

Agenda Report

TO: CITY COUNCIL

DATE: JUNE 2, 2008

FROM: CITY MANAGER

SUBJECT: AT&T PROJECT U-VERSE (also known as Project Lightspeed)

RECOMMENDATION:

This report is being provided for information only.

BACKGROUND:

In June 2004, AT&T announced Project U-verse to upgrade its telecommunications network by providing Pasadena residents with cutting-edge digital television, internet and telephone service. This would provide Pasadena residents another choice for digital television and high-speed internet services. This network upgrade requires the construction and placement of new above-ground cabinets in the public right-of-way both in commercial and residential areas. U-verse cabinets must be placed within a radius not to exceed 350 ft from an existing above-ground cross-connect box or Serving Area Interface (SAI) cabinet.

In accordance with the California Public Utilities Code, Section 5885 known as the Digital Infrastructure and Video Competition Act of 2006, the local entity (City of Pasadena) shall allow the holder (AT&T) of a state franchise under this division to install, construct, and maintain a network within public rights-of-way under the same time, place, and manner as the provisions governing telephone corporations under applicable state and federal law, including, but not limited to, the provisions of Section 7901.1.

Public Utilities Code, Section 7901.1 regulates that telegraph or telephone corporations may construct lines of telegraph or telephone lines along and upon any public road or highway, along or across any of the waters or lands within this State, and may erect poles, posts, piers, or abutments for supporting the insulators, wires, and other necessary fixtures of their lines, in such manner and at such points as not to interfere with the public use of the road or highway or interrupt the navigation of the waters.

In May 2007, AT&T and the City completed negotiations regarding project conditions and the City has agreed to move forward with Project U-verse. The primary cabinet model for installation shall be Model 248C as shown on Attachment A. In compliance with one of the conditions AT&T has signed an Indemnity and Release Agreement.

This project requires the review and approval by the Department of Public Works for issuance of an "Encroachment Permit" for the construction and placement of each cabinet based on the approved project conditions. The City has evaluated the environmental impacts of the project and has issued a categorical exemption.

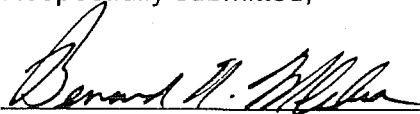
At the time of the permit request, and after a location has been approved by the Department of Public Works, AT&T shall notify the abutting property owner in writing regarding the date, time and installation location of the cabinet. All notification correspondence must include a "frequently asked questions and answers" sheet and must be mailed via United States Postal Service with Delivery Confirmation.

AT&T shall distribute door tags in a form approved by the Department of Public Works to properties adjacent to and within a sight line of the installation location no later than 48 hours prior to installation. In addition, prior to issuance of any encroachment permits AT&T will attend City-wide Council District meetings to provide residents with a service overview and answer any questions pertaining to the project.

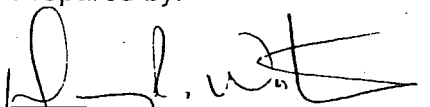
FISCAL IMPACT

AT&T will be obligated under state video franchising law to pay the City a franchise fee of five percent of its gross revenues from video services provided in Pasadena. AT&T will also pay the City a PEG (public, educational, and government) access fee of one percent of its gross video revenues to support PEG activities locally. In addition, AT&T will collect and remit a 9.4 percent utility user tax from its video customers. The amount of revenue generated from these fees and taxes cannot be estimated at this time, as they will depend on how fast AT&T takes on new customers.


Respectfully submitted,


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