

**RECOMMENDATION**

It is recommended that the Board of Trustees approve the negotiation and potential sale of the Educational Broadband Services spectrum currently owned by the university, and delegate authority to the Vice President for Finance & Administration and CFO to execute the sale if favorable terms can be negotiated.

**BACKGROUND**

Educational Broadband Services (EBS) spectrum is a locally licensed 2.5 GHz band used for wireless services in the US. In the 1960's, the Federal Communications Commission (FCC) granted to UNC and other educational institutions Instructional Television Fixed Service licenses which allowed for one-way analog TV broadcasts for "distance learning." As technology evolved, these licenses transitioned to digital EBS, and the FCC later permitted institutions to lease unused capacity to commercial wireless providers. In 2019, the FCC removed the educational-use requirement, allowing full transfer or sale of EBS licenses.

UNC has leased its EBS spectrum to a commercial provider since 1992. The current agreement runs through 2038 and generates approximately \$50,000 annually, plus a \$24,000 service credit for subscription-based equipment (cell phones, hotspots, etc.). Both revenue and service credit are predetermined to increase by 3% per year.

A prospective buyer, protected by NDA, has prompted an evaluation of selling the asset versus retaining the lease. Industry valuation is based on MHz, population, and per-unit pricing. UNC's spectrum (23.5 MHz covering 400,000+ people) would be compared against the lease's estimated net present value of roughly \$900,000.

Selling the spectrum carries risks: 2.5 GHz is a highly desirable band with limited supply and potential for future value growth. However, emerging technologies or shifting spectrum demand could reduce its long-term value. A sale would eliminate a predictable revenue stream, the possibility of future appreciation, and potential alternative institutional uses, though none have been identified at this time.

Per Section 9 of the Bylaws of the Board of Trustees, the President is authorized to approve and execute all contracts, instruments, etc. subject to certain exceptions. As an intangible asset, the sale of UNC's EBS spectrum is not specifically excepted from the President's authority; however, Section 9(A) states that the President is not authorized to approve and execute any documents that "acquire, dispose of, or hypothecate interests in real property held by the Board of Trustees or any of its predecessors" without express prior approval of the Board. EBS spectrum is considered an asset that can be licensed and traded, similar to property rights. Additionally, this sale would "dispose of" a 30-year lease that has characteristics of a real estate lease. Therefore, in the spirit of Section 9(A) prior approval of the Board is requested.

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| Responsible Staff   | Date     | President   | Date    |
| Board Action  | Date     |   |         |