

WUND-TV Transition Plan Progress Report

The University of North Carolina (UNC-TV), Licensee of WUND-TV, Edenton, North Carolina, is a governmental agency entity of the State of North Carolina. As a state entity, it is legally required to comply with certain state requirements, restrictions, and policies regarding construction projects and the purchasing of goods and services. UNC-TV's repack transition project for 11 full-power television stations is no exception, and UNC-TV will be required to abide by the applicable construction, contracting, and purchasing requirements, restrictions, and policies for all 11 stations, including WUND-TV. Significantly, as UNC-TV has previously reported—and bears reiteration here—while UNC-TV's project is considered 11 different projects by the FCC, to the State of North Carolina and its representative agencies it is considered one project. The two state government agencies that are extensively involved in UNC-TV's repack (the State Office of Purchasing and Contracts ["P&C"] and the State Construction Office ["SCO"]) are requiring UNC-TV to bundle together all 11 station repack transitions as one unitary project request to them. As discussed below, this unitary project approach that is being imposed on UNC-TV means that issues that might delay one station's repack—specifically, WUNF-TV, as discussed below—have the potential to affect the schedule for completion of UNC-TV's other 10 repacks.

To update the previous transition report, UNC-TV has completed the state-imposed procedures in order to hire a designer for the project, and UNC-TV has engaged the services of McKim & Creed, Inc. The designer is in the process of surveying each of UNC-TV's 11 sites. This site survey will confirm the scope of work required for the project. As previously reported, the designer will be responsible for creating a construction drawing package for WUND-TV's portion (and each of UNC-TV's other 10 stations' respective portion) of the project. These drawings include any modifications to the building including (but not limited to) those required for the electrical system to feed the new transmitters. Also included in the designer's "jurisdiction" will be the tower structural analysis showing that the tower still meets minimum structural specifications after the proposed load changes and tower modifications are performed. The designer's drawings will have to be reviewed by SCO, and only after receiving SCO's approval will construction be authorized under the law of the State of North Carolina to proceed. (The design/SCO review process is similar to a county or city planning / permitting process, but it occurs at the state level because these are state facilities. With this SCO process, city and county permitting is not necessary.)

During the past quarter a number of obstacles have been encountered to delay the project. Perhaps the most significant obstacle is the combination of the fact that no verified funding or an initial funding allotment has been made by the Commission for UNC-TV's repacked WUNF-TV (In the CORES Financial Module, the initial allocation for WUNF-TV continues to show as \$0.00) and the 62% initial funding allocation for each of the other stations. The reason that the 62% initial allocation and lack of an initial allocation for WUNF-TV present an obstacle is that UNC-TV is legally required to have 100% of funding available prior to issuing Invitations for Bid (IFB) for goods and services, including necessary repack items like antennas, transmission line, transmitters, and the services to install them. The allocation of only 62% (and lack of an allocation for WUNF-TV) means that the entire project—and, to reiterate, state agencies SCO and P&C are treating all 11 of UNC-TV's repacked stations as one unitary project—is

currently underfunded. Before an IFB for necessary repack items can be released, a funding source to cover the project—including 100% of WUNF-TV's estimated expenses—must be located. UNC-TV is working to investigate various options for funding, which must include the remaining 38% of the funding (which represents approximately \$12,000,000) for 10 of UNC-TV's repacked stations as well as WUNF-TV's entire estimated cost.¹ Once an option is identified and has the appropriate approvals, the IFB can be issued and the entire project—all 11 of UNC-TV's repacks—can begin moving forward in a meaningful way.

An additional area of potential concern that could become an issue of significance is the timing of the construction period for Phase 7 of the transition. Phase 7 testing is scheduled to begin on October 19, 2019 with the transition deadline of January 17, 2020. Historically, the months of August and September leading up to the October construction deadline are the busiest months of the Atlantic Hurricane season for the state of North Carolina. Since 2000, it's reported that 52 tropical storms or hurricanes like Irene, Sandy, and Matthew have adversely impacted the state of North Carolina, resulting in property damage and loss of life. Of those storms, 34 or about 65% have occurred in the months of August and September.²

Thus, with severe weather events, UNC-TV wishes to raise a primary concern. In the event of a major weather event, the ability of construction crews to do the repack work they were hired to do will likely be compromised: During and after a weather event, roadways may be blocked, flooded, or washed out; power failures may be widespread; and human services may be overwhelmed. In such circumstances, it is easy to understand how restoring human services may become a higher priority. And, there is a likelihood that in the aftermath of a storm, crews may be re-tasked to other facilities to assist in returning to the air stations that were forced off the air by the storm. UNC-TV does not mean to paint a bleak picture nor to suggest that construction of all of its repacked stations is anything other than a top priority. UNC-TV is only attempting to look prospectively at the time line and the scope and location of its repack projects, including WUND-TV, and identify potential pinch-points that could affect the process. To be clear, UNC-TV is well aware—and grateful—that the Commission has historically provided prompt relief to affected stations and other regulatees during severe weather events (including during the 2017 Atlantic Hurricane season) and recognizes and salutes the Commission Staff's all-hands-on-deck approach to such circumstances. In the event that such events affect UNC-TV's repack construction, UNC-TV would seek appropriate regulatory relief.

¹ One avenue UNC-TV is currently exploring is to move forward with only part of the unitary project locked in as definitive purchases—namely the interim facilities configurations—and leaving the rest of the unitary project identified as “contingency,” which would allow UNC-TV to move forward and make progress but with much of the permanent portion of the 11 repacks unfunded and “contingent.” Of course, such an approach is not without risk, and may ultimately require even more extensive periods of time of operation of UNC-TV's post-transition facilities pursuant to reduced power STA. In such case, regulatory flexibility is going to be of paramount importance to UNC-TV's successful transition.

² Historical tropical cyclone data is from the Wikipedia article “List of North Carolina hurricanes (2000 – present), [https://en.wikipedia.org/wiki/List_of_North_Carolina_hurricanes_\(2000%E2%80%93present\)](https://en.wikipedia.org/wiki/List_of_North_Carolina_hurricanes_(2000%E2%80%93present)).

While off to a slow start, as is inherent in the mandatory legal state procurement/design/construction process, we believe, as of this early January 2018 filing, that the Phase 7 August 2019 construction deadline remains achievable for WUND-TV. UNC-TV has already put a lot of planning into the repack transition for its 11 repacked stations, but, as referenced above, UNC-TV only controls a limited portion of the overall process.

In short, UNC-TV's compound, complicated lodestar for this entire repack enterprise is timely completion of the repack with full compliance of all applicable state and federal regulation while—most importantly—keeping the station operating with as much coverage areas as possible with the least possible negative impact to viewers.