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FROM	NAME & TITLE	Robert Cenname, Budget Director	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Finance Room 454, City Hall (410) 396-4940		
	SUBJECT	City Council Bill #19-0354: Underground Conduit System for Cables, Wires and Similar Facilities		

TO

DATE:

The Honorable President and
Members of the City Council
Room 400, City Hall

May 2, 2019

City Council Bill 19-0353 proposes to clarify the location and administration of an underground conduit system for cables, wires, and similar facilities. This legislation requires the Department of Transportation to administer and maintain the conduit system, and to prepare plans and specifications for its repair, maintenance and construction. Additionally, it limits the use of the conduit system to persons who have obtained certain permits and other legal authorizations and have paid certain annual charges, requiring the removal of unauthorized installations as well as relocation of certain facilities. Moreover, it prohibits tampering with, opening or interfering with manholes or conduit system facilities, and authorizes the issuance, service and enforcement of stop-work orders. Violations are punishable as a misdemeanor and violators can be subject to a fine of up to \$1,000 or imprisonment for up to one year, per violation.

Background and History

Baltimore City has a history of unauthorized utilization of its conduit system and infrastructure. According to key stakeholders, violators of conduit regulation have circumvented the law by not entering into a lease agreement with the City. These violators are typically businesses that have taken up space on the conduit system by going into manholes and running fiber without establishing a formal lease agreement. This problem stems from the City's policy on leaving manholes unsecured. Because the City runs electrical lines along steam pipes and other conduit infrastructure – due to the system's age and size – there's an elevated risk of fires and other emergency scenarios. The Fire Department has therefore maintained the need for an easy-to-access conduit system. Free-riders have identified and taken advantage of the system's lack of security and enforcement.

The Department of Transportation is unable to provide figures on the number of unauthorized conduit system users at this time.

Impact and Analysis

The City of Baltimore has 16 million linear feet of conduit system, 14 million of which is occupied by the Baltimore Gas and Electric Company (BGE). In Fiscal 2019 the City is projected to receive \$27.82 million from franchising the conduit system to BGE, while an additional two million linear feet are rented by various companies. In Fiscal 2019, the City expects to generate \$4.16 million from these lease agreements.

The Department of Transportation does not anticipate that additional capacity will be needed to secure and enforce the existing conduit infrastructure. Should the Department require additional resources for future projects and objectives, such as increased enforcement or security measures, support would come from the Conduit Enterprise Fund with no impact to the General Fund.

Currently, violators of conduit system regulation can be subject to a fine of up to \$300 for each day of violation. However, penalties are not actively enforced and the Department of Transportation does not collect or report violations and enforcement data. The proposed legislation subjects violators to a fine of up to \$1,000 per day and the Department intends for this increase to serve as a deterrent. Its primary objective is not to generate revenue but to discourage abuse and increase compliance.

Position

The Department of Finance does not oppose this legislation.

cc: Henry Raymond
Jeffrey Amoros