



**RCA  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 2  
AGENDA DATE: Thu 03/11/2004  
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**SUBJECT:** Approve and authorize execution of General Agreement for Joint Use of Poles between Austin Energy and Southwestern Bell Telephone, L.P. d/b/a SBC Texas.

**AMOUNT & SOURCE OF FUNDING:** N/A

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING** Austin Energy  
**DEPARTMENT:**

**DIRECTOR'S**  
**AUTHORIZATION:** Juan Garza

**FOR MORE INFORMATION CONTACT:**

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** N/A

**PURCHASING:** N/A

**MBE / WBE:** N/A

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Austin Energy proposes to enter into a five-year agreement, with the option for both parties to consent to up to an additional five-year term, with Southwestern Bell Telephone, L.P., ("SBC") for the joint use of wood poles within the Austin Energy service area. SBC currently owns approximately 10% of the poles used by Austin Energy in its distribution system. The proposed contract is similar to that which is currently in place between the parties for the joint use of their poles, with modifications made with respect to various operational issues. In addition, the proposed agreement requires SBC to pay a fixed pole attachment fee of \$15 per pole (after offsetting the number of poles owned by SBC) for the initial five-year term of the contract. This fee is based upon projected yearly rates over the five-year period in question using the required FCC telecommunication attachment formula.

Because City Code Section 18-7-5(E)(4) requires City Council approval for utility infrastructure contracts that will generate revenue for the City in excess of the amount specified by City Charter Article VII Section 15, Austin Energy requests that the City Council approve the proposed agreement with SBC.