

DISPOSITION OF SCRAP MATERIAL-LOGISTICS SERVICES

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1. GENERAL

- 1.01 This section describes procedures to be followed by the Distribution Services Department in the preparation and transporting of material which has been removed from service.

NOTICE

Not for disclosure outside
Southwestern Bell Telephone Company
except under written agreement

1.02 This practice is reissued to:

- a) change the title; and
- b) provide direction for the disposal preparation of scrap materials generated by the Construction and Installation/Maintenance groups to be transported directly to a scrap vendor, Consolidation Point (CP) or Material Reprocessing and Consolidation (MARC) Center. Refer to Exhibit 1 for a list of CPs and MARC Centers. A flow chart of preparation procedures is provided in Exhibit 2.

1.03 This practice does not apply to the following items:

- a) New/unused stock material which shall be returned to the Material Distribution Center (MDC) (See 745-011-902 SW, Returning Stock Material).
- b) New/unused non-stock materials with potential reapplication within the Company (See 745-011-901 SW, Return Material Notice and Scrap Return Notice).
- c) Used material or equipment which has resale potential as usable equipment or parts (including worn out tools, test sets, etc.) (See 741-001-901 SW Sale of Supplies and General Equipment).
- d) Items covered by claims. (See SW 746-001-901, Originating Claims).
- e) Outdated or obsolete materials containing chemicals considered to be hazardous if not disposed of in accordance to state and/or federal regulations. Disposal of such material, e.g., reclamation compound, encapsulant, sealant, hand cleaning solutions, will be coordinated with the Assistant Staff Manager-Hazardous Material Removals in the Logistics Services District on (314) 247-9920.

1.04 Material referred to in this practice has been removed from service and properly retired in accordance with an estimate, routine order, keep cost order or custom work order issued by the Network Services Supervisor-Engineering.

1.05 Materials which have been removed and considered as scrap can include but are not limited to the following items:

- a) plastic covered cable
- b) lead covered cable
- c) bare copper line wire
- d) fully equipped 40 type cabinets

Refer to Exhibit 3 for a list of high-grade scrap classifications.

2. GLOSSARY

- 2.01 The following definitions have been included to clarify the meanings of words used in this section.
- 2.02 Consolidation Point (CP) - A facility used to consolidate scrap materials, cable and reels. Materials are accumulated and transported from CPs to MARC Centers or directly to a vendor.
- 2.03 Direct Shipment- Shipments from a work center, field location or CP transported directly to a scrap vendor.
- 2.04 High Grade Scrap - Material consisting of scrap metals from central office or outside plant removals containing elements such as gold, silver, copper, aluminum or other nonferrous metals. Examples of high-grade scrap include circuit cards, plug-ins and relays containing gold or precious metal contacts, cable (all types) consisting of copper or aluminum conductors.
- 2.05 Junk - Outdated, obsolete surplus or worn-out material which has served its purpose within the Company but has value or the potential of having value added.

- 2.06 Loose Scrap - Segregated or nonsegregated scrap material/cable not contained on reels.
- 2.07 Low Grade Scrap - Miscellaneous ferrous and non-ferrous materials such as iron, steel or other material with "no" or a low resale value.
- 2.08 Material Reprocessing and Consolidation (MARC) Center -A facility operated by Logistics Services for the purpose of maximizing scrap values through upgrading, sorting and otherwise enhancing material which has been properly retired and removed from service. Materials are shipped from MARC Centers directly to scrap vendors who have acquired the right to purchase material through a competitive bidding process.
- 2.09 Pure - Consisting of only one scrap classification.
- 2.10 Returned Material Notice - FA Form SW6381 (Exhibit 5). The required document containing accounting information so that credit can be applied to field forces from the sale of scrap.
- 2.11 Salvage - The remaining worth of material after it is retired from Company books.
- 2.12 Scrap - Material no longer suitable for use by SWBT for the purpose it was originally purchased and which has been properly retired (capital items) or declared surplus or obsolete (expense items).

This type of material is considered salable or suitable for reprocessing/upgrading by Disposition Services and includes materials such as test sets, OCS equipment, switches, cable, relays, plug-in equipment, etc.

- 2.13 Trash - Valueless material from which no revenue gain can be expected i.e., plastic and wood; refuse to be disposed of in a local landfill.
- 2.14 Upgrading - The enhancing of scrap material by segregating or dismantling to increase its salvage value.

3. LOW GRADE

- 3.01 Scrap material having little or no salvage value will not be transported to a vendor, CP or MARC Center. Transportation and consolidation expenses of these items exceed any value which might be realized from scrap sales. This material will be considered low-grade scrap and shall be discarded locally under the guidance of the Logistics Services District in accordance with Joint Practice No. 123, Disposition Services Policy and Procedures. Refer to Exhibit 4 for a general list of items to be disposed of locally.
- 3.02 Apparatus, carrier and load coil cases spliced onto cable will be handled as follows:
- 1) Cable will be cut as close to the case as practical.
 - 2) The case will be disposed of locally.
 - 3) Cable will be included with scrap to be transported to a scrap vendor, CP or MARC Center.
- 3.03 NF, NC and similar type cable terminals will be handled as outlined in 1 through 3 of Paragraph 3.02.

4. PREPARATION OF SCRAP FOR SHIPPING

4.01 The Southwestern Bell supervisor responsible for the removal shall contact the Transportation Control Center (TCC) on (214) 944-9084 to coordinate scrap consolidations and shipments of scrap to a CP or MARC Center. Refer to Joint Practice 122, Transportation Policies and Procedures for efficient and economical movement of material.

4.02 Scrap will be accepted at a CP or MARC Center "loose" (segregated or nonsegregated) or on reels. Due to the economic gain which can be realized by dereeling, the preferred method of receiving scrap cable at a MARC Center is on reels.

4.03 When empty reels are not available from a work center, CP or MARC Center respectively, within the area, they may be obtained by contacting the Assistant Staff Manager-Stock Cable Operations in the appropriate area as follows:

<u>If Work Center is located in:</u>	<u>Contact #:</u>
Arkansas, Northern Kansas, Missouri	314-343-0014
Southern Kansas, Oklahoma, North, East, or West Texas	214-944-9101
South Texas	713-790-7690

NOTE: The Assistant Staff Manager-Stock Cable Operations is a position within the Materials Distribution Center District and will only be contacted after all other alternatives have been exhausted.

5.0 DIRECT SHIPMENTS

5.01 Scrap class and estimated quantity of material to be removed will be determined from an order as designated in Paragraph 1.04.

- 5.02 In order to enhance the savings of transportation and handling economies, "pure" trailer loads of "loose" scrap cable weighing 35,000 pounds or more can be shipped directly to a scrap vendor from field locations.
- 5.03 Arrangements for "pure" shipments will be determined by the Assistant Manager-Cable Sales on (314) 235-2415 upon initial contact by the supervisor responsible for the removal job.

6.0 DOCUMENT PREPARATION FOR SHIPMENT

- 6.01 Scrap material shall be retired from Company books before it is shipped to a MARC Center or scrap vendor. Refer to SW 741-001-903, Disposition of Obsolete and Worn Out Major Items of Supplies, General Equipment, Tools and Test Sets for information administering the preparation of FA Form S6312, Salvage and Retirement Report.
- 6.02 Each scrap shipment into a CP or MARC Center must have a Returned Material Notice (RMN), FA Form SW6381 accompanying the shipment. (Refer to Exhibit 5).
- 6.03 In the event an RMN is lost in transit or illegible, salvage credits as stipulated in Section 8 will be credited to the responsibility code of the state president of the state from which the shipment originated.
- 6.04 FA Form SW6381 will be prepared as follows:
- (a) SHIP TO - Enter the CP or MARC Center location to which the scrap will be shipped. (Refer to Exhibit 1 for the address of the nearest CP or MARC Center location).
 - (b) RETURNED FROM - Enter the title and complete address of the Supervisor responsible for disposing of the scrap material to be shipped.
 - (c) PACKED IN - Indicate the type of scrap container (i.e., reel, tub, box, trailer).
 - (d) R.M.N. No. - Enter the appropriate number assigned by the unit office.

- (e) PAGE - Enter the number of pages associated with the shipment for the assigned RMN number.
- (f) BILL OF LADING (B/L) - Enter the preprinted seven-digit alpha/numeric number from the B/L required to ship scrap to a CP or MARC Center.
- (g) TRANSPORTATION ACCOUNT - Enter the account code to which transportation expenses associated with the shipment will be charged.
- (h) DATE SHIPPED - Enter the date scrap will be shipped from the work center.
- (i) CARRIER - Enter the name of the company, as determined by the TCC, transporting the scrap to a MARC Center.
- (j) INSTALLING ORDER NO. - For Network Engineering use only.
- (k) RESPONSIBILITY CODE ORIGINATING (RCO) - Enter the responsibility code of the organization initiating the RMN.
- (l) LOCATION CODE - Enter the location code of the organization to be credited with the salvage value of the scrap.
- (m) ENVIRONMENT CODE and CPR (ACCT. FA ONLY) - Leave Blank.
- (n) RESPONSIBILITY CODE CHARGED (RCC) - Enter the responsibility code of the organization to be credited if different from RCO.
- (o) PREL. CLASS - Leave Blank.
- (p) NAME AND DESCRIPTION OF ITEM - Enter the scrap classification(s) from Exhibit 3 of each type scrap material shipped.
- (q) CONDITION - Enter "J" for junk.
- (r) QUANTITY - An estimated weight shall be entered here.
- (s) CONTROL CLASSIFICATION, PRICE, UNIT, AMOUNT AND FUNCTION CODE TO BE CREDITED - Leave Blank.
- (t) ORDER NUMBER/ESTIMATE NUMBER - Enter the appropriate order/estimate number of which scrap was recovered.

- (u) ACCOUNT CODE - Enter the account code of the job for which the scrap was recovered.
- (v) 122-01 and YEAR PLACED in 100.1 - Leave Blank.
- (w) SIGNATURES - Signatures, date, telephone number and complete titles of employees originating and approving the RMN shall be entered here.
- (x) HAZARDOUS MATERIAL/WASTE REMOVED - Check the appropriate box, "yes" or "no".
- (y) REASON FOR RETURN - Place an "X" in the box designated "Scrap."

7.0 SHIPPING

- 7.01 The TCC will be contacted for the transportation arrangements of scrap cable/ material less than 35,000 pounds destined for a CP or MARC Center location as determined by the TCC. Movement of shipments over 35,000 pounds and not covered in Section 5, Direct Shipments, will also be arranged through the TCC.
- 7.02 Form FA SW6152A, Straight Bill of Lading, will be prepared and forwarded with all scrap shipments. Refer to 744-001-901 SW, Preparation and Distribution of Bills of Lading. Refer to Exhibit 6 for an illustration of the Bill of Lading.
- 7.03 A prenumbered transportation seal will be placed on all full enclosed trailer loads of scrap material and the number recorded on the Bill of Lading.

8.0 SALVAGE CREDITS

- 8.01 Salvage credits will be applied to the responsibility code charged, location code, estimate/order number and account code listed on the RMN accompanying the shipment.

- 8.02 The dominant visible scrap classification and total weight of the shipment will determine the salvage value credited to each RMN of mixed loads of scrap cable.
- 8.03 Segregated scrap shipments will be credited according to scrap classification and weight of each class shipped.

EXHIBIT 1
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MARC CENTERS AND
CONSOLIDATION POINTS

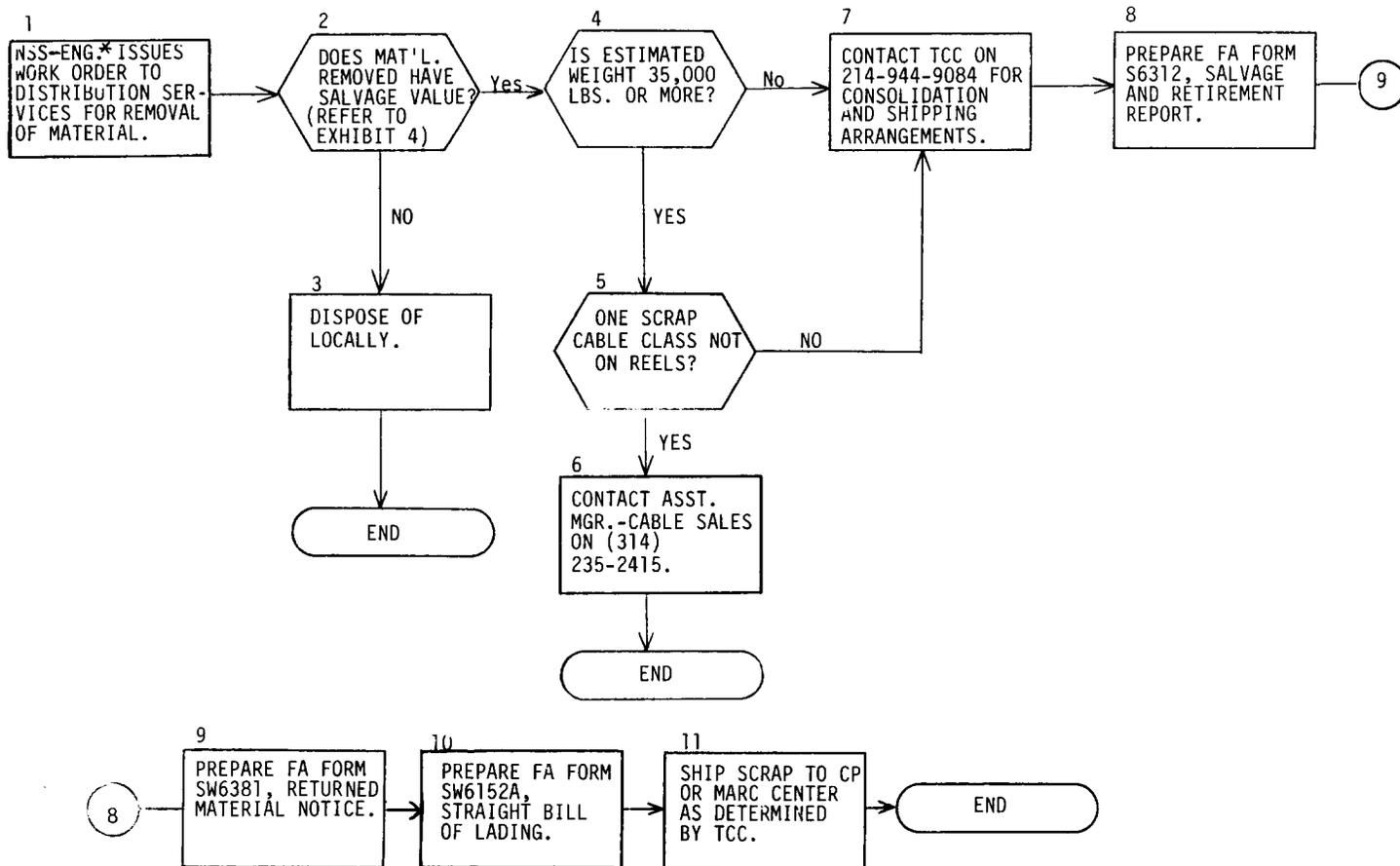
<u>Consolidation Points</u>	<u>Telephone Number</u>	<u>Department</u>
<u>Arkansas</u>		
Stanage Transportation Indian Springs Road Hot Springs, AR 71901	1-800-782-6243	Distribution Services
<u>Kansas</u>		
3917 North Arkansas Wichita, KS 67204	316-268-2570	Materials Management
<u>Missouri</u>		
R. L. Jones & Sons Moving and Transfer 4900 East 12th Street Kansas City, MO 64127	816-241-9008	Procurement
2061 Hitzert Court Fenton, MO 63026	314-343-0014	Procurement
<u>Oklahoma</u>		
600 East California Oklahoma City, OK 73104	405-236-7614	Materials Management
1504 North 105 East Avenue Tulsa, OK 74136	918-831-4357	Materials Management
<u>Texas</u>		
709 Dallas Amarillo, TX 79105	806-378-1371	Materials Management
16604 North IH35 Austin, TX 78728	512-870-0058	Distribution Services
1811 Freddy Gonzalez Street Edinberg, TX 78539	512-383-5124	Distribution Services
11200 Pellicano El Paso, TX	915-542-2534	Materials Management

EXHIBIT 1
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<u>CONSOLIDATION POINTS (Cont'd.)</u>	<u>Telephone Number</u>	<u>Department</u>
<u>Texas (Con't.d)</u>		
1401 East Oklahoma Harlingen, TX 79101	512-421-7506	Distribution Services
2780 Holmes Road Houston, TX 77054	713-790-7690	Procurement
1325 Cornell Road Lancaster, TX 75146	214-944-9101	Procurement
102 County Road, 1207 South Midland, TX 79703	915-684-1661	Materials Management
6445 Hausman Road San Antonio, TX 78249	512-697-1049	Distribution Services
<u>MARC CENTERS</u>		
<u>Missouri</u>		
2033 Hitzert Fenton, MO 63026	314-343-0786	Procurement
<u>Texas</u>		
5331 East Mockingbird Lane Dallas, TX 75206	214-827-1279	Procurement
2032 Mansard Houston, TX 77054	713-796-0948	Procurement

EXHIBIT 2

FLOW CHART: DISTRIBUTION SERVICES SCRAP DISPOSAL



*NSS-ENG = NETWORK SERVICE SUPERVISOR-ENGINEERING

EXHIBIT 3
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<u>Scrap Classification</u>	<u>Description</u>
2	<p><u>Textile and Rubber Covered Power Cable</u></p> <p>Textile and rubber covered power cable with tinned and non-tinned copper conductors. Cable can be coiled or cut in six foot lengths. 85% #2 Copper.</p>
2R	Class 2 cable on reel.
3	<p><u>Cable, Alpeth or Stalpeth with Paper or Polyethylene Insulated Copper Conductors (Containing No Lead Sheath)</u></p> <p>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). Cable can be in coils or cut in six foot lengths. 70% #2 Copper.</p>
3R	Class 3 cable on reel
3S	Class 3 cable with steel strand
3SR	Class 3S cable on reel
4	<p><u>Cable, Lead Covered Telephone and Power</u></p> <p>Lead covered telephone and power cable with copper conductors including splices and butts with or without sleeves. Cable can be in coils or cut in six foot lengths. Does not include coaxial cable, or lepeth cable, jute or armored cable in any form (See Class 49). 18% #2 Copper + 77% Prime Lead.</p>
4R	Class 4 cable on reel
4S	Class 4 cable with steel strand
4SR	Class 4S cable on reel

EXHIBIT 3
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<u>Scrap Classification</u>	<u>Description</u>
10	<p><u>Cable Splicing Scrap</u></p> <p>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. 85% #2 Copper.</p>
16	<p><u>Lead (Clean Sheath)</u></p> <p>Lead sheath and all other clean junk lead. May contain a maximum of 2% dirt or other foreign material. 75% Prime Lead.</p>
17	<p><u>Bare Copper Line Wire (in coils) and Clean Copper Bus Bars</u></p> <p>Bare copper line wire in coils and clean copper bus bars. Must be free of lead, copper-steel bus bars and tangled copper wire. Material as shipped should contain a minimum of 98.5% copper. 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. 100% #1 Copper.</p>
17R	Bare Copper Line Wire on reels
20	<p><u>"B" Rural and Urban Wire and Cable, Jute Protected Containing No Lead Sheath</u></p> <p>"B" rural and "B" urban wire which contains one strand of polyethylene insulated steel wire and jute protected cable containing no lead sheath. Ordinarily, the insulated wire can be coiled and the cable cut in six foot lengths. 40% #2 Copper.</p>

NOTE: Wire placed in Class 20 must be free of copper-clad conductors.

EXHIBIT 3
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<u>Scrap Classification</u>	<u>Description</u>
20R	Class 20 on reel
21	<p><u>Polyethylene Jacketed Cable (Jelly Filled)</u></p> <p>Polyethylene, aluminum and/or steel sheath covered telephone cable with copper conductors. Contains approximately 20% petrolatum polyolefin compound. Cable can be in coils or cut in six foot lengths. 55% #2 Copper.</p>
21R	<p>Class 21 cable on reel</p> <p>Miscellaneous plastic, textile and rubber covered, inside cable and wire distributing frame, magnet resistance and switchboard wire. Includes all insulated copper or bronze electric telephone wire other than those included in classes 10 and 20. 60% #2 Copper.</p>
23	<p><u>Polyethylene Covered Telephone Cable with Polyethylene Insulated Copper Conductors</u></p> <p>A steel self-supporting strand is attached to the cable. The insulated cable can be coiled or cut in six foot lengths. 30% #2 Copper.</p>
23R	Class 23 Cable on reel
27	<p><u>Copper Line Wire (Tangled and Tie Wires)</u></p> <p>Copper line wire too tangled to be coiled or wound on reels containing a minimum of 90% copper; also copper tie wires. Also may include coiled copper line wire containing significant amounts of copper steel line wire and/or ferrous attachments. 90% #1 Copper.</p>
27R	Class 27 on reel

EXHIBIT 3
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- 49 Cable, Lead Covered Lepeth, Jute or Corrosion and Tape or Wire Armored Protected, Including Coaxial Cable
- Lead covered telephone cable with copper conductors, steel tape or steel wire armor with or without jute or plastic protection. Includes sheathed coaxial cable in all forms. Cable should be coiled or cut in six foot lengths.
- 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 copper or bronze electric telephone wire other than those included in classes 10 and 20. 60% #2 Copper.
- 53R Class 53 on reel
- 416 Plastic insulated copper pairs (non-tinned). 85% #2 Copper.
- 417 Paper or pulp insulated copper paris (non-tinned). 95% #2 Copper.

EXHIBIT 4

USED MATERIAL TO BE DISPOSED OF LOCALLY

1. Bolts
2. Bridle wire
3. Connecting blocks
4. Crossarms, pins
5. Drop wire (all types)
6. Empty cabinets
7. Empty metal/plastic closures
8. Key Service unit mountings
9. Load coil cases
10. Manhole steps
11. Plastic air pipe
12. Pole steps
13. Protectors
14. Protector stakes
15. Strand (not attached to cable)
16. Terminal blocks
17. Terminal strips
18. Trash (as defined in Paragraph 2.13)
19. Tree guard
20. U guard
21. Washers
22. Wooden poles

This list is not all inclusive. If in doubt, please contact the Logistics Services office in St. Louis, Missouri on (314) 235-2313 or (314) 235-2317.

STRAIGHT BILL OF LADING
FA SW6152A

NO. PKGS		* HBL	KIND OF PKG	DESCRIPTION OF ARTICLE	WEIGHT	CLASS OR RATE	NO PKGS	WT LBS	KIND OF PKG	DESCRIPTION OF ARTICLE	WEIGHT	CLASS OR RATE
			BDLS	ANCHORS, Gray Iron					COILS	STRAND Steel Wire		
			BOXES	ARMSTERS, Lightning or Parts					SWITCHBOARDS or	Substation Parts, NOI		
			BOXES	BATTERIES, Dry Cell, Hot Spent					TAPES, Insulating or	CLOTH, Insulating, NOI		
			BDLS	BOOTS, Iron NOI					TELEPHONE SETS or	Parts, NOI		
			BOXES	WASHMANS, Iron					TELETYPEWRITERS or	Parts, NOI		
				BOOTH, Telephone, Abutment, E.U.					TOOLS, NOI			
			BOXES	BOZEL, Cast Terminal, Steel or					WIRE, Brass, Bronze,	Copper or Copper Clad Steel		
			BDLS	BRICKS, Fire, 4 1/2 x 8 1/2 x 16					WIRE, Iron, NOI			
			BDLS	BULKHEAD, Insulator, Wood or					STATIONERY:			
			COILS	CABLE, Electric Copper, NOI					FORMS, Printed, NOI			
			COILS	CABLE, Lead Core, Copper or					STATIONERY, NOI			
			BOXES	CABLE JOINTS, NOI					SCRAP, CABLE, COPPER, Lead Covered	FOR REMELTING ONLY		
			BOXES	CLAMPS, Wire Gray Iron					SCRAP, BRICKS OR COPPER - FOR REMELTING ONLY	(includes string wire or cable not tested covered)		
			PCB	CROSSARMS, Wood or					SCRAP LEAD	FOR REMELTING ONLY		
			PCB	CROSSARMS, Wood with Brass or								
			PCB	CROSSARMS, Wood with Brass or								
			BOXES	ELECTRICAL Appliances NOI								
			BDLS	HANDLES, Wood, NOI								
			BDLS	LADDERS, Wood and Steel								
			PCB	O.T. in the length								
			BDLS	PIPE LEAD, Plain								
			BDLS	BATTERY, Elec, Storage, wet, filled with acid,								
				corrosive material, UN 2800								
				- 100 lbs. or less, net. vol. N2 22.85/lb.								
				- 100 lbs. or less, net. vol. net. 22.85/lb.								
				- weighing over 100 lbs. each								
			BDLS	POLE or TRANSMISSION LINE								
			BOXES	CONSTRUCTION MATERIAL								
			PCB	STEEL								
			BOXES	RADIO OR ELECTRONIC PARTS, NOI								
				RELEASED TO VALUE NOT EXCEEDING \$1.00 PER LB.								
			BOXES	RECTIFIERS, NOI								
			BDLS	RIDS, Anchor, Gray Iron								
			BDLS	SHOVELS, Steel or Wood								
				Combined								
			PKG.	SOLDER, NOI								

TOTAL PIECES	TOTAL DUNNAGE	TOTAL PALLETS	TOTAL WEIGHT
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This is to certify that the above named materials are properly classified, described, packaged, marked and labeled, and are in proper condition for transportation according to Applicable regulations of the Department of Transportation.

Shipper Signature: _____

Carrier Agent: _____

Per: _____

The receipted original shall be retained by the shipper. The duplicate shall be retained by the Agent.

RETENTION PERIOD - 3 YEARS RETAINED BY ORIGINATOR OFFICIAL FILE COPY IF RED; RETENTION _____