

MINUTE ITEM

This Calendar Item No. C14 was approved as Minute Item No. 14 by the California State Lands Commission by a vote of 3 to 0 at its 9-17-01 meeting.

**CALENDAR ITEM
C14**

A 35
S 18

09/17/01
PRC 8154.1
B. Dugal

AMENDMENT OF LEASE

LESSEE:

AT&T Corp.
1200 Peachtree Street NE, Room PA 100
Atlanta, Georgia 30309

AREA, LAND TYPE, AND LOCATION:

Sovereign lands located in the Pacific Ocean, offshore of the city of Morro Bay, San Luis Obispo County.

AUTHORIZED USE:

The maintenance and use of one 3.75-inch steel conduit and one fiber optic cable.

LEASE TERM:

Ten years, beginning April 20, 2000, with the right to renew for one additional period of 15 years, subject to such reasonable renewal terms and conditions as the State may impose.

CONSIDERATION:

\$135,244 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

PROPOSED AMENDMENT:

Reduce the amount of the surety bond or other security required from \$1,000,000 to \$500,000. All other terms and conditions of the Lease shall remain in effect without amendment.

OTHER PERTINENT INFORMATION:

1. Applicant has the right to use the uplands adjoining the lease premises.

On April 20, 2000, the California State Lands Commission (Commission) approved the issuance to AT&T Corp. of a General Lease – Right of Way

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Use, Lease No. PRC 8154.1, that authorized AT&T to install two fiber optic cables (the China US S7 and E1 cables) into an existing conduit. Due to unanticipated engineering problems, AT&T abandoned its plans to install the China US E1 cable into the PRC 8154.1 right of way. On April 24, 2001, the Commission approved AT&T's application to amend Lease PRC 8143.1 to authorize the installation of the China US E1 cable therein. As a result, PRC 8154.1 will contain only the China US S7 cable.

3. The amount of bond under PRC 8154.1 was originally set at \$1,000,000 because AT&T was authorized to place two fiber optic cables into the right of way. In light of the fact that AT&T is now authorized to install and operate only one fiber optic cable within the right of way, staff believes it appropriate to reduce the amount of bond accordingly, from \$1,000,000 to \$500,000.
4. Pursuant to the Commission's delegation of authority and the 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.

EXHIBIT:

- A. Site/Location 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 THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

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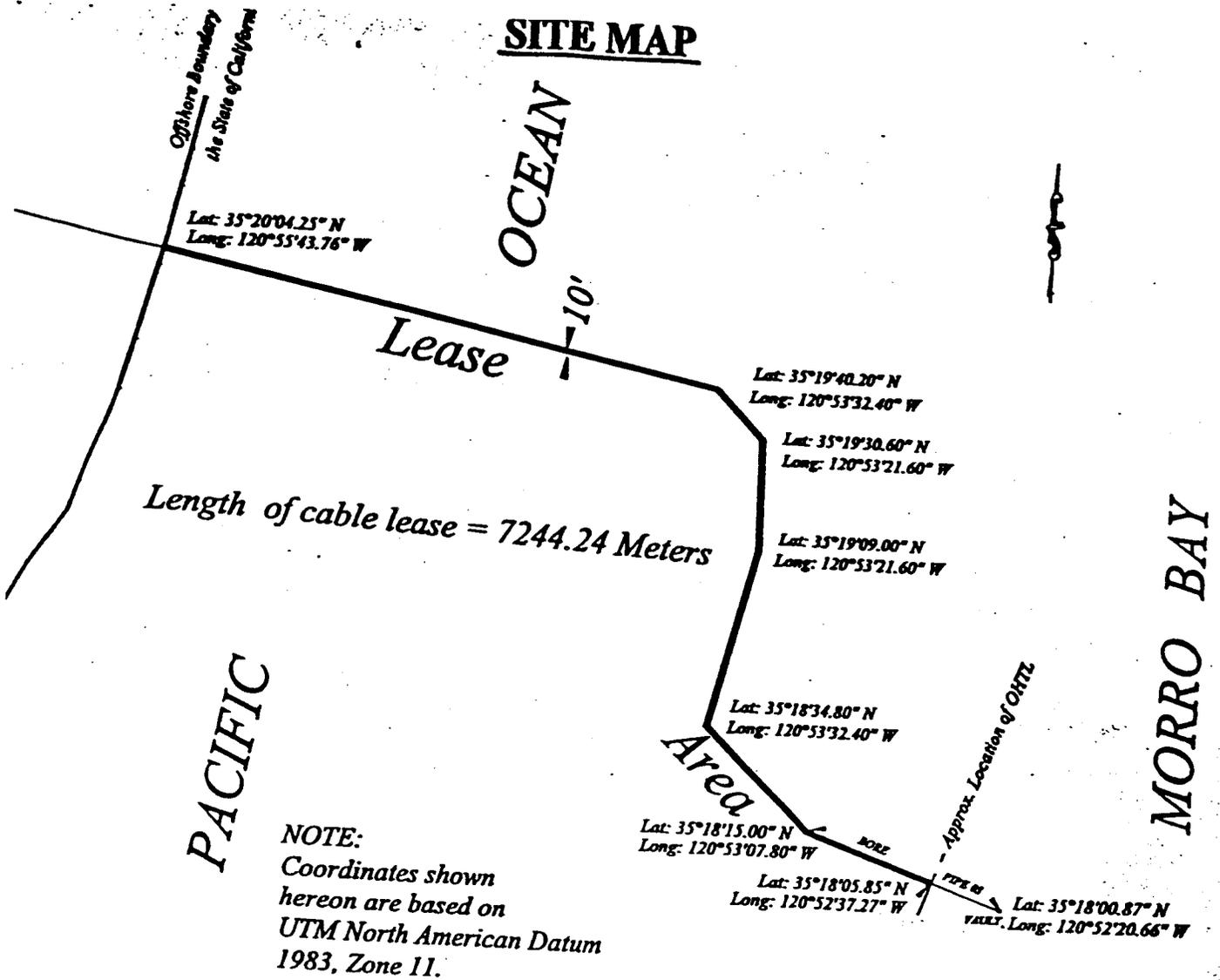
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AUTHORIZATION:

AUTHORIZE THE AMENDMENT OF LEASE NO. PRC 8154.1, A GENERAL LEASE - RIGHT OF WAY USE, OF LANDS SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF, EFFECTIVE APRIL 20, 2001, TO REDUCE THE AMOUNT OF THE SURETY BOND OR OTHER SECURITY FROM \$1,000,000 TO \$500,000; ALL OTHER TERMS AND CONDITIONS OF THE LEASE WILL REMAIN IN EFFECT WITHOUT AMENDMENT.

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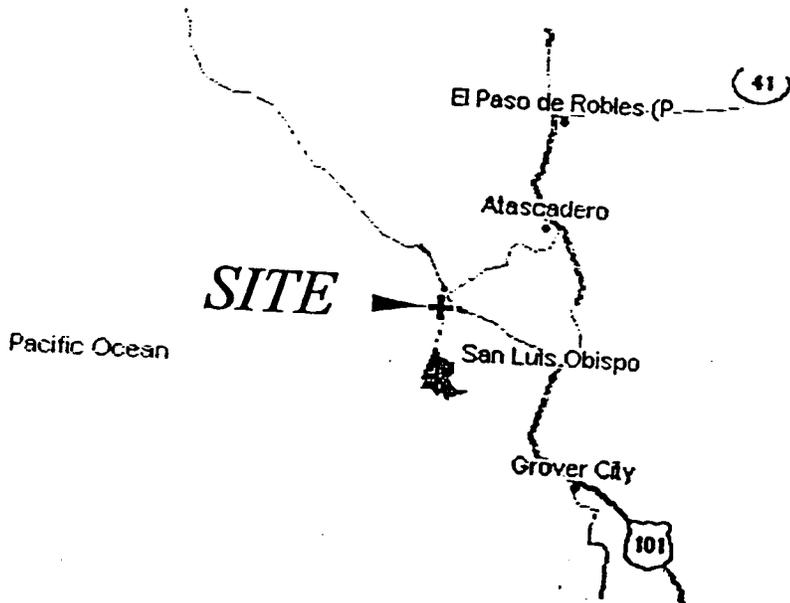
SITE MAP



NOTE:
Coordinates shown
hereon are based on
UTM North American Datum
1983, Zone 11.

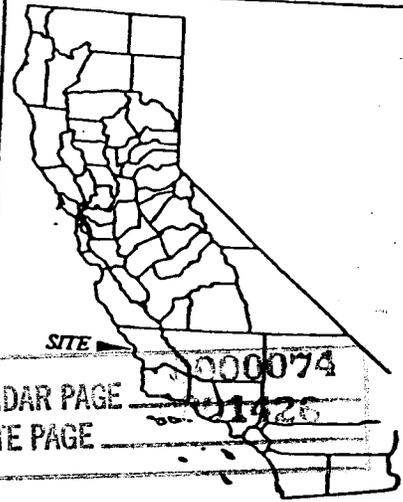
NO SCALE

LOCATION MAP



**EXHIBIT A
PRC 8154**

China U.S. Seg. S7
FIBEROPTICS CABLE
PACIFIC OCEAN
SAN LUIS OBISPO 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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