

**PROCUREMENT LOGISTICS
SCRAP HANDLING PROCEDURES - MARC CENTER**

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1. GENERAL

- 1.01 This section details procedures to be followed by Procurement Logistics personnel when receiving, handling and shipping the scrap delivered to the Material Reprocessing and Consolidation (MARC) Center. This practice also provides information about the administration functions associated with scrap processing, see Exhibit 1, for the normal flow of scrap material through the MARC Center.
- 1.02 When this practice is reissued, the reasons(s) for reissue will be specified in this paragraph.

2. PURPOSE

- 2.01 Guidelines detailed in this practice are directed toward maximizing capital recovery for scrap materials. For example, retired cable and central office equipment are sold for their intrinsic value when they have no further use within the company.

3. DEFINITIONS

- 3.01 This section provides clarification of terms used throughout this practice and as they apply while performing MARC Center disposition activities.
- 3.02 **ACCOUNTS MANAGEMENT AND INVOICING SYSTEM (AMIS):** A mechanized system used by Procurement Logistics for inventory management, customer invoicing, and for monitoring the issuance of salvage credit to state organizations as they relate to the disposition of company material.
- 3.03 **BID:** An offer or a proposal of a price for materials which are about to be sold. The terms bid and quote (or Quotation) are used interchangeably within this practice.

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- 3.04 **BILL OF LADING:** A statement of articles to be shipped. When signed by the agent it becomes a receipt. When properly executed (signed by both carrier and shipper), it is a contract binding the carrier to perform the stipulated transportation services; and as a contract, it is subject to published charges and establishes the carrier's liability. Form SW6152 (Exhibit 7).
- 3.05 **BILL OF SALE:** A document used to record sales transactions and to state terms and conditions associated with sales. It also protects the Company from liability when sales of scrap material occur. Form SW2005 (Exhibit 2). Form SW2005 is used for miscellaneous sales.
- 3.06 **BOOK VALUE:** The original cost, as booked, less accumulated depreciation.
- 3.07 **COMPETITIVE BIDDING PROCESS:** A process whereby bids are solicited on a competitive basis for scrap, surplus or retired material. After material has been reviewed by prospective buyers (See Walk-Through), bids are received, analyzed and then a contract is awarded to the highest qualified bidder. This type of solicitation is commonly used to renew term contracts and for spot sales.
- 3.08 **CONSOLIDATION POINT (CP):** Local facilities used to receive partial shipments of scrap, accumulating full trailer loads and forwarding them to the MARC Center in Dallas.
- 3.09 **DEREELER:** Machines used by the MARC Center to remove and cut scrap cable from reels.
- 3.10 **DISPOSITION OPERATIONS CONTROL CENTER (DOCC):** A group within Procurement Logistics District that performs the predominate functions related to the administration and accounting of disposition activities. Such activities include: invoicing, bill payment processing, issuing salvage credits to user organizations and management of mechanized data bases related to disposition functions.

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- 3.11 **FREE ON BOARD (FOB):** The term used in connection with a sales transaction indicating the location where title and risk of loss for the goods sold transfers from Southwestern Bell Telephone Company to the buyer.
- 3.12 **GROSS SALVAGE VALUE:** The dollar amount received through the disposing of retired plant.
- 3.13 **HAZARDOUS MATERIAL:** A substance or material capable of posing an unreasonable risk to health, safety, or property.
- 3.14 **HIGH GRADE SCRAP:** Material consisting of scrap metals from central office or outside plant removals containing revenue producing elements such as gold, copper, lead, or other non-ferrous metals. Examples of high grade scrap are circuit cards, plug-ins having gold or precious metal contacts, cable, and copper bearing material.
- 3.15 **JUNK:** That scrapped material useless for its originally intended purpose and discarded by various organizations. Material of this type could have value or the potential for having value added.
- 3.16 **LETTER OF CREDIT:** A letter issued by a bank which authorizes the bearer to draw the amount stated on the letter by the issuing bank. Letters of Credit are obtained from potential buyers by Procurement Contracting for Procurement Logistics. Credit is then extended up to but not beyond the dollar amount provided in the Letter of Credit.
- 3.17 **LOW GRADE SCRAP:** This material includes mainly ferrous metals such as iron and steel, but also includes aluminum, paper, plastic and other material which has little or no resale value.
- 3.18 **MAJOR APPARATUS AND CABLE SYSTEM (MACS):** Mechanized inventory system used by Network/Distribution Services and Procurement for tracking major material (cable) and empty cable reels.

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- 3.19 **MATERIALS DISTRIBUTION CENTER (MDC):** The Procurement warehousing facility used to consolidate stock material for the Company. Materials which are returned to the MDC and declared surplus or junk are forwarded to the MARC Center or Retail Outlet for disposal.
- 3.20 **MATERIAL REPROCESSING AND CONSOLIDATION (MARC) CENTER:** Procurement Logistics District Facility established to receive and process retired equipment, scrap, surplus and obsolete material. The MARC Center processes material by sorting, upgrading, and otherwise enhancing material which has been properly retired and removed from service. Materials are shipped from the MARC Center directly to scrap vendors who have acquired the right to purchase material through a competitive bidding process.
- 3.21 **NET SALVAGE VALUE:** The anticipated gross salvage value dollar amount minus the average cost of removal.
- 3.22 **NON WEIGHT SENSITIVE:** Term used for shipments paid for by other than the weight of material in the shipment. For example: cost is figured on mileage; trip charge; hot shot; etc.
- 3.23 **PRE-CREDITING:** The process of issuing salvage credit to field organizations which provide scrap material to Procurement Logistics for disposal. Pre-credits are generally made for all scrap material received at the MARC Center and material that is shipped directly to a scrap buyer from a field location.
- 3.24 **POST CREDITING:** The process by which materials are received, sold, and payment received, prior to crediting the user organization which provided the material to Procurement Logistics. Post crediting is generally associated with resale materials.
- 3.25 **QUOTE:** The offer of a price for goods or material (see bid).

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- 3.26 **RECYCLING** To collect useful materials, so it may be reprocessed in order to use again.
- 3.27 **RETURNED MATERIAL NOTICE (RMN):** This form, FASW 6381 (Exhibit 3) is required as an attachment when returning scrap, obsolete, surplus or unusable material to the MDC or a disposition facility. The RMN document contains accounting information which assists in applying salvage credit to users.
- 3.28 **REUSABLE EQUIPMENT:** Equipment or material considered to be in working condition which has been retired by Southwestern Bell Telephone Company and released to Procurement Logistics. This category includes a wide range of material such as COE; private branch exchange (PBX) systems; furniture; motors; computers; and other material which due to its reusable condition can be sold for more than scrap value. Reusable equipment is also referred to as resalable equipment.
- 3.29 **SALVAGE:** The value that remains in material after it is retired by user organizations within Southwestern Bell Telephone Company.
- 3.30 **SCRAP:** Material no longer suitable for use by Southwestern Bell Telephone Company for the purpose it was originally purchased and which has been properly retired (capital items). This type of material is considered salable or suitable for reprocessing/upgrading by Procurement Logistics and includes materials such as test sets, data/voice communications equipment, switches, cable, relays, wire, plug-in equipment, etc.
- 3.31 **SCRAP VALUE:** The amount received from the sale of scrap materials.

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- 3.32 **SINGLE SOURCE NEGOTIATION:** The least preferred method for selling. Involves only one buyer and may be used when competitive bidding is not feasible because of limitations on the sale. These may include location, small quantities, or the type of material. Also, Procurement Logistics determines a sole source to be the best method of disposition, in accordance with Operating Practice 123, Disposition Services Policy and Procedures. This process involves selecting a qualified buyer, reviewing the material with the buyer, and if the buyer is interested the price and terms are negotiated.
- 3.33 **SPOT CONTRACT:** A type of sale used by Procurement Logistics for selling material from the MARC Center or from the location where the material is stored. It is a one-time sale of a designated quantity of material sold for a flat sum (See competitive bidding process).
- 3.34 **SURPLUS SALES OUTLET:** A retail store operated by Procurement Logistics, established as a marketing location for sales of surplus and obsolete material.
- 3.35 **TERM CONTRACT:** A type of contract used by Procurement Logistics which allows scrap buyers to purchase material at a specified price for a designated period of time, normally one year. The actual price fluctuates in accordance with "the American Metal Market" a daily publication of metal market prices. This contract is the primary instrument for selling scrap metals. The competitive bidding process is used for all term contracts.
- 3.36 **TRASH:** Material which is worthless and has no potential for enhancement; refuse (See Recycling).
- 3.37 **UPGRADING:** The process of sorting, segregating, or physically dismantling central office equipment or scrap in order to change a lower class of scrap to a higher class and thereby increase its value.

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- 3.38 **WALK-THROUGH:** Visits scheduled by Procurement Contracting or Local Purchasing Organizations in conjunction with Procurement Logistics to allow prospective buyers to review material offered for removal or sale and to discuss contract terms, in order to allow them to place bids.
(See Competitive Bidding Process).
- 3.39 **WEIGHT SENSITIVE:** Term used for shipments that are paid for by the weight carried (pounds of material shipped) on the truck or trailer. See Non-Weight Sensitive.

4. ROLES AND RESPONSIBILITIES

- 4.01 The Manager-Cable Sales has the following responsibilities:
- a. Responsible for handling the accounting and administration related to scrap processing including:
1. Maintaining the Scrap Salvage Account (1220.193) which includes the estimated net salvage value of scrap material returned to the MARC Center for disposition.
 2. Maintaining the Accounts Receivable Account (1190.219A) which includes the accounts receivable for all sales by Procurement Logistics Personnel.
 3. Ensuring that salvage credit is processed to the appropriate account(s);
 4. Processing invoices and collection of payments in conjunction with sales made by Procurement Logistics personnel;
 5. Maintaining the AMIS (Accounts Management and Invoicing System) system which processes and monitors user credits, scrap inventory, sales transactions, invoices and payments.

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6. Developing and submitting AMIS Reports related to scrap activities to upper management and/or to user organizations.
 - b. Monitoring the development and administration of contractual sales agreements in conjunction with Procurement Contracting involving:
 1. Term/Direct Contracts
 2. Spot Contracts
 3. Processing Contracts
 - c. Annual Scrap Inventory and reconciliation of the Equipment and Material Salvage Account 1220.193 and the AMIS System.
 - d. Other administrative support functions as related to scrap handling.
- 4.02 The Manager-Disposition Operations is responsible for:
- a. Receiving, processing, accumulating and shipping scrap material for its metallic contents as well as identifying reusable items which may have a resale value greater than that of scrap:
 1. Scheduling and directing the unloading of incoming shipments from users.
 2. Supervising operations to enhance the value of scrap received, for example, removal of hazardous material; separating; dereeling; dismantling; sorting and placing scrap into established classification as defined in buyer contracts or for spot sales or processing when deemed appropriate.
 3. Directing the loading of scrap into trailers or other containers for shipment.

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4. Ensure that scrap shipped to a buyer is properly classified and stated on the Product Shipping Report.
 5. Directing sale and delivery arrangements for low grade scrap and other miscellaneous material.
 6. Recommending procedural changes and conducts trials to improve or determine the safety and profitability of established or proposed operations.
- b. Providing continuity of accounting for material (from user groups to buyer invoicing), including:
1. Evaluating the preparation of field documents (Returned Material Notices) and secure accounting information as required.
 2. Maintaining proper records of material received, enhanced and shipped by utilizing required forms and computer entries. These records are used to give credits to user groups or states, evaluate the profitability of the operations, ensure correct invoicing to the buyers, monitor inventories and track vendor and Southwestern Bell Telephone Company reels.
- c. Directing a work force made up of Company clerical personnel as well as representatives of a contracted labor force in a manner such that local, state and federal guidelines associated with hazardous material and working conditions in general, are closely followed. This includes:
1. Identifying conditions not in keeping with the best health interests of those individuals engaged in processing salvage, also preparing and maintaining official records of any such activity.

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2. Coordinating with representatives of state and GHQ Safety so that monitoring of working conditions is timely and results are within acceptable parameters.
- 4.03 The MARC Center clerical personnel are responsible for:
- a. Preparation, inputting into AMIS and MACS and distribution of the following reports:
 1. Product Receiving Reports, Form SW1715 (Exhibit 4);
 2. Product Adjustment Modification Reports, Form SW1716 (Exhibit 5);
 3. Product Shipping Reports, Form SW6022 (Exhibit 6);
 4. Bill of Sales, SW2005 (Exhibit 2) covering sales made by Procurement Logistics personnel;
 5. Bill of Lading, SW6152 (Exhibit 7) and
 6. Weight Tickets, (Exhibit 8)
 - b. Initiating salvage credits to user via the AMIS System.
 - c. Inputting and monitoring of cable reel status via the MACS system.
 - d. General clerical support related to the administrative functions of the MARC center.

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- 4.04 User Organizations should consult Operating Practice 123, Disposition Services Policy and Procedures, when disposition of retired material is required. User organizations providing material to Procurement Logistics for disposition are responsible for retiring material in accordance with approved departmental guidelines. User groups must also provide Procurement Logistics supporting forms, documentation, and other pertinent information related to transfer of retired material. For example, Returned Material Notice (RMN) Form FASW 6381 (Exhibit 3).
- 4.05 Procurement Contracting is responsible for providing contract support for Procurement Logistics as directed and as defined in Operating Practice No. 123 when contractual agreements are required as part of the disposition process.
- 4.06 The Transportation Control Center (TCC) is responsible for coordinating all transportation services related to the disposition process. The procedures for using transportation services are available in guidelines established in Operating Practice No. 122, Transportation Policies and Procedures.

5. RECEIVING

- 5.01 Material received at the Material Reprocessing and Consolidation (MARC) Center may include:
- o Central Office Equipment,
 - o Outside Plant Equipment,
 - o Hazardous Materials,
 - o Test Sets,
 - o Relay Racks,
 - o Frames,
 - o Circuit Packs,
 - o Cable,
 - o Wire and
 - o Other Miscellaneous Equipment
- which is no longer needed by the company.

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- 5.02 The user must properly retire all material sent to the MARC Center and complete the Returned Material Notice (RMN) Form FASW 6381, Exhibit 3. **The RMN should be forwarded with the material to the MARC Center.**
- 5.03 The Transportation Control Center (TCC) will arrange to have material transported through a Consolidation Center or directly to the MARC Center.
- 5.04 All shipments received at the MARC Center must be scheduled in advance with the Manager-Disposition Operations. Shipments arriving must be scheduled in such a manner as to prevent delays in unloading which could cause detention charges to be applied on the transport vehicle and to allow for the availability of the appropriate equipment and personnel necessary for unloading and processing the material to be received.
- 5.05 Form SW6152, Straight Bill of Lading, must accompany all shipments delivered by common carrier.
- 5.06 Upon arrival of the transport vehicle, the seal must be checked by MARC Center personnel. If the seal is broken or missing, or if the seal number does not match the number recorded on the Bill of Lading by the shipper, an appropriate notation (for example, "Seal Not Intact Upon Delivery") will be made on the Bill of Lading. The Bill of Lading will then be signed by the driver and the Manager-Disposition Operations.
- 5.07 All vehicles delivering scrap to the MARC Center, will be weighed, depending on whether they are weight sensitive or non weight sensitive shipments. All weights are to be recorded on a Weight Ticket, Exhibit 8.

Weight Sensitive Shipments

- 5.08 Upon arrival (truck or trailer is full) gross weight will be printed on a Weight Ticket.

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- 5.09 On vehicles with detachable trailers that are to be dropped at the MARC Center and picked up at a later time. The trailer will be dropped on the truck scale and both the driver and the tractor will exit the truck scale, before weight is recorded on the Weight Ticket. The trailer will also be dropped on the truck scale after it is unloaded.
- 5.10 If the driver and the tractor is to remain with the trailer until it is unloaded or if the vehicle does not have a detachable trailer the entire vehicle will be weighed both upon arrival and after unloading. (If driver is on the scale when gross weight is recorded the driver must also be on the scale when the tare weight is recorded.)
- 5.11 When vehicle is unloaded (truck or trailer is empty), it will again return to the truck scale and tare weight will be printed on Weight Ticket.
- 5.12 The difference between gross and tare weights will be recorded on Weight Ticket. This is the Gross Scrap Weight received on that shipment. Deduct weight of all tare (pallets, trash, etc.) for the Net Scrap Weight. Net Scrap Weight will be used when credit is given for the shipment.
- 5.13 When a Bill of Lading is received with the shipment and the weight is an estimate, the actual weight of material removed from vehicle should be noted on the Bill of Lading. This allows the carrier to submit their freight bill with corrected weights.

Non Weight Sensitive Shipments

- 5.14 Due to the number of trailers delivering scrap to the MARC Center, all Non Weight Sensitive Shipments arriving at the MARC Center will be weighed without detaching the tractor from the trailer. This procedure is followed to prevent tie ups at the truck scale and to expedite the receiving process. Non weight sensitive shipments are handled as follows:

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- a. When the vehicle arrives it will be weighed on the truck scale (Gross Weight);
- b. An average weight of tractors and trailers will be used for the tare weight, rather than have vehicle weigh a second time and tie up the truck scale;
- c. There will also be a deduction for all reels, boxes, pallets, trash, etc. contained in the shipment before the Product Receiving Report is completed and credit is given.

Unloading Material

- 5.15 When vehicle has been weighed it should be moved to a dock or other area to be unloaded.
- 5.16 Prior to or as scrap material is being unloaded:
 - o A determination should be made whether a search for hazardous material/waste is needed. Any scrap material which contains hazardous material/waste will be taken to the proper processing area of the MARC Center;
 - o Identify the material which needs further processing, dereeling, sorting or upgrading. This material will be taken to the proper area of the MARC Center, to perform these functions;
 - o As much scrap as possible will be sorted into their proper scrap classification, see Exhibit 9 (Scrap Classifications/Descriptions). Sorted scrap material will be taken to the staging area to await shipment or loaded directly onto buyers trailers or containers;
 - o All RMN's associated with the shipment must be located and retained for use when completing the Product Receiving Report, Form SW1715;

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- o Reuse equipment found will be removed and forwarded to the Retail Outlet. If the entire shipment is reuse material it will not be unloaded but will be forwarded to the Retail Outlet for sale and crediting.
- 5.17 With the scrap unloaded and weights recorded, MARC Center personnel must sign the Bill of Lading confirming receipt of scrap and any necessary notations. The driver will be given the second and third copies of the Bill of Lading. Fourth copy of the Bill of Lading will be forwarded to:

Freight Bill Payment Center
500 North Broadway
Room 1000
St. Louis Missouri, 63102.

Credits

- 5.18 A Product Receiving Report, Form SW1715, see Exhibit 4, is prepared by MARC Center personnel for each RMN or shipment received.
- 5.19 Credit is given for the Net Scrap Weight (See Paragraph 5.12 and 5.14).
- 5.20 All incoming scrap will be received as one of two classes, OSP or CO, see Exhibit 9 (Scrap Classifications/Descriptions).
- 5.21 Salvage credits for all OSP scrap received are given to the appropriate state level president's RC. The salvage credits are prorated to the accounts supplied by each state to the Disposition Operations Control Center (DOCC). Any RMN received with OSP scrap will be retained at the MARC Center with their copy of the Product Receiving Report. This will require the MARC Center to complete a new RMN to distribute credits properly.

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- 5.22 Credits for all CO scrap are given as specified on each RMN received with the shipment. If an RMN is missing or incomplete the discrepancies must be resolved with the originator of the shipment.
- 5.23 For CO Scrap Shipments received, when no accounting information can be found, credits will be given to the State President's Responsibility Code and Location Code from where the material originated.
- 5.24 On mixed shipment of OSP and CO, credits will be split according to the percentages of scrap received on the shipment.
- 5.25 All Product Receiving Reports, Form SW1715 require entry into the AMIS system (See AMIS User Guide). Entry into AMIS along with the RMN is required for credit to be issued to user.
- 5.26 When cable reels are included in the material received a separate entry is required in the MACS System (See MACS User Guide). MACS entry is used to track cable reels.
- 5.27 Distribution of the Product Receiving Report, RMN and Bill of Lading is as follows:
- a. The original and Part Two of the Product Receiving Report must be matched with a copy of all associated RMNs and Bill of Lading and sent to:

Disposition Operations Control Center
1325 Cornell Road
Lancaster, Texas 75134
 - b. Part Three of the Product Receiving Report is to be retained by the MARC Center with copies of all associated RMNs and a copy of the Bill of Lading.

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Hazardous Material/Waste

- 5.28 ALL SCRAP RECEIVED AT THE MARC CENTER MUST BE SEARCHED FOR HAZARDOUS MATERIAL/WASTE. ANY HAZARDOUS MATERIAL/WASTE IDENTIFIED MUST BE REMOVED PRIOR TO SHIPMENT TO A SCRAP BUYER. This includes, but is not limited to:
- o Asbestos Containing Material (ACM)
 - o Batteries containing sulfuric acid or Nickel Cadmium
 - o Capacitors/ballasts/transformers containing Polychlorinated Biphenyls (PCB)
 - o Cold Cathode tubes containing Radium 226 Bromide and Krypton 85
 - o Mercury relays and switches
 - o Mercury vapor tubes
 - o Countercells containing Selenium
 - o Units containing Beryllium Oxide
- 5.29 After the sorting of material has been completed, any component having unknown hazardous qualities, should be protected and held in the Hazardous Area of the MARC Center until the contents can be properly verified.
- 5.30 All hazardous material/waste must be packaged and disposed of separately. Refer to SW 747-200-905, Hazardous Material Handling - Material Reprocessing and Consolidation (MARC) Centers, for instructions on identifying, removing, packaging and disposing of hazardous waste/material.

6. PROCESSING

- 6.01 Processing scrap at the MARC Center may include one or more of the following:
- a. Dereeling - removing cable or wire from a cable reel either by hand or by using one of the cable dereeling machines.

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- b. Disassembly - taking apart equipment so that hazardous material may be removed and other components may be separated and sorted into the proper scrap classification.
- c. Removal of hazardous material/waste - removing components which contain hazardous substances.
- d. Removal of Reuse or Resale items - these items have a value that is greater than that of scrap.
- e. Sorting - Sorting components into the proper scrap and hazardous classification, see Exhibit 9, Scrap Classifications/Descriptions.

Dereeling

- 6.02 Reels containing lead cable which equals twice the empty reel weight, or more, (or a 2 to 1 ratio) of which it is on, will be shipped to the scrap vendor. For example; A 420-T Reel which weighs 865 pounds, when empty, must have at least 1730 pounds of cable scrap which contains lead, to be shipped. Any 420-T reel with less than 1730 pounds of lead cable will be dereeled at the MARC Center. The Manager-Disposition Operations will determine which reels will be dereeled.
- 6.03 An effort will be made to dereel all alpeth cable from reels before shipping them to a scrap buyer. If while dereeling Alpeth Cable, lead cable is found the 2 to 1 ratio in Paragraph 6.02 will apply.
- 6.04 Any reel which contains any amount of lead will be classified and treated as lead cable. It should be either dereeled or shipped to the lead buyer. The Manager-Disposition Operations will determine if lead is to be removed or if reel is to be shipped to the lead buyer. **NO AMOUNT OF LEAD CABLE WILL BE SHIPPED TO THE COPPER BUYER.**

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- 6.05 A Product Adjustment Modification Report, Form SW1716, see Exhibit 5, is used when reels have been dereeled and are now empty. Report must be entered into MACS to change the status of the reel to empty.
- 6.06 The Manager-Disposition Operations is responsible for returning empty reels to the Cable Cutting Yard or to the Cable Vendor which owns the reel. A Product Shipping Report, Form SW6022, will be completed and entered into MACS to show that reels have been returned.
- 6.07 All cable removed from reels will be sorted into the proper classification, mixed with like classes of scrap and moved to the staging area for shipment.

Loose Scrap (cable & wire)

- 6.08 Loose scrap including coils of cable and wire needs to be sorted and placed into the proper classifications. This cable and wire may be mixed together with like classes produced by dereeling in the staging area of the MARC Center. Coils containing mixed classes of scrap will be classified by the predominant visible class. If mixture is lead it will be classified as the predominant lead class.
- 6.09 Boxes and bags of wire received from Central Offices will be searched for any items which may contain hazardous material/waste, consolidated with the same classes of scrap and staged for shipment to scrap buyer.

Central Office Scrap

- 6.10 Central Office (CO) type scrap may be processed in several ways but the main objective is to remove all hazardous material from all scrap for proper disposal. Hazardous includes items listed in Paragraph 5.28.

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- 6.11 Processing for CO type scrap includes disassembly of frames and other items, sorting circuit packs , removing hazardous material/waste and placing all items into the proper classes for shipment to the scrap buyer. Additional classes (other than low grade and aluminum) not covered by the buyers contract may be spot sold or processed. Any spot sale and/or processing is the responsibility of and should be coordinated with the Manager-Cable Sales in the DOCC.
- 6.12 Large quantities of low grade steel and aluminum are accumulated when processing CO scrap. Disposition of low grade steel and aluminum is the responsibility of the Manager-Disposition Operations at the MARC Center (see paragraph 7.28) and the Manager-Removal Operations from field locations (see paragraph 7.32).
- 6.13 When material has been properly classified it will be taken to the staging area for shipment to the scrap buyer, like classes of scrap may be mixed at anytime during processing or staging. Hazardous classes will be taken to the Hazardous storage area to await disposal or sale.
- 6.14 All hazardous material/waste must be accounted for and a Product Adjustment Modification Report, Form SW1716, see Exhibit 5, will be completed and entered into AMIS when material is moved to the Hazardous Material Storage Area.
- 6.15 For Material Safety Data Sheet (MSDS) requirements and "Employee Right to Know" Information refer to Operating Practice 28.
- 6.16 Just prior to shipment of scrap to scrap buyers a Product Adjustment Modification Report must be completed and entered into AMIS. This is required to prevent Product Shipping Reports from going on "Inventory Hold" when shipment is input into the AMIS System.
- 6.17 Each completed Product Adjustment Modification Report will be signed and dated by the Manager-Disposition Operations.

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- 6.18 All Product Adjustment Modification Reports will be filed at the MARC Center, after AMIS and MACS entries have been completed.

Reuse/Resale

- 6.19 Material identified as having a reuse/resale potential will be transferred to the retail outlet or referred to the Manager-Specialized Sales South. Refer to SW 747-100-901 Sale of Company Property Outside of Southwestern Bell Telephone Company.
- 6.20 Reuse/resale items should not be held in the MARC Center for long periods of time, it will be transferred to the retail outlet, sold or junked.

7. SHIPPING

- 7.01 With the large volume of material being processed at the MARC Center, all scrap buyer contracts call for the buyer to keep a number (1 to 4) of trailers at the MARC Center so material can be immediately loaded to expedite shipments. The Manager-Disposition Operations will monitor scrap receipts to prevent trailers or containers from sitting at the MARC Center needlessly.
- 7.02 All trailers and containers needed for scrap shipment to a buyer will be ordered through the buyer or his agent.
- 7.03 When a trailer or container arrives at the MARC Center it must be weighed empty on the truck scale. The weight will be recorded on a Weight Ticket, see Exhibit 8, (tare weight) and filed until the vehicle has been loaded.
- 7.04 All trailers will be loaded as quickly as possible and released for shipment to the scrap buyer.
- 7.05 Manager-Disposition Operations will coordinate with the scrap buyer so loading of trailers or containers will be in a manner agreeable to both parties.

PROPRIETARY

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- 7.06 When loading a trailer or container, each scrap class should be segregated on the vehicle. Also some form of a divider should be used to assist the scrap buyer when off loading the vehicle. A divider can be cardboard, plastic, cable reels (with scrap), pallets, or even different scrap classes, see paragraph 7.05.
- 7.07 The loader (person assigned to load the vehicle) will weigh each pallet, reel, box, coil, etc. prior to placing it on the vehicle.
- 7.08 As each item is weighed a Scrap Tag will be completed, by the shipping/receiving clerk, which shows:
- o the class of material;
 - o the gross weight of material;
 - o the tare weight of pallet, box, or other container.
- Tare weights to use for loading can be found on the Tare Weight Reference List, see Exhibit 11.
- 7.09 If a pallet is used in loading and not shipped, the loader does nothing and removes the pallet after unloading the scrap into the trailer. If the pallet will be loaded, then the loader must mark the tag "PS" (pallet shipped). The average weight of 40 pounds is used on all pallets whether or not it is shipped.
- 7.10 The gross weight of all scrap loaded on the transport vehicle is monitored by the loader to prevent overloading. Loading is complete when the trailer is full or approximately 45,000 pounds has been loaded.
- 7.11 When the loader has completed a trailer, all the Scrap Tags will be given to the MARC Clerk in the office to have paperwork completed on the shipment.
- 7.12 Clerk will tally the Scrap Tags, by classification of scrap, and compute the gross weight of the shipment (gross weight from each Scrap Tag is added together to obtain the gross weight of the shipment).

PROPRIETARY

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- 7.13 The trailer or container will be returned to the truck scale and gross weight recorded, on the same Weight Ticket that was used when it arrived at the MARC Center (see paragraph 7.03). A copy of the Weight Ticket will be sent to the scrap buyer with the shipment and a copy filed at the MARC Center.
- 7.14 The tare weigh printed on the Weight Ticket will be subtracted from the gross weight and entered on the bottom line of the Weight Ticket. This is the Gross weight of the shipment.
- 7.15 A comparison will be made of the gross weight of the shipment computed from the Scrap Tags (paragraph 7.12) and gross weight of shipment from the Weight Ticket (paragraph 7.14).
- 7.16 If the weights do not match the action taken will depend on how far apart these two weights are.
- a. 0 to 500 pounds - no action is to be taken.
 - b. 501 to 2,000 pounds - complete a Weight Adjustment Report (send copy to buyer with shipment), see Exhibit 10, and adjust the shipment as follows:
 1. If shipment is 501 to 2,000 pounds overweight the difference will be added to the shipment on the lowest class (least value) of scrap which was loaded onto the trailer or container and the buyer will be invoiced for the extra weight.
 2. If shipment is 501 to 2,000 pounds light the difference will be subtracted from the highest class (highest value) of scrap loaded on the trailer or container and the buyer will be credited for the shortage.
 - c. 2,001 pounds and up - the trailer will be unloaded and all steps will be repeated. Return to paragraph 7.07.

PROPRIETARY

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- 7.17 Every shipment made from the MARC Center will be assigned an identifying "Lot Number". The lot number shall be alphanumeric with four positions used: an alpha character and three numbers. The letter "D" will be used to identify a MARC Center shipment (C is used for direct shipments, from the field) plus the next three positions will be numeric and start each year with the number 001. Example: the first and second shipments made each year from the Dallas MARC Center will be D001, D002 and so on.
- 7.18 A Product Shipping Report - SW6022 (Exhibit 6) must be prepared for each Lot (truckload) of scrap shipped.
- 7.19 Distribution of the completed Product Shipping Report is as follows:
- a. Copies A, D and E are to be forwarded to:

Disposition Operations Control Center
1325 Cornell Road
Lancaster, Texas 75134
 - b. Copy B (Pink-Buyers Copy) may be placed in the trailer, as a packing slip, mailed to the buyer or transmitted to buyer by facsimile (attach a copy of the Weight Ticket and a copy of the Weight Adjustment Report). Manager-Disposition Operations shall contact buyer, at the beginning of the contract to find out buyers preference. If the buyer copy of Product Shipping Report is to be placed into trailer it will be placed in Packing List Enclosed Envelope and attached to the rear wall or door of the trailer so that the buyer will be able to easily find it when the trailer arrives at their dock.
 - c. Copy C is to be retained by the MARC Center for reference.
- 7.20 The Product Shipping Report shall be input into AMIS so that buyer will be invoiced and items shipped will be removed from the MARC Center inventory.

PROPRIETARY

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- 7.21 The Product Shipping Report must also be input into MACS if there are any cable reels included on the shipment.
- 7.22 Form SW6152, Bill of Lading, must accompany each outgoing shipment. (Exhibit 7)
- 7.23 Distribution of the completed Bill of Lading is as follows:
- a. Part Two and Three shall be given to the driver of the transport vehicle.
 - b. The original will be forwarded to the Disposition Operations Control Center (DOCC) with the Product Shipping Report.
 - c. Part four shall be retained by the MARC Center for reference.
- 7.24 When the transport vehicle has been loaded and The Product Shipping Report and the Bill of Lading have been prepared the transportation company may be notified that the shipment is ready to be picked up.
- 7.25 All shipments of scrap to scrap buyers will have a seal placed on the trailer or container before it is released from the MARC Center. The seal number must be recorded on the Bill of Lading and the Product Shipping Report.
- 7.26 Shipment may be released to the transportation company for delivery to the scrap buyer only when:
- o Product Shipping Report has been completed;
 - o Bill of Lading has been completed;
 - o Driver receiving shipment signs the Bill of Lading;
 - o Buyer is not on Credit Hold in the AMIS System; and
 - o The trailer or container has been sealed.
- 7.27 For classes of material, other than low grade, not covered by a scrap contract the Manager-Disposition Operations will contact the Manager-Cable Sales to arrange final disposition. Spot Sale, Processing, etc.

PROPRIETARY

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Low Grade Scrap

- 7.28 Sales of low grade aluminum and steel, from the MARC Center, are made by the Manager-Disposition Operations, in conjunction with the Local Purchasing Office (LPO).
- 7.29 Minimum requirements for the low grade scrap contracts for steel and aluminum should include:
- o Length of contract should not exceed two years.
 - o Buyers must follow all EPA, Federal, State and Local regulations.
 - o Buyer must supply a letter of credit which is sufficient to cover all shipments that would be made in a 90 day period.
 - o Buyer must supply tubs or bins to contain and haul scrap steel and aluminum (to minimize handling at the MARC Center).
 - o Buyer will supply all required transportation.
 - o All payments will be due within 30 days of invoice date.
 - o All payments must be by check and made payable to Southwestern Bell Telephone Company.
- 7.30 Shipments to the buyer may not exceed the dollar amount of their letter of credit. All shipments will be tracked by the Manager-Disposition Operations and invoiced within 30 days of the date of the shipment. For all low grade scrap sales a Bill of Sale, Form SW2005, see Exhibit 2, is completed.

PROPRIETARY

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- 7.31 When payment is received from the buyer the Manager-Disposition Operations will complete Product Shipping Report, Form SW6022, and forward with payment and copy of the Bill of Sale to the DOCC. Payment will be credited to the 1220.193 Account (Equipment and Material Salvage Account). Payment processing is handled in accordance with SW 747-111-917, Logistics Accounting and Administration for Disposition of Company Material.
- 7.32 The low grade scrap contracts at the MARC Center may include field locations in the Dallas area. The Managers-Removal Operations may sell low grade steel in other areas of the company, to qualified scrap dealers. Although a contract is not required for these sales A Bill of Sale, Form SW2005 will be completed and signed by the Manager-Removal Operations and the scrap dealer. Payment and the Bill of Sale will be forwarded to the DOCC for processing.

8. SAFETY

- 8.01 Health and safety considerations within a MARC Center environment will be the responsibility of each Manager-Disposition Operations.
- 8.02 Operating Practice 28, Accident Prevention Plan, serves as a basic guideline for fulfilling obligations to safety.
- 8.03 Attachment 25 of Operating Practice 28, Hazard Communication, outlines responsibilities of all employees as they relate to training and handling of items containing hazardous chemicals.
- 8.04 The District Safety Plan (Procurement Logistics) is a supplement to Operating Practice 28.
- 8.05 In addition to the above, the following shall pertain to the dereelers and lead handling in the MARC Center.

PROPRIETARY

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Dereeler

- 8.06 Additional safety equipment needed when operating or assisting with operation on the dereeler:
- a. Safety glasses will be equipped with side shields and;
 - b. Leather gloves with 4 1/2" gauntlet.
- 8.07 Loose or flapping clothing will be tucked in or, when possible, removed.
- 8.08 Watches, rings and necklaces will be removed.
- 8.09 Long hair, past the collar, will be tied back.
- 8.10 Only personnel necessary for the dereeeling operation will be allowed in the immediate area of the dereeler.
- 8.11 When dereeler is in use (any switch in the on position) personnel will not make contact with any moving parts of the machine, this will include physical contact of any kind, the use of tools, filling fluid reservoir or any adjustments to the machine.
- 8.12 Before any maintenance is performed on a dereeler the following steps will be taken to comply with OSHA Instruction 1-7.3, Lockout/Tagout Standard, 29 CFR 1910.147. THE PERSON PREFORMING THE MAINTENANCE WILL:
1. Turn off all power switches and place all hydraulic controls into their neutral positions.
 2. Turn off the main power control.
 3. Place lockout and a keyed padlock onto the main power control lever.
 4. Place an out of service tag on the padlock, include on the tag a contact name (the name of the person preforming the maintenance).

PROPRIETARY

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5. Test the main power control lever to make sure it cannot be moved into the on position.
6. Dereeler should be checked to make sure it is inoperable (Make sure that the area around the dereeler is clear before test is made).

+-----+
Note: Only person placing lockout/tagout should have a key for the lock and may remove the lock or tag.
+-----+

- 8.13 Only authorized personnel or a qualified mechanics will be allowed to perform maintenance on the Dereelers.
- 8.14 All personnel permitted to operate the Dereeler, operator or assistant operator, are to be trained fully and must be familiar with "ALL" the safety features of the machine.
- 8.15 Lead cable on any reel that does not meet the 2 to 1 ratio of scrap weight to reel weight, may be dereeled on the dereeling machine (See Paragraph 6.02). This also includes lead found on reels which were originally thought to contain only Alpeth Cable. The Manager-Disposition Operations will make the final determination on any questionable reels.

Lead

- 8.16 Protecting the health and safety of personnel will include administering controls which support Southwestern Bells compliance of the Occupational Safety and Health Administrations (OSHA) lead regulation.
- 8.17 Administrative controls and work practice controls will be followed to aid in maintaining blood lead levels below 40 micrograms of lead per 100 grams of whole blood and keeping the Permissible Exposure Limit (PEL) at or below 50 ug/m3.

PROPRIETARY

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- 8.18 To further comply with regulations, all personnel required to handle lead cable at the MARC Center will attend the "Occupational Lead Exposure Information and Training Program" developed by the Manager-Safety/Security Administration. The Area Manager-Disposition Operations can be contacted to set up arrangements for the training program.
- 8.19 An initial blood test will be taken of all new contracted personnel to certify existing blood lead levels before being exposed to lead at the MARC Center.
- 8.20 To limit exposure to lead all personnel will be trained on each job at the MARC Center and rotated on a daily basis. This will prevent one employee from handling lead everyday.
- 8.21 Follow-up lead blood tests, the contract labor company will have their employees tested at least 4 times a year (quarterly) and the results sent to the Manager-Disposition Operations. The Manager-Disposition Operations may request that the employees be tested more often if deemed necessary.
- 8.22 The contract labor company shall cover results of all blood tests with their employees as they are received, from the testing lab.
- 8.23 A copy of each contract labor employee's lead blood test will be sent to the Manager-Disposition Operations within 30 days of the test. The MARC Center will file the original form received from the contract labor company and send a copy to the DOCC, for their records.

PROPRIETARY

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- 8.24 As blood test results are received, the Manager-Disposition Operations will compare current and prior results. Designating a reading of 38 ug/100g of whole blood as the "danger zone". The Manager-Disposition Operations will advise the lead person that employees, which exceed the danger zone, will be reassigned to duties not handling lead, until a future blood test shows they have fallen below the danger zone.
- 8.25 To verify the PEL is not being exceeded and to estimate lead exposure to personnel at the MARC Center, air samples will be taken annually, by an outside contractor.
- 8.26 Air sampling results, blood test results and the Lead Exposure Logs will be retained in the Procurement Logistics District for 40 years or term of employment plus 20 years, whichever is longer.
- 8.27 Copies of the tests and logs will be maintained at the MARC Center for the duration of each worker's service plus one year after the work assignment is completed.
- 8.28 All employees handling lead will wear disposable coveralls and gloves.
- 8.29 Personnel that handle lead cable will wash hands, arms and face before going to break, lunch or leaving at the end of the day.

9. SECURITY

- 9.01 MARC Center personnel are responsible for securing Southwestern Bell Telephone Company buildings, properties and information from sabotage, theft, espionage, unauthorized entry and/or usage, etc. as applicable to their day to day operations. Security policies and general guidelines are addressed in Operating Practice 78, Securing Company Buildings and Properties and Operating Practice 92, Procedures for Safeguarding Proprietary Information.

PROPRIETARY

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10. INVENTORY**Scrap Material**

- 10.01 The purpose of the annual inventory is the reconciliation of the Equipment and Material Salvage Account (1220.193), and the AMIS System.
- 10.02 The Manager-Cable Sales is responsible for an annual scrap inventory. A physical count of all scrap materials at the MARC Center will be performed annually prior to June 30. Additional inventories may be performed at anytime when needed.
- 10.03 MARC Center activities will be limited during the inventory. If material will be received during the inventory the material received will be held separate and not mixed with material being counted, until the inventory is complete and the AMIS part of the reconciliation has been made.
- 10.04 In order to expedite the inventory items may be precounted and tagged with the weight of scrap in bags, boxes, bins, on pallets or reels.
- 10.05 Prior to the start of the inventory all Product Receiving Reports, Product Adjustment Modification Reports and Product Shipping Reports must be entered into the AMIS System.
- 10.06 A copy of the beginning inventory will be requested from the DOCC.
- 10.07 Physical count may start when paragraph 10.01 through 10.06 has been completed.
- 10.08 Physical count will include all classes and quantities of scrap at the MARC Center and in transit (Material shipped not invoiced), see Exhibit 9, Scrap Classifications/Descriptions.

PROPRIETARY

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- 10.09 Upon completion of the physical count Product Adjustment Modification Reports will be completed to show the adjustments needed to reconcile the inventory.
- 10.10 Each adjustment on the Product Adjustment Modification Report will be investigated and documented on the report, the report will be entered into AMIS, signed by the Manager-Disposition Operations and the original copy, forwarded to the Manager-Cable Sales in the DOCC.
- 10.11 At this time a new copy of the inventory report from AMIS will be ordered from the DOCC.
- 10.12 A comparison of the AMIS inventory with the physical count will be made, if they do not match, additional adjustment will be made, entered on a Product Adjustment Modification Report, AMIS entries made and a new Inventory requested. This process will be continued until an exact match of AMIS Inventory Report and physical count is achieved.
- 10.13 The original copy of ALL Product Adjustment Modification Reports, with explanation of adjustments, signed by the Manager-Disposition Operations will be sent to the Manager-Cable Sales in the DOCC.
- 10.14 When the physical inventory and the AMIS inventory match, notice will be given to the Manager-Cable Sales in the DOCC.
- 10.15 Manager-Cable Sales will request from, AMIS, a copy of the completed inventory needed for reconciliation of the FG85.
- 10.16 Manager-Cable Sales will verify inventory is correct in AMIS and then give notice to the Manager-Disposition Operations that normal MARC Center operations may resume.

PROPRIETARY

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- 10.17 The final copy of the AMIS Inventory, which matches the physical count, will be signed as correct and forwarded to the Manager-Cable Sales in the DOCC along with all Product Adjustment Modification Reports.
- 10.18 Manager-Cable Sales will complete reconciliation of the 1220.193 Equipment and Material Salvage Account, using the final AMIS Inventory, and the Product Adjustment Modification Reports. (SW 747-111-917 Logistics Accounting and Administration for Disposition of Company Material).

Cable Reels

- 10.19 A physical reconciliation of all cable reels on hand to the MACS inventory and status will be performed monthly. If percentage of discrepancy is high, reconciliation should be conducted more frequently.
- 10.20 Cable reels found in the MARC which are not in MACS will be added to the MACS database per the guidelines in the MACS User Guide.
- 10.21 Cable reels in MACS which cannot be found at the MARC Center will be investigated. If review of past receiving and shipping reports does not provide information to correct cable reel status (for example; received and shipped but never statused in MACS), it will be turned back to the MDC MACS coordinator for further investigation and resolution.
- 10.22 Cable reels which show, per the MACS Inventory Report, to have been at the MARC location more than 30 days will be located and handled as a priority for dereeling. This eliminates lost time due to repeated inventorying and avoids possible late charges if vendor reels are involved.

Tools and Miscellaneous Supplies

- 10.23 It is the responsibility of the Manager-Disposition Operations to establish and maintain a catalogue of tools (both major and minor) and supplies on hand.

PROPRIETARY

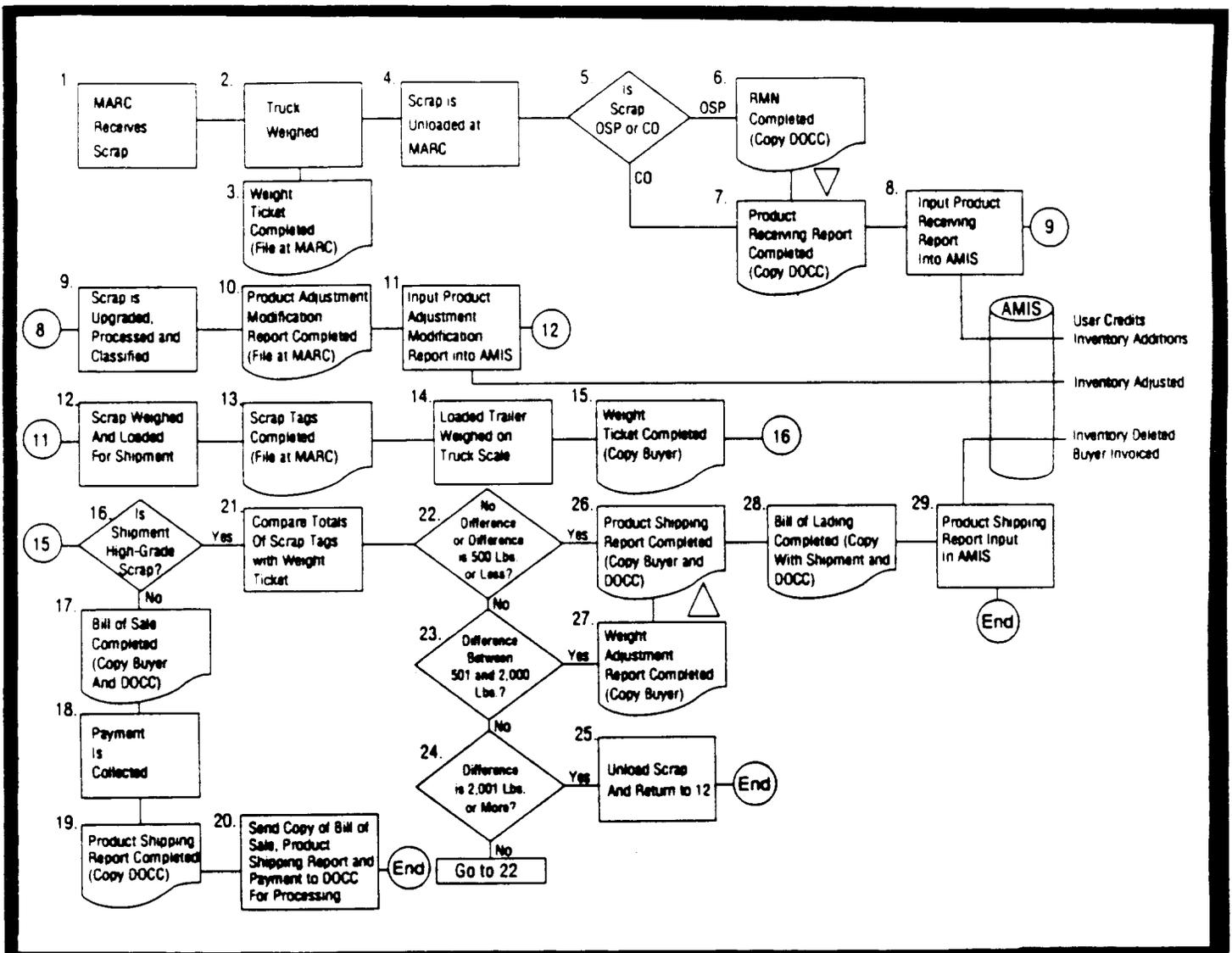
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- 10.24 A physical reconciliation of tools on hand as compared to the MARC Tool Catalogue will be performed monthly. If percentage of discrepancy is high reconciliation should be done more frequently. Results should be monitored for indications of theft and/or improper usage of tools.
- 10.25 Supplies log should include source (LPO, local purchase, etc.). A monthly review of items and quantities ordered will be made to evaluate usage and possibly provide insight for future ordering.

PROPRIETARY

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EXHIBIT 1
MARC SCRAP HANDLING
FLOW CHART



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EXHIBIT 2

**FORM SW2005
BILL OF SALE**

 <p>Southwestern Bell Telephone</p> <p>Retention Period-8 Years</p>	<p>BILL OF SALE</p>	<p>SW-2005 (Rev. 1-81)</p> <p>Invoice No. _____ Contract No. _____ Ref. No. _____ P. O. Ref. No. _____ Invoice Date _____</p>																
<p>Southwestern Bell Telephone Company (Seller) agrees to sell and _____ (Buyer) agrees to purchase the following described used or surplus material for resale in accordance with the Terms and Conditions herein and on the reverse side hereof.</p>																		
<p>MATERIAL AND PURCHASE PRICE</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Quantity</th> <th style="text-align: left; border-bottom: 1px solid black;">Description/Comments</th> <th style="text-align: right; border-bottom: 1px solid black;">Unit Price</th> <th style="text-align: right; border-bottom: 1px solid black;">Total Price</th> </tr> </thead> <tbody> <tr> <td style="border-bottom: 1px solid black;"> </td> <td style="border-bottom: 1px solid black;"> </td> <td style="text-align: right; border-bottom: 1px solid black;"> </td> <td style="text-align: right; border-bottom: 1px solid black;"> </td> </tr> <tr> <td style="border-bottom: 1px solid black;"> </td> <td style="border-bottom: 1px solid black;"> </td> <td style="text-align: right; border-bottom: 1px solid black;"> </td> <td style="text-align: right; border-bottom: 1px solid black;"> </td> </tr> <tr> <td style="border-bottom: 1px solid black;"> </td> <td style="border-bottom: 1px solid black;"> </td> <td style="text-align: right; border-bottom: 1px solid black;"> </td> <td style="text-align: right; border-bottom: 1px solid black;"> </td> </tr> </tbody> </table>			Quantity	Description/Comments	Unit Price	Total Price												
Quantity	Description/Comments	Unit Price	Total Price															
<p>SPECIAL CONDITIONS _____</p>		<p>Subtotal _____ Tax _____ Freight _____ Total Price _____</p>																
<p>TERMS OF PAYMENT: Buyer shall forward to Seller the full price of material herein within a thirty (30) day period of the date BB of Sale signed by Buyer unless otherwise agreed. If</p>																		
<p style="text-align: center;">PAYABLE TO: Southwestern Bell Telephone Co. Manager-Collection Services 828 N. Broadway, Room 1602 St. Louis, Missouri 63102</p>																		
<p>PACKING AND SHIPPING:</p> <p>Material is packed by: Buyer <input type="checkbox"/> Seller <input type="checkbox"/></p> <p>Material is shipped: Freight</p> <p>Carrier: Buyer <input type="checkbox"/> Seller <input type="checkbox"/></p>																		
<p>MATERIAL WILL BE SOLD FROM: Southwestern Bell Telephone Company Street _____ City, State, Zip _____</p>		<p>MATERIAL WILL BE SHIPPED TO: Company _____ Street _____ City, State, Zip _____ Ship Date _____</p>																
<p>FREIGHT BILL TO: Company _____ Address _____ Street _____ City, State, Zip _____</p>		<p>MATERIAL WILL BE BILLED TO: Company _____ Address _____ Street _____ City, State, Zip _____</p>																
<p>DISCLAIMER OF WARRANTIES: THE MATERIAL SOLD UNDER THIS AGREEMENT IS SOLD AS USED OR SURPLUS MATERIAL AND IS SOLD "AS IS-WHERE IS" WITH ALL FAULTS, LATENT AND PATENT. SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR WARRANTY AGAINST PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENT.</p>																		
<p>LIMITATIONS OF LIABILITY: IN NO EVENT WILL SELLER BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL OR INDIRECT DAMAGES WHETHER ARISING OUT OF BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT TORT LIABILITY OR OTHERWISE. IN NO EVENT SHALL SELLER BE LIABLE FOR DAMAGES IN EXCESS OF THE PURCHASE PRICE STATED IN THIS AGREEMENT.</p>																		
<p style="text-align: center;">SOUTHWESTERN BELL TELEPHONE COMPANY</p>																		
<p>By _____ Title _____ Date _____</p>		<p>By _____ Title _____ Date _____</p>																

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EXHIBIT 4

**FORM SW1715
PRODUCT RECEIVING REPORT**

(Page 1 of 4 pages)

	Southwestern Bell Telephone	PRODUCT RECEIVING REPORT	SW-1715 (Rev 7-66) P.L.I. 43.1								
Retention Period - 1 Year		SERIAL NO. _____									
		DATE _____									
LOCATION: <input type="checkbox"/> M1 DALLAS COE <input type="checkbox"/> M3 DALLAS OSP <input type="checkbox"/> M5 HOUSTON <input type="checkbox"/> M7 ST. LOUIS <input type="checkbox"/> RK RETAIL <input type="checkbox"/> OTHER _____											
SOURCE: RMN NO. _____		HAULER _____	TC H								
B/L NO. _____		B/L WEIGHT _____									
PRODUCTS RECEIVED											
PRODUCT CODE/CLASS	WEIGHT/ QTY	REEL TYPE	SERIAL NO.	PRODUCT CODE/CLASS	WEIGHT/ QTY	REEL TYPE	SERIAL NO.	PRODUCT CODE/CLASS	WEIGHT/ QTY	REEL TYPE	SERIAL NO.
1				12				23			
2				13				24			
3				14				25			
4				15				26			
5				16				27			
6				17				28			
7				18				29			
8				19				30			
9				20				31			
10				21				32			
11				22				33			
NET WEIGHT _____				TARE WEIGHT _____							
CORRECT _____				APPROVED _____				INPUT _____			
DATE				DATE				DATE			
Official File Copy if Red: Retention _____											

PROPRIETARY
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EXHIBIT 4

FORM SW1715
 PRODUCT RECEIVING REPORT

(Page 2 of 4 pages)

1. SERIAL NO. - An alpha character plus seven digits will be entered here. The alpha character will always be "R" which denotes receiving. The two digits which follow the alpha character designate the year. The next two digits are for the month. The remaining three is to identify the numbering sequence of the report.

Example: R 92 05 150
 | | | |
 Prefix-----+ | | +---Numbering Sequence
 Year-----+ +-----Month

Numbering sequence will start at 001 and run through 999 then recycle to 001. (do not start sequence over each year).

2. DATE - Enter the date the shipment was received at the MARC Center.
3. LOCATION - Enter an "X" in the box M1-Dallas
4. RMN NO. - Enter the number assigned to the Returned Material Notice associated with the scrap received.
5. HAULER - The name of the transportation company delivering the scrap will be entered here.
6. B/L NO. - Enter the preprinted seven digit alpha numeric number from the Bill of Lading corresponding to each shipment received.
7. B/L WEIGHT - If an "actual" scale weight has been provided from the shipper and entered on the Bill of Lading, that weight will be entered here.

PROPRIETARY

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EXHIBIT 4

FORM SW1715
PRODUCT RECEIVING REPORT

(Page 3 of 4 pages)

8. TC - Enter the alpha characters TE for all scrap shipments received.
9. H - Enter an "X" in this box if hazardous materials are known to be present in material received.
10. PRODUCT CODE/CLASS - Enter either "OSP" or "CO" for class of scrap received. See Exhibit 9, Scrap Classifications/Descriptions.
11. WEIGHT/QTY - Enter gross scrap weight from Weight Ticket from shipment received.
12. If no cable reels were received on shipment skip to 16.
13. All reels received on shipment must be listed by type and serial number.
14. REEL TYPE - Enter type of each reel received. Each type of reel need only be entered once. If a blank space is left, it is assumed that the type of reel is the same as previously listed reel.
15. SERIAL NO. - Enter the serial number of each reel received next to the appropriate type.
16. NET WEIGHT - Enter the total net weight of all scrap received on this shipment.
17. TARE WEIGHT - Enter the empty weight of reels, boxes, pallets or bins received on shipment.
18. CORRECT - The employee preparing this report will sign and date here.

PROPRIETARY

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EXHIBIT 4

FORM SW1715
PRODUCT RECEIVING REPORT

(Page 4 of 4 pages)

19. APPROVED - Manager-Disposition Operations will verify that report is accurate and sign and date the report here.
20. INPUT - Person who input report into AMIS (and MACS if reels were received) will initial and date report here.

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EXHIBIT 5FORM SW1716
PRODUCT ADJUSTMENT MODIFICATION REPORT

(Page 2 of 3 pages)

1. PAGE OF - Enter the number of pages the report will contain.
2. SERIAL NO. - An alpha character plus seven digits will be entered here. The alpha character will always be "A" which denotes adjustment. The two digits which follow the alpha character designate the year. The next two digits are for the month. The remaining three is to identify the numbering sequence of the report.

Example: A 92 05 150
 | | | | |
Prefix-----+ | | +---Numbering Sequence
Year-----+ +-----Month

Numbering sequence will start at 001 and run through 999 then recycle to 001. (do not start sequence over each year).
3. DATE - Enter the date the report is being prepared.
4. LOCATION - Enter an "X" in box M1 Dallas
5. SERVICE - Place an "X" in the box indicating the type of processing performed or in other for inventory adjustments and explain adjustment under "EXPLAIN"

Beginning Columns:

6. TC (TYPE CONTRACT) - Enter the type contract material was shipped under. "TE" would be entered for Term Contract or "SP" would be entered for Spot Contract.
7. PRODUCT CODE/CLASS - In this column enter all begging classes of scrap processed or to be adjusted.

PROPRIETARY

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EXHIBIT 5

FORM SW1716
PRODUCT ADJUSTMENT MODIFICATION REPORT

(Page 3 of 3 pages)

8. QUANTITY - In this column enter the weights of all begging classes of scrap processed or to be adjusted.

Ending Columns:

9. TC - Enter "TE" for Term Contract or "SP" for spot contract.
10. PRODUCT CODE/CLASS - In this column enter all ending classes which material process produced or adjusted.
11. QUANTITY - Enter the weight for each scrap classification listed.
12. OTHER COLUMNS - These columns are used to list cable reels when dereeled.
13. NO OF REELS - Enter serial number of each reel which is now empty.
14. OTHER - Enter the type of each reel.
15. CORRECT - The employee preparing the form will sign and date the report verifying that all entries are correct.
16. APPROVED - The Manager-Disposition Operations will check the accuracy of report and will sign and date.
17. INPUT - Initials of person who input information into AMIS (and MACS if Reels were Dereeled).

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EXHIBIT 6

FORM SW6022
 PRODUCT SHIPPING REPORT

(Page 1 of 4 pages)

 Southwestern Bell Telephone Retention Period - 4 Years		PRODUCT SHIPPING REPORT			SW-6022A (Rev. 7-86) P.L. 431	
SHIPPING INFORMATION		PAGE _____ OF _____		SERIAL NO. _____		
DATE _____						
LOT NO.	CONTRACT NO.		SHIPPED VIA _____		SHIPPED TO:	
F.O.B. LOCATION	LC	TC	H	TRUCK NO. _____		
				SEAL NO. _____		
				B.O.L. NO. _____		
PRODUCTS SHIPPED						
PRODUCT CODE/CLASS	NET/QUANTITY	TARE/REEL	GROSS	TYPE REEL	SERIAL NUMBER	OTHER
TOTAL WEIGHTS						
CORRECT _____	DATE _____	APPROVED _____	DATE _____	INPUT _____	DATE _____	
OFFICIAL FILE COPY						

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EXHIBIT 6

FORM SW6022
PRODUCT SHIPPING REPORT

(Page 2 of 4 pages)

1. PAGE OF - Enter the number of pages contained in the report.
2. SERIAL NO. - Enter the letter "S" to indicate shipping of scrap is occurring. Next enter the last two numbers of the current year. A two-digit number representing the month the report is being prepared and three-digit number indicating sequence of shipment.

Example: S 92 12 623

Prefix-----+					+---Numbering Sequence
Year-----+					+-----Month

Numbering sequence will start at 001 and run through 999 then recycle to 001. (do not start sequence over each year).

3. DATE - Enter the date the report is being prepared.
4. LOT NO. - Enter Lot Number assigned to the shipment being made. MARC Shipments will have lot numbers which consist of an alpha character plus three digits. The letter will always be a "D" and the next three positions will identify the number of shipments for the year. First shipment of each year will be D001, next D002 and so on.
5. CONTRACT NO. - Enter the current contract number which covers this shipment. If SWBT does not have a contract with the company to which the material is being shipped, enter name of person authorizing shipment.

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EXHIBIT 6FORM SW6022
PRODUCT SHIPPING REPORT

(Page 3 of 4 pages)

6. FOB LOCATION - Enter MARC Center Address on collect shipments and enter destination address on prepaid shipments.
7. LC (Location) - Enter M1 to show material is being shipped from the MARC Center in Dallas
8. TC (Type Contract) - The initials "TE" for Term Contract will be entered here. Enter "SP" for spot sale or other special shipments. (Processing, etc.)
9. H (Hazardous) - Scrap shipments will contain no hazardous material/waste. Leave Blank
10. SHIPPED VIA - Enter the name of the transportation company, hauling the scrap.
11. TRUCK NO. - The numbers identifying the trailer will be entered here.(Alphanumeric)
12. SEAL NO. - Enter the number from the seal used to seal trailer.
13. B.O.L. NO. - Enter the preprinted number from the Bill of Lading, Form SW6152.
14. SHIPPED TO - Enter the name and address where material is being shipped.
15. PRODUCTS CODE/CLASS - List the proper scrap classification for each item loaded.
16. NET/QUANTITY - Enter the net weight of each scrap class loaded onto the trailer.

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EXHIBIT 6

**FORM SW6022
PRODUCT SHIPPING REPORT**

(Page 4 of 4 pages)

17. **TARE/REEL** - Enter the weight of any pallets, boxes, reels, bags, etc. used to load and which will remain on the trailer.
18. **GROSS** - Enter the total weight (Net plus Tare Weight) on each line of report.
19. **TYPE REEL** - If a reel loaded with cable was shipped to a buyer, enter the reel type here.
20. **SERIAL NUMBER** - Enter the serial number of each reel shipped.
21. **OTHER** - Is not used on scrap shipments, leave blank.
22. **TOTAL WEIGHTS** - Total the Net/Quantity, the Tare/Reel and the Gross columns and put results in the spaces provided. Total of the Net/Quantity and the Tare/Reel column must equal the total of the Gross column.
23. **CORRECT** - The employee preparing the form will sign and date the report verifying that all entries are correct.
24. **APPROVED** - The Manager-Disposition Operations will verify the accuracy of the report and sign and date, here.
25. **INPUT** - The initials of the person entering the report into the AMIS System, and MACS if reels are included in the shipment, goes here along with the date of the entry.

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EXHIBIT 7

FORM SW6152
BILL OF LADING

(Page 2 of 3 pages)

1. NAME OF CARRIER - Enter name of carrier
2. DATE - Enter date of shipment
3. CONSIGNED TO - On this line and next, under the proper headings enter Name, street address, city, state and zip code where scrap is being shipped.
4. SHIPPER - On this line enter address, city, state and zip code of the MARC Center making the shipment.
5. VEHICLE INITIALS - Enter the Alpha Characters which prefix the trailers/containers serial number.
6. NO. - Enter the vehicle serial number here.
7. CONSOLIDATION NO. - Enter Lot Number from Product Shipping Report, Form SW6022.
8. FREIGHT CHARGES - Most scrap shipments will be "Collect" place an "X" in the collect box.
9. Put a line through "Mail Freight Bills to:" and the address that is preprinted on the form, if the shipment is marked as COLLECT.
10. NO OF PKGS, COLUMN - Find the Scrap items under DESCRIPTION OF ARTICLE, and place a 1 in the proper box.
11. TOTAL PIECES - Enter number of reels on shipment, leave blank if none.

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EXHIBIT 7

FORM SW6152
BILL OF LADING

(Page 3 of 3 pages)

12. TOTAL DUNNAGE - Enter Tare Weight from Product Shipping Report.
13. TOTAL WEIGHT - Enter total Gross weight from Product Shipping Report.
14. SHIPPER MUST SIGN - Person preparing form must sign the top line and place the MARC Center Address and phone Number on the bottom line.
15. AGENT MUST SIGN - Name of company is to be written on the top line and the driver picking up the trailer/container must sign on the bottom line in this block.

Complete explanation of Bill of Lading may be found in BCP 774-001-901 SW.

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EXHIBIT 8

WEIGHT TICKET

SOUTHWESTERN BELL TELEPHONE COMPANY	
WEIGHT TICKET	
STATE REGISTRATION	Dallas MARC Center 5331 East Mockingbird Lane Dallas, Texas 75206
	COMPANY _____
	Trailer No. _____
	GROSS WEIGHT _____
	TARE WEIGHT _____
	NET WEIGHT _____

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EXHIBIT 9

SCRAP CLASSIFICATIONS/DESCRIPTIONS

(Page 1 of 10 pages)

<u>Classification</u>	<u>Description</u>
1-2	Plug-in equipment having precious metal connectors and a ferrous metal circuit board.
1-3	Plug-in equipment having precious metal connectors and a fiber board with a metal face or frame, or plug-in equipment having precious metal connectors with a metal case.
1-4	Plug-in equipment having precious metal connectors and a fiber or plastic face, no cover, and a fiber circuit board.
1-5	Gold plated connectors removed from circuit boards.
1-C	Amphenol connectors (metallic and plastic), gold plated male and female connectors encased in plastic.
	NOTE: All wiring harnesses should be removed as close to the connector as possible.
1-CA	Gold plated connectors mounted in aluminum housing.
1-CS	Gold plated connectors mounted in steel housing.
1-E	Circuit cards with a double row of gold plated extended connectors or double row of gold plated spring connectors, usually associated with Electronic Switching Offices, Electronic Translator Frames and Traffic Service Position Systems (TSPS).

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EXHIBIT 9

SCRAP CLASSIFICATIONS/DESCRIPTIONS

(Page 2 of 10 pages)

<u>Classification</u>	<u>Description</u>
1-E+	Circuit cards with a double row of gold plated spring contacts, ceramic board with a gold or silver/palladium coating on one side, and covered on two sides by an aluminum sheet.
1-R	Mounting plates equipped with various types of wire spring relays from central office equipment. Mounting plates must include three or more relay units.
1-S	Step by Step Central Office Switches and Switch Banks. e.g., Line Finders, connectors, selectors and Rotary Out Trunk Switches.
1-X	Crossbar switches generated from various types of crossbar Central Offices. Does not include relays.
2	Textile and Rubber Covered Power Cable Textile and rubber covered power cable with tinned and non-tinned copper conductors.
3	Cable, Alpeth or Stalpeth with Paper or Polyethylene Insulated Copper Conductors (Containing No Lead Sheath) Polyethylene, aluminum and/or steel sheath covered telephone cable with paper or polyethylene insulated copper conductors. (Does not include single or double armored or jute protected cable).
3R	Class 3 on reel

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EXHIBIT 9**SCRAP CLASSIFICATIONS/DESCRIPTIONS**

(Page 3 of 10 pages)

<u>Classification</u>	<u>Description</u>
3S	Class 3 Cable with steel strand
3SR	Class 3S on reel
4	Cable, Lead Covered Telephone and Power Lead covered telephone and power cable with copper conductors including pot heads, splices and butts with or without sleeves. Does not include coaxial cable, or lepeh cable, jute or armored cable in any form (See Class 49).
4R	Class 4 on reel
4S	Class 4 Cable with Steel Strand
4SR	Class 4S on reel
5-1	Miscellaneous Scrap Material Any revenue producing equipment such as: telephone sets, call directors, test sets, keyboards, dials (touchtone or rotary), etc., as well as coils, capacitors, resistors, terminal strips, panel clutches, mounting plates consisting of capacitors, repeaters, inductors, filters, flat spring relays, aluminum and non ferrous metal parts or networks, bronze or brass, items requiring mutilation, and circuit-boards and plug in equipment with gold plated connectors removed.

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EXHIBIT 9**SCRAP CLASSIFICATIONS/DESCRIPTIONS**

(Page 4 of 10 pages)

<u>Classification</u>	<u>Description</u>
5-6	Clean and contaminated aluminum.
9	Assembled Equipment, Frames Central Office Frames, sender units, motor and generator sets, ringing machines, computer equipment, relay racks complete with iron framework over three feet in length and other similar equipment.
10	Cable Splicing Scrap Short lengths of paper and/or textile insulated copper or aluminum wire contaminated with small pieces of lead, polyethylene, solder, cotton sleeves, paraffin and dirt. Also, miscellaneous lengths of copper or bronze wire from which insulation has been burned.
16	Lead, (Clean Sheath and Tanks) Lead sheath, lead linings from battery tanks, lead covered battery straps and all other clean junk lead. May contain a maximum of 2% dirt or other foreign material.

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EXHIBIT 9

SCRAP CLASSIFICATIONS/DESCRIPTIONS

(Page 5 of 10 pages)

<u>Classification</u>	<u>Description</u>
17	Bare Copper Line Wire (in coils) and Clean Copper Bus Bars Bare copper line wire and clean copper bus bars. Must be free of lead, copper-steel bus bars and tangled copper wire. Because of the attraction of steel to a magnet, the presence of steel or copper-steel bus bars or wire will be determined by checking several positions on the outside and inside circumferences of each coil and surface of bus bars with a magnet. Significant quantities of ferrous metal bearing scrap located by this method shall be removed. Steel ties are frequently used to bind coils of wire, but the presence of these will not change the classification of the wire.
17R	Class 17 on reel.
20	"B" Rural and Urban Wire and Cable, Jute Protected Containing No Lead Sheath "B" rural and "B" urban wire which contains one strand of polyethylene insulated steel wire and jute protected cable containing no lead sheath. NOTE: Wire placed in Class 20 must be free of copper-clad conductors.
20R	Class 20 on reel
21	Polyethylene Jacketed Cable (Jelly Filled) Polyethylene, aluminum and/or steel sheath covered telephone cable with copper conductors. Contains approximately 20% petrolation polyolefin compound.

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EXHIBIT 9

SCRAP CLASSIFICATIONS/DESCRIPTIONS

(Page 6 of 10 pages)

<u>Classification</u>	<u>Description</u>
21R	Class 21 on reel
23	Polyethylene Covered Telephone Cable with Polyethylene Insulated Copper Conductors A steel strand is built into the cable sheath.
23R	Class 23 on reel
27	Copper Line Wire (Tangled and Tie Wires) Copper tubing Copper Line Wire too tangled to be coiled or wound on reels and copper tie wires. Also may include copper line wire containing significant amounts of copper steel line wire and/or ferrous attachments and copper tubing.
27R	Class 27 on reel
49	Cable Lead or Non-Lead, Lead Covered Lepeth, Armored, Jute or Corrosion and Tape or wire Armored Protected. Includes Coaxial and Non-Coaxial Cable, Miscellaneous Cable and Wire and Lead Splice Cases (loose). Lead and non-lead covered telephone cable with copper conductors, steel tape or steel wire, armored, with or without jute or plastic protection. Includes coaxial and non-coaxial cable and wire in all forms, also armored power cables, multi-paired drop wire, miscellaneous cable and wire containing multiple copper conductors and lead splice cases.

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EXHIBIT 9

SCRAP CLASSIFICATIONS/DESCRIPTIONS

(Page 7 of 10 pages)

<u>Classification</u>	<u>Description</u>
49R	Class 49 on reel.
53	Cable Miscellaneous Textile and Plastic Covered Switchboard Including Distributing Frame (Flameproof) Wire Miscellaneous plastic, textile and rubber covered, inside cable and wire distributing frame, magnet resistance, and switchboard wire. Includes all insulated tinned copper or bronze electric telephone wire other than those included in Classes 10 and 20.
53R	Class 53 on reel
69	Low grade steel dispose of locally.
69R	Class 69 on reel.
80	Low Grade Copper-Steel; Bus Bars with Ferrous Attachments Copper-Steel bus bars and line wire. Due to the difficulty of distinguishing copper from copper-steel visually, material should be tested with a magnet. Material that are not attracted to the magnet are copper and should be classified as 17. Low grade dispose of locally.
416	Plastic insulated copper pairs (non-tinned).
417	Paper or pulp insulated copper pairs (non-tinned).
99	Trash.
99R	Class 99 on reel.

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EXHIBIT 9

SCRAP CLASSIFICATIONS/DESCRIPTIONS

MARC CENTER USE ONLY

(Page 8 of 10 pages)

<u>Classification</u>	<u>Description</u>																									
CO	Precious Metal Bearing Scrap Received by the MARC Center From Central Office Locations (See note). Includes the following classes of scrap:																									
	<table border="0"> <tr> <td>1-2</td> <td>1-C</td> <td>1-E</td> <td>1-S</td> <td>5-1</td> </tr> <tr> <td>1-3</td> <td>1-CA</td> <td>1-R</td> <td>1-X</td> <td>9</td> </tr> <tr> <td>1-4</td> <td>1-CS</td> <td></td> <td></td> <td></td> </tr> </table>	1-2	1-C	1-E	1-S	5-1	1-3	1-CA	1-R	1-X	9	1-4	1-CS													
1-2	1-C	1-E	1-S	5-1																						
1-3	1-CA	1-R	1-X	9																						
1-4	1-CS																									
OSP	Cable, Wire and Other Copper or Lead Scrap Received by the MARC Center From Outside Plant and Central Office Locations (See note). Includes the following scrap classes:																									
	<table border="0"> <tr> <td>10</td> <td>23</td> <td>417</td> <td>23R</td> <td>4R</td> </tr> <tr> <td>17</td> <td>27</td> <td>53</td> <td>4</td> <td>4SR</td> </tr> <tr> <td>2</td> <td>3</td> <td>3R</td> <td>4S</td> <td>49R</td> </tr> <tr> <td>20</td> <td>3S</td> <td>3SR</td> <td>16</td> <td></td> </tr> <tr> <td>21</td> <td>416</td> <td>21R</td> <td>49</td> <td></td> </tr> </table>	10	23	417	23R	4R	17	27	53	4	4SR	2	3	3R	4S	49R	20	3S	3SR	16		21	416	21R	49	
10	23	417	23R	4R																						
17	27	53	4	4SR																						
2	3	3R	4S	49R																						
20	3S	3SR	16																							
21	416	21R	49																							

NOTE: CO and OSP classes are to be used only by the MARC Center for receiving and issuing credits to users.

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EXHIBIT 9

SCRAP CLASSIFICATIONS/DESCRIPTIONS

HAZARDOUS

(Page 9 of 10 pages)

<u>Classification</u>	<u>Description</u>
70	Loose mercury relays and switches.
70A	Telephone company equipment containing liquid mercury, e.g. mercury relays and mercury switches.
71	Depressurized electron tubes containing specific amounts of mercury vapor.
72	Incombustible material, friable or nonfriable, used for electrical insulation in central offices. Two examples of telephone company equipment <u>possibly containing asbestos</u> are Battery Distributing Frame Boards (BDFB) and insulation around flues leading from a diesel engine.
72-9	Assembled equipment containing friable or nonfriable asbestos material.
73	Polychlorinated Biphenyls (PCBs), are found in electrical products such as capacitors, ballasts, transformers and frequency generators.
74	Radioactive cold cathode tubes, unsorted. Tubes received in the MARC in various amounts but upon initial receipt have not been sorted by tube type, Radium 226 Bromide or Krypton 85.

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EXHIBIT 9

SCRAP CLASSIFICATIONS/DESCRIPTIONS

HAZARDOUS

(Page 10 of 10 pages)

<u>Classification</u>	<u>Description</u>
74A	Radium 226 Bromide cold cathode tubes, usually dark purplish in color. These tubes may also be identified by a purplish-red three-bladed magenta (radioactivity symbol). Because these tubes are identical to the Krypton 85 tube, code numbers printed on each tube must be used to determine whether the tube contains Radium 226 Bromide or Krypton 85.
74B	Radioactive cold cathode tubes filled with uncompressed radioactive gas, usually dark purplish in color and known as Krypton 85 tubes.
75	Selenium Countercells, installed in association with battery assemblies, located in Central Offices.
76	Metallic element known as Beryllium Oxide housed in telephone company equipment (microwave equipment).
77	Wet-cell (lead-acid) batteries used in central offices for reserving power in network facilities.
78	óDry Cell Batteries.
79	Various chemicals present in the Company, not included in any other classification, posing a possible threat to human health.

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EXHIBIT 10
WEIGHT ADJUSTMENT REPORT

WEIGHT ADJUSTMENT REPORT *	
Carrier _____	Trailer # _____
Date Shipped _____	Lot # _____
1. Gross Trailer Weight	_____
2. Tare weight	_____
3. Weight of shipment	_____
4. Total tag weight	_____
5. Difference (+ or -) *	_____
6. Scrap Class adjusted. *	_____
Prepared by: _____	Mgr-Disp Opns Date Title

INSTRUCTIONS	
line 1.	Enter gross weight from weight ticket.
line 2.	Enter Tare weight from weight ticket.
line 3.	Subtract line 2 from line 1.
line 4.	Enter total weight of tags from shipment.
line 5.	Subtract line 4 from line 3. *
line 6.	Enter Scrap Class adjusted. *
* - Use this work sheet only if line 5 is between 501 and 2,000 pounds (+ or -).	
If line 5 is PLUS (+) add the weight to the lowest valued class of scrap loaded.	
If line 5 is MINUS (-) subtract the weight from the highest valued class of scrap loaded.	

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EXHIBIT 11

TARE WEIGHT REFERENCE LIST

CABLE REELS

<u>Size</u>	<u>Weight</u>
413.....	215
414.....	242
415.....	283
415 1/2.....	374
416.....	357
417.....	565
419T.....	849
419.....	650
420T.....	865
420Y.....	826
440.....	142
487.....	1250

MISCELLANEOUS

<u>ITEM</u>	<u>WEIGHT</u>
Bag, Scrap Wire.....	2
Box, Gaylord.....	15
Box, Gaylord with cardboard pallet.....	20
Pallet, Cardboard.....	5
Pallet, Wooden.....	40

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