakland International Airport; southerly to an imaginary point on the San Francisco Bay opposite Williams Street; thence westerly from that point along an imaginery line to the Alameda-San Mateo County line; thence northerly along the Alameda-San Mateo County line and Alameda-San Francisco County line to the Alameda-Contra Costa line; easterly along the Alameda-Contra Costa line; easterly along the Alameda-Contra Costa County line to the point of beginning.

FRESNO AND VICINITY

FRESNO, ALSO THE TERRITORY BOUNDED AS FOLLOWS:

Beginning at the intersection of Haves Avenues and Shaw Avenue; easterly along Shaw Avenue to U.S. Highway 99; northweaterly along U.S. Highway 99 to the San Joaquin River; easterly along the San Joaquin River to Friant Road; southerly along Friant Road to Alluvial Avenue; easterly along Alluvial Avenue; to Fresno Avenue; asoutherly along Fresno Avenue to Herndon Avenue; easterly along Herdon Avenue; easterly along Shaw Avenue; easterly along Chestnut Avenue to Shaw Avenue; easterly along Shaw Avenue to Fowler Avenue; southerly along Chestnut Avenue; southerly along Fowler Avenue; southerly along Willow Avenue to Gentral Avenue; westerly along Jensen Avenue; westerly along Central Avenue to U.S. Highway 99; northwesterly along U.S. Highway 99 to North Avenue; westerly along North Avenue to Marks Avenue, northerly along Marks Avenue to Jensen Avenue; westerly along Jensen Avenue; westerly along Kearney Avenue to Hayes Avenue to Kearney Avenue; westerly along Kearney Avenue to Hayes Avenue; northerly along Hayes Avenue to point of beginning; and between Freano, points in the aforementioned described area, on the one hand, and the plant of PPG Industries.

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SECTION 5--TERRITORIAL DESCRIPTION (continued)

LOS ANGELES BASIN TERRITORY

LOS ANGELES BASIN TERRITORY IS DEFINED AS FOLLOWS:

Los Angeles Basin Territory includes that area embraced by the following boundary: Beginning at the point the Ventura County-Los Angeles County boundary line intersects the Pacific Ocean; northeasterly along the councy line to the point it intersects State Highway 118, approximately two miles west of Chatsworth; easterly along State Highway 118 to Sepulveda Boulevard; northerly along Sepulveda Boulevard to Chatsworth Drive; northeasterly along Chatsworth Drive to the corporate boundary of the City of San Fernando; westerly and mortherly along the corporate boundary of the City of San Fernando to Maclay Avenue; northeasterly along Maclay Avenue and its prolongation to the Angeles National Forest boundary; southeasterly and easterly along the Angeles National Forest and San Bernardino National Forest boundary to Mill Creek Road (State Highway 38); westerly along Mill Creek Road to Bryant Street to and including the unincorporated community of Yucaips; westerly along Yucaips Boulevard to Interstate Highway 10; northwesterly along Interstate Highway 10 to Redlands Boulevard; northwesterly along Redlands Roulevard to Barton Road; westerly along Endlands Roulevard to Barton Road; westerly along Barton Road to La Cadena Drive; southerly along La Cadena Drive to Iowa Avenue; southerly along Iowa Avenue to State Highway 60; southeasterly along State Highway 60 and Interstate Highway 15 to Nuevo Road; easterly along State Highway 60 and Interstate Highway 74; westerly, and northerly along State Highway 79 to State Highway 79; southerly along State Highway 79 to State Highway 79; southerly along State Highway 79 to State Highway 70; westerly, and northerly along State Highway 79 to State Highway 79; southerly along State Highway 79 to State Highway 79; southerly along State Highway 15 to the Corporate boundary of the City of Hemet; southerly westerly along Benton Road; westerly along Benton Road; Southerly along Washington Road; State Highway 79 to Jefferson Avenue; southerly along Interstate Highway 15 to the Riverside C

METROPOLITAN LOS_ANGELES_AREA

METROPOLITAN LOS ANGELES AREA IS DEFINED AS FOLLOWS:

All of the area encompassed by the following boundaries:

(Metropolitan Los Angeles Area consists of Metropolitan Zones 201 to 262 inclusive, including all incorporated cities therein as described in the Commission's Distance Table R_{-})

Beginning at the intersection of the shoreline of the Pacific Ocean and the prolongation of Topanga Canyon Boulevard and northwesterly along the prolongation of Topanga Canyon Boulevard and Topanga Canyon Boulevard to Los Angeles city limits; westerly, northerly and easterly along the city-limits of Los Angeles to the prolongation of an imaginary line due west of the intersection of Rinaldi Street and Zelzah Avenue; easterly along the prolongation of Rinaldi Street to Balbos Foulevard; northerly along Balbos Boulevard to San Fernando Road; northwesterly along San Fernando Road to the city limits of Los Angeles near Sylmar; northeasterly and

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SECTION 5--TERRITORIAL DESCRIPTIONS (continued)

METROPOLITAN LOS ANGELES AREA (concluded)

along the city limits of Los Angeles to the boundary of the Angeles National Forest, easterly and southerly and along the boundary of the Angeles National Forest to Lopez Canvon Road; continuing southerly and easterly along the boundary of the Angeles National Forest to the city limits of Los Angeles; southerly, easterly, and southerly along the city limits of Los Angeles to the intersection of Clendale city limits and boundary of the Angeles National Forest to the city limits of Pasadena; northerly, easterly, and southerly along the city limits of Pasadena to the boundary of the Angeles National Forest; southerly and easterly along boundary of the Angeles National Forest; southerly and easterly along boundary of the Angeles National Forest; to the city limits of Pasadena at Eaton Canyon; northerly and along the city limits of Pasadena to the boundary of the Angeles National Forest; easterly along the boundary of the Angeles National Forest to the intersection of the Los Angeles County line near and east of Baldy Road; southerly and along the Los Angeles County line near and east of Baldy Road; southerly and along the Los Angeles County line near and east of Baldy Road; southerly and along the Los Angeles County line near and east of Baldy Road; southerly and along the Los Angeles County line near and east of Baldy Road; southerly and along Canyon Road; southerly along Canyon Road to Olinda Drive; thence southerly along an imaginary line to the intersection of Ohio Street and Oriente Drive; southerly along an imaginary line to Mountain View Avenue; southeasterly along Mountain View Avenue to Kellogg Drive to Orangethorpe Avenue; easterly along Preway (State Sign Route 91); easterly along Riverside Freeway (State Sign Route 91) to the northern prolongation of Mohler Drive; thence southerly along an imaginery line through the intersection of Mohler Drive; along Riverside Freeway (State Sign Route 91) to the northern prolongation of Mohler Drive and Santa Ana Canyon Road to the intersection of Santiago Canyon Road

METROPOLITAN ZONES 218, 227, 228, 229, 234, 235 and 236 (LOS ANGELES AREA)

METROPOLITAN ZONES 218, 227, 228, 229, 234, 235 and 236 (LOS ANGELES AREA) IS DEFINED AS FOLLOWS:

All of that area encompassed by the following boundaries:

Beginning at the intersection of Chevy Chase Drive and Linda Vista Road in the City of Glendale; easterly and along Linda Vista Road to Lida Street; easterly and along Lida Street to Linda Vista Avenue; southerly and along Linda Vista Avenue to the Ventura Freeway (State Sign Route 134); northeasterly along the Ventura Freeway (State Sign Route 134); northeasterly along Arroyo Boulevard to Arroyo Drive; southerly along Arroyo Boulevard; southerly along Arroyo Boulevard to Arroyo Drive; southerly along Arroyo Drive to the Pasadena Freeway (State Sign Route 11); southwesterly along the Pasadena Freeway (State Sign Route 11) to Avenue 60 in Highland Park; southeasterly along Avenue 60 to Ebey Avenue; southerly along Ebey Avenue to Redfield Avenue; westerly along Redfield Avenue to Monterey Road; southerly along Monterey Road; southerly along Monterey Road to Huntington Drive, southwesterly along Monterey Road; southerly along Monterey Road; southerly along Eastern Avenue; about to the San Bernardino Freeway (Interstate 10); easterly along the San Bernardino Freeway (Interstate 10) to Eastern Avenue; southerly along Eastern Avenue; southerly along Eastern Avenue; southerly along Garfield Avenue; northerly along Hay Avenue to Garfield Avenue; southeasterly along Garfield Avenue to Madison Avenue; easterly along Madison Avenue to Wilcox Avenue; southerly along Edna Street to Pine Street; northerly along Pine Street to Beverly Road; southeasterly along Edna Street to Pine Street; northerly along Pine Street to Beverly Road; southeasterly along Beverly Road to Tobias Avenue; easterly along Beverly Road to Tobias Avenue; easterly along Beverly Boulevard; easterly along Beverly Boulevard; easterly along Beverly Boulevard; easterly along Beverly Boulevard; easterly along Edna Street bank of the San Gabriel River; southwesterly along the west bank of the San Gabriel River; southwesterly along the West bank of the San Gabriel River; southwesterly along the West bank of the San Gabriel River; southwesterly along the West ban

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SECTION 5--TERRITORIAL DESCRIPTIONS (continued)

METROPOLITAN ZONES 218, 227, 228, 229, 234, 235 and 236 (LOS ANGELES AREA) (concluded)

northwesterly along the prolongation of Gallatin Road and Gallatin Road to Tweedy Lane; southwesterly along Tweedy Lane to Suva Street, northwesterly along Suva Street to the west bank of the Rio Hondo; southwesterly along the west bank of the Rio Hondo to Florence Avenue; northwesterly along Florence Avenue to Clara Street; southwesterly, and along—Clara Street to the west bank of the Los Angeles River to the Long Beach Freeway (State Sign Route 7); southwesterly along the west bank of the Los Angeles River to the Long Beach Freeway (State Sign Route 7); southwesterly along the Long Beach Freeway (State Sign Route 7); southwesterly along the Long Beach Freeway (State Sign Route 7); southwesterly along the Long Beach Freeway (State Sign Route 7); southwesterly along the Long Beach Freeway (State Sign Route 7); southwesterly along Tenya Avenue to State Street; southerly along San Miguel Avenue to Tenya Avenue; westerly along San Miguel Avenue to State Street; southerly along Stantoff Avenue; westerly along Stantoff Avenue; westerly along Seminole Avenue; southerly along Stantoff Street; southerly along Grape Street to 102nd Street; westerly along 102nd Street to Success Avenue; southerly along Success Avenue; southerly along Street to 102nd Street; westerly along 103nd Street to Avalon Boulevard; southerly along Avalon Boulevard to 103nd Street; westerly along 103nd Street and its prolongation to Van. Ness Avenue to 103nd Street; northerly along Synthesis Avenue to Stanton Avenue; westerly along Shalon Avenue; westerly along Synthesis Avenue to The Santa Monica Freeway (Italian Avenue; northerly along Shalong Street; northerly along Shalond Street; northerly along Sh

METROPOLITAN ZONES 301 TO 308, INCLUSIVE (SAN DIEGO AREA)

METROPOLITAN ZONES 301 TO 308 INCLUSIVE (SAN DIEGO AREA) IS DEFINED AS FOLLOWS:

All of that area encompassed by the following boundaries:

Reginning at the intersection of the shoreline of the Pacific Ocean and the westerly prolongation of Inyaha Lane; themce easterly along the westerly prolongation of Inyaha Lane and Inyaha Lane to LawJolla Shores Drive; northeasterly and easterly along LawJolla Shores Drive and Miramar Road to the northeasterly boundary of the Pueblo Lands of San Diego; southeasterly along the boundary of the Pueblo Lands of San Diego to Clairmont Mesa Boulevard; easterly and along Clairmont Mesa Boulevard; coasterly and along Clairmont Mesa Boulevard; to Mercury Street; northerly along Mercury Street to its intersection with the southern boundary of Miramar Naval Air Station; easterly and along the southern boundary of Miramar Naval Air Station to Murphy Canyon Road; southerly along Murphy Canyon-Road to the westerly prolongation of Vandever Avenue to the San Diego River; northeasterly and along the San Diego River to Cuyamaca Street to Prospect Avenue; easterly along Prospect Avenue to Magnolia Avenue; southerly along Magnolia Avenue; easterly along Prospect Avenue to Magnolia Avenue; southerly along Magnolia Avenue to Pepper Drive; easterly and along the prolongation of Pepper Drive and Pepper Drive to Main Street; southwesterly along Main Street to Greenfield Drive; southeasterly along Creenfield Drive to La Cresta Road; northeasterly along La Cresta Road to the northwesterly prolongation of Valley Rim Road and Valley Rim Road to Orchard Avenue; easterly and along Orchard Avenue to Valley Rim Road and Valley Rim Road to Orchard Avenue; easterly and along Orchard Avenue to Valley Wiew Boulevard; southerly along Valley View Boulevard; to Euclid Avenue; due southerly and along Dehesa Road; westerly along Dehesa Road to Granite Hills Drive; southerly and along

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA.

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SECTION 5--TERRITORIAL DESCRIPTIONS (continued)

SAN DIECO DRAYACE AREA

SAN DIEGO DRAYACE AREA, is defined as follows:

All of that area encompassed within the following boundaries:

Merinning at the intersection of the shoreline of the Pacific Ocean and the westerly prolongation of via De La Valle; northwesterly of the Del Mar Race Track; easterly along the prolongation of via De La Valle to El Camino Real; northerly along El Camino Real to the San Diego City limits; eastern's along the city limits of San Diego to its intersection with the eastern boundary of Section 5, T-145, RJW; thence sautherly along the eastern boundary lines of Sections 5, 8, 17, 20 and 29, T-145, RJW to the northwesterly corner of Section 5, T-155, RJW; northeasterly in a direct line to the northwesterly corner of Section 25, T-155, RJW; northeasterly in a direct line to the northwesterly corner of Section 25, T-155, RJW; northeasterly along the northeast southerly and Sections 30 and 29, T-145, RJW to Eacondó Freeway.

(Interstate 15) to Kearny Villa Road; southerly along Kearny Villa Road to Murphy Canyon Road; southerly along Murphy Canyon Road to the westerly prolongation of Vandever Avenue; easterly along the westerly prolongation of Vandever Avenue to the San Diego River; contheasterly along the westerly prolongation of Vandever Avenue to Prospect Avenue; easterly along Prospect Avenue to Magnolia Avenue; southerly along Expert Drive; easterly along the prolongation of Pepper Drive and Pepper Drive to Main Street; southwesterly along the prolongation of Pepper Drive and Pepper Drive to Main Street; southwesterly along the northwesterly prolongation of Valley Rim Road and Valley Rim Road to Grante Hills Drive; to Valley Rim Road and Valley Rim Road to Grante Hills Drive; southerly along Crante Hills Drive; to Alveda Avenue; southerly along Valley View Boulevard; southerly along Valley View Road Freet; southerly along Dehess Road to Grante Hills Drive; southerly and along Crante Hills Drive to Alveda Avenue; southerly along Cosmo Avenue; southerly along Cosmo Avenue; southerly along Cosmo Avenue; southerly along Cosmo Avenue; southerly along Jamacha Road; southerly along Jamacha Road; southerly along the prolong

SECTION 5--TERRITORIAL DESCRIPTIONS (concluded)

STOCKTON AND VICINITY

STOCKTON, ALSO THE TERRITORY BOUNDED AS FOLLOWS:

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Reginning at the junction of the San Joaquin and the Calaveras Rivers, easterly along the Calaveras River to the city limits northerly on an imaginary line to March Lane, westerly, northerly and easterly along the west boundary of the city limits to Don Road, northerly on Don Road to Lucille Avenue, easterly on Lucille Avenue to Thornton Road, southeasterly along Thornton Road to Paloma Avenue, easterly along Paloma Avenue to the city limits, northerly, easterly and southerly along the city limits to Hammer Lane, easterly along Hammer Lane to U.S. Highway 99, southerly along U.S. Highway 99 to the Central California Traction Company's right-of-way, easterly to Hubbard Avenue, southerly, along Hubbard Avenue and an imaginary line including the Wilcox Road to the Diverting Canal, southeasterly along the Diverting Canal to the Southern Pacific Company's right-of-way. easterly along the Southern Pacific Company's right-of-way to a point opposite to the Budd Road, southerly to East Main Street, westerly along East Main Street to Walker Lane, southerly on Walker Lane and an imaginery line to the Carpenter Road, westerly along the Carpenter Road to Sharps Lane, southerly on Sharps Lane to the Sperry Road, including Stockton Field Airport, westerly on Sperry Road and continuing westerly along an imaginary line to U.S. Highway 50 and the French Camp Slough, northerly along the French Camp Slough to the San Joaquin River, northerly along the San Joaquin River to the junction of the Calaveras River, and including the U.S. Naval Supply Annex on Rough and Ready Island.

WATSONVILLE AND VICINITY

WATSONVILLE, ALSO THE TERRITORY BOUNDED AS FOLLOWS:

All points and places within two miles of Wall and Main Streets.

Watsonville, and all points on or within one-fourth mile of Freedom Boulevard between the corporate city limits of Watsonville and a point commonly known as 5 Mile House, approximately three miles northwest of the corporate city limits of Watsonville.

(END OF APPENDIX A)

- 10. Intrastate motor carrier rate regulation covering the transportation of APIC scrap has a negative impact on the marketability of that scrap.
- 11. This negative impact can be eliminated by exempting contract carriers hauling APIC scrap from rate regulation and other requirements set forth in topics A through E.
- 12. PT scrap contributes substantially to landfill because of its resistance to decomposition.
- 13. According PT scrap the same regulatory exemptions as APIC scrap will have a beneficial effect on its marketability.
- 14. Using wood residues to make paper is not recycling that material.
- 15. The following order complies with the guidelines in the Commission's Energy Efficiency Plan.
- 16. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
- 17. The principal shipper interests, which manufacture APIC and PT from virgin materials as well as remanufacture APIC and PT scrap, support the proposed exemption.
- 18. No rate discrimination between shippers will result from the exemption of APIC and PT scrap from minimum rates.
- 19. There is a persuasive need to give priority to the transportation of APIC and PT scrap as it will help with solving the State's waste disposal crisis; and the following order should be effective today.

- 7. The request of NARI to add all recyclables to the list of exempt commodities should be denied.
- 8. Although the policy provisions of the California Environmental Quality Act, California Public Resources Code Sections 21000 and 21001 apply to these proceedings, the Environmental Impact Report provisions, California Public Resources Code Sections 21100 et seq. do not.

ORDER

IT IS ORDERED that:

- 1. Transportation described in Appendix A is exempt from the rate reregulation programs set out in D.89575, D.90663, and D.91861 and implemented in General Order 147 (Tariff and Contract Filings).
- 2. Appendix A supersedes the document entitled: Commodities and Geographic Areas Exempt from Rate Regulation Within the Permissive Scope of Highway Contract Carrier Operations, issued April 30, 1980.
- 3. Persons wishing the Commission to extend the exemptions in Appendix A to other specified recyclable commodities may file an application for exemption of commodities from rate regulation, serving a copy of this application on all appearances in this proceeding.