

August 12, 2010

Lynn Chadwick  
SBDD Program Officer  
National Telecommunications and Information Administration  
US Dept. of Commerce  
1401 Constitution Ave., NW, Ste. 4897  
Washington, D.C. 20230

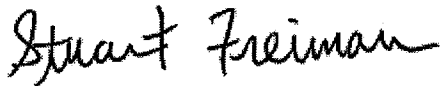
Dear Lynn,

As a follow up to our phone call of August 11, 2010 I want to confirm that we are submitting an amended Form SF424A (attached to this message) for our SBDD Supplementary Grant application. The form reflects that we are removing \$500,000 from our grant request specifically from the personnel and fringe benefits budgets.

In thinking through this, the project team determined that our partners (e.g. state agencies, community organizations and broadband providers) should and will play a more proactive role in the planning and execution of the programs that we proposed. Hence we determined that some of the personnel and contractual expenses were redundant and that we can achieve the same result by trimming the personnel budget. This will result in the elimination of at least 1 proposed full-time position which is yet to be determined.

I look forward to your feedback and stand by ready to answer any questions, comments or concerns that you have.

Sincerely,

A handwritten signature in black ink that reads "Stuart Freiman". The signature is written in a cursive, flowing style.

Stuart Freiman  
Broadband Program Manager  
Rhode Island Economic Development Corporation

**BUDGET INFORMATION - Non-Construction Programs**

OMB Approval No. 0348-0044

<b>SECTION A - BUDGET SUMMARY</b>						
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. SBDD	11.558	\$	\$	\$ 3,002,127.00	\$ 750,532.00	\$ 3,752,659.00
2.						0.00
3.						0.00
4.						0.00
5. Totals		\$ 0.00	\$ 0.00	\$ 3,002,127.00	\$ 750,532.00	\$ 3,752,659.00
<b>SECTION B - BUDGET CATEGORIES</b>						
6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY					Total (5)
	(1)	Federal	(2) Non-Federal	(3)		
a. Personnel	\$	721,162.00	\$	\$	\$	\$ 721,162.00
b. Fringe Benefits		292,465.00				292,465.00
c. Travel		24,000.00				24,000.00
d. Equipment		5,000.00				5,000.00
e. Supplies		7,500.00				7,500.00
f. Contractual		1,922,000.00				1,922,000.00
g. Construction		0.00				0.00
h. Other		30,000.00				30,000.00
i. Total Direct Charges (sum of 6a-6h)		3,002,127.00	0.00	0.00	0.00	3,002,127.00
j. Indirect Charges			750,532.00			750,532.00
k. TOTALS (sum of 6i and 6j)	\$	3,002,127.00	\$ 750,532.00	\$ 0.00	\$ 0.00	\$ 3,752,659.00
7. Program Income		\$	\$	\$	\$	\$ 0.00

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Standard Form 424A (Rev. 7-97)  
Prescribed by OMB Circular A-102

<b>SECTION C - NON-FEDERAL RESOURCES</b>					
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS	
8. SBDD	\$ 750,532.00	\$	\$	\$ 750,532.00	
9.				0.00	
10.				0.00	
11.				0.00	
12. TOTAL (sum of lines 8-11)	\$ 750,532.00	\$ 0.00	\$ 0.00	\$ 750,532.00	
<b>SECTION D - FORECASTED CASH NEEDS</b>					
	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ 0.00	\$	\$	\$	\$
14. Non-Federal	0.00				
15. TOTAL (sum of lines 13 and 14)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT</b>					
(a) Grant Program	FUTURE FUNDING PERIODS (Years)				
	(b) First	(c) Second	(d) Third	(e) Fourth	
16. SBDD	\$	\$	\$	\$	
17.					
18.					
19.					
20. TOTAL (sum of lines 16-19)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
<b>SECTION F - OTHER BUDGET INFORMATION</b>					
21. Direct Charges: \$3,002,127		22. Indirect Charges: \$750,532			
23. Remarks:					