

Metro Board Approved Policy

Telecommunications and Facilities Management

Adopted: March 23, 2000

Historical Perspective

Since 1993, the MTA has been actively involved in leasing rail right-of-way and other telecommunications facilities to third party users. Last year, the MTA was successful in executing three agreements with fiber optic companies for use of MTA rail right-of-way. Detailed in Attachment C, these agreements generated over \$2 million in new revenue for the MTA. Over the years, the MTA has also pursued other telecommunications joint development activities. The telecommunications industry continues to show interest in MTA right-of-way and other telecommunication facilities.

In June 1998, a comprehensive report was completed by Kingston Cole and Associates, a consulting firm specializing in valuing and negotiating transactions involving telecommunications asset. This report detailed the most advantageous path forward for the MTA regarding development of Telecommunications Assets and also included a business plan model that was used to prepare the proposed program and guidelines in Attachment A. The proposed program and guidelines will be used by staff as a framework to evaluate proposals, such as the recent inquiries by the telecommunication industry to use existing dark fiber or install new fiber in the Red Line tunnels.

These guidelines will also aid staff in proceedings with major building owners who are seeking to outfit their buildings with the latest in telecommunication technology and are inquiring about the use of MTA's nearby excess dark fiber. In addition, a current proposal from the cellular communications industry on the use of space within Metro Red Line tunnels, and other telecommunications infrastructure development proposals will be evaluated using the guidelines.

The guidelines apply to transactions involving commercial telecommunications carriers, as well as governmental agencies. When possible, MTA will continue to work cooperatively with governmental agencies operating their own internal communication systems in an effort to consummate sharing, swapping and joint use arrangements which facilitate cost savings and inter-governmental cooperation.



Metro

MTA TELECOMMUNICATIONS AND RELATED FACILITY ASSETS MANAGEMENT PROGRAM AND THIRD PARTY USE GUIDELINES

INTRODUCTION

The MTA Telecommunications and Related Facility Assets Management Program and Third Party Use Guidelines have been developed to establish policy guidelines for the management and leasing of MTA real estate and telecommunication facilities for telecommunication purposes. These assets shall include, but not be limited to, rail right-of-way (including tunnels), fiber optic cable, conduit, duct bank, antenna towers, and communications buildings and sites. When used for telecommunications purposes, such assets are deemed "Telecommunication Assets." Leasing of such assets is one of the methods many of the major transit authorities use to realize additional revenues.

PURPOSE

These guidelines will govern the management and leasing of MTA Telecommunications Assets. In particular, these guidelines will govern use of these assets by third party telecommunication providers and management of an inventory of these assets by MTA staff. The scope of these guidelines excludes non-telecommunication uses of MTA real property that are otherwise covered under existing MTA Policy.

DESCRIPTION

The telecommunications industry has shown interest in using MTA Telecommunications Assets for telecommunications purposes. To date, the industry's interest has focused primarily on rail rights-of-way (including tunnels), fiber optic cable, conduit, duct banks, antenna towers and communications buildings. Other assets such as the MTA wide area network, computer systems and micro-wave systems that might be of interest to the telecommunications industry. These assets will not be covered by these guidelines but, will instead be managed and marketed through a separate program developed by the Office of Administration.

These guidelines will: (1) ensure that MTA can quickly respond to telecommunications industry proposals as they are received, (2) provide a framework for consistent evaluation of such proposals, (3) ensure that MTA communications and transportation needs are not negatively impacted by third party telecommunication uses, and (4) ensure compliance with federal and state requirements governing telecommunications. These guidelines will also aid staff in proceedings with major building owners who are seeking to outfit their buildings

with the latest in telecommunication technology and are inquiring about the use of MTA's nearby excess dark fiber and other joint development opportunities.

These guidelines apply to transactions involving not only commercial telecommunications carriers but to governmental entities. When possible, MTA will work with governmental entities operating their own internal communications systems in an effort to consummate sharing, swapping and joint use arrangements which facilitate cost savings and inter-governmental cooperation.

POLICY

1. The MTA, through its ongoing planning process, will identify opportunities for facility asset development that meets the MTA's communication needs, while providing opportunities to encourage public-private sector partnerships which provide additional revenue, and/ or in-kind services that meet the MTA needs, or public telecommunications access.
2. The MTA will explore how its telecommunication and related facility assets can enhance mixed use development around rail stations or along rail corridors, and foster telecommunication activities such as televillages, that can improve mobility and encourage transit use.
3. A) The MTA, when funding transportation management system projects, will plan for future transportation telecommunication system needs and ensure that those needs are met (i.e. construction of fiber optics conduit) as part of the construction MTA funded projects.

B) If any third-party user of MTA Telecommunication Assets requires financing to install a telecommunications system, the financing shall in no way encumber any real estate of other telecommunications facilities owned by MTA, unless approved by the Board.
4. The MTA, through its planning, design and construction process will identify additional facility needs and access points necessary to meet the MTA's future telecommunication needs.
5. The MTA will work with other governmental entities in developing cooperative arrangements for sharing telecommunication facilities, when such arrangements provide a mutual benefit to the MTA and other involved entities.

6. A) The MTA will not grant exclusive agreements to any third parties which would allow such parties exclusive rights to MTA Telecommunication Assets to the exclusion of other parties.

B) Agreements allowing third party use of MTA Telecommunication Assets shall not obligate MTA to incur any costs to operate, maintain, or repair the third party's telecommunications facility, except to the extent of any telecommunication assets granted to MTA as part of the such agreements (i.e.; dark fiber).
7. Beyond the operation of its own telecommunication facilities for internal MTA uses, the MTA will not itself enter the competitive local telecommunications market as a carrier of telecommunications traffic.
8. All requests for use of MTA's Telecommunication Assets will be evaluated based on the following criteria:
 - (a) Use does not interfere with MTA's ability to meet its telecommunications, transportation, operational or other requirements and obligations.
 - (b) Compensation for use of Telecommunication Assets will be fair and reasonable and consistent with federal and state regulations.
 - (c) The proposed telecommunications user shall be financially able to construct and operate the telecommunications system it seeks to install.
9. MTA staff will prepare a semi-annual inventory of rail rights-of-way and telecommunications and related facility assets, including but not limited to: lighted fiber, dark fiber, existing conduit, duct banks, potential pipeline reuse, antenna towers, and other available rights-of-way.
10. MTA staff will report to the Board at least semi-annually on the marketing program.

RESPONSIBILITIES

The MTA Telecommunications and Related Facility Assets Management Program will be jointly administered through the Office of the CEO, New Business Development Department and the Office of Administration. Contracts will be negotiated by the Director of Real Estate in conjunction with County Counsel and when warranted, a telecommunications consultant.

MTA FIBER OPTICS POLICIES

EXISTING POLICY (Adopted by the Board in May 1996)	NEW POLICY REFERENCE NO.
<p>The MTA, through its ongoing planning process, will identify opportunities for fiber optics system development that meet the MTA’s communication needs, while providing opportunities to encourage public-private sector partnerships which provide additional revenue, in-kind services that meet the MTA communication needs, or public telecommunications access.</p>	1
<p>The MTA will explore how its fiber optics system can enhance mixed use development around rail stations or along rail corridors, and foster telecommunication activities such as televillages, that can improve mobility and encourage transit use.</p>	2
<p>The MTA, when funding transportation management system projects, will plan for future fiber optics transportation system needs and ensure that those needs are met (i.e. construction of fiber optics conduit) as part of the construction MTA funded projects.</p>	3A
<p>The MTA, through its planning, design and construction process will identify additional facility needs and access points necessary to meet the needs of the MTA’s fiber optics system.</p>	4
<p>The MTA will work with other government entities in developing cooperative arrangements for sharing excess fiber optics capacity, when such arrangements provide a mutual benefit to the MTA and other involved agencies.</p>	5
<p>Beyond the operation of its own fiber optic network for internal MTA uses, the MTA will not itself enter the competitive local telecommunications market as a carrier of telecommunications traffic.</p>	7

MTA TELECOMMUNICATIONS TRANSACTIONS (1999 Completed)

Company	Location	Length	Date of Agreement	Initial Term	Extension Option(s)	Annual Compensation	COLA	Compensation
Qwest Communications	<i>Valley Subdivision</i> Balboa Blvd. (Sylmar) to Broadway Blvd. (Chinatown)	21.56 miles (Along Pacific Pipeline Route)	4/22/99	25 yrs.	Unlimited for 25 yrs. each (Compensation re-set. @ mkt. upon ea. extension)	\$0	N/A	\$725,000
Qwest Communications	<i>Harbor Subdivision</i> Long Beach Blue Line (Los Angeles) Douglas St. (El Segundo)	11.8 miles	6/15/99	25 yrs.	Unlimited for 25 yrs. each (Compensation re-set. @ mkt. upon ea. extension)	\$0	N/A	\$1,401,341
Williams Communications	<i>East Bank R/W</i> 7th to Soto Sts. (L. A.)	1.16 miles	12/30/99	25 yrs.	4 for 25 yrs. each (Compensation re-set. @ mkt. upon ea. extension)	\$13,162	Every 5 years	\$75,000