



**UNITED STATES DEPARTMENT OF COMMERCE**  
**National Telecommunications and**  
**Information Administration**  
Washington, D.C. 20230

**OCT 27 2010**

Mr. Bruce Reines  
Wisconsin Department of Administration  
101 E. Wilson Street, 7<sup>th</sup> Floor  
P.O. Box 7864  
Madison, WI 53707-7864

Re: BTOP Grant Award No. NT10B1X5570028

Dear Mr. Reines:

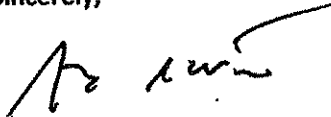
Thank for your time and that of your team over the past several weeks in working with NTIA regarding the Wisconsin Department of Administration (WI DOA) plans for executing the above-referenced Grant Award from the Broadband Technology Opportunities Program. In particular, your efforts in resolving the role of the Wisconsin BadgerNet Access Alliance (WBAA), the need to properly secure the Federal interest in grant-funded property, and related matters.

The purpose of this letter is two-fold. First, in response to Mr. Murray's letters of August 11 and August 24, 2010, I wish to clarify NTIA's view, already articulated during our recent teleconferences, regarding the classification of the WBAA. As we've discussed, resolving the security interest issue turns, in part, on whether the WBAA and its incumbent local exchange carrier (ILEC) members will fill the role of subrecipients under the Grant Award. Based on our discussions, it appears that the WBAA and its members should be classified as subrecipients if they will hold title to property acquired or improved with grant funds. Under the Department of Commerce regulations, title to grant-funded property must vest in recipients or subrecipients. As a result, the ownership interest that the WBAA proposes to retain in grant-funded property as well as the control that it will exercise over the fundamental elements of the project, *e.g.*, provisioning broadband service to beneficiaries of the project, is indicative of a sub-award and demonstrate the characteristics of a subrecipient.

Second, NTIA is requesting, no later than Wednesday, December 15, 2010, that WI DOA confirm in writing (i) whether AT&T and the other members of the WBAA will participate in executing this Grant Award under the conditions specified therein; and (ii) how the WI DOA proposes to comply with the Grant Award with respect to any WBAA members that will not so participate. You have stated in recent teleconferences that AT&T and the other WBAA members are currently unwilling either to be classified as subrecipients or to relinquish the proposed ownership of grant-funded assets, raising concerns as to the continued viability of this award. The WI DOA submission should clearly identify any anticipated changes to the original grant award as a result of any WBBA member not participating in the project.

Again, thanks for your time and that of your staff in working through these very difficult issues. NTIA looks forward to resolving these outstanding issues so WI DOA can begin bringing the benefits of the grant award to the State of Wisconsin. Please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Wilhelm', with a long, sweeping horizontal stroke extending to the right.

Anthony G. Wilhelm, Ph.D. Director  
Broadband Technology Opportunities Program