

**CALENDAR ITEM
C47**

A 33
S 15

10/29/10
WP 8151.1
S.Young

GENERAL LEASE – NON EXCLUSIVE RIGHT OF WAY USE

APPLICANT:

GT Landing II Corp.
200 Park Avenue, Suite 100
Florham Park, NJ 07932

AREA, LAND TYPE, AND LOCATION:

Five acres, more or less, of sovereign lands in the Pacific Ocean, offshore of the city of Grover Beach, San Luis Obispo County.

AUTHORIZED USE:

Continued use and maintenance of one 5.25-inch diameter steel conduit and one fiber optic cable to carry diverse digital communications traffic including, but not limited to, voice, data and video.

LEASE TERM:

15 years, beginning April 20, 2010.

CONSIDERATION:

\$113,550 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

SPECIFIC LEASE PROVISIONS:

Insurance:

No less than \$1,000,000 combined single limit coverage.

Bond:

\$500,000

OTHER PERTINENT INFORMATION:

1. Applicant owns and has the right to use the uplands adjoining the lease premises.
2. On April 20, 2000, the Commission authorized the issuance of a General Lease – Non Exclusive Right of Way Use, to PAC Landing Corp.

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(PAC Landing) for the construction, installation, operation, maintenance and use of one 5.25-inch diameter steel conduit and one fiber optic cable located in the Pacific Ocean, offshore of the city of Grover Beach and extending to the State offshore boundary. The PAC Landing cable system proceeds to Panama from Grover Beach and has a branch connecting to Mexico. The cable was part of the Pacific American Crossing (PAC) submarine cable system, now identified as the South American Crossing cable system, and provides the infrastructure for additional global access to the existing land communication network. At the time the lease was originally authorized, in 2000, PAC Landing was a subsidiary of Global Crossing Ltd. Subsequently, PAC Landing merged with and came to be held by, Global Crossing Telecommunications, Inc. (GCTI). GCTI subsequently assigned its cable landing Federal Communications Commission (FCC) license to GT Landing II Corp (GT II). The pro forma assignment was approved by the FCC on or about April 19, 2010. GCTI and GT II are both indirect, wholly-owned subsidiaries of Global Crossing North America Holdings I, an indirect subsidiary of Temasek Holdings Limited, which has ultimate control of the FCC license.

3. Lease No. PRC 8151.1 expired on April 19, 2010. The original lease contained a provision for a right to renew the lease for one additional period of 15 years, subject to such reasonable terms and conditions as the State may impose. GT Landing II Corp. is now applying for a new lease for the additional 15-year term.
4. In 2003 and 2005, conducted cable burial surveys which indicated the cable burial status had not appreciably changed between the 2003 and 2005 surveys nor since the cables were installed in 2001. The survey reports indicated there was no evidence of cable interaction with fishing gear or with marine mammals.
5. On June 28, 2007, the Commission approved the a Lease Amendment to Lease No. PRC 8451.1. To extend the cable burial inspection survey from the 18-24 month interval to a five-year interval. The next cable verification survey is required to be completed and reports submitted simultaneously to the Commission and the California Coastal Commission (CCC) by the end of 2010. Similar permit conditions exist with the California Coastal Commission (CCC) Coastal Development Permits (CDPs), for which PAC Landing Corp. sought a similar extension.
6. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), staff has determined this activity is exempt from the requirements of CEQA as

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a categorically exempt project. The project is exempt under Class 1, Existing Facilities; Title 2, California Code of Regulations, section 2905(a)(2).

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300 and Title 2, California Code of Regulations, section 2905.

7. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is staff's opinion that the project, as proposed, is consistent with its use classification.

EXHIBIT:

- A. Location and Site Map

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to Title 14, California Code of Regulations, section 15061 as a categorically exempt project. Class 1, Existing Facilities; Title 2, California Code of Regulations, section 2905(a)(2).

SIGNIFICANT LANDS INVENTORY FINDING:

Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code sections 6370, et seq.

AUTHORIZATION:

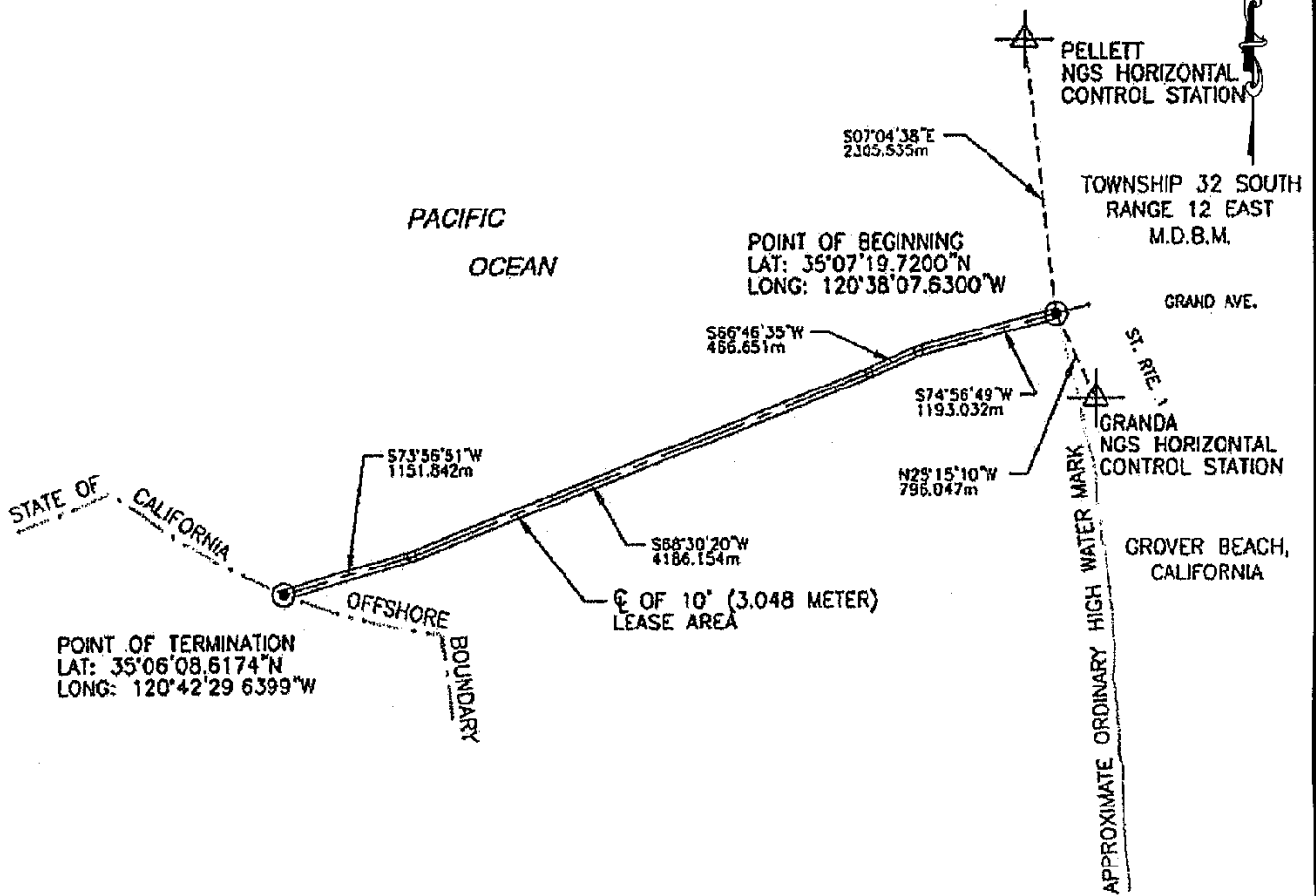
Authorize issuance of a General Lease – Non-Exclusive Right of Way Use to GT Landing II beginning April 20, 2010, for a term of 15 years, for the continued use and maintenance of one 5.25-inch diameter steel conduit and one fiber optic cable as shown on Exhibit A attached (for reference purposes only) and by this reference made a part hereof; Consideration in the amount of \$113,550 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease;

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Liability insurance for combined single limit coverage of not less than \$1,000,000; Surety bond in the amount of \$500,000.

NO SCALE

SITE



GT LANDING II CORP.
 EXISTING STEEL CONDUIT & FIBER OPTIC CABLE

NO SCALE

LOCATION

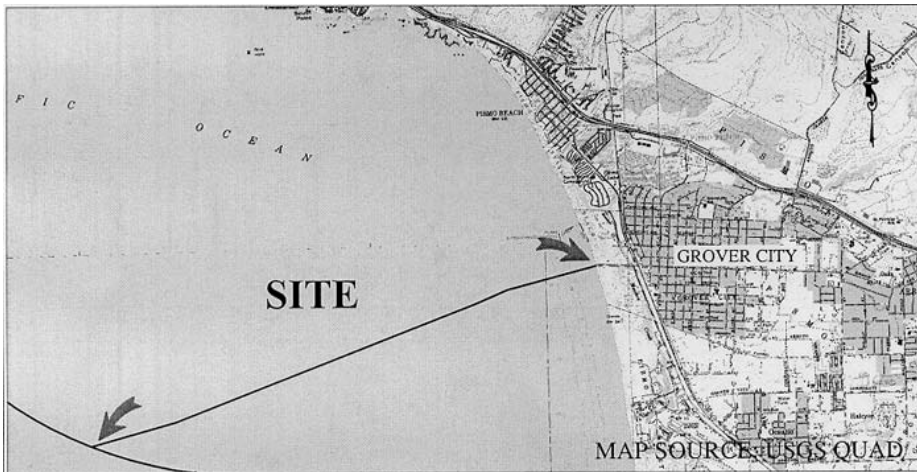


Exhibit A

WP 8151.1
 GENERAL LEASE
 RIGHT OF WAY USE
 GROVER BEACH
 SAN LUIS OBISPO CO.



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.