



## **Economic Impact Analysis Virginia Department of Planning and Budget**

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### **16 VAC 25-75 – General Industry Standard for Telecommunications, General, Approach Distances**

**Department of Labor and Industry**

June 12, 2006

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### **Summary of the Proposed Regulation**

The Safety and Health Codes Board proposes to require that telecommunications workers protect themselves from both electrical parts upon which they are directly working and from electric wires adjacent to any area in which they are working.

### **Result of Analysis**

So long as The Department of Labor and Industry (DOLI) amends this regulation as agreed, the benefits of this proposed regulatory change will likely exceed the costs associated with its implementation.

### **Estimated Economic Impact**

Current regulation requires telecommunications workers to wear gloves and/or protective sleeves when they are working on electrified parts or parts that might become electrified. Regulation explicitly states that gloves and/or sleeves will be considered adequate protection so wearing gloves and/or sleeves is sufficient action to meet this safety requirement and avoid citation if there is an accident. DOLI's Safety and Health Codes Board seeks to amend the regulation so that gloves and/or sleeves will only be considered sufficient protection against electrical parts that telecommunications workers are directly working on.

The proposed regulation will require some other safety measure be taken to protect workers from electrical parts that they are not working on but that are closer to workers than minimum approach distance standards require. When approach distances are certain to be breached, telecommunications workers must call the electric company that controls the power lines that work is near. The electric company then can either cover the power lines that may

pose a danger or temporarily cut power to those lines altogether. After meeting with members of its regulated community, DOLI has concluded that (except for four problematic work activities that will be addressed by changes in the proposed regulation or the issuance of guidance documents) telecommunications workers rarely have reason to breach specified approach distances and these workers would not have to change their current safety practices because of this proposed regulatory change.

As noted above, there are four work activities that have been identified by telecommunications companies as potentially problematic and enormously costly if regulatory language is not changed or inserted (or if guidance documents binding on DOLI are not issued) as this regulatory action moves forward. These four work activities are:

- 1) Setting poles in power.
- 2) Telecommunications work during storms or emergencies.
- 3) The required testing of street light brackets.
- 4) The placement of new cables through use of silver strand.

Telecommunications workers are sometimes tasked with putting up new line poles. When these new poles are to hold existing power and telecommunications lines, the poles must be set in a position that has the top of the pole closer than the specified approach distances to energized lines. Telecommunications workers follow current safety practice and wrap the top of the poles, where they might meet electrified lines, with insulating material. Workers wear insulating gloves during this work activity. After poles are set, telecommunications workers will not breach approach distances for parts they know are electrified. They may, however, be close to the neutral line as they move telecommunications equipment to the new poles. Neutral lines are not electrified, but they can become electrified if they are hit by lightning or if an accident somewhere else along the line causes other electrified lines to lay directly on the neutral line. If telecommunications workers were to have to call out the electric company to cut power or insulate power lines each time poles were set in power, or installation of equipment brought them closer to the neutral line than would be allowed if DOLI were to treat it as an electrified part, costs for performing this work would rise dramatically and might prove devastating to both the telecommunications companies and their customers, who would see these costs reflected in their

phone, internet and cable bills. This work activity could potentially cost telecommunications companies tens of millions more than it currently costs them.

At DOLI's meeting with its regulants, Dominion Power stated that they do not consider neutral lines to be energized and do not treat them as such. DOLI agreed with this assessment of neutral lines and agreed to issue interpretive language that stated neutral lines would not be considered "energized parts". Further, DOLI assured the representative telecommunications companies that their current practice with respect to setting poles in power would meet the safety requirements of the proposed regulation. So long as binding interpretive language stating that DOLI agrees to treat neutral lines as non-electrified parts is issued, telecommunications companies will not have to change their current practice with regard to this work activity; consequently, they will likely incur no extra costs for this activity once the proposed regulation is promulgated.

Telecommunications companies expressed concern for what effect the proposed regulation would have on their ability to respond to interruption of services, including interruption of things like phone service to emergency personnel and 911 call centers, during storms and emergencies. While it is their policy to always wait for the electric company to resolve any electrical safety issues, situations might arise such that telecommunications workers would inadvertently violate the proposed regulation because of the tumult that often accompanies emergency situations. This concern has the potential to increase the cost of, and slow the response time for, telecommunications workers responding to storms and emergencies.

DOLI assured representative telecommunications workers that, for a set period after an emergency or a storm, DOLI would be in "consultation mode", where they would be available to advise on how to best deal with safety issues, rather than enforcement mode. DOLI also plans to issue interpretive language that will address this work activity. So long as the interpretive language that delineates DOLI's role during, and immediately after, a storm or emergency is binding on DOLI, telecommunications companies will not have to change their current practice with regard to this work activity; consequently, they will likely incur no extra costs for this activity once the proposed regulation is promulgated.

When working near street lights, telecommunications workers are required to test the street light brackets to determine if they are energized. It is expected that, just like neutral lines,

these brackets would only be electrified under extreme circumstances. This testing must be done bare handed, but the tool that workers use for testing will protect them from electrical charges of up to 20,000 volts. If a bracket is found to be electrified, workers would cease any planned work and report the problem to the electric company.

Again DOLI has agreed that street light brackets will not be treated as electrified parts and they plan to issue interpretive language that will address this work activity. So long as the interpretive language that specifies that street light brackets will not be treated as electrified parts is binding on DOLI, telecommunications companies will not have to change their current practice with regard to this work activity; consequently, they will likely incur no extra costs for this activity once the proposed regulation is promulgated.

The fourth work activity that is potentially problematic is the placement of cables through use of silver strand line. When a silver strand line is first strung between poles, it is stretched taut. As equipment is added to the taut line it will sag down to where it would normally lie below the neutral line. Until equipment is added, however, silver strand lines could very well be closer to the neutral line than would be allowed (by the approach distance table) if the neutral line were treated as an electrified part.

As noted above, DOLI does not plan to treat neutral lines as electrified parts and will, additionally, issue interpretive language to address this work activity. Again, so long as binding interpretive language stating that DOLI agrees to treat neutral lines as non-electrified parts is issued, telecommunications companies will not have to change their current practice with regard to this work activity; consequently, they will likely incur no extra costs for this activity once the proposed regulation is promulgated.

## **Businesses and Entities Affected**

All telecommunications companies, and their employees, will be affected by the proposed regulation. The State Corporation Commission (SCC) reports that 181 companies are licensed to provide local phone service within the Commonwealth, another 93 companies provide long distance phone service. The SCC also reports there are four cooperative phone companies which operate in Virginia but do not require a license to do so. Additionally, all companies that provide local cable service and/or high speed internet service fall into the category of telecommunications companies, and will also be affected by the proposed regulation.

## **Localities Particularly Affected**

All localities in the Commonwealth will be affected by the proposed regulation.

## **Projected Impact on Employment**

With agreed upon changes, the proposed regulation will likely have no effect on employment in the Commonwealth

## **Effects on the Use and Value of Private Property**

The proposed regulation, with agreed upon changes, will likely have no negative effect on the use and value of private property.

## **Small Businesses: Costs and Other Effects**

Again, so long as DOLI incorporates agreed upon changes into the proposed regulation, the 165 telecommunications companies that qualify as small businesses will likely accrue no additional bookkeeping, or other, costs.

## **Small Businesses: Alternative Method that Minimizes Adverse Impact**

DPB is satisfied that DOLI has agreed to make all changes necessary to minimize costs for the regulated community while still ensuring the safety of telecommunications workers.

## **Legal Mandate**

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the

type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.