



February 13, 2025

112 West Street
Annapolis, MD 21401

Oppose – House Bill 626 - Real Estate Development and Highway Rights-of-Way – Installation of Broadband Micro Conduits and Microducts

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) oppose **House Bill 62 - Real Estate Development and Highway Rights-of-Way – Installation of Broadband Micro Conduits and Microducts**. House Bill 626 requires the installation of micro conduits in any utility easement and building power or telecommunication rooms during the new construction or major improvement of certain commercial and residential premises, requires that buried fiber optic cable installed in a highway right-of-way include conduit containing at least seven microducts, and requires the Department of Transportation or a unit of local government to ensure a broadband service provider has access to the conduit on a neutral and nondiscriminatory basis.

Pepco and Delmarva Power are concerned this legislation conflicts with legislation passed by the Maryland General Assembly. In 2021, Maryland passed legislation permitting joint trenching for road work. Section 8-654 of the Maryland Transportation Article allows utilities to install conduit and/or fiber optic cable simultaneously when any utility opens the highway right-of-way. This requires utilities to notify other entities of planned excavation work, enabling coordinated and simultaneous work. This approach reduces road digging frequency, minimizes public disruption, and lowers overall project costs. Enacting House Bill 626 could undermine ongoing project by providers to utilizing joint trenching.

The scope of the legislation is broad and does not make clear if it is applicable to micro conduits installed on overhead wood distribution poles or is targeted at underground construction. The legislation should narrowly focus on “underground micro conduits” because replacing pole infrastructure with new overhead micro conduits is a significant costly investment that should not be pursued lightly. Additionally, from a real estate perspective, this legislation lacks clarity as to the party responsible for owning, constructing and maintaining the micro conduits (or duct bank), both on private property and in public highways.

Further, as written, Pepco and Delmarva Power have concerns that extensive revisions are needed to implement. For instance, the usual practice is for the internet service provider (ISP) to pay for the fiber and conduit needed to connect a multiple tenant environment to the internet.

While we appreciate the bill sponsors intent for the legislation, Pepco and Delmarva Power respectfully request an unfavorable report on House Bill 626 as introduced. We look forward to continuing conversations with the bill sponsor and all stakeholders involved.

Pepco Holdings, the parent company of Pepco, an electric utility serving Washington, D.C., and suburban Maryland; Delmarva Power, an electric and gas utility serving Delaware and portions of the Delmarva Peninsula; and Atlantic City Electric, an electric utility serving southern New Jersey. Anthony and his team are responsible for guiding the company's delivery of reliable and excellent service to more than two million customers in the Mid-Atlantic. Pepco Holdings is a subsidiary of Exelon Corporation, one of the nation's leading energy services companies.

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