

## Report on Telecommunications Study

Excerpt from the WCIRB Classification and Rating Committee Minutes  
January 23, 2018

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# **Telecommunications Study**

***7600, Telecommunications Companies – all employees – including installation, maintenance, repair and operation of telephone lines and systems, remote transmission sites, and central office switching equipment – including shop***

***7606, Cable or Satellite Television Companies – all employees – including operation, maintenance, extension of lines and making service connections – including shop***

## **Executive Summary**

### **Objective**

The telecommunications industry is evolving with technological changes so the WCIRB undertook a comprehensive review of the operations that are currently assigned to Classifications 7600 and 7606 to determine if the distinctions between these two classifications are still applicable for these converging industries. Classification 7600 is currently assigned to Federal Communications Commission (FCC) licensed telecommunications companies engaged in providing wireline, long distance and cellular telephone services, radio paging or mobile radio services. This classification also applies to Internet Service Providers that provide internet connectivity using telecommunications infrastructure. Classification 7606 is currently assigned to FCC licensed companies that provide cable or satellite television services, and Internet Service Providers that provide internet connectivity using cable or satellite infrastructure. Thus, the key distinguishing factor between these classifications is the delivery method of the services being provided, with connectivity via telecommunication infrastructure being assigned to Classification 7600 and connectivity via cable and satellite infrastructure being assigned to Classification 7606.

The goal of this study is to determine how best to classify these operations given the current state of the affected industries and to clarify the intended scope of each classification.

### **Findings**

Based on staff's review, the WCIRB determined:

1. The industries described by Classifications 7600 and 7606 are converging and employers that have been assigned to Classification 7600 often compete with and provide similar services as those assigned to Classification 7606. This has resulted in the original classification distinctions becoming outdated and the lines of demarcation between Classifications 7600 and 7606 being blurred.
2. In California, unlike other jurisdictions, subcontractors to the telecommunications and cable or satellite television service providers are not assignable to Classification 7600 or 7606 as these classifications are strictly limited to service providers licensed by the FCC. In addition, unlike California, other jurisdictions utilize Classification 7600 for both telecommunication and cable or satellite TV service providers. This has caused confusion with respect to the assignment of California employers that provide telecommunications, cable and satellite television services and their subcontractors.
3. The Selected (Unlimited) Loss to Payroll Ratio at Policy Year 2018 Level for employers assigned to Classification 7600 is significantly lower than that for Classification 7606. However, much of this difference is attributable to the experience of a few very large employers and actuarial testing shows that the differences between the members of the two groups are not statistically significant. In addition, there are very few differences in the distribution of injuries or typical wage levels in the industry between the two classifications.
4. The indicated Selected (Unlimited) Loss to Payroll Ratio for Classifications 7600 and 7606 combined prior to the application of any limitation is 17% higher than the Selected (Unlimited) Loss to Payroll Ratio for Classification 7600 and 29% lower than that for Classification 7606.

## Recommendations

Based on these findings, the WCIRB makes the following recommendations:

1. Eliminate Classification 7606, *Cable or Satellite Television Companies*, and assign its constituents to Classification 7600, *Telecommunications Companies*.
2. Amend Classification 7600 to include employers operating communication services companies that provide telephone, internet, and cable or satellite television connectivity services on a fee basis using wired, wireless or satellite telecommunication or broadband infrastructure.
3. Maintain the FCC licensing restriction in Classification 7600 but amend the classification to apply the licensing restriction solely to providers of telephone, internet and cable or satellite television service connectivity.

## Introduction

The WCIRB reviewed the operations of employers currently assigned to Classifications 7600 and 7606 to determine if the distinctions between these two classifications are still applicable for these technologically converging industries. Classification 7600 is assignable to Federal Communications Commission (FCC) licensed telecommunications companies engaged in the provision of telephone services, including wireline, long distance, and cellular services, and radio paging or mobile radio services. This classification also applies to Internet Service Providers that provide internet connectivity using telecommunications infrastructure. Classification 7606 is assignable to FCC licensed companies that provide cable or satellite television services and Internet Service Providers that provide internet connectivity using cable or satellite infrastructure. Some employers assigned to Classification 7606 also provide telephone services using *Voice over Internet Protocol (VoIP)*. The technologies described by these classifications are converging and employers that have been assigned to Classification 7600 often compete with and provide similar services to those assigned to Classification 7606.

Currently, the key distinguishing factor between employers assigned to Classifications 7600 and 7606 is the delivery method of the service being provided, with service connectivity provided via cellular, fiber optic or copper wire telecommunication infrastructure assigned to Classification 7600 and service connectivity delivered via cable and satellite infrastructure to Classification 7606.

The significant convergence of the telecommunications industry has impacted the way communication service providers deliver connectivity to customers and is responsible for making some services obsolete while allowing growth for newer technologies, such as VoIP, SmartTV and other media streaming deliveries. It also suggests that eventually all voice and data services may belong to a single data stream. For instance, mobile phones have rapidly evolved to handle calls, instant messages, streaming television, photographs, email and internet connectivity. Converged networks usually employ internet protocol (IP). The proliferation of IP-based networks, the growing penetration of broadband internet services, and competition from new service providers are the main drivers of the convergence. Additionally, grant programs like the Broadband Technology Opportunities Program (BTOP)<sup>1</sup> have been established to invest in the development and adoption of wireless broadband throughout the United States, particularly in unserved and underserved areas. Such initiatives further shift the focus of the communication connectivity industry away from traditional delivery methods to new wireless broadband technologies.

The goal of this study is to determine how best to classify these operations given the current state of the affected industries and to clarify the intended scope of each classification.

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<sup>1</sup> The Broadband Technology Opportunities Program (BTOP) is a grant program associated with the American Recovery and Reinvestment Act (ARRA). The grant program was created to promote the development and adoption of broadband throughout the United States particularly in unserved and underserved areas. BTOP will oversee disbursement of \$4.7 billion in a number of categories. The program is expected to create jobs, advance technology and boost the economy. Most projects involve wireless broadband technologies, which are easier and less expensive to deploy in areas of sparse population.

## **Classification History**

Classification 7600 was established in 1927 to apply to telegraph and telephone companies. This classification was amended several times to clarify the application of the classification and to include footnotes regarding the classification of internet services.

Classification 7606 was established in 1984 to apply to cable television companies. This classification was amended several times to clarify the application of the classification and to include footnotes regarding the classification of internet services.

## **Description of Operations**

Classification 7600 applies to employers licensed by the FCC to provide telecommunications services, including traditional wireline telephone companies, long distance telephone service companies, cellular telephone operators, radio paging (beeper) companies, specialized mobile radio (two-way radio) companies and internet providers that provide internet connectivity using telecommunications infrastructure. Classification 7600 includes the installation, maintenance, repair and operation of telephone lines and systems, remote transmission sites and central office switching equipment. Employers in this industry often subcontract certain operations such as the installation or repair of telecommunications equipment, the installation of aerial lines, underground cabling including trenching and placing of conduit, low voltage communications cabling within buildings for voice or data transmission, and the installation and splicing of fiber optic cables at ground level. These contract based operations performed by separate employers are not assignable to Classification 7600 and are instead assignable to the classifications describing the contractor's operations.

Classification 7606 applies to FCC licensed companies that provide cable or satellite television services on a fee basis. This classification also applies to Internet Service Providers that provide internet connectivity using cable or satellite infrastructure. Classification 7606 includes operating, maintaining and extending lines and making service connections. Like employers assigned to Classification 7600, employers in this industry often subcontract certain operations, such as the installation, service or repair of cable television equipment for television or internet connectivity and satellite or non-satellite antennas and antenna equipment for television and internet connectivity, and the installation of aerial lines, underground cabling including trenching and placing of conduit, and low voltage communications cabling within buildings for voice or data transmission. These contract based operations performed by separate employers are not assignable to Classification 7606 and are instead assignable to the classifications describing the contractor's operations.

Both Classifications 7600 and 7606 currently contain a footnote stating that these classifications are only assignable to service providers that are FCC licensed. This limitation is in place to direct that fee-based contractors performing the operations described above for FCC licensed communication companies, and employers engaged in content delivery that do not provide connectivity, are not assignable to Classifications 7600 or 7606.

## **Classification Analysis**

When Classification 7600 was established, the cable television industry did not yet exist. At the time Classification 7606 was established, distinct telephone system and cable television technologies were the industry norm. Current trends, however, focus on internet based and mobile connectivity services as evidenced by the diminishing use of "landline" telephones; the growth of the mobile telephone industry has often replaced the need for "landline" telephones. For television connectivity services, subscriptions to traditional television services available through cable or satellite connectivity providers are declining in popularity in favor of media available over the internet using various streaming services, websites and devices. These internet based media content providers are referred to as "over-the-top" content providers as they do not provide any delivery infrastructure but rather deliver content to viewers via the internet.<sup>2</sup> These internet based media content providers are typically assigned to Classification 8810, *Clerical Office Employees*, or Classification 8859(2), *Internet or Web-Based Application Development or Operation*, as

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<sup>2</sup> *Over-the-top* (OTT) content is a term used in broadcasting and technology business reporting to refer to audio, video and other media transmitted via the Internet as a standalone product, that is, without an operator of multiple cable or direct-broadcast satellite television systems (so-called multiple system operators) controlling or distributing the content.

they do not provide any service connectivity; they only deliver content via infrastructure provided by other companies.

Currently, the National Council on Compensation Insurance (NCCI) assigns both telecommunication and cable or satellite TV service providers to Classification 7600. However, because NCCI does not require that the service provider be FCC licensed, NCCI's Classification 7600 is also assignable to subcontractors performing services for telecommunication and cable or satellite TV service providers.

**Statistical Analysis**

The WCIRB compared the Selected (Unlimited) Loss to Payroll Ratios for Classifications 7600 and 7606 to the Selected (Unlimited) Loss to Payroll Ratio for Classifications 7600 and 7606 combined, based on the Classification Relativities.<sup>3</sup>

Table 1 presents the Selected (Unlimited) Loss to Payroll Ratio for Classification 7600 as it is currently defined at policy year 2018 level:

**Table 1: Classification 7600  
Classification Relativity Data at Policy Year 2018 Level**

Year	Payroll	Losses	Loss to Payroll Ratio
2013	1,312,967,230	50,302,393	3.831
2014	1,358,163,211	57,349,060	4.223
<b>Total</b>	<b>2,671,130,441</b>	<b>107,651,453</b>	

Two-Year Average Loss to Payroll Ratio            4.030  
 Selected (Unlimited) Loss to Payroll Ratio        4.631

Credibility <sup>4</sup>	
Indemnity	Medical
1.00	1.00

<sup>3</sup> The Classification Relativities used in this study are from statewide ratemaking data from the January 1, 2018 Regulatory Filing.

<sup>4</sup> The relativity for each classification in the upcoming policy year is determined based on a comparison of that classification's actual losses per \$100 of payroll and the ratio of losses per \$100 of payroll underlying the current pure premium rate. The "credibilities" assigned to a classification are the statistical weights assigned to that classification's experience as a predictor of future claim experience relative to the loss per \$100 of payroll underlying the classification's current pure premium rate. The predictability or credibilities assigned to a classification's recent historical experience depends on the volume of indemnity and medical claims incurred during the experience period. The WCIRB strives to have classifications that are fully, or 100%, statistically credible based on historical experience over five or fewer years, which means that the classification's relativity in the upcoming policy year can be best estimated using only the loss per \$100 of payroll experience from the latest two-, three-, four- or five-year periods. The WCIRB generally will not recommend the establishment of a new classification if the credibility factors are less than one-half (< 0.50).

Table 2 presents the Selected (Unlimited) Loss to Payroll Ratio for Classification 7606 as it is currently defined at policy year 2018 level:

**Table 2: Classification 7606  
Classification Relativity Data at Policy Year 2018 Level**

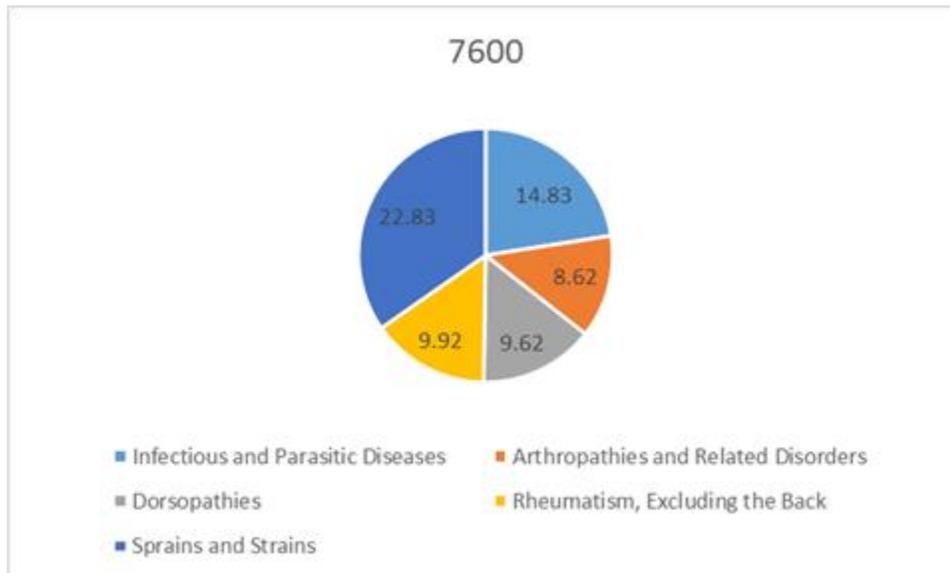
Year	Payroll	Losses	Loss to Payroll Ratio
2013	548,876,079	38,210,061	6.962
2014	550,053,164	34,264,395	6.229
<b>Total</b>	<b>1,098,929,243</b>	<b>72,474,456</b>	

Two-Year Average Loss to Payroll Ratio 6.595

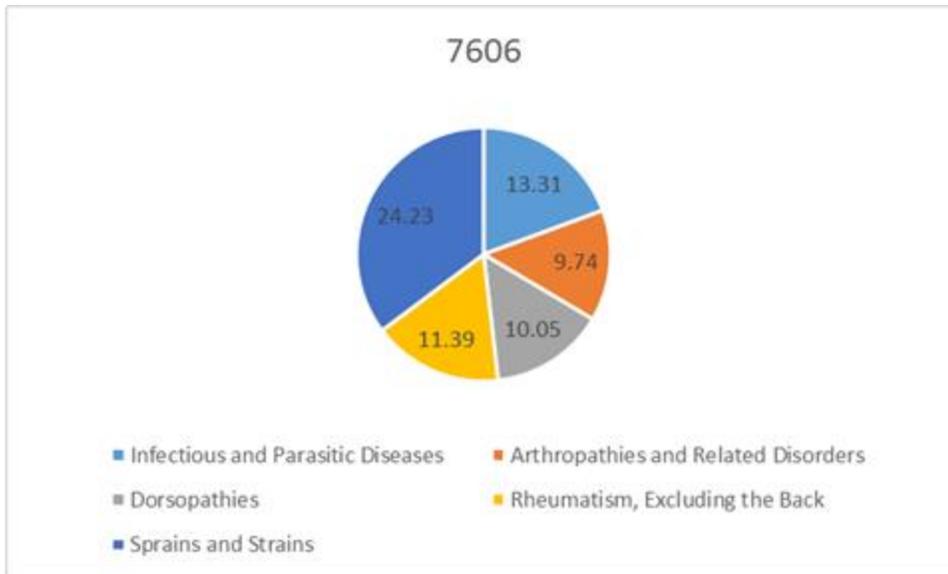
Selected (Unlimited) Loss to Payroll Ratio 7.660

Credibility	
Indemnity	Medical
1.00	1.00

As shown in Tables 1 and 2, the Selected (Unlimited) Loss to Payroll Ratio for employers assigned to Classification 7600 is approximately 40% lower than the Selected (Unlimited) Loss to Payroll Ratio for Classification 7606. However, much of this difference is driven by the experience of three very large employers. Using a standard non-parametric statistical test,<sup>5</sup> staff found that the differences between the risks in the two classifications were not statistically significant. Also, wage level distributions between the two groups were relatively similar and, as shown below, the types of claims, as described by the International Classification of Diseases Codes (ICD), for each classification were also very similar.



<sup>5</sup> The Kruskal-Wallis H test (sometimes also called the “one-way ANOVA on ranks”) is a rank-based nonparametric test that can be used to determine if there are statistically significant differences between two or more groups of an independent variable on a continuous or ordinal dependent variable.



Given this statistical information, the convergence of the two industries and the treatment of these industries in other jurisdictions, the WCIRB has computed a classification relativity for the combined experience of Classifications 7600 and 7606. Table 3 presents the Selected (Unlimited) Loss to Payroll Ratio for Classifications 7600 and 7606 combined at the policy year 2018 level:

**Table 3: Classifications 7600 and 7606 Combined  
Classification Relativity Data at Policy Year 2018 Level**

Year	Payroll	Losses	Loss to Payroll Ratio
2013	1,867,310,073	87,021,637	4.660
2014	1,915,017,624	90,242,739	4.712
<b>Total</b>	<b>3,782,327,696</b>	<b>177,264,375</b>	

Two-Year Average Loss to Payroll Ratio            4.687  
 Selected (Unlimited) Loss to Payroll Ratio        5.403

Credibility	
Indemnity	Medical
1.00	1.00

### Impact Analysis

Table 4 depicts the potential impact on affected policyholders in Classification 7600 if the data currently assigned to Classification 7600 is combined with data currently assigned to Classification 7606.

**Table 4**  
**Comparison of Selected (Unlimited) Loss to Payroll Ratios at Policy Year 2018 Level**  
**7600 vs. 7600 and 7606 Combined**

Classification 7600	Classification 7600 & 7606 Combined	Difference
4.631	5.403	+0.772 (+17%)

As shown in Table 4, the indicated impact for employers currently assigned to Classification 7600 is a 17% increase in the Selected (Unlimited) Loss to Payroll Ratio if Classifications 7600 and 7606 are combined.

Table 5 depicts the impact on affected policyholders in Classification 7606 if the data currently assigned to Classification 7606 is combined with data currently assigned to Classification 7600.

**Table 5**  
**Comparison of Selected (Unlimited) Loss to Payroll Ratios at Policy Year 2018 Level**  
**7606 vs. 7600 and 7606 Combined**

Classification 7606	Classification 7600 & 7606 Combined	Difference
7.660	5.403	-2.257 (-29%)

As shown in Table 5, the indicated impact for employers currently assigned to Classification 7606 is a 29% decrease in the Selected (Unlimited) Loss to Payroll Ratio if Classifications 7600 and 7606 are combined. Typically, the WCIRB limits the annual change in classification relativity to 25%.

### Findings

Based on staff's review of Classifications 7600 and 7606 and the respective industries described by these classifications, the WCIRB determined:

1. The industries described by Classifications 7600 and 7606 are converging and employers that have been assigned to Classification 7600 often compete with and provide similar services as those assigned to Classification 7606. This has resulted in the original classification distinctions becoming outdated and the lines of demarcation between Classifications 7600 and 7606 being blurred.
2. In California, unlike other jurisdictions, subcontractors to the telecommunications and cable or satellite television service providers are not assignable to Classification 7600 or 7606 as these classifications are strictly limited to service providers licensed by the FCC. In addition, unlike California, other jurisdictions utilize Classification 7600 for both telecommunication and cable or satellite TV service providers. This has caused confusion with respect to the assignment of California employers that provide telecommunications, cable and satellite television services and their subcontractors.
3. The Selected (Unlimited) Loss to Payroll Ratio at Policy Year 2018 Level for employers assigned to Classification 7600 is significantly lower than that for Classification 7606. However, much of this difference is attributable to the experience of a few very large employers and actuarial testing shows that the differences between the members of the two groups are not statistically significant. In addition, there are very few differences in the distribution of injuries or typical wage levels in the industry between the two classifications.

4. The indicated Selected (Unlimited) Loss to Payroll Ratio for Classification 7600 and 7606 combined prior to the application of any limitation is 17% higher than the Selected (Unlimited) Loss to Payroll Ratio for Classification 7600 and 29% lower than that for Classification 7606.

### **Recommendations**

Based on these findings, the WCIRB makes the following recommendations:

1. Eliminate Classification 7606, *Cable or Satellite Television Companies*, and assign its constituents to Classification 7600, *Telecommunications Companies*.
2. Amend Classification 7600 to include employers operating communication services companies that provide telephone, internet, and cable or satellite television connectivity services on a fee basis using wired, wireless or satellite telecommunication or broadband infrastructure.
3. Maintain the FCC licensing restriction in Classification 7600 but amend the classification to apply the licensing restriction solely to providers of telephone, internet and cable or satellite television service connectivity.

**Recommendation**

Amend Classification 7600, *Telecommunication Companies*, to include employers operating communication service companies that provide telephone, internet, and cable or satellite television connectivity services on a fee basis using wired, wireless or satellite telecommunication or broadband infrastructure, to clarify its intended application and provide direction as to how related operations should be classified.

PROPOSED

~~TELECOMMUNICATIONS COMPANIES~~ **SERVICE PROVIDERS – all employees – including installation, maintenance, repair and/or operation of telephone lines and systems, remote transmission sites, and central office switching infrastructure or equipment – including shop** 7600

This classification applies to Federal Communications Commission (FCC) licensed telecommunications service companies that provide telephone, internet, or cable or satellite television connectivity services on a fee basis using wired, wireless or satellite telecommunication or broadband infrastructure.

~~Federal Communications Commission licensed companies engaged in the provision of cable or satellite television services or internet connectivity using cable or satellite infrastructure shall be classified as 7606, *Cable or Satellite Television Companies*. Employers engaged in media content delivery using telecommunications or broadband infrastructure that do not provide connectivity services shall be separately classified.~~

The contract installation of aerial lines for telephone, television, communication, data, fire alarm and similar low voltage or fiber optic networks by contractors that are not licensed by the FCC shall be classified as 7601, *Aerial Line Construction*.

The contract installation or repair of telecommunications equipment by contractors that are not licensed by the FCC shall be classified as 5193, *Computer or Telephone System or Equipment Installation, Service or Repair*.

The contract installation of low voltage communications cabling within buildings for voice or data transmission and the contract splicing of fiber optic cables at ground level by contractors that are not licensed by the FCC shall be classified as 5195, *Communications Cabling*.

The contract installation of cables underground, including trenching and placing of conduit, by contractors that are not licensed by the FCC shall be classified as 6325, *Conduit Construction*.

The contract installation, service or repair of satellite or non-satellite antennas and antenna equipment for television and internet connectivity by contractors that are not licensed by the FCC shall be classified as 9531(2), *Satellite Television or Internet Antenna Equipment Installation, Service or Repair*.

The contract installation, service or repair of cable television equipment for television or internet connectivity that does not include antennas, performed by contractors that are not licensed by the FCC, shall be classified as 9516, *Television, Video, Audio or Radio Equipment Installation, Service or Repair*.

The operation of television studios shall be separately classified as 7610, *Radio, Television or Commercial Broadcasting Stations*.

\* \* \* \* \*

**Recommendation**

Eliminate Classification 7606, *Cable or Satellite Television Companies*, and reassign its constituents to the proposed Classification 7600, *Communication Service Providers*.

PROPOSED

**~~CABLE OR SATELLITE TELEVISION COMPANIES — all employees — including operation, maintenance, extension of lines and making service connections — including shop~~** **7606**

~~This classification applies to Federal Communications Commission licensed companies that provide cable or satellite television services on a fee basis. This classification also applies to Internet Service Providers that provide internet connectivity using cable or satellite infrastructure.~~

~~Federal Communications Commission licensed companies engaged in the provision of telephone services or internet connectivity using telecommunications infrastructure shall be classified as 7600, *Telecommunications Companies*.~~

~~The contract installation, service or repair of satellite or non-satellite antennas and antenna equipment for television and internet connectivity shall be classified as 9531(2), *Satellite Television or Internet Antenna Equipment Installation, Service or Repair*.~~

~~The contract installation, service or repair of cable television equipment for television or internet connectivity that does not include antennas shall be classified as 9516, *Television, Video, Audio or Radio Equipment Installation, Service or Repair*.~~

~~The contract installation of aerial lines for telephone, television, communication, data, fire alarm and similar low voltage or fiber optic networks shall be classified as 7601, *Aerial Line Construction*.~~

~~The contract installation of low voltage communications cabling within buildings for voice or data transmission and the contract splicing of fiber optic cables at ground level shall be classified as 5195, *Communications Cabling*.~~

~~The contract installation of cables underground, including trenching and placing of conduit, shall be classified as 6325, *Conduit Construction*.~~

~~The operation of television studios shall be separately classified as 7610, *Radio, Television or Commercial Broadcasting Stations*.~~

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## Amendments to Cross-References for Consistency

### Recommendation

Amend Classification 7601, *Aerial Line Construction*, for consistency with other proposed changes.

### PROPOSED

#### **AERIAL LINE CONSTRUCTION – by contractor – not power lines**

**7601**

This classification applies to the construction, maintenance or repair of aerial lines for telephone, television, communication, data, fire alarm and similar low voltage or fiber optic networks. Such operations include but are not limited to the erection of poles, stringing of wires, installation of transmission equipment on poles and making service connections. This classification also applies to splicing overhead telephone or cable television lines.

The construction, maintenance or repair of aerial lines by electric power, telephone or cable television companies in connection with their own operations shall be classified as 7539, *Electric Power Companies*, or 7600, *Telecommunications Companies Service Providers*, or 7606, *Cable or Satellite Television Companies*, respectively.

The construction of high voltage aerial power lines for other concerns on a fee basis shall be separately classified as 7538, *Electric Power Line Construction*.

The splicing of fiber optic cables at ground level for other concerns on a fee basis shall be separately classified as 5195, *Communications Cabling*.

Underground line construction for other concerns on a fee basis shall be classified as 6325, *Conduit Construction*.

\* \* \* \* \*

### Recommendation

Amend Classification 5193, *Computer or Telephone System or Equipment Installation, Service or Repair*, for consistency with other proposed changes.

### PROPOSED

#### **COMPUTER OR TELEPHONE SYSTEM OR EQUIPMENT INSTALLATION, SERVICE OR REPAIR – shop or outside**

**5193**

This classification applies to the installation, service or repair of computer or telephone systems or equipment, including but not limited to phone speakers, cellular telephones, Voice Over Internet Protocol equipment and desktop, laptop, tablet and computer peripheral equipment, such as monitors, terminals, computer mouse devices, keyboards and computer modems. This classification includes the installation of communications cabling performed in connection with computer or telephone system installation, service or repair operations by the same employer. This classification includes the installation, service or repair of audio or video teleconferencing equipment that is connected to telephone or computer networks. Repair operations may be performed at the shop or at customers' locations.

The manufacture of computers or computer peripheral equipment, and shop repair of computer or computer peripheral equipment by the manufacturer, shall be classified as 3681(2), *Computer or Computer Peripheral Equipment Mfg.*

The manufacture of telephones or telephone equipment, and shop repair of telephones or telephone equipment by the manufacturer, shall be classified as 3681(3), *Telecommunications Equipment Mfg.*

The installation, service or repair of audio/video systems shall be classified as 9516, *Television, Video, Audio or Radio Equipment Installation, Service or Repair.*

The construction of aerial telephone lines shall be classified as 7601, *Aerial Line Construction.*  
The construction of underground telephone lines shall be classified as 6325, *Conduit Construction.*

The installation of low voltage cabling within buildings that is not performed in connection with the installation, service or repair of computers or telephone systems by the same employer shall be classified as 5195, *Communications Cabling.*

The installation, service or repair of office and point of sale machines shall be classified as 5191, *Office Machine or Point of Sale Equipment Installation, Service or Repair.*

The installation, service or repair of telecommunication antennas and equipment that are located on rooftops, towers, structures or other exterior locations shall be classified as 9531(1), *Telecommunication Antenna Equipment Installation, Service or Repair.*

Employers licensed by the Federal Communications Commission that provide wireline, long distance, cellular, radio paging or mobile radio services for customers on a fee basis shall be classified as 7600, ~~*Telecommunications Companies*~~ *Service Providers.*

\* \* \* \* \*

### **Recommendation**

Amend Classification 7610, *Radio, Television or Commercial Broadcasting Stations*, for consistency with other proposed changes.

### **PROPOSED**

#### **RADIO, TELEVISION OR COMMERCIAL BROADCASTING STATIONS – all employees – including Clerical Office Employees and Outside Salespersons 7610**

**The actual remuneration of on-air personalities, entertainers or musicians shall be included, subject to a maximum of \$128,700 per year per person.**

**When such employees do not work the entire year, the payroll limitation shall be prorated based upon the number of weeks in which such employees worked during the policy period.**

This classification applies to Federal Communications Commission licensed radio, television or commercial wireless broadcasting stations. This classification also applies to television studios that are operated by cable television companies. This classification also applies to the operation of music recording studios.

The dissemination of audio or video programming exclusively over the internet shall be classified as 8859(2), *Internet or Web-Based Application Development or Operation.*

Employers licensed by the Federal Communications Commission that provide Companies engaged in the provision of cable or satellite television connectivity services or internet connectivity using cable or satellite infrastructure shall be classified as 7606, Cable or Satellite Television Companies 7600, Communication Service Providers.

Computerized or electronic video or audio post-production for other concerns on a fee basis shall be classified as 7607(1), *Video Post-Production*, and/or 7607(2), *Audio Post-Production*, respectively.

Motion picture production shall be classified as 9610, *Motion Pictures – production*.

\* \* \* \* \*

**Recommendation**

Amend Classification 9531(2), *Satellite Television or Internet Antenna Equipment Installation, Service or Repair*, for consistency with other proposed changes.

PROPOSED

**SATELLITE TELEVISION OR INTERNET ANTENNA EQUIPMENT INSTALLATION, SERVICE OR REPAIR – shop or outside 9531(2)**

This classification applies to the installation, service or repair of satellite and non-satellite antenna-based television and internet connectivity equipment, including but not limited to exterior dish or other antenna components, and switchers, routers, converter boxes, modems and other system components that may be installed indoors or outdoors in connection therewith. This classification includes low voltage cable installation and the connection of television, computer, router and similar connectivity equipment when performed in connection with antenna-based television or internet systems installation, service or repair by the same employer.

The installation of low voltage cabling within buildings that is not performed in connection with the installation, service or repair of antenna-based satellite television and internet connectivity equipment by the same employer shall be classified as 5195, *Communications Cabling*.

The installation, service or repair of cable television equipment for television and internet connectivity that does not include antennas, including but not limited to cable converter boxes, modems, high definition digital video recorders, coaxial cables, connectors and similar items, shall be classified as 9516, *Television, Video, Audio or Radio Equipment Installation, Service or Repair*.

Operations performed by Federal Communications Commission licensed telecommunications companies shall be classified as 7600, ~~Telecommunications Companies~~ Service Providers.

Store operations shall be separately classified.

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**Recommendation**

Amend Classification 9531(1), *Telecommunication Antenna Equipment Installation, Service or Repair*, for consistency with other proposed changes.

PROPOSED

**TELECOMMUNICATION ANTENNA EQUIPMENT INSTALLATION, SERVICE OR REPAIR – shop or outside 9531(1)**

This classification applies to the installation, service or repair of telecommunication antenna equipment located on towers, roofs or balconies of commercial or residential buildings and other exterior locations. This classification includes the installation, service or repair of switching equipment, repeaters, radios and similar electronic equipment and low voltage coaxial cable installation within buildings when performed in connection with telecommunication antenna installation by the same employer. This classification also applies to deployment of temporary, portable cellular antennas.

The installation of low voltage cabling within buildings that is not performed in connection with the installation, service or repair of telecommunication antenna equipment by the same employer shall be classified as 5195, *Communications Cabling*.

Erection of structural steel cellular towers shall be classified as 5040(1), *Iron or Steel Erection – structural and exterior installation*.

Operations performed by Federal Communications Commission licensed telecommunications ~~firm~~companies shall be classified as 7600, ~~Tele~~Communications Companies~~Service Providers~~.

Telecommunication equipment installation within buildings shall be separately classified as 5193, *Computer or Telephone System or Equipment Installation, Service or Repair*.

Store operations shall be separately classified.

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**Recommendation**

Amend Classification 9516, *Television, Video, Audio or Radio Equipment Installation, Service or Repair*, for consistency with other proposed changes.

PROPOSED

**TELEVISION, VIDEO, AUDIO OR RADIO EQUIPMENT INSTALLATION, SERVICE OR REPAIR – shop or outside 9516**

This classification applies to the installation, service or repair of freestanding or built-in audio or video equipment, including but not limited to televisions, stereo systems, home theater systems or similar electronic entertainment devices. This classification also applies to the installation, service or repair of cable television equipment, including but not limited to cable converter boxes, modems, high definition digital video recorders, coaxial cables, connectors or similar items. This classification includes the installation of low voltage cabling or the installation of home security equipment that is performed in connection with audio or video equipment installation, service or repair operations by the same employer.

The installation, service or repair of electronic equipment, including but not limited to audio systems, alarms, ignition interlock devices, vehicle locating systems, navigation systems or entertainment systems in automobiles, trucks or vans shall be classified as 8370, *Automobile or Truck Radio, Alarm or Electronic Equipment Installation, Service or Repair.*

The installation of low voltage cabling within buildings that is not performed in connection with the installation, service or repair of audio or video equipment by the same employer shall be classified as 5195, *Communications Cabling.*

The installation, service or repair of telecommunication antennas or equipment that are located on rooftops, towers, structures or other exterior locations shall be classified as 9531(1), *Telecommunication Antenna Equipment Installation, Service or Repair.*

The contract installation, service or repair of exterior satellite antennas or non-satellite antennas or antenna equipment for television or internet connectivity, which may be installed indoors or outdoors in connection therewith, shall be classified as 9531(2), *Satellite Television or Internet Antenna Equipment Installation, Service or Repair.*

The installation, service or repair of Closed Circuit Television security systems or video surveillance systems not in connection with the installation of electronic entertainment devices shall be classified as 7605, *Security Alarm, Fire Alarm or Life Safety Systems Installation, Service or Repair.*

The installation, service or repair of satellite antennas or equipment for television or internet connectivity by Federal Communications Commission licensed companies that provide cable or satellite television services on a fee basis shall be classified as ~~7606, *Cable or Satellite Television Companies*~~ 7600, *Communication Service Providers.*

The installation, service or repair of computers or electronic computer peripheral equipment shall be classified as 5193, *Computer or Telephone System or Equipment Installation, Service or Repair.*

Store operations shall be separately classified.

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**Recommendation**

Amend Section VIII, *Abbreviated Classifications – Numeric Listing*, for consistency.

PROPOSED

**Section VIII – Abbreviated Classifications – Numeric Listing**

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- 7600      ~~Tele~~Communications Companies ~~Service Providers~~
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- 7606      ~~Cable/Satellite Television Companies~~
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