

MINUTE ITEM
This Calendar Item No. C53 was approved as
Minute Item No. 53 by the California State Lands
Commission by a vote of 3 to 0 at its
9/19/00 meeting.

CALENDAR ITEM
C53

A 8
S 4

September 19, 2000
PRC 8156.9 WP 8156.9
N. Smith

SUBLEASE/AMENDMENT

LESSEE/SUBLESSOR:

Level 3 Communications, LLC
1025 El Dorado Drive
Broomfield, Colorado 80021

SUBLESSEE:

Williams Communication, Inc.
110 West 7th Street, Suite 800
Tulsa, Oklahoma 74121

AREA, LAND TYPE, AND LOCATION:

Sovereign lands in Cordelia Slough, near city of Fairfield, Solano County.

AUTHORIZED USE:

PERMIT:

The existing permit presently authorizes the installation, operation, and use of an 11-inch diameter conduit containing twelve (12) innerducts, four of which will each contain one fiber optic cable.

TERM:

PERMIT: Continuous use plus one year beginning April 20, 2000.

CONSIDERATION:

No monetary consideration shall be charged for the placement, use and maintenance of fiber optic cables or other similar transmission devices placed by those qualifying under the scope of Section 7901 of the Public Utilities Code.

PROPOSED AMENDMENT:

The proposed amendment (the "Amendment and Consent to Sublease") will authorize Williams Communication Inc. ("Williams") to utilize three (3) innerducts

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and three (3) fiber optic cables within the right of way at Cordelia Slough created under PRC No. 8156.9; increase the number of innerducts and cables authorized at the Cordelia Slough crossing from twelve (12) innerducts to a total of fifteen (15) and the number of fiber optic cables from four (4) to a total of seven (7), provide that Level 3 Communications, LLC ("Level 3") and Williams are jointly and severally liable for the performance of all covenants and obligations arising under the Permit; and provide that Williams shall abide by all of the terms, conditions and limitations of the Permit. The proposed amendment will further provide for the lapse of Permitter's authorization for fiber optic cable not installed and placed in service within ten (10) years after authorization. All other terms and conditions of the Permit shall remain in effect without amendment.

OTHER PERTINENT INFORMATION:

1. At its April 20, 2000, meeting the Commission authorized a Permit for Telephone Right of Way to Level 3 Communications, LLC. The Permit authorized the installation, operation, maintenance and use of a fiber optic cable system underneath nine sovereign waterways. This project serves Level 3's national long-haul network from Sacramento to Los Angeles.
2. At its June 27, 2000, meeting the Commission approved Williams Communications, Inc.'s, route from Pt. Arena to Sacramento as part of its nationwide fiber optic network in California. The above route included a crossing at Cordelia Slough. Williams is now seeking the approval of the Commission to locate its Cordelia Slough crossing within the right of way created under Permit PRC 8156.9.
3. Level 3 Communications and Williams Communications entered into a sublease of a portion of Permit PRC 8156.9, dated August 28, 2000. Under the terms of this Sublease, Level 3 will allow Williams Communications to install three innerducts at the Cordelia Slough crossing and each innerduct will contain one fiber optic cable.
4. Williams has represented to Permitter that (i) it is a "telephone corporation" within the meaning of Public Utilities Code Section 234, (ii) that the authorized improvements to be located within the right of way ("ROW") applied for herein constitute "telephone line" within the meaning of Section 233 of the Public Utilities Code, (iii) it is authorized to provide intrastate telephone services pursuant to its Certificate of Public Convenience and Necessity ("CPCN"), Decision 99-10-062 issued by the California Public Utilities Commission, (iv) it is authorized to handle

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interstate and international telecommunication traffic in accordance with 47 USC § 214, and (v) the authorized improvements will be operated by it as a public utility for the purpose of providing telephone service to the public on a non-discriminatory basis.

5. As to the amendment and consent to sublease, pursuant to the Commission's delegation of authority and State CEQA Guidelines (Title 14, California code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

6. Level 3 Communications prepared a Mitigated Negative Declaration and was adopted for this project by the CPUC. The California State Lands Commission's staff has reviewed such document. A Mitigation Monitoring Program was adopted by the CPUC.
7. Williams Communication prepared a Subsequent Mitigated Negative Declaration for their Pt. Arena to Sacramento route that adopted by the CPUC. The California State Lands Commission staff has reviewed such document. A Mitigation Monitoring Program was adopted by the CPUC.
8. 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 the staff's opinion that the project, as proposed, is consistent with its use classification.

EXHIBIT:

- A. Location Plat

PERMIT STREAMLINING ACT DEADLINE:

February 27, 2001

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RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

AS TO THE AMENDMENT AND CONSENT TO SUBLEASE, FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AS TO LEVEL 3 COMMUNICATIONS, FIND THAT A MITIGATED NEGATIVE DECLARATION WAS PREPARED AND ADOPTED FOR THIS PROJECT BY THE CALIFORNIA PUBLIC UTILITIES COMMISSION AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.

AS TO WILLIAMS COMMUNICATIONS, FIND THAT A SUBSEQUENT MITIGATED NEGATIVE DECLARATION AND A MITIGATION MONITORING PROGRAM WERE PREPARED AND ADOPTED FOR THIS PROJECT BY THE CALIFORNIA PUBLIC UTILITIES COMMISSION AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.

ADOPT THE MITIGATION MONITORING PROGRAM FOR BOTH DOCUMENTS, A COPY OF EACH IS AVAILABLE IN THE OFFICE OF THE CSLC.

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.

FINDING OF NON-INTERFERENCE WITH PUBLIC USE PURSUANT TO PUBLIC UTILITIES CODE SECTION 7901:

FIND THAT THE AUTHORIZED IMPROVEMENT WILL NOT

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UNREASONABLY INTERFERE WITH THE PUBLIC USE OF THE PREMISES OR INTERRUPT THE NAVIGATION OF THE OVERLYING WATERS IF CARRIED OUT IN ACCORDANCE WITH THE TERMS, CONDITIONS AND CONVENANTS OF THE PERMIT.

AUTHORIZATION:

AUTHORIZE AMENDMENT OF PRC 8156.9, EFFECTIVE SEPTEMBER 19, 2000, TO PROVIDE FOR: 1) THE INSTALLATION, OPERATION AND USE OF THREE ADDITIONAL INNERDUCTS, EACH CONTAINING A SINGLE FIBER OPTIC CABLE LOCATED IN LEVEL 3'S CONDUIT AT THE CORDELIA SLOUGH CROSSING, AS MORE PARTICULARLY SHOWN ON EXHIBIT A, ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF AND; 2) THE LAPSE OF THE COMMISSION'S AUTHORIZATION TO INSTALL AND OPERATE FIBER OPTIC CABLE AS TO ANY SUCH CABLE NOT INSTALLED AND PLACED IN SERVICE WITHIN A PERIOD OF TEN YEARS AFTER THE DATE SUCH AUTHORIZATION WAS GRANTED BY THE COMMISSION; ALL OTHER TERMS AND CONDITIONS OF THE PERMIT WILL REMAIN IN EFFECT WITHOUT AMENDMENT.

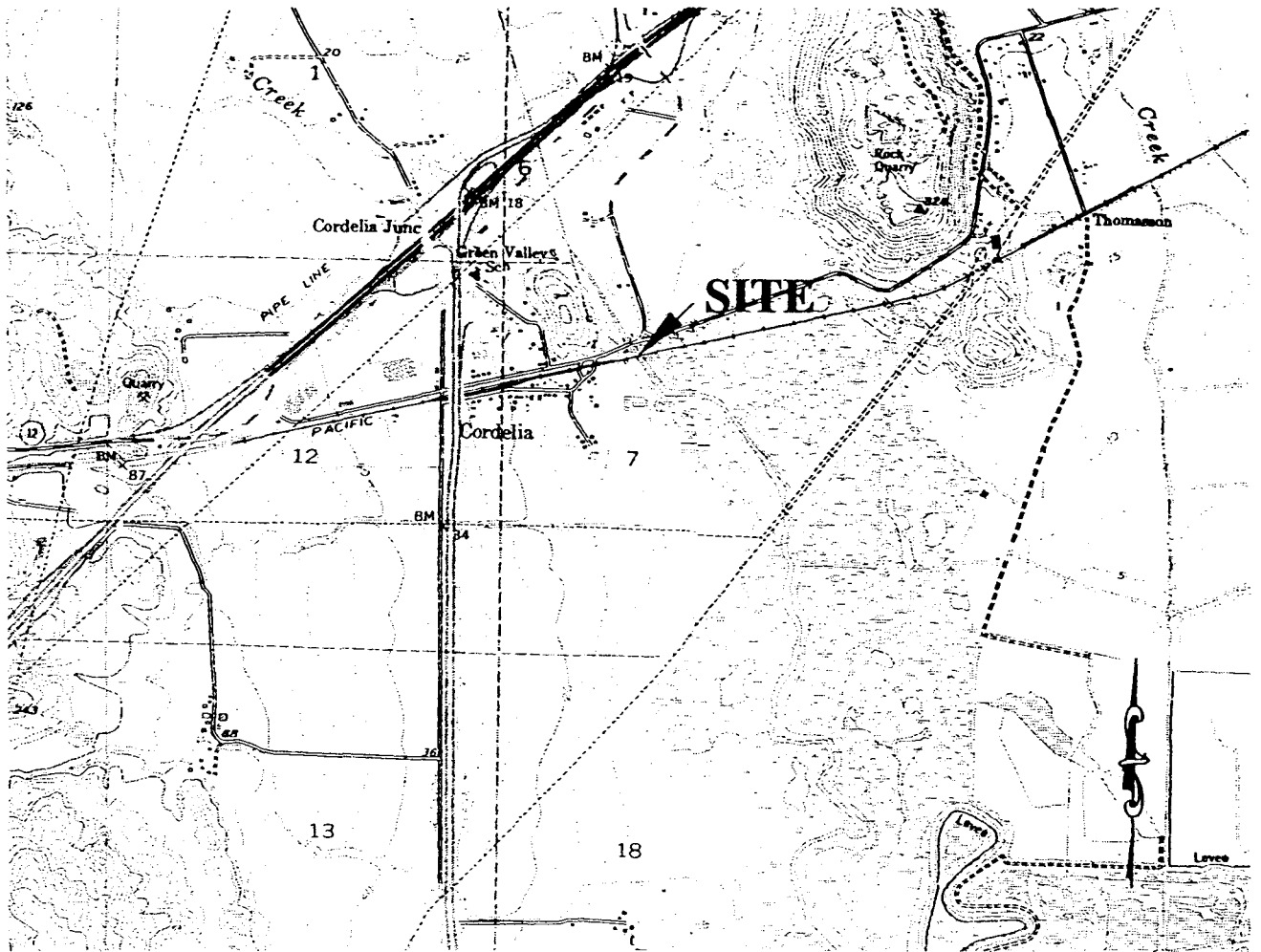
AUTHORIZE A SUBLEASE FROM LEVEL 3 COMMUNICATIONS, INC. TO WILLIAMS COMMUNICATIONS, INC. OF A PORTION OF THE PERMIT NO. PRC 8156.9 COVERING THE CORDELIA SLOUGH CROSSING, MORE PARTICULARLY SHOWN ON EXHIBIT A, EFFECTIVE SEPTEMBER 19, 2000, UNTIL TERMINATION OF PERMIT; SUBJECT TO ALL OF THE TERMS, CONDITIONS AND LIMITATIONS OF THE PERMIT.

AUTHORIZE THE EXECUTIVE OFFICER TO EXECUTE ALL DOCUMENTS AND TAKE SUCH MEASURES AS MAY BE NECESSARY OR CONVENIENT TO IMPLEMENT THE COMMISSION'S ACTION.

NO SCALE

LOCATION MAP

Cardelia Slough



NO SCALE

CALIFORNIA MAP



EXHIBIT A

WP 8156.9

Level 3 Communications

Cordelia Slough

SOLANO COUNTY

This Exhibit is solely for purposes of generally defining the lease premises, and is not intended to be, nor shall it be construed as, a waiver of limitation of any state interest in the subject or any other property.

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