

June 9, 2005

Honorable Mayor and Members of  
the Hermosa Beach City Council

Regular Meeting of  
June 14, 2005

**REQUEST TO CONSENT TO ASSIGN FIBER OPTIC CABLE EASEMENT  
FROM TYCO TELECOMMUNICATIONS (US) INC. TO VSNL  
TELECOMMUNICATIONS (US) INC.**

**Recommendation:**

That the City Council review and approve the assignment of the Fiber Optic Cable Easement to VSNL Telecommunications (US) Inc. and direct the City Manager to execute the assignment document.

**Background:**

VSNL Telecommunications (US) Inc. is in the process of buying the assets of Tyco Telecommunications. Tyco has requested that the City approve assignment of its lease/easement agreement to VSNL. A copy of a letter from the law firm handling the transfer is attached that goes into the detail of the sale. There are a number attachments which are available for review. Under the terms of the agreement, the City is obligated to accept an assignment to any assignee that is reasonably capable of performing Tyco's financial obligations. As you know, Tyco pays the City \$300,000 per year under the agreement. In order to evaluate whether VSNL is capable of fulfilling Tyco's obligations, we had Keyser Marston Associates review the financial capability of VSNL and they have concluded that even though they are a smaller company they are capable of meeting the obligations. A copy of their report is attached.

I have attached a copy of the proposed consent to assignment that will be executed following City Council approval. As an aside, the cost of processing the assignment will be reimbursed by VSNL.

Respectfully submitted,

Stephen R. Burrell  
City Manager