



Corporate

NO: R264



Report

COUNCIL DATE: December 11, 2000

REGULAR COUNCIL			
TO:	Mayor & Council	DATE:	December 7, 2000
FROM:	General Manager, Engineering	FILE:	1020-001
SUBJECT:	Municipal Access Agreement for WFI Urbanlink Ltd.		

RECOMMENDATION

That Council authorize the Mayor and Clerk to sign the Municipal Access Agreement with WFI Urbanlink Ltd.

BACKGROUND

Surrey, along with numerous other municipalities across the country, have been negotiating municipal access agreements with telecommunications companies. These agreements establish the terms and conditions for the installation of underground fibre optic lines for the provision of telecommunication services.

DISCUSSION

The City of Surrey and WFI Urbanlink Ltd. have now finalized a Municipal Access Agreement. The agreement has been reviewed by the City Solicitor's office and a full copy is available for review in the City's Manager's office. This agreement is in accordance with the Federation of Canadian Municipalities' (FCM) five principles (please see Appendix I for details).

In summary, this agreement includes the following provisions:

- Allowing the City to manage its road allowances and rights-of-way;
- The City to recover costs associated with the occupancy of the road allowances and rights-of-way (annual payment: \$28,750).
- Relocation of the telecommunication infrastructure at no cost to the City.

- The City will not be liable for losses associated with the disruption or damage to the telecommunication infrastructure.
- Provides an agreement in principle for the City to be compensated for the use of its roadways (amount to be further negotiated – see following discussion).
- The provision of City use of conduits and dark fibre.
- Term of the agreement: 2 years with further extensions as agreed between the parties.

Dark fibre refers to optic fibre provided by the telecommunications company but not used (i.e., not lighted) for their own use, and dedicated for City only uses.

The conditions established in this agreement differ from the conditions under which current utility companies operate in Surrey. These existing utility companies have an historic presence in the City and operate under existing legislation, which they interpret to allow them to operate in the City without a municipal access agreement. The whole issue regarding telecommunications utilities, municipal access agreements and the rights and obligations of the various parties is currently being considered by the Canadian Radio and Telecommunications Commission (CRTC). A CRTC decision is anticipated in the first part of 2001.

The CRTC is, as part of this decision, expected to establish guidelines and criteria relating to various aspects of Municipal Access Agreements and, in particular, fees and compensation for use of municipal roadways. Because of these impending guidelines, the proposed agreement with WFT establishes a fixed fee payment plus the principle of either a fee per metre of conduit or other fee structure, as allowed by the CRTC decision. The agreement reopens the compensation clause for renegotiation once the CRTC renders its decision. A similar approach is being taken by some of our adjacent municipalities who are currently negotiating Municipal Access Agreements.

The agreement with WFI is the first major Municipal Access Agreement since the 1994 Starcom Optics International fibre agreement. Since 1995, the City, together with the FCM, have been working to improve the Municipal Access Agreements across Canada.

The City recognizes that our community will benefit significantly from the services provided by these new providers of telecommunications and broadcasting services. However, it is also in the interest of the City that these new competitors fully recognize and bear all the costs of providing service and ensure that this service not be subsidized by the City's taxpayers.

Jorgen Johansen, P. Eng.

General Manager, Engineering

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