

February 3, 2008

Tiffany Mulligan
Staff Attorney
Indiana Department of Transportation

Dear Ms. Mulligan:

Pursuant to IC 4-22-2-28, the Indiana Economic Development Corporation ("IEDC") has reviewed the economic impact analysis for small business associated with rule changes proposed by the Indiana Department of Transportation ("INDOT") and contained in LSA Document # 07-494, which adds 105 IAC 13 to reasonably and cost effectively manage the right-of-way of the state highway system by establishing a formal procedure for highway improvement projects that involve the relocation of utility facilities by providing for an exchange of information among INDOT, utilities, and the department's highway construction contractors. INDOT estimates that approximately 178 small businesses operating as utility firms may be affected by the provisions of the rule. Additionally, INDOT estimates that 178 small businesses operating as construction establishments may be affected by the rule changes.

Under the proposed rule, INDOT requires a utility company to notify INDOT annually of its authorized representative and to provide information on how to contact that person. The proposed rule also requires the utility company to update the required information if it changes during the year. The required information consists of the following for the authorized representative: name, title, telephone numbers, email address, postal address, and street address. INDOT estimates that this requirement will add less than one hour of work per year to the utility. Although INDOT cannot anticipate who will perform this additional work for each company, INDOT estimates the cost of this hour at \$50.00 including salary and benefits. This would amount to \$8900 for all 178 firms.

The rule also requires utilities to follow a communications process whereby they must review and submit certain documents within designated time periods. Specifically utilities must do the following: respond to the department with a description of facilities, verify that plan sheets are accurate, detail conflicts, submit work plans, attend a utility coordination meeting if conflicts are found, submit any necessary revisions to the work plans, and acknowledge notifications and review agreements. The rule provides time periods in which utility firms must comply with these requirements. Based on INDOT's communications and experience with utilities, INDOT estimates that these requirements will cost a utility approximately \$1,818.75 a year to comply with if the utility has one project within its service territory that year. This would amount to \$323,737.50 if all 178 utility firms happen to be affected within a single year.