

REVISED

Washington Metropolitan Area Transit Authority

## Board Action/Information Summary

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 100347	Resolution: <input checked="" type="radio"/> Yes <input type="radio"/> No
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**TITLE:**

Neutral Host System Reimbursable Project

**PURPOSE:**

To obtain Board approval to create a reimbursable project for Metro's cost associated with the development of the Wireless Communication Infrastructure system (Neutral Host system).

**DESCRIPTION:**

On February 26, 2009, the Board granted approval to enter into a Master License Agreement with the Carrier Consortium:

- (a) Cellco Partnership and Washington SMSA Limited Partnership, each d/b/a Verizon Wireless (collectively "Verizon Wireless") respectively a Delaware General Partnership and a Virginia Limited Partnership,
- (b) Sprint Nextel, a Delaware Limited Partnership, and Nextel Communications of the Mid-Atlantic, Inc., a Delaware corporation, each d/b/a Sprint Nextel ("Sprint Nextel"),
- (c) New Cingular Wireless PCS, LLC, a Delaware limited liability company by and through its Manager AT&T Mobility Corporation, a Delaware corporation, and
- (d) T-Mobile Northeast LLC, a Delaware Limited Liability Company ("T-Mobile")

to design, build, operate, maintain, and own a Wireless Communication Infrastructure throughout Metro's underground stations. In addition, the Consortium will also build for Metro, at no cost to Metro, Metro's own Wireless Communication Infrastructure.

The Master License Agreement also requires the Consortium to pay a Minimum Annual Guaranteed revenue (MAG) payment to Metro throughout the 25-year term of the Master License Agreement. This is the first time that a commercial entity is reimbursing Metro for a capital construction project.

**Public Law 110-432 requires Metro to provide wireless communications for any licensed provider of such services in the 20 busiest Rail stations by October 16, 2009 and provide wireless communications for such providers throughout the rail system by October 16, 2012.**

Metro needs a reimbursable capital project account to safely and securely support the Consortium's development schedule and the Federally-mandated project timelines.

**FUNDING IMPACT:**

Metro estimates the expenses to support the development of the Wireless Communication Infrastructure system (Neutral Host system) to be not more than \$2,352,000.

The Master License agreement between the Authority and the Consortium requires the Consortium to fund a cost recovery account. Contractually, this account must maintain a \$100,000 monthly balance during the 42 month build-out portion of this project. The contract stipulates that Metro will use this account to recover its support costs that are incurred during the build-out of this project.

The funding source for this reimbursable project is not currently in any approved budget and will have no impact to the jurisdictional budgets.

Budget Information:	FY10	FY11	FY12	FY13	Total
Budget Amount:	\$336,000	\$768,000	\$768,000	\$480,000	\$2,352,000
This Action:	\$336,000	\$768,000	\$768,000	\$480,000	\$2,352,000
Prior Actions:	0	0	0	0	
Subtotal:	\$336,000	\$768,000	\$768,000	\$480,000	\$2,352,000
Remaining Budget:	0	0	0	0	0

**RECOMMENDATION:**

Approval to create a reimbursable project to support the development and maintenance of Metro`s Wireless Communication Infrastructure system (Neutral Host).

SUBJECT: APPROVE A NEW REIMBURSABLE PROJECT TO SUPPORT THE DEVELOPMENT OF THE WIRELESS COMMUNICATION INFRASTRUCTURE SYSTEM

RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, On February 26, 2009, the Board of Directors approved a Master License Agreement to the Carrier Consortium to design, build, operate, maintain, and own a Wireless Communication Infrastructure throughout Metro's underground stations and tunnels; and

WHEREAS, Public Law 110-432 requires Metro to provide wireless communications for any licensed provider of such services in the 20 busiest rail stations by October 16, 2009, and provide wireless communications for such providers throughout the rail system by October 16, 2012; and

WHEREAS, The Carrier Consortium and Metro desire to move forward with this project as soon as possible in order to meet the Federally mandated timelines; and

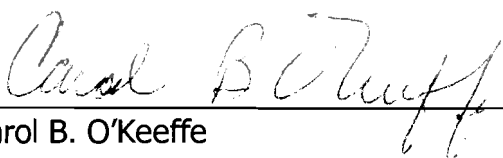
WHEREAS, The Master License Agreement requires the Carrier Consortium to fund a cost recovery account that will reimburse Metro for any of its support costs that are incurred during the construction of this infrastructure; and

WHEREAS, This project will require funding not currently in any approved budget for the employees required to manage and maintain the new Wireless Communication Infrastructure; now, therefore be it

*RESOLVED*, That the Board of Directors approves a Reimbursable Project Budget in the amount of \$2,352,000 to fund Metro's support costs for the development of the New Wireless Communication Infrastructure to be fully funded by the Carrier Consortium; and be it finally

*RESOLVED*, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,

  
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Carol B. O'Keeffe  
General Counsel