

Office of Regulatory Management
Economic Review Form

Agency name	Department of Energy
Virginia Administrative Code (VAC) Chapter citation(s)	4VAC25-40
VAC Chapter title(s)	Safety and Health Regulations for Mineral Mining
Action title	Regulatory action related to towing equipment
Date this document prepared	October 11, 2024
Regulatory Stage (including Issuance of Guidance Documents)	Fast-Track

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>This action aims to reduce regulatory burden by providing additional pathways to compliance for mineral mine operators related to tow bar requirements for heavy machinery. Federal guidance (MSHA) allows for other measures to ensure safety and continuation of operations. Tow bars designed to handle the weight of heavy-duty off-road mining equipment are specialty items which require different adapters to fit different equipment types. Adapters are often required for both the towing and towed equipment. This makes these tow bars sometimes difficult to obtain and expensive. Maintaining an inventory of multiple different adapters for each piece of equipment adds considerably to the expense especially when it is not known when and if they will be needed. Not having the tow bar or the correct adapter readily available may facilitate the need to repair the machinery in the field where it failed causing delays in production. For the purposes of this discussion, an internet search of towbars for heavy-duty off-road equipment was conducted and indicated a product capable of towing a front end loader. In speaking with an equipment representative, it was determined that these units are made per order based on the specifications of both the towed and towing vehicle. A cost estimate was obtained for a tow bar that is capable of a dozer towing a front end loader. That estimate indicated that the cost was roughly \$52,000 with a delivery time of 10 weeks from time of approval. This would be a significant investment for an operation for a piece of equipment that it may never need to utilize. The 10 week lead time is prohibitive for ordering the tow-bar on an as-needed basis. By reducing the regulatory burden, this action will potentially save mineral mine operations upwards of \$52,000 for equipment and an estimation of \$10,000 to \$15,000 of potential lost revenue per hour of production downtime.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs</p>	<p>Direct & Indirect Benefits</p>
	<p>(a) None</p>	<p>(b) Savings potential of \$10,000s + for cost of equipment and around \$10,000-\$15,000/per hour of production downtime.</p>
<p>(3) Net Monetized Benefit</p>	<p>As an example, estimated savings for mineral mine operations is around \$6 million dollars. [Cost of Equipment (\$52,000) + Lost Production Time Value Waiting on Equipment (\$15,000x 10 weeks at 8 hours/day)]. Savings per operator will be lower as towing equipment is rarely required and specific towing equipment costs will vary based on need.</p>	
<p>(4) Other Costs & Benefits (Non-Monetized)</p>		

(5) Information Sources	Virginia Department of Energy Mineral Mining Program.
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Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs & Benefits (Monetized)	Maintaining this regulation as-is will continue to cost the regulated community upwards of \$52,000 + for cost of equipment and around \$10,000-\$15,000/per hour of production downtime.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$52,000 + for cost of equipment and around \$10,000-\$15,000/per hour of production downtime.	(b) None
(3) Net Monetized Benefit	None	
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources	Virginia Department of Energy Mineral Mining Program.	

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	Alternatives to this change would be to retain the regulation in its current form. Thus, it would continue to cost the regulated community upwards of \$52,000 + for cost of equipment and around \$10,000-\$15,000/per hour of production downtime.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$52,000 + for cost of equipment and around \$10,000-\$15,000/per hour of production downtime.	(b) None
(3) Net Monetized Benefit	None	
(4) Other Costs & Benefits (Non-Monetized)		

(5) Information Sources	Virginia Department of Energy Mineral Mining Program.
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Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	This action most benefits the regulated community with reduce regulatory burden and additional cost-saving measures. The regulatory actions provided the regulated community additional pathways of compliance and costly savings on equipment and lost production value.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) None	(b) Savings of \$52,000 + for cost of equipment and around \$10,000-\$15,000/per hour of production downtime.
(3) Other Costs & Benefits (Non-Monetized)		
(4) Assistance		
(5) Information Sources	Virginia Department of Energy Mineral Mining Program.	

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	This regulation will not impact families.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits

	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Information Sources		

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	This action most benefits the regulated community with reduce regulatory burden and additional cost-saving measures. The regulatory actions provided the regulated community additional pathways of compliance and costly savings on equipment and lost production value.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) None	(b) Savings of \$52,000 + for cost of equipment and around \$10,000-\$15,000/per hour of production downtime.
(3) Other Costs & Benefits (Non-Monetized)		
(4) Alternatives		
(5) Information Sources	Virginia Department of Energy Mineral Mining Program.	

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
130-882	(M/A):	0	0	0	0
	(D/A):	1	0	1	-1
	(M/R):	0	0	0	0
	(D/R):	1	0	1	-1
Grand Total of Changes in Requirements:					(M/A):0 (D/A):-1 (M/R):0 (D/R):-1

Key:

Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:

(M/A): Mandatory requirements mandated by federal and/or state statute affecting the agency itself

(D/A): Discretionary requirements affecting agency itself

(M/R): Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies

(D/R): Discretionary requirements affecting external parties, including other agencies

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
130-882	N/A	N/A	N/A	N/A

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved*	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden
130-882	N/A	N/A

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Word Count	New Word Count	Net Change in Word Count
130-882	N/A	N/A	N/A

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).