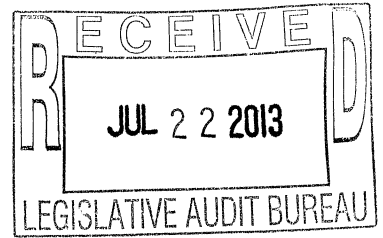




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July 22, 2013

Via Electronic Mail

Senator Robert Cowles
Co-chair, Joint Legislative Audit Committee
Sen.Cowles@legis.wisconsin.gov

Representative Samantha Kerkman,
Co-chair, Joint Legislative Audit Committee
Rep.Kerkman@legis.wisconsin.gov

Dear Senator Cowles and Representative Kerkman:

Thank you for your July 17, 2013 letter requesting UW System Administration's report to the Joint Legislative Audit Committee regarding two Legislative Audit Bureau recommendations contained in report 12-18, *UW System's Role in WiscNet and Grant-Funded Networks*.

We are responding to the request for information regarding UW's plans for obtaining internet services, including:

- the identification of any vendors selected to provide services; the types of services to be provided; the amounts to be charged for services; and the extent to which the vendor will use UW System resources, including its infrastructure and network monitoring services; and
- the extent to which entities outside of the UW System, such as school districts and other local governments will receive services through the same arrangement as UW System institutions and whether UW System resources will be used in the provision of services to these other entities.

There have been significant new developments since the audit report was released in December 2012, which provide important context for our responses. On July 8, 2013 the Senate Committee on Universities and Technical Colleges and the Senate Committee on Government Operations, Public Works, and Telecommunications held an informational joint hearing on WiscNet. UW System Senior Vice President David Miller and UW-Madison Vice Chancellor Darrell Bazzell were invited to update the committees on UW network services.

Due to statutory restrictions on the ability of UW institutions to receive network services as members of WiscNet, the Board of Regents and UW-Madison collaborated to issue a Request for Proposals (RFP) to obtain network services from a third-party provider. The process was vetted by the Department of Administration, with DOA acting as the final arbiter of appeals. At the request of legislators, UW-Madison held the RFP until after the Legislative Audit Bureau

concluded its audit on December 18, 2012. Before proposals were received, the Wisconsin State Telecommunications Association (WSTA) protested the RFP. DOA denied WSTA's appeal, allowing the RFP to proceed.

On May 22, UW-Madison announced that WiscNet was the winning bidder on the RFP. The two other proposers then protested the award. On June 27, UW-Madison denied the protests but also announced to WiscNet and the protesters that it was withdrawing the intent to award a contract for network services, opting instead to provision and operate its own network to serve all UW institutions.

This decision resulted from discussions between the Board of Regents, UW System Administration, and UW-Madison. UW's research and education enterprise demands strong assurance of uninterrupted robust network functionality. The potential for ongoing appeals, litigation and legislative changes created too much uncertainty for our operations and the future of our network, requiring that we pursue a different option.

Specific Responses:

- 1. The identification of any vendors selected to provide services; the types of services to be provided; the amounts to be charged for services; and the extent to which the vendor will use UW System resources, including its infrastructure and network monitoring services.*

Response: UW will provision and operate its own network without using any third-party vendors for network operations. The UW network backbone is an extremely complex and intricate grid comprised of:

- Access rights to fiber UW acquired from numerous sources throughout the state and the Midwest;
- Arrangements established by WiscNet with other networks to carry each other's traffic at no cost (peering relationships); and
- Access to networks through UW's and/or WiscNet's memberships in certain consortia.

As such, UW does not control all parts of the network and, without WiscNet as the vendor, UW must determine how to fill critical gaps in its network that are currently met by peering and other arrangements established by WiscNet. While transitioning to an entirely UW-owned and operated network, we must maintain the connectivity and the current high level of network services for all UW System institutions and affiliates. We are conducting a full review of the network infrastructure, fiber path options, and other necessary components, and we are exploring options for filling operational gaps. These options may include establishing our own peering relationships, and where peering is not possible, using the procurement process to purchase transit, access to needed fiber paths or building our own fiber paths, both of which

involve significant additional time and expense. Until these options can be evaluated and the gaps filled, we will need to maintain current access through WiscNet.

As stated in our testimony in the joint Senate hearing on July 8, 2013, there will likely be areas in which legislative changes will be required as we undertake this complex transition.

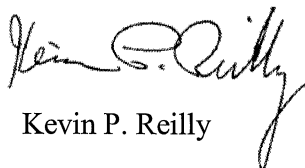
2. *The extent to which entities outside of the UW System, such as school districts and other local governments will receive services through the same arrangement as UW System institutions and whether UW System resources will be used in the provision of services to these other entities.*

Response: The new UW-owned and UW-operated network will not serve entities other than UW System institutions and affiliates. Through its own network, UW will provide services to all 13 UW System four-year campuses and all 13 two-year UW Colleges, as well as their affiliated entities including University Research Park in Madison, the Wisconsin Alumni Research Foundation, Innovation Campus in Milwaukee, Pioneer Farm in Platteville, La Crosse Medical Health Sciences Consortium, and other like entities. These affiliates are key components of UW System's research, education, and outreach missions, and they rely on a high-performance network to fulfill those missions.

Recent changes to Wis. Stat. §36.585 allow UW to maintain connections to regional, national, and international networks such as Internet2, BOREASNet, and the Northern Tier Network Consortium. As needed, UW will use the newly created statutory process to establish connections to additional networks and establish peering relationships.

Thank you for the opportunity to provide this report. Please let us know if you have additional questions.

Sincerely,



Kevin P. Reilly

cc: Rebecca Blank, UW-Madison Chancellor
Joe Chrisman, State Auditor