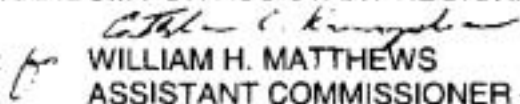




AUG 16 2004

MEMORANDUM FOR ASSISTANT REGIONAL ADMINISTRATORS

FROM:  WILLIAM H. MATTHEWS
ASSISTANT COMMISSIONER - PV

SUBJECT: Pricing Policy Clarification #14
Antenna Site Pricing

The attached pricing policy clarification covers antenna site pricing. The clarification was initiated based on the results of the Antenna Study commissioned by the Office of Real Property Asset Management. The clarification was drafted in coordination with the Regional Pricing Points of Contact (POC's) and the Pricing Network. A copy of this clarification is being provided to the Regional Pricing POC's for dissemination within each Region.

If you have questions regarding this clarification, please contact the National Pricing Points of Contact, Kevin Rothmier at 816-926-1100 or Steve Peters at 215-446-4670.

Attachments

cc: Assistant Commissioners, Regional PT Directors, Regional Pricing POCs



Effective Date: August 16, 2004

Purpose: Policy Clarification #14 on Antenna Site Pricing

Existing Desk Guide Language:

Desk Guide Section 7.5, page 7-8, contains the current policy on Antenna Site Pricing.

Clarification:

The Antenna Site pricing policy has been clarified. Replace Desk Guide Section 7.5 in its entirety with the following.

Antenna Definition

For purposes of pricing, an antenna is any device of a federal agency/contractor located on a public building or on PBS-controlled land, which can be used to transmit and/or receive electromagnetic signals. Included are devices for the transmission, relay or reception of: television; AM or FM radio; or microwave signals. A tower located on PBS-controlled land is not an antenna; however, equipment attached to that tower which fits the above description is an antenna for pricing purposes.

Federally Owned – Antenna Study

From time to time, but no less frequently than every five years, the Office of Real Property Asset Management will commission a study to establish a charge for antenna sites. The majority of antenna sites used by federal agencies/contractors will be priced based on this study. Antenna site charges determined by the study are to be set for the remainder of the current fiscal year. Antenna charges set by the study will be escalated annually at the beginning of the fiscal year using the OMB inflation factor.

Federally Owned - Appraisal

The antenna charge may be determined by appraisal in those cases where the market rent is estimated to exceed the established annual charge by 50% or more. The appraised fair annual rental for the antenna must be based on the prevailing market practice; i.e., tenants who also occupy space in the building, a pure rooftop tenant or antenna tower(s) located on PBS-controlled land. The cost of the appraisal should be taken into consideration in determining whether or not to set the charge by appraisal.

Generally, if the cost of the appraisal exceeds the estimated annual rental, the established charge should be used. The appraisal will be performed every five years with escalation during the intervening years as determined by the appraisal. If escalation is applicable, it will occur at the beginning of the fiscal year.

Return on Investment (ROI)

For customers in space priced by the Return on Investment approach, there is no additional charge for antennas.

Outlease - Private Sector Tenant

Antenna sites out-leased to a private sector tenant will be priced based on local market rates.

Leased Space - Federal Tenant

PBS will not charge for antennas on leased properties, unless the lessor is charging PBS, in which case, the lease charge is passed through to the customer agency.