

WUNC-TV Transition Plan Progress Report

The University of North Carolina (UNC-TV), Licensee of WUNC-TV, Chapel Hill, 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.

WUNC-TV's repack transition project requires oversight and input from, and collaboration and coordination with, two different divisions of the North Carolina Department of Administration. The State Office of Purchasing and Contracts (P&C) controls the purchase of goods and services while the State Construction Office (SCO) oversees the construction / installation aspects of the project. As noted above, in addition to WUNC-TV's repack, UNC-TV owns and operates 10 other television stations participating in the repack transition. Significantly, P&C and SCO have advised UNC-TV that all 11 station repack transitions must be bundled together as one project request to them. As a result, any part of the state-mandated contracting, purchasing, and construction process that might require extra attention by P&C and/or SCO will necessarily affect the process for all 11 of UNC-TV's stations. As of the filing of this initial Transition Progress Report in early October 2017, UNC-TV believes that it will be able to complete all 11 repack transitions in the time allotted by the Commission, but we believe it is important for the Commission to understand that any delay caused by state-mandated procedure for any of UNC-TV's repacked stations is likely to affect all 11 of UNC-TV's repacked stations.

To expedite the acquisition of goods and services, UNC-TV has requested—and successfully secured—some limited delegated authority related to purchasing oversight. We believe this limited delegated authority will streamline the acquisition process for certain portions of the 11 repack projects and will potentially result in the saving of several weeks of time from the acquisition process. In short, we believe that the award of purchase contracts for antennas, transmitters, and transmission line can be made more quickly. Nonetheless, procurement of antennas, transmitters, and transmission line will still require a formal competitive bid process. The formal bid documents are just starting to be compiled because the detailed information necessary for these documents only recently confirmed. Ten of UNC-TV's repack construction permits were granted shortly after the July 11, 2017, filing deadline. However, one of UNC-TV's repacked stations—WUNF-TV—was the subject of an “unable to construct” request and waiver grant, and WUNF-TV's construction permit was granted on September 27. Thus, because WUNF-TV's CP information has only recently become available, the formal bid documents could not be compiled or finalized until that portion of the overall project (to reiterate, P&C and SCO are requiring UNC-TV to treat all 11 repack transitions as one single project) was finalized.

The first step in the construction portion of this project is the hiring of a “designer”. This process was not able to begin until UNC-TV had definitive information about the scope of the project (i.e. the construction permits for 11 stations). With that information now available, the hiring of a “designer” is moving forward. The designer will be responsible for creating a construction drawing package for WUNC-TV's portion (and each of the 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 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.)

Furthermore, in turn, the designer will hire a construction manager who is required for the coordination of work at all of UNC-TV's repacked sites, including coordinating the services contracted through the acquisition of the antennas and transmitters.

While off to a slow start, as is inherent in the mandatory legal state procurement/design/construction process, we believe, as of this early October 2017 filing, that the Phase 5 August 2019 construction deadline remains achievable. 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.