MINUTE ITEM
This Calendar Item No. C48 was approved as Minute Item No. 48 by the California State Lands Commission by a vote of 3 to 0 at its 06/28/07 meeting.

CALENDAR ITEM
C48

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S 18

PRC 8151

06/28/07
WP 8151.1
S. Young

AMENDMENT OF LEASE

LESSEE:

PAC Landing Corporation
Attn: Paul Kouroupas
200 Park Avenue, Third Floor
Florham Park, NJ 07932

AREA, LAND TYPE, AND LOCATION:

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

AUTHORIZED USE:

The construction, installation, operation, maintenance and use of one 5.25-inch diameter 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:

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

PROPOSED AMENDMENT:

Amend the cable burial inspection survey interval to a five-year interval beginning after the completion of the 2005 survey. All other terms and conditions of the lease shall remain in effect without amendment.

OTHER PERTINENT INFORMATION:

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

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2. On April 20, 2000, the Commission approved the issuance of a ten-year General Lease – Right of Way Use to PAC Landing Corporation (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 cable is part of the Pacific American Crossing (PAC) submarine cable system and provides the infrastructure for additional global access to the existing land line communication network. The PAC cable system proceeds to Panama from Grover Beach and has a branch connecting to Mexico.

3. This proposed lease amendment would allow PAC Landing to extend the next date for the routine cable integrity survey to five years after the most recent survey rather than the two years required in the original lease. This would set the next survey in year 2010. A separate lease condition provides that PAC Landing would conduct a survey triggered by any unusual event.

   The results of PAC Landings' last cable burial survey, in 2005, indicated that the cable burial condition was intact and equal to or better than the condition verified in the July 2003 survey: 1) the cable remained 100% buried from the borepipe exit to 1,000 fathoms in depth; 2) no changes in cable position were observed, and generally the cable remained within the one-meter depth at which it was originally installed; 3) the overall burial profile was consistent with installation and 2003 burial survey data; and 4) no evidence of cable interaction with fishing gear or marine mammals was observed. Through its consultant, PAC Landing follows Fisherman's Council protocol for the notifications to publicize the dates and sites of planned surveys or maintenance activities. PAC Landing is required to furnish all survey results concurrently to the Commission and the California Coastal Commission (CCC).

   The Central California Joint/Cable Fisheries Liaison Committee and its fishing party members, who operate in Morro Bay and Port San Luis areas, have expressed support of the change to a five-year cable verification survey interval. The Committee and its members have indicated to staff that the proposed five-year surveys will be less costly and disruptive both to fishing and cable interests.

4. PAC Landing has applied to the CCC to amend the cable burial survey requirement, currently outlined in Coastal Development Permit (CDP) No. E-98-027. The CDP is proposed to be amended to extend the interval between periodic burial inspections, from the current 18-24 months, to five years. This amendment is pending CCC consideration in June of 2007.

5 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 under the general rule that the CEQA applies only to projects which have the potential for causing a significant effect on the environment. The staff believes, based on the information available to it, that there is no possibility that this project may have a significant effect on the environment.

Authority: Title 14, California Code of Regulations, section 15061 (b) (3).

6. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. but such activity will not affect those significant lands.

APPROVALS REQUIRED:

California Coastal Commission

EXHIBIT:

A. Site and Location Map

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, SECTION 15061 BECAUSE THERE IS NO POSSIBILITY THAT THE ACTIVITY MAY HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT; TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 (b)(3).

SIGNIFICANT LANDS INVENTORY FINDING:

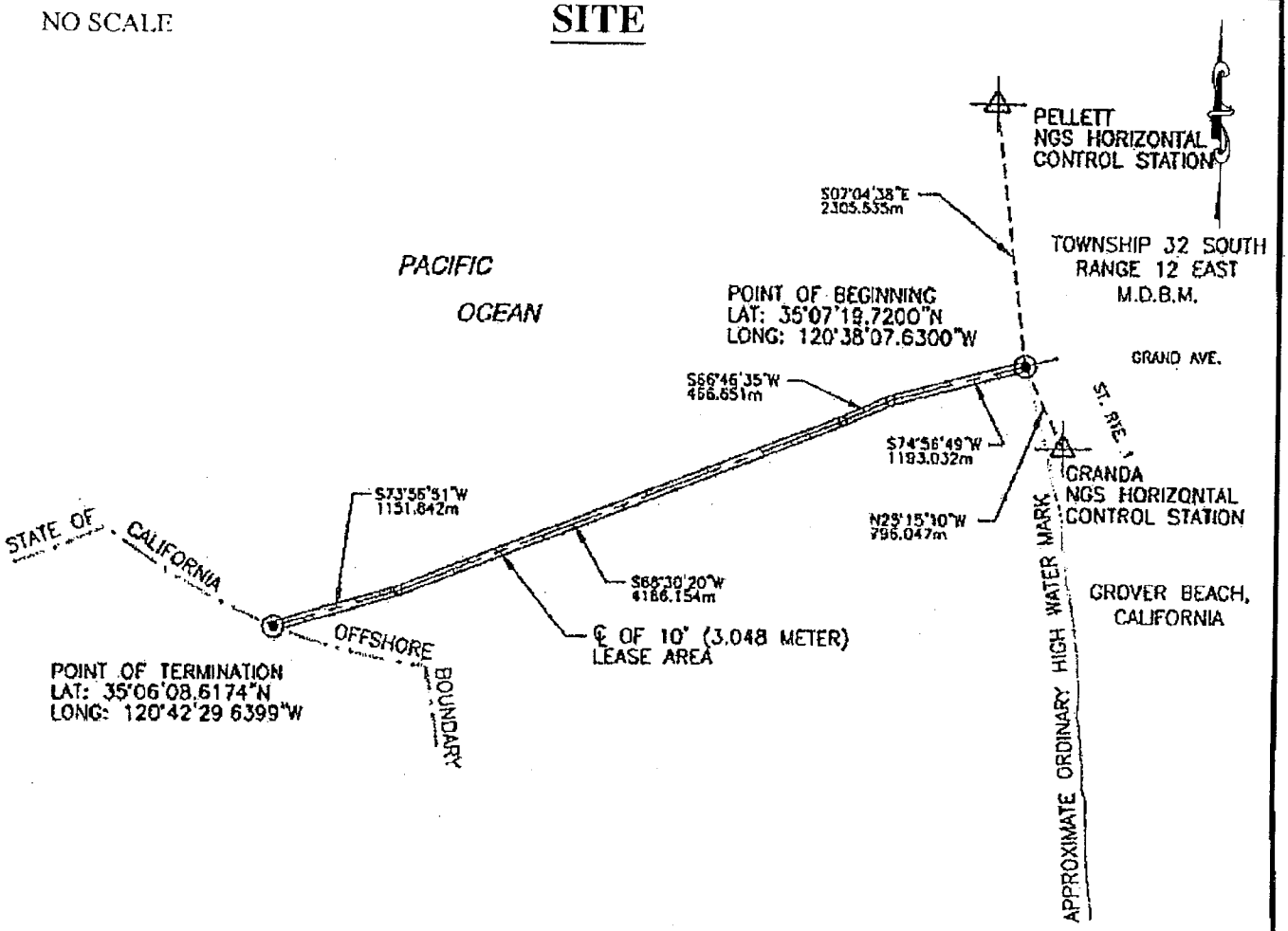
FIND THAT THIS ACTIVITY WILL INVOLVE LANDS IDENTIFIED AS POSSESSING SIGNIFICANT ENVIRONMENTAL VALUES PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET. SEQ., BUT THAT SUCH ACTIVITY WILL NOT HAVE DIRECT OR INDIRECT EFFECT ON THOSE RESOURCES FOR WHICH SUCH LANDS ARE IDENTIFIED.

AUTHORIZATION:

AUTHORIZE THE AMENDMENT OF LEASE NO. PRC 8151.1, A GENERAL LEASE - RIGHT OF WAY USE, OF LANDS SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF, EFFECTIVE JUNE 28, 2007, TO AMEND THE LEASE PROVISION FROM THE CURRENT 18-24 MONTH CABLE BURIAL INSPECTION SURVEY INTERVAL TO A FIVE-YEAR INTERVAL BEGINNING AFTER THE COMPLETION DATE OF THE 2005 SURVEY; ALL OTHER TERMS AND CONDITIONS OF THE LEASE SHALL REMAIN IN EFFECT WITHOUT AMENDMENT.

NO SCALE

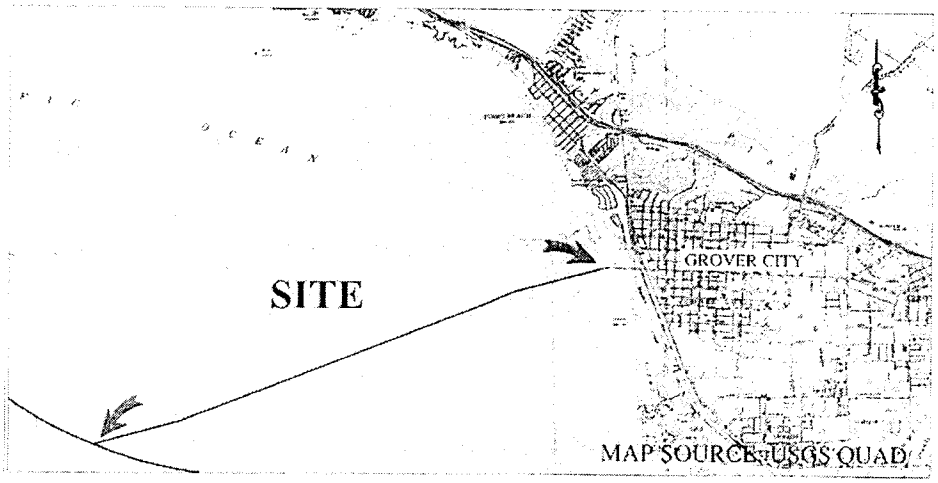
SITE



PAC LANDING CORPORATION
EXISTING STEEL CONDUIT & FIBER OPTIC CABLE

NO SCALE

LOCATION



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

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