

## MEMORANDUM

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 14-15, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.4c.(2), Action Item

Prepared By: René Fletcher, Chief (Acting)  
Division of Right of Way and Land Surveys

Subject: **AIRSPACE LEASE – REQUEST TO DIRECTLY NEGOTIATE WITH AERA ENERGY LLC IN KERN COUNTY**

### **ISSUE:**

Should the California Transportation Commission (Commission) approve a request by the California Department of Transportation (Department) to directly negotiate a long-term lease with Aera Energy LLC to facilitate an update of a fiber optic line in Kern County?

### **RECOMMENDATION:**

The Department recommends that the Commission approve a request to directly negotiate a long-term lease with Aera Energy LLC, located in Kern County.

### **BACKGROUND:**

Aera Energy LLC is a subsidiary of California Resources Corporation (CRC). Aera Energy LLC has requested an encroachment permit from the Department to pull a new fiber optic communication line across State Route (SR) 46 in Kern County. Aera Energy LLC currently has an existing communication line in place, and the request is to add a new line. Since the lines traverse the highway, an airspace lease is required before an encroachment permit can be considered. The existing poles the line will use are located outside of the Department's right of way. As a private fiber optic line, the installation falls outside of the Department's utility accommodation policy and requires a fair market rental rate component. Aerial/overhead property rights would be leased under a long-term airspace lease pursuant to the Commission's approval. Aera Energy LLC would be responsible for signing the long-term lease.

**BENEFITS:**

This is solely for aerial use, and it includes the right to pass over SR 46. The installation of Aera Energy LLC's fiber optic line over the state highway also intends to improve communication between its Lost Hills operations and the main control center in McKittrick. Aera Energy LLC produces approximately 25 percent of California's oil, much of which is consumed locally. The upgraded connection is expected to support real-time monitoring and centralized control of facilities, which may assist with operational oversight, and regulatory and environmental compliance.

Attachments

Exhibit A – Aerial Map

Exhibit B – Project Site Map

Aerial Map



Project Site Map

