



Los Angeles  
Department of  
Water & Power

RESOLUTION NO. \_\_\_\_\_

BOARD LETTER APPROVAL

*Simon Zewdu*

**SIMON ZEWDU**  
Senior Assistant General Manager  
Power System

*AR*  
Aram Benyamin (Jun 5, 2024 18:03 PDT)

**ARAM BENYAMIN**  
Chief Operating Officer

*Janisse Quinones*  
Janisse Quinones (Jun 6, 2024 22:29 PDT)

**JANISSE QUIÑONES**  
Chief Executive Officer and Chief Engineer

**DATE:** May 30, 2024

**SUBJECT:** Optical Fiber Lease Agreement No. FO-923-03/2024 and Short Form IRU-01 Lease Agreement No. FO-924-03/2024 with Fox Studio Lot LLC for Lease of LADWP Optical Fibers

**SUMMARY**

The proposed Optical Fiber Lease Agreement No. FO-923-03/2024 (Master Agreement) and Short Form IRU-01 Lease Agreement No. FO-924-03/2024 (IRU-01) replace Optical Fiber Lease Agreement No. FO-846-02/2019 and Short Form IRU-01 Lease Agreement No. FO-847-02/2019, both of which expire on June 30, 2024, and will commence promptly to ensure continued operations. These agreements will allow Fox Studio Lot LLC (Fox Studio) to use LADWP's excess fiber cable capacity for a term of five years. IRU-01 will generate up to \$889,152 in revenue for the Power System if the full term is realized.

City Council approval is not required.

**RECOMMENDATION**

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution authorizing the execution of the proposed Master Agreement and IRU-01.

## **ALTERNATIVES CONSIDERED**

There are no alternatives to the replacement agreement.

## **FINANCIAL INFORMATION**

IRU-01 will generate an annual revenue of \$177,830.40 and a total revenue of \$889,152.00 for the Power Revenue Fund if the full term is realized.

There is no additional cost associated with the execution of IRU-01 since this replacement agreement enables the continuation of active circuits provisioned under the expiring agreement. IRU-01 is priced based on the current Fiber Optic Enterprise (FOE) Dark Fiber tiered pricing structure. No Consumer Price Index (CPI) adjustment was applied because the Communications CPI for Urban Consumers has not increased since this pricing structure was established. IRU-01 is established with a fixed price and an optional annual market rate adjustment as market conditions warrant.

## **BACKGROUND**

FOE provides fiber optic circuits for internal LADWP use for control systems and the corporate network. FOE leases the excess fiber optic cable capacity to commercial businesses. The customers are primarily Los Angeles area businesses, entertainment industries, health and educational institutions, and City of Los Angeles entities.

Fox Studio is an entertainment industry company that owns film studios and terrestrial television, cable, and direct broadcast satellite television properties. Fox Studio is owned by the Fox Corporation, an American multinational mass media company.

Fox Studio is an existing FOE customer and is in good standing.

## **ENVIRONMENTAL DETERMINATION**

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060 (c)(3). In accordance with Section 15060 (c)(3) of the CEQA Guidelines, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378 (b)(5) states that organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment do not meet that definition. Therefore, entering into a contract for LADWP to lease segments of its excess capacity fiber optic cable to customer(s) is not an action subject to CEQA.

## **CITY ATTORNEY**

The Office of the City Attorney reviewed and approved the Resolution, Master Agreement, and IRU-01 as to form and legality.

## **ATTACHMENTS**

- Resolution
- Agreements