

**CALENDAR ITEM
C63**

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S 2

08/14/12
PRC 8204
G. Kato

**CORRECTION OF PRIOR AUTHORIZATION OF A GENERAL LEASE –
NON-EXCLUSIVE RIGHT-OF-WAY USE**

LESSEE:

AT&T Corporation
One AT&T Way, Room 3D 151 F
Bedminister, NY 07921

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Pacific Ocean, offshore of Montaña de Oro State Beach,
San Luis Obispo County

AUTHORIZED USE:

Continued use and maintenance of one fiber optic cable, identified as the south end of Segment 9, which constitutes a portion of the Japan-U.S. Fiber Optic Cable Network.

LEASE TERM:

15 years, beginning July 1, 2010

CONSIDERATION:

\$96,697 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 has the right to use the upland adjoining the lease premises.
2. On June 27, 2000, the Commission authorized the issuance of a General Lease – Non-Exclusive Right-of-Way Use, Lease No. PRC 8204.1, to AT&T Corp. (AT&T) for the proposed Japan-U.S. Cable Network System (System).

CALENDAR ITEM NO. **C63** (CONT'D)

The System included the construction of the south end of Segment 9, a fiber optic cable to be installed in an existing empty conduit located at Montaña de Oro State Beach in San Luis Obispo County. The existing empty conduit, authorized by Lease No. PRC 8142.1, was issued to MFS Globenet Inc. (MFS), and authorized by the Commission on February 3, 2000. Both MFS and AT&T are members of a multi-member consortium (the Consortium) that owns the Japan-U.S. Cable Network. Under the agreement, MFS retains ownership of the conduit authorized by Lease No. PRC 8142.1 and AT&T is responsible for the lease (Lease No. 8204.1) for the fiber optic cable seaward of the conduit.

3. On October 29, 2010, the Commission authorized the issuance of a General Lease – Non-Exclusive Right-of-Way Use, Lease No. PRC 8151.1, to AT&T for the continued use and maintenance of one fiber optic cable, identified as the south end of Segment 9, which constitutes a portion of the Japan-U.S. Cable Network. The authorization by the Commission reflected an error when identifying the Lease Number. The lease number should have been Lease No. PRC 8204.1. Commission staff is now requesting authorization to correct the error.
4. The staff recommends that the Commission find that the subject correction of prior authorization does not have a potential for resulting in either a direct or a reasonable foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378.

EXHIBIT:

- A. Location and Site Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the subject correction of prior authorization is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

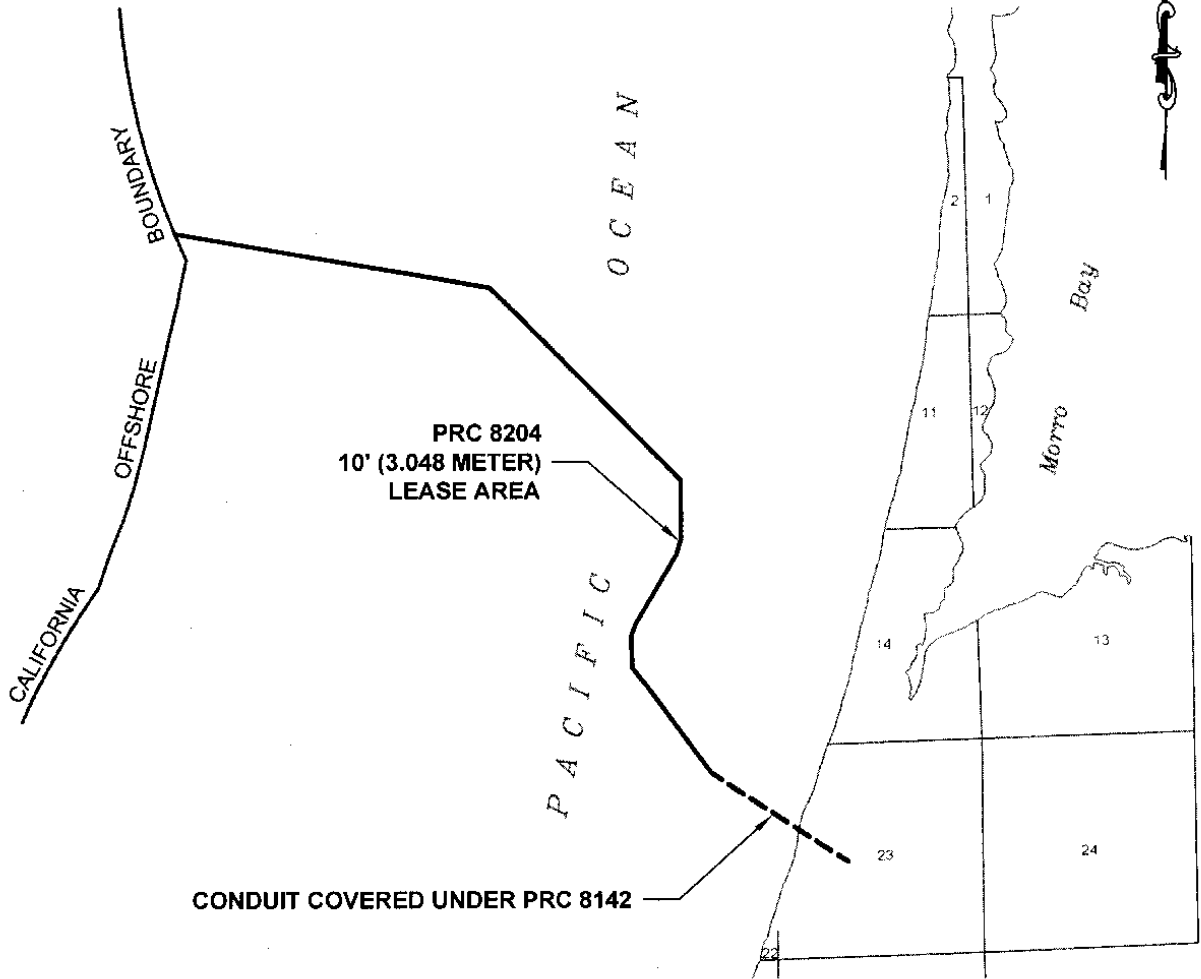
CALENDAR ITEM NO. **C63** (CONT'D)

AUTHORIZATION:

Authorize the correction of prior authorization of a General Lease – Non-Exclusive Right-of-Way Use to AT&T Corp, beginning July 1, 2010, for a term of 15 years, for the continued use and maintenance of one fiber optic cable as shown on Exhibit A attached (for reference purposes only) and by this reference made a part hereof to reflect Lease No. PRC 8204.1.

NO SCALE

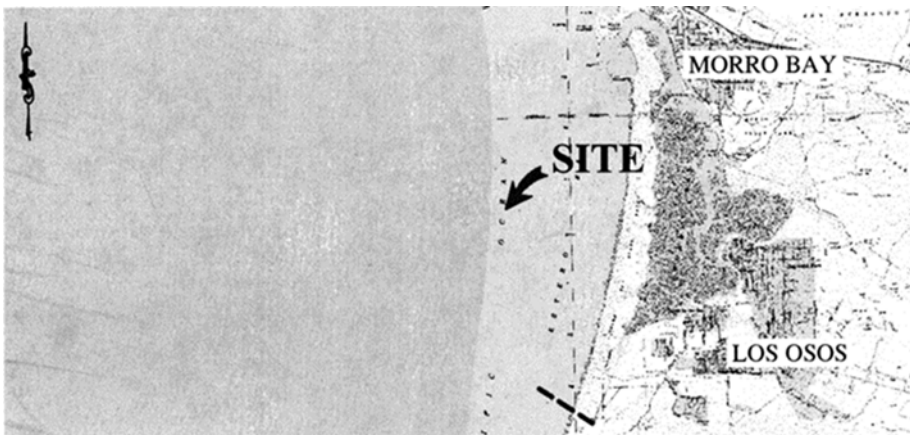
SITE



AT&T FIBER OPTIC CABLE AND CONDUIT

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

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.

Exhibit A

PRC 8204
AT&T CORP.
GENERAL LEASE -
NON-EXCLUSIVE ROW
SAN LUIS OBISPO CO.



JAK 7/12/12