WUNF-TV Transition Plan Progress Report

The University of North Carolina (UNC-TV), Licensee of WUNF-TV, Asheville, 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 WUNF-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.

Site #1

To update the previous (first quarter 2018) transition report, the proposed site #1 for WUNF-TV is a new site for the station and is managed by Vertical Bridge Holdings, LLC. Negotiation of the terms of the site lease is nearly complete, but as of the date of filing this report, the lease agreement has not yet been finalized. UNC-TV projects that the lease will be finalized by August 2018.

UNC-TV's project designer, McKim & Creed, Inc., as a result of the lease negotiations, has had to perform more site survey work to gather additional information. The resulting report 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 WUNF-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.) UNC-TV expects to receive SCO's approval in or around January 2019. Even without SCO's approval, however, other parts of the project can proceed, including the acquisition of certain equipment.

The execution of equipment purchase contracts is well underway. In mid-June 2018 the contract for the purchase of the transmitters was signed with GatesAir, Inc. Dialog has already begun between UNC-TV's project designer, McKim & Creed, Inc.; GatesAir; and UNC-TV staff. These initial conversations have involved the plan for the physical space at the site as well as the

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electrical requirements the new transmitters will have. At this time no issues have been identified related to the plan for the physical space at the site.

The antenna system invitation for bid (IFB) responses were opened on June 12, 2018. The responses are in the process of being reviewed, and we are cautiously optimistic that it would be reasonable to expect a contract to be executed by the end of July 2018. Once the contract is signed, the antenna and transmission line suppliers will be known. Information can then be shared with tower structural engineering firm, Tower Consultants, Inc. (TCI) so that they can perform the requisite tower structural analysis. Since this is a new site for WUNF-TV, the transition plan calls for the installation of the main and auxiliary antenna systems at the same time. The tower with the new antenna systems must be studied to confirm the tower structure meets the requirements of ANSI/TIA-22-G-2-2009 as required by the North Carolina Building Code. If the tower fails to meet the requirements, TCI working with the antenna supplier will develop a recommendation on how to resolve the issue.

Also, since this is a new site for WUNF-TV, extension of the UNC-TV transmission network infrastructure will be required to provide UNC-TV with the ability to deliver programming for broadcast as well as the necessary monitor and control infrastructure for the transmission system of WUNF-TV. After discussions with key state agencies, UNC-TV has been able to obtain access rights to a number of state owned communications sites that will allow UNC-TV to implement the required microwave radio link infrastructure without constructing additional communications sites. UNC-TV will be able to add microwave radio equipment at four (4) existing sites "circulating" the equipment into existing antenna systems. At one site a new microwave path link will be required as the last leg to the new site. That link will require the installation of antenna systems as well as radios. A structural analysis of this communications site will be required. UNC-TV will need to file applications with the Wireless Telecommunications Bureau for new fixed microwave licenses to effectuate this signal delivery infrastructure to new Site #1.

UNC-TV will also be updating its FCC Form 399 budget submission very soon. The updates will be to accurately reflect the manufacturer, model number, and pricing for the equipment being purchased. It will also include updated pricing for project management, and other professional services as well. Further budget adjustments may be necessary after the tower and building reports are finalized. These reports will indicate any additional items that will require addressing for the project to meet the mandated State Building Code requirements.

Site #2

Fortunately, UNC-TV is able to handle the repack of WUNF-TV Site #2 a bit differently from Site #1. Site #2 is located on tribal land owned by the Eastern Band of the Cherokee Indians. The work at this site is able to be done as a "like-for-like" replacement, which simplifies and expedites the equipment and services acquisition process. At this time, UNC-TV believes, based on discussions with relevant authorities, the repack work at WUNF-TV Site #2 can be done without any permits.

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The equipment required for WUNF-TV Site #2 can be acquired under different State of North Carolina purchasing rules than the equipment for WUNF-TV Site #1 (and for the other 10 UNC-TV repacked stations). For WUNF-TV Site #2, UNC-TV is merely required to obtain 3 quotes for like equipment and the purchase must be made from the vendor supplying the lowest quote. Following this procedure, the antenna has been purchased and was received in late June 2018 and is in storage awaiting installation. The purchase order for the transmitter encountered delays may be issued as early as mid-July 2018. UNC-TV currently expects equipment delivery to occur in early-mid September 2018.

The proposed new antenna is a broadband antenna that can operate on both the pre- and post-transition channels. The transmitter is frequency agile and can also operate on both the pre- and post- transition channels. Once all the equipment has arrived, UNC-TV will be submitting a request for special temporary authority (STA) for WUNF-TV Site #2 requesting permission to operate the site with the new antenna (the new antenna azimuth pattern varies slightly from the existing authorized antenna). The transmitter output power would also be adjusted so the site does not exceed its currently authorized ERP. Once that STA is granted, the new antenna and transmitter will be installed and will begin operating on the current pre-transition channel. With only a few minor changes to the transmitter, operation on the post-transition channel can begin on the scheduled transition date.

While off to a slow start, as is inherent in the mandatory legal state procurement/design/construction process, we believe, as of this early July 2018 filing, that the Phase 5 August 2019 construction deadline remains achievable for WUNF-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.