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Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, District of Columbia 20510

Dear Members of the Committee:

By a March 11, 2015 press release the Senate Committee on Finance solicited ideas from the public with respect to how best to overhaul the tax code. The Committee has established five working groups, one of which concerns Community Development and Infrastructure.

I phoned one of the individuals identified in the press release as a contact to ask if the scope of the Committee's interest was limited to tax reform ideas only, or if broader suggestions with respect to infrastructure would be appropriate. The reply was that the Committee would be interested in hearing any idea that could benefit the Nation, even if not focused on tax reform.

This letter, then, conveys a proposal with respect to infrastructure that has no bearing on tax reform but which still may be of interest to the Senate. In case this proposal is outside scope of the Committee's interest copies will also be sent to the Committee on Environment and Public Works, which would appear to have a more direct interest in it, as well as to Senators Toomey and Casey from Pennsylvania, my home state.

My suggestion is that Congress establish a policy for aerial utilities, the overhead wires and cables that crisscross the Nation, to be moved underground. The transition would be accomplished gradually with the objective of having substantially all such public utility services delivered through underground systems at some point in the future. Reasons for this proposal, and the attendant benefits, are summarized on the attached pages.

Thank you for soliciting ideas from the public, and for considering our various suggestions.

Yours truly,

/ signed /

Proposal with Respect to Moving Aerial Utilities to Underground Locations

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Aerial utilities, meaning wires and cables suspended from “telegraph poles” and other towers, are a common sight across the Nation. They serve two primary purposes.

- transmission and distribution of electricity
- communication services such as telephone, cable television and internet access

The first overhead lines for distribution of electric power are believed to have been established between 1885 and 1890. This is old technology — about 125 years old.

All citizens depend on public utilities to be safe and reliable. Aerial utilities, however, have some significant weaknesses in these regards.

- Inclement weather causes service outages. Snow storms, ice, hurricanes and other forms of severe weather cause thousands of people and businesses to lose electrical and communications services every year. Repairs sometimes take days.
- Trees impinge on aerial lines, sometimes breaking them.
- Fallen power lines are a public hazard and sometimes cause injuries and fatalities.
- To maintain aerial utilities is an expensive, and sometimes hazardous, endeavor.

Underground utilities are immune from most of these concerns.

Beginning in approximately the 1970's wiring for new power and communications systems began to be installed underground. Many communities now require that underground utilities be installed in new housing developments and business parks.

Little effort has been exerted, however, to move existing aerial utilities underground. A national policy to require aerial utility service to transition to underground conduit would present many advantages.

- Service would be safer and more reliable. Weather would not disrupt service.
- Downed power lines would no longer endanger public safety.
- Utility companies would have an opportunity to upgrade to newer components.
- The transition would improve the efficiency of the energy grid.
- National security, to the extent that it depends on protecting communications and power transmission services, would be enhanced.
- To eliminate the need for utility poles would protect the Nation's forests.
- The natural beauty of the landscape would be enhanced by eliminating aerial lines.
- Jobs would be created. Employment would increase in many economic sectors. Manufacturers of cable, fiber optics materials, electrical components, electronic components, equipment for removing aerial lines and for installing underground lines would experience increased demand. A considerable amount of labor, both skilled and unskilled, would be required to accomplish this transition.

One reason for which public utilities and communities have not already moved aerial utilities underground appears to be inertia — it is simply easier to leave aerial lines in

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place. Another reason is cost — to install underground service is estimated to range from twice the cost of aerial service to as much as fifteen times depending upon the facts and circumstances of each installation. In addition to the cost of establishing underground service there would be costs associated with removing aerial lines.

Still, the advantages are well worth having.

Consider the alternative . . . does it make sense to take no action so that our older communities will continue to have antiquated aerial utilities while newer communities have contemporary utility service? Should we want to set a course so that the Nation will still be crisscrossed with aerial utilities, with their various shortcomings, a hundred years from now? . . . or even permanently?

The United States is a country that can do much better than that.

The costs of an extremely ambitious initiative, such as this one, often can be made more manageable by implementing it gradually — essentially breaking a large project into many small ones. If, for example, Congress were to establish a requirement to move two percent (2%) of existing aerial utilities to underground locations in each of the next fifty years the annual cost would most likely not be burdensome.

That, in fact, is most likely too slow a pace. Perhaps to move four percent (4%) in each of the next twenty-five years or five percent (5%) in each of the next twenty years would represent a more reasonable goal.

It would appear reasonable for this initiative to be paid for via a temporary surcharge on the amounts billed to customers of the public utilities affected by this proposal. Temporary means that the surcharge would apply only during the lifetime of the project. If, for example, Congress were to set a twenty-five year horizon to project completion the surcharge would expire at the end of that period.

It would be appropriate for the public utility commissions in each state to set the amount of surcharge and to superintend implementation of this initiative within its jurisdiction. The federal government would provide regulatory oversight and guidance.