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PDVW - Q2 2019 pdvWireless Inc Earnings Call

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NOVEMBER 07, 2018 / 9:45PM, PDVW - Q2 2019 pdvWireless Inc Earnings Call

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PRESENTATION

Operator

Good afternoon, ladies and gentlemen, and welcome to the pdvWireless Second Quarter Update Conference Call. (Operator Instructions) It is now my pleasure to turn the floor over to your host, Natasha Vecchiarelli. Ma'am, the floor is yours.

Natasha Vecchiarelli - *pdvWireless, Inc. - Director of Corporate Communications*

Thank you, Katharine. Good afternoon, everyone, and thank you for joining us. With me today are Brian McAuley, our Chairman; Morgan O'Brien, our CEO; Rob Schwartz, our President and COO; and Tim Gray, our CFO.

Before we begin, I'd like to highlight that during our call, we will present both GAAP and non-GAAP financial measures. A reconciliation of non-GAAP to GAAP measures is included in today's earnings release, which can be found on our Investor Relations page.

Please, also note that our discussion may contain forward-looking statements, and our actual results may differ materially from those implied. Information regarding factors that could cause such differences can be found in our public filing.

With that, I'd like to turn the call over to Morgan O'Brien.

Morgan E. O'Brien - *pdvWireless, Inc. - CEO & Director*

Thanks, Natasha. Good afternoon, everyone. Since my last opportunity of updating you in August, we have seen some positive developments on the regulatory front. The first of these was on September 13 when the FCC by public notice announced the temporary filing freeze effective that day on applications for new or expanded use of the 900 megahertz band frequencies. As a reminder, this FCC freeze followed the July comments of Chairman Pai at the congressional oversight hearing where he stated that his team was "drafting an NPRM to follow up on the NOI." The explicit rationale given for the freeze was the notice of inquiry, dating from August of 2017 and the need "to preserve the current landscape of authorized operations pending commission action as part of its ongoing inquiry into potential rule changes to promote next-generation technologies and services in the band."

The imposition of a freeze such as this is quite common when the FCC is moving toward a ruling, and it's intended to prohibit the filing of applications fueled by speculation. We therefore deem this a corroborating fact to what we understand to be actively pending action on our petition.

The application freeze suggests the process is moving forward, and that is a good thing. But we believe that another FCC action that took place 2 weeks later is even more encouraging. At a White House 5G Summit held on September 28, FCC Chairman Pai, alongside the National Economic Council Director, Larry Kudlow, announced what he described as the FCC's 5G FAST Plan, where FAST is an acronym for Facilitate America's Superiority

NOVEMBER 07, 2018 / 9:45PM, PDVW - Q2 2019 pdWireless Inc Earnings Call

in 5G Technology. The Chairman's plan announced specific actions that the FCC was taking, including acting to improve use of low-band spectrum, services with targeted changes to the 600, 800 and 900 megahertz bands. We believe the notice of inquiry underlies the Chairman's 900 megahertz reference and that he is expecting this proceeding "to improve use of this spectrum." Of course, we will not know exactly what the FCC may have in mind until we see it, but both the freeze and the subsequent FAST Plan seemed to suggest that we do not have much longer to wait for the FCC to act.

As a further sign of where we hope the FCC may be heading, I'm going to highlight this sentence from Chairman Pai's FAST Plan under the titles, Modernizing Outdated Regulation and Speeding the IP Transition. "The FCC has revised its rules to make it easier for a company to invest in next-generation networks and services instead of the fading networks of the past." I would argue that there could not be a more succinct statement of what EWA and PDV have been urging for 4 years, which is permission to invest in next-generation networks and services such as LTE and broadband and not in "fading networks of the past." We can't think of better examples of fading networks of the past than the 20- or 30-year-old narrowband systems that operate in inter-league spectrum and after all these years, still only utilize a small portion of this viable spectrum band.

Finally, in his White House statement, the Chairman confirmed the FCC's "consistent national policy for broadband providers that encourages infrastructure investment." We believe we fit that policy perfectly. We believe that our success at the FCC will depend on how closely we come to conforming our specific ask to the FCC's general policies. To us, it could not be clearer from numerous FCC actions and strong statements of policy, such as the FAST Plan, that our proposed 900 megahertz reforms conform precisely to the direction of the FCC's policies.

Of course, there remain opponents to our plan, who also are aware of these positive FCC actions. As expected, these signs of our progress in modernizing the band have reactivated some opposition on the record. In a series of FCC proceedings on October 24 -- FCC meeting, excuse me, on October 24, certainly entities labeled the Critical Infrastructure Coalition visited various FCC offices to raise their concerns.

I think several points are worth making about the opposition. Most importantly, we view this as repackaging the same arguments, which the FCC has been considering since shortly after our initial filing in 2014. We're not aware of any new arguments that were made to support the claim of unacceptable levels of harmful interference. If the FCC were persuaded that harmful interference would occur, it seems likely that this proceeding would have terminated a long time ago. The passage of time has only made our position stronger, but based on real world experience, the performance characteristics of LTE and low band are well understood, particularly by a company like Ericsson, who has deployed 900 megahertz LTE systems globally. And as stated on the record in this proceeding that it sees no likelihood of harmful interference.

Secondly, it is worth noting that the membership of the coalition is shrinking, and the position that most of its members, we believe, is focused primarily on assuring fair treatment in any retuning, a principal we've repeatedly supported starting with our initial filings. We'll leave it to the FCC to weigh the claims made by the coalition. But certainly, it's noteworthy that significant numbers have withdrawn, including the industry trade groups, UTC and EEI. This is not at all surprising to us since we have spent considerable time with former members, now supporters, like Sensus and Southern Company as well as many other incumbents to demonstrate that the proposed broadband can peacefully coexist.

We have explained why the opportunity for broadband at 900 megahertz is much more compelling for critical infrastructure and private enterprise than the engineering claims made by a single vendor aligned closely with Florida Power & Light. We're seeing strong growth of interest in 900 megahertz broadband from prior opposition members, and we continue to work with incumbents to execute on successful preemptive retunes, including PSE&G, LIPA, Southern Cal Edison, SMUD.

As the FCC makes very clear in proceedings involving spectrum repurposing, incumbents generally are not supportive of any changes no matter how much more efficiently the spectrum may be deployed. There's no surprise there for when incumbents file opposition. It becomes a responsibility of the FCC to listen carefully to the arguments of course, but we know from our earlier discussions at the FCC inclination here, as always, is to stimulate new investment and new technology to enable future needs.

Finally, regarding the ex-parte filings by the coalition by Harris and by Florida Power & Light, their arguments exhibited dichotomy that the FCC may find as puzzling as we found it. On the one hand, Harris and FPL on behalf of the coalition and its individual allies argued that broadband simply cannot coexist with narrowband in the same 10 megahertz and then harmful interference is bound to occur. On the other hand, however,



NOVEMBER 07, 2018 / 9:45PM, PDVW - Q2 2019 pdvWireless Inc Earnings Call

the coalition raised claims to what they call "equitable options" to become the broadband licensee and to meeting more than a year to get the funding approval to pursue that opportunity.

At PDV, we consider this to be a sign of progress since earlier positions were taken by Florida Power & Light, for example that broadband at 900 megahertz would never be needed or wanted. We thought at that time that FPL simply misunderstood the opportunity and that given enough time, they would come around to our view. Now that they seem to have done so, they want a unique right versus incumbents like PDV to decide whether and when to deploy broadband.

Since in every market where our spectrum holdings overlap, PDV is by far the largest incumbent, this seems to suggest that some new special privilege has invaded coalition members by virtue of this proceeding. As we have said consistently, the appropriate forum for such discussion is in response to an NPRM. We look forward to having such an opportunity.

It's a truism in matters such as this that the best course of action when you're losing is ask for more time. This may explain why the coalition members, after years of inactivity, now have decided they need more time for testing without explaining what testing that might entail. The request ignores the October 2017 test results reported by Pericle Communications Company, a highly respected technical firm, that concluded there was no realistic likelihood of harmful interference.

We believe the FCC would expect that, in the aftermath of issuing an NPRM, they may well receive more requests for testing in a continued effort to delay this already prolonged process. When and if that happens, we believe it will be extremely unlikely that the coalition or any other party will be able to make a convincing case that additional testing is in the public interest.

While the process at the FCC remains our highest priority until we have final rules freeing us up to deploy broadband, the regulatory team continues to spend substantial amounts of time and resources towards next phase of our business, enabling the utility, critical infrastructure and enterprise sectors to build and operate private broadband network. Here, our focus is on the state and federal regulatory processes that influence decisions made by utilities. In particular, the investor-owned utilities or IOUs, who serve approximately 2/3 of the U.S. population and businesses, to deploy next-generation technologies.

At the federal level, for example, we're engaged with the Department of Energy, which is the sector-specific agency responsible for energy sector cyber security; and with the National Renewable Energy Lab in Colorado, which focuses on renewable power technologies. At some time in the near future, we plan to hold a briefing for investors, where we will expand in some detail our view about the challenges that utilities face in modernizing the grid and the opportunities for PDV to provide dedicated broadband spectrum as an essential element of a more resilient, reliable and secure grid architecture.

In our filings at the FCC as well as in our preliminary briefings at the federal and state regulatory levels, we're making very clear our view that low-band spectrum such as 900 megahertz is the ideal base from which the IOUs can begin to build and operate LTE broadband facilities that will meet their most stringent requirements for next-generation communications. While the FCC must take the first crucial step of repurposing the band, subsequent government decisions will be equally important to provide substantial funding opportunities to the IOUs. We continue to expand our internal resources so that we can understand the use cases, which will facilitate in emerging autonomous grid and thus, play a constructive supporting role in the much larger industry effort to make the Smart Grid smarter while further insulating it from inevitable cyber attacks.

Now I'll turn the microphone over to Rob, and I'm happy to take questions after our formal presentation has ended.

Robert H. Schwartz - *pdvWireless, Inc. - President & COO*

Thanks, Morgan, and good afternoon, everyone. As Morgan just covered our top priority, our continuing progress on our FCC regulatory process, I'd like to focus my time to provide updates on our other 2 top priorities: first, our commercial broadband business development; and second, creating an organizational infrastructure to implement and operate that business. As you just heard, we were increasingly enthusiastic and confident about our continued regulatory progress. So given this increased confidence in near-term positive outcome, we are focusing even more of our



NOVEMBER 07, 2018 / 9:45PM, PDVW - Q2 2019 pdWireless Inc Earnings Call

resources on driving the development of our growing broadband customer pipeline and simultaneously building the organizational platform, products and operations to support our broadband commercial service offering.

We continue to see increasing market demand from industrial customers for private broadband networks that leverage standards-based LTE technology utilizing our low-band 900 megahertz spectrum. Numerous market forces are driving enterprise customers to seek private broadband network options, including the current momentum of the large vendor and customer ecosystem building around the CBRS 3.5 gigahertz mid-band offering. We see this as a perfect complement to our low-band offering, which is a necessity for any wide area coverage, and we believe we'll continue to generate interested parties for PDV.

And more specifically, we are currently working with several investor-owned utilities, supporting their pilots and initial deployments each at various stages of development. Since last quarter's call, our pilot with Ameren, the investor-owned utility in Illinois and Missouri, officially went on air, meaning that they have initially constructed and they're transmitting over broadband channels in the 900 megahertz band, leveraging PDV spectrum. This was made possible by the FCC granting an experimental broadband license to Ameren a few months ago.

Ameren is continuing to work with Nokia and PDV to jointly implement a network with an ecosystem of standardized band 8 LTE devices to support Ameren's specific use cases. And it begun testing the integration of these devices into their existing electric grid networks. As we continue to work with Ameren on this important initiative, we are seeing firsthand and demonstrating to the industry the substantial benefits that broadband can bring by enabling a multitude of use cases within the utility, many of which were previously unsolvable with their legacy infrastructure.

For example, we're seeing a need for enhanced monitoring control of key elements of electric grid known as distribution automation or DA, including reclosers, capacity banks, transformers and controllers. Distributed energy resources, including renewables, storage, microgrids are also driving a need for enhanced communication and control. And we are seeing use cases that will enhance safety as simple as controlling streetlights or as complex as turning off segments of falling power lines before they hit the ground and leading the way for smart cities.

And while these are current use cases solving immediate needs, as we discussed the forecast with utilities, they're projecting exponential growth of connected devices that can further leverage the private LTE infrastructure investment rather than use the fragmented narrowband legacy approach of the past. We see major IOUs projecting growth from the immediate needs for tens of thousands of connected devices to their 10-year forecast of millions of connected devices.

Grid modernization is occurring now throughout the U.S. and will continue to be a large part of utility spending over the next 5 to 10 years. Approved spending in utility rate cases in 2017 totaled in excess of \$100 billion with grid modernization as a key component. We believe that these and future rate cases support substantial investments in private LTE broadband and will scale for future requirements of this modernizing grid with reliability, resilience and security.

As some of you may have seen, Southern Company also recently filed for an experimental license with the FCC for 900 megahertz broadband spectrum for their own needs, and Southern has been actively supportive with PDV at the FCC. We expect Southern's experimental license to be granted soon, and as the utility industry's leader in the deployment and operation of private LTE systems, we're excited to see them doing so leveraging PDV's valuable 900 megahertz spectrum. We anticipate more to come from this important relationship.

Another example of the growing market demand and the progress we are making in our commercial development pipeline is the planning for a third initial deployment of 900 megahertz broadband with another large investor on utility. Due to our NDA, we're restricted from naming them at this time, but it is worth noting, however, that this company was initially opposed to our FCC item, but as they identified a critical internal need and then ran a recent RP process for a "private broadband network to enable higher reliability", they concluded that 900 megahertz was the best solution for their current and future requirements. They have since selected a global infrastructure vendor to supply turnkey services for this initial deployment, and we are partnering with them to support the utility's needs to solve their innovative use cases using our 900 megahertz spectrum.

What's underway? These 3 initial pilot deployments will be a powerful demonstration to the industry, showcasing the tremendous value the broadband networks will enable, and in turn, we expect this to be a catalyst for increasing demand for our spectrum and services. And to be clear,



NOVEMBER 07, 2018 / 9:45PM, PDVW - Q2 2019 pdvWireless Inc Earnings Call

these initial pilot deployments are not technology trials. They're using globally standardized LTE technology and off-the-shelf 900 megahertz band-8-compatible devices that have been deployed in scale at wireless carriers throughout the globe.

The breakthrough innovations of these deployments will be the leveraging of this available and scalable technology for private broadband networks. Private means built, owned and operated by our customer to solve their highly valuable industrial use cases. And for utilities, this provides a critical missing link as they invest in modernizing their grid networks.

We are also capitalizing on the learning from these initial deployments, sharing this experience and expertise with other utilities that are evaluating how to potentially utilize private broadband networks for their own needs. We see the opportunity for PDV to emerge as a trusted partner to these customers as they navigate the uncharted path to private broadband. Our firsthand knowledge we gained from these early deployments is also aiding the development of PDV's unique product and service offerings to utilities and other enterprise customers with an overall goal of simplifying the process of implementation and therefore, accelerating the adoption of 900 megahertz broadband by these types of entities.

And as more utility customers adopt the 900 megahertz platform, creating scale in the sharing of resources like use case development, R&D, roaming and mutual aid, we see valuable network effect that could further increase the value to users as well as accelerate industry adoption. As I mentioned on our last call, we see a very concentrated and high -- and growing opportunity in the utility segment. And we have a heightened focus on the top 20 IOUs that cover 54% of the U.S. population. The majority of these top 20 IOUs are currently evaluating new communication solutions, and PDV's unique capabilities have enabled us to be part of these discussions. As a result of our initial discussions about services and spectrum leasing with potential customers in advance of the final FCC report and order, we have increasing confidence in both the form and value of our innovative leasing models that we are offering and expect that we will be able to talk about this in more detail as we continue to make progress in our customer discussions.

We're also seeing a need for additional services above and beyond the need for spectrum, and we are working to further develop our product offering to be ready to meet that need. We remain focused on providing solutions that enable utilities and other enterprises to successfully own and operate their private LTE networks and meet the growing challenges of cyber security and network resilience and therefore, benefiting utility customers nationwide.

While our primary focus remains on critical infrastructure entities both because of the scale of the opportunity and the utilities incumbency in our band, we see other opportunities for private LTE networks within enterprise sectors as well -- and are developing initiatives to suit them. As private LTE broadband becomes more mainstream due in part to a better understanding of the benefits that the mid-band CBRS initiative will bring to the broader markets, we see a product and application evolution taking place from off-the-shelf technology for mobile devices and fixed command-and-control devices and sensors. With the added benefit of reduced cost and flexibility of this technology, LTE is becoming the de facto solution that private enterprises are turning to.

We have, therefore, been engaged -- engaging with the market segments where we see demand and where the needs appear to be synergistic to investor-owned utilities such as water companies, mining, oil, gas railroads, government, enterprise and smart cities. As we continue to gain more insight and traction in these segments, we would expect to provide you with additional updates.

With our growing confidence in the private broadband opportunity I've described, we've taken appropriate action over the past couple of quarters, as we've detailed, to significantly reduce our ongoing investment in our dispatch business through the downsizing of our team and related costs. In parallel, we have been refocusing the utilization of our resources on this growing private broadband opportunity, including our people and our capital.

We continue to make organizational changes necessary to bolster our team to successfully achieve our broadband future. As a sign of this, we announced a few weeks ago we recently hired Mike Brozek as Senior Vice President of Technology and Engineering. Mike, a 30-year utility industry veteran, is now leading PDV's technology and engineering organization. He brings a clear understanding of the customer and the benefits that private broadband networks will bring to critical infrastructure and enterprise.



NOVEMBER 07, 2018 / 9:45PM, PDVW - Q2 2019 pdvWireless Inc Earnings Call

In addition to Mike, we're ramping up our entire organization to achieve commercial readiness for our broadband service offering. We remain confident that we are focusing our capital and our team on the highest value opportunity for our shareholders.

And with that, I'll turn it over to Tim.

Timothy A. Gray - *pdvWireless, Inc. - CFO*

Thanks, Rob. Good afternoon, everyone. During our second quarter of fiscal 2019, we started to see the benefits of the restructuring plan we previously put in place as both our operating expenses and the cash burn of our TeamConnect and pdvConnect businesses saw significant decreases. These reductions, due to cutbacks in staff and other costs associated with these businesses, were made to prioritize our investments toward the future deployment of broadband at 900 megahertz. We continue to review our operating expenses to identify additional areas for future savings. In addition, I've tasked an internal team to look at strategic options, including a divestiture of both the TeamConnect and pdvConnect businesses.

During the quarter, our cash position decreased by \$5.3 million, which included \$500,000 in restructuring-related spend. Keep in mind that our goal for fiscal year 2019 is to have lower cash spend than fiscal 2018 before considering any restructuring-related costs or spectrum acquisitions. Based on the first half of the fiscal year, we expect this to be achievable even while increasing our broadband investments. As of September 30, 2018, the company had \$85.6 million in available cash and is debt free.

Our headcount is down over 30% from its peak of just over 100 employees earlier this calendar year to 65 today. These reductions are mainly due to the cutbacks mentioned earlier but also include changes made to realign our G&A functions to better support our broadband growth initiatives. As Rob mentioned, our recruiting and hiring is focused on hiring key people to enhance our broadband and commercial capabilities, and we do expect headcount to grow again as we continue to add these additional competencies.

Looking at our results for the fiscal quarter. Second fiscal quarter ended September 30, 2018, the company reported a net loss of \$11.8 million or negative \$0.81 per share versus a net loss of \$8.2 million or negative \$0.57 per share for the same quarter in the previous year. The second quarter included \$4.1 million of restructuring-related charges, including severance and stock compensation expense due to the business changes I mentioned earlier. Adjusted EBITDA for the fourth quarter was negative \$7.6 million compared with negative \$5.6 million for the same period in the prior year. The decrease in adjusted EBITDA over our previous year is due to increased investment in our broadband initiatives and \$2.3 million in restructuring-related charges.

I'll finish by saying that we are updating our go-forward financial plan based on our commercial development progress. Assuming the FCC issues an NPRM, as Morgan mentioned earlier, we are planning to hold an Investor Day following the release of the NPRM to share additional details on the investment thesis for the next phase of PDV's business. We'll take some time to digest the NPRM after it's released and will release details on the Investor Day shortly thereafter.

That concludes our prepared remarks. I'll now turn it back over to the operator for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Your first question is coming from Mike Crawford.

NOVEMBER 07, 2018 / 9:45PM, PDVW - Q2 2019 pdvWireless Inc Earnings Call

Michael Roy Crawford - *B. Riley FBR, Inc., Research Division - Senior MD, Co-Head of The Discovery Group & Senior Analyst*

We have seen the experimental license that Southern Linc filed, and I was hoping you could give some more color on exactly what additional spectrum options for expanded LTE network operations Southern would want to explore with you in 900 megahertz that they can't get already in 800 megahertz.

Robert H. Schwartz - *pdvWireless, Inc. - President & COO*

This is Rob. A couple things on that filing, one is obviously they filed it now probably over 45 days ago. I haven't counted exactly, but we expect it to be granted shortly. As you know, Southern historically operated an iDEN network, the same network as Nextel's same technology, and they continue to operate that now as they've got mission-critical customers themselves and some third parties on that. So from their standpoint, they're looking for the ability to have a clear 3-by-3 megahertz of spectrum to be able to deploy certain technologies that they can't do on their existing spectrum. So I can't go too far into it because I think it's -- you really have to talk to Southern specifically and we're -- as typical under an NDA about disclosure. But for them, it's really just a net of value of having additional spectrum capacity.

Michael Roy Crawford - *B. Riley FBR, Inc., Research Division - Senior MD, Co-Head of The Discovery Group & Senior Analyst*

Okay, great. And then perhaps you or Morgan could go into just a little bit more color of how the low-band 900 megahertz could aid what possibly could happen with some 5G implementation in the CBRS band.

Robert H. Schwartz - *pdvWireless, Inc. - President & COO*

Sure, sure. So I think Morgan went into the -- our inclusion in the 5G FAST Plan that was recently announced by Chairman Pai. From our standpoint, the complement of -- just like every global carrier, when you first build out coverage and coverage meaning the need to cover more than just a small campus or in a building, but when you look at the footprints of investor-owned utilities, they're typically covering major metropolitan areas. And a lot of the large IOUs, they're covering multiple states. And so to cover areas where -- not just where the cellular carriers typically covering, but you're talking about where there's transmission lines, generation equipment, you need a spectrum band that can cost effectively cover broad areas. And historically and based on the physics of low band, we say low band, we talk about spectrum under 1 gigahertz, you really need something that's under a gigahertz to be able to have that kind of spectral efficiency. Otherwise, you really need to have a multiple of cell sites built out, and that brings both the capital cost of building those and the operating cost of operating those sites, site rent, backhaul, et cetera. So when you look at the evolution of any major carrier, they all started with low band to build coverage and then over time have gone up the spectrum band to be able to add capacity in spot areas where they need additional capacity, urban cores within buildings, stadiums, et cetera. So for our view, when you -- when companies start to become aware of CBRS, and we think it's a great opportunity and it's a great band to be able to do coverage in limited areas, the awareness of private LTE, which is really the same concept that CBRS is being generated on, as soon as it becomes an awareness that they need to cover broader areas than just a campus or a building, they're going to look for a complementary band of spectrum. We are in our -- in one of our pilot deployments, I think I mentioned previously, doing an overlay of our low-band 900 with an overlay of CBRS on top of it to understand the interaction and how we can use CBRS potentially or our customers can to add additional capacity if and when necessary.

Michael Roy Crawford - *B. Riley FBR, Inc., Research Division - Senior MD, Co-Head of The Discovery Group & Senior Analyst*

And then just last question gets down to timing, which I know you can't control. We assume 1 day we'll wake up and see that in post and through circulation that there'll be an NPRM. Do you think there's any additional heads up that anyone should look for or just kind of stay tuned every day?

Morgan E. O'Brien - *pdvWireless, Inc. - CEO & Director*

Mike, it's Morgan. I think it's stay tuned. We're optimistic that we're going to see something between now and the end of the year. As you know, as you approach Thanksgiving and Christmas, regulatory processes tend to slow down as people take vacations. But I like to think that the FAST

NOVEMBER 07, 2018 / 9:45PM, PDVW - Q2 2019 pdvWireless Inc Earnings Call

and the commission's statement about FAST was more than an acronym, that they actually meant that they were going to do these things quickly as in fast. So that's the approach we're taking with them. If they're looking for something that can be done fast, how about this?

Operator

Your next question is coming from George Sutton.

George Frederick Sutton - *Craig-Hallum Capital Group LLC, Research Division - Partner, Co-Director of Research & Senior Research Analyst*

And the details have been very helpful. So I just wanted to ask a little bit more on the FAST Plan. So having read through that, it's very clear there are opportunities that are right down central for you. I'm just curious with a broadened look at spectrum, more holistic look at spectrum, could that change some of the timing from your perspective?

Morgan E. O'Brien - *pdvWireless, Inc. - CEO & Director*

That's not what we understand to be the case. We understand that we are on our own track, and it's a good track. As I said before, if I were on the 8th floor of the FCC, I'd be looking around for things that we could talk about that had been done after that concrete actions. So we could take that I would know what the repercussions are, and I would know what the pros and cons are, all the things that are an advantage to a proceeding such as ours, which is regrettably more mature than I'd like it to be.

George Frederick Sutton - *Craig-Hallum Capital Group LLC, Research Division - Partner, Co-Director of Research & Senior Research Analyst*

Understand. And relative to the freeze, it's interesting to see some of the pushback the FCC is getting on the freeze given the critical infrastructure nature of this. Do you feel that, that helps accelerate some of the time frame given those pressures?

Morgan E. O'Brien - *pdvWireless, Inc. - CEO & Director*

Sure, yes.

Robert H. Schwartz - *pdvWireless, Inc. - President & COO*

Yes. I think if you look George, freezes are unusual at this stage of a process when we believe that there's going to be some action. So we see that as both a positive sign but also, we think the pressure of those existing licensees that need access and flexibility, we think, also puts pressure on the need to take action.

Morgan E. O'Brien - *pdvWireless, Inc. - CEO & Director*

Yes. So I think that they didn't -- they knew the freeze would not be popular, but it's kind of a necessary evil in today's world. But now that it's out there, I think there's every reason for the commission to act promptly so that, that freeze can be lifted.

George Frederick Sutton - *Craig-Hallum Capital Group LLC, Research Division - Partner, Co-Director of Research & Senior Research Analyst*

Understand. Okay. And then last question, I appreciate the concept of an Investor Day, and I think that's great. I love to make my flights well in advance. Can you just give me a sense of when I should be booking my flights?



NOVEMBER 07, 2018 / 9:45PM, PDVW - Q2 2019 pdvWireless Inc Earnings Call

Timothy A. Gray - *pdvWireless, Inc. - CFO*

Yes. George, that's a great question, and it all comes down to when that NPRM comes out because we do want to have time to digest that and see how and if it impacts what we're thinking about the future plan. So it's tough to say and give you an exact date until we have a view of when that NPRM is going to be out. So I wish I had a better answer than that, but that's kind of where we are right now.

George Frederick Sutton - *Craig-Hallum Capital Group LLC, Research Division - Partner, Co-Director of Research & Senior Research Analyst*

That's being humorous more than it helps.

Timothy A. Gray - *pdvWireless, Inc. - CFO*

Are there still 14-day fares?

Robert H. Schwartz - *pdvWireless, Inc. - President & COO*

Are there still 14-day fares? I think, yes. I think it's fair to say it will be at least a couple of weeks' notice.

Operator

We have no further questions in queue at this time.

Robert H. Schwartz - *pdvWireless, Inc. - President & COO*

Okay. Well, thanks, everybody. We appreciate everybody's interest and availability for this call, and we look forward to talking to everybody soon.

Morgan E. O'Brien - *pdvWireless, Inc. - CEO & Director*

Thank you very much.

Operator

Thank you, ladies and gentlemen. This does conclude today's conference call. You may disconnect your phone lines at this time, and have a wonderful day. Thank you for your participation.



NOVEMBER 07, 2018 / 9:45PM, PDVW - Q2 2019 pdWireless Inc Earnings Call

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