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August 5, 1992

Mr. Paul Curl, Secretary Washington Utilities & Transportation Commission 1300 South Evergreen Park Drive S.W. Olympia, Washington 98504

Re: Enoch Rowland d/b/a Kleenwell Biohazard Docket No. TG920304

Dear Secretary Curl:

Enclosed please find the original and three (3) copies of the Reply Brief in this matter.

Very truly yours

James T. Johnson

cc: Lisa Anderl
Enoch Rowland
Steven W. Smith
Richard A. Finnigan
James Sells
Boyd Hartman
David Wiley
Cindy Horenstein

## BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of Determining the Proper Carrier Classification of:	) ) Docket No. TG-920304
ENOCH ROWLAND d/b/a KLEENWELL BIOHAZARD & GENERAL ECOLOGY CONSULTANTS.	) REPLY BRIEF ) )

The answering briefs of the various parties in this case overlook the fact that the <u>Medigen</u> case, i.e., <u>Medigen of Kentucky</u>, <u>Inc.</u>, and <u>Medigen of Pennsylvania</u>, <u>Inc.</u>, v. <u>Public Service Commission of West Virginia</u>, 787 F. Supp. 602 (S.D. W. Va. 1992), is factually on all fours with the instant case and that the court in <u>Medigen</u> found that to apply the requirement of a certificate of convenience of necessity to carriers engaged in providing interstate service is a violation of rights protected by the Commerce Clause of the United States Constitution.

As the commission staff has pointed out in its brief, the commission has no authority to determine the constitutionality of the law itself but does have the authority to determine the constitutional application of the statutes it administers and that to apply the certificate requirement to an interstate operation is impermissible.

The Medigen court pointed out that inherent in the state

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interest purportedly served by the certificate requirement is the assumption that the public health and safety will be endangered if state-wide transportation services cannot be compelled. However, as in <u>Medigen</u> the state and the intervenors offer scant evidence of how the requirement protects the public health, safety and welfare.

We rely, as did the plaintiffs in <u>Medigen</u>, on <u>Buck v. Kuykendall</u>, 267 U.S. 307 (1925), and <u>George W. Bush & Sons v. Malloy</u>, 267 U.S. 317 (1925), for the proposition that states cannot require interstate carriers to obtain certificates of convenience and necessity before operating solely in interstate commerce. The state's primary purpose is not regulation with a view to safety or to conservation of the highways, but the prohibition of competition.

Before and after <u>Buck</u> and <u>Bush</u>, it has been consistently held that a state may not require a certificate of convenience and necessity from a carrier engaged exclusively in interstate commerce before it can operate within the state's borders. <u>E.g.</u>, <u>Sprout v.</u> South Bend, 277 U.S. 163, 171 (1928).

The privilege of engaging in interstate commerce is one which a state cannot deny. <u>Interstate Buses Corp. v. Holyoak St. Ry.</u> <u>Co.</u>, 273 U.S. 45, 51 (1927).

A state statute which does not regulate "the manner of use, but the persons by whom the highways may be used. . .is forbidden by the Commerce Clause."

As to whether or not Kleenwell is engaged in interstate commerce, we need to look to CCH federal carriers cases. Federal

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Section 10521(a)(1)(A) and (B) of the Act gives the Interstate Commerce Commission jurisdiction over transportation by motor carrier of passengers and property and that procurement of that transportation between a place in a state and a place in another state or between places in a state through another state.

The commission's jurisdiction over the transportation of a shipment in interstate commerce begins when the shipment has started on its course of transportation to another state, or has been delivered to a carrier for such transportation, and ends when the shipment reaches the ultimate destination intended by the parties who control the movement. In determining whether a particular movement is interstate or intrastate, the shipper's fixed and persistent intent existing at the time of the movement starts governs the character of the commerce.

Whether transportation is interstate or intrastate is determined by the essential character by the commerce, manifested by the shipper's fixed and persisting transportation intent at the time of the shipment, and is ascertained from all the facts and circumstances surrounding the transportation. <u>Southern Pacific Transportation v. ICC</u>, 565 F.2d 615, 1978 Federal Carriers Cases ¶82,740.

In the instant case, the intent has always been that the medical waste in question moved to a storage facility until a sufficient quantity has been accumulated and then traffic moves from the storage facility to the out-of-state destination. Every portion of this trip is in interstate commerce.

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Giving the <u>Medigen</u> case the deference it is due, the decision must be that the certificate requirement cannot be applied to the activities of Kleenwell.

DATED this  $5^{-6}$  day of August, 1992.

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JJ BG310103

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## CERTIFICATE OF SERVICE

I, James T. Johnson, counsel for Enoch Rowland and Kleenwell Biohazard, do hereby certify that I have served a copy of the foregoing Reply Brief on each party of record, mailing by first class mail properly addressed with postage prepaid on the 5th day of August, 1992.

DATED this 5 day of August, 1992.

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