QUARTERLY PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Award Identification Number	3. DUNS Number
Department of Commerce, National Telecommunications and Information Administration	**78-43-B10569**	**789438293**

4. Recipient Organization

Virgin Islands Public Finance Authority 32-33 Kongens Gade, St. Thomas, VI 00802-0430

5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this the last Report of the Award Period?
03-31-2013	◯ Yes ◉ No

7. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.

7a. Typed or Printed Name and Title of Certifying Official	7c. Telephone (area code, number and extension)
Vicki Johnson	3407141635
	7d. Email Address
	vjohnson@usvipfa.com

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	05-30-2013

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).

The U.S. Virgin Islands Public Finance Authority/Virgin Islands Next Generation Network (VIPFA/viNGN) team continued to make progress under its Sustainable Broadband Adoption (SBA) program during Quarter 1, CY 2013. Significant project accomplishments are detailed below:

• The VIPFA/viNGN team, in collaboration with one of its key implementation vendor's (BetterWorld/Connectspace.vi), successfully conducted a soft opening of the Business Hub on St. Thomas. BetterWorld/Connectspace.vi also hired a Project Manager to operate the new hub;

• BetterWorld/Connectspace.vi conducted the StaffCentrix "Home-Based Career & Telework Job Development Program" on St. Croix and on St. Thomas. More than 100 U.S Virgin Islands residents attended. This training featured nationally-recognized expert, Christine Durnst, who taught a Home-Based Career and Telework Job Development Program;

• BetterWorld/Connectspace.vi conducted several training sessions, including a Telework Careers Bootcamp, Social Media Bootcamp and Home-Based Career & Telework Job Development Program during Q1 CY 2013; 135 U.S. Virgin Islands residents were trained;

• The VIPFA/viNGN SBA Program team has placed the Digital Literacy Training course on-line at www.vingn.com and has engaged in activity public outreach, marketing and public relations activities. As a result, the number of individuals who registered for the Digital Literacy course and other cources has increased. With the contribution from the SBA program, a total of 620 individuals registered for Digital Literacy training, and 176 individuals completed the course. For the advanced courses, 393 licenses were issued for courses, such as Microsoft Certified IT Professional (MCITP), Project Management Professional Exam Prep and Small Business training;

• BetterWorld/Connectspace.vi facilitated the opening of eighty (80) new tele-work job opportunities within the Territory. The job opportunities are for remote technical support positions with Support.com, representing Comcast. BetterWorld/Connecspace.vi is in the process of assisting residents to pre-qualify for potential placement in these positions;

• BetterWorld/Connectspace.vi is currently in partnership with Salesforce.com. Under a separate grant, Salesforce.com trained seven (7) U.S. Virgin Islands residents in "Admin 201 Training" as a means of enrolling graduates into the ConnectSpace.vi database with the potential to place them into jobs within Salesforce.com. These jobs with Salesforce.com consist of administrative and programmer positions;

• BetterWorld/Connectspace.vi continues to work with the U.S. Virgin Islands Department of Human Services (VIDHS) and U.S. Virgin Islands Department of Labor through the LaunchPad.vi pilot program to provide job opportunities for U.S. Virgin Islands residents. Residents who are receiving benefits through VIDHS will receive Telework bootcamp and other training courses that improve their job readiness. Once trained, the individuals will be matched with job opportunities and informed about entrepreneurship opportunities, depending upon their skill and knowledge levels;

• The team created a partnership with the U.S. Virgin Islands Bureau of Information Technology (BIT), the U.S. Virgin Islands Division of Personnel, the U.S. Virgin Islands Department of Labor (VIDOL) and CyberLearning, Inc./the National Education Foundation (NEF) to enroll government employees into the Digital Literacy course and, on a periodic basis, to train two to three representatives to be trainers of Digital Literacy courses through a combination of self-directed online training and facilitated training at the U.S. Virgin Islands Department of Labor locations on St. Thomas and St. Croix. The goal is to encourage government employees to complete the Digital Literacy course and others offered by VIPFA/viNGN. VIDOL will also work with the team to encourage private sector businesses to, in turn, encourage their employees to also complete the course;

• BetterWorld/Connectspace.vi met with Onshore Outsourcing, in an effort to source additional tele-work opportunities within the Territory. If a partnership with Onshore Outsourcing is developed, it is estimated to initially create approximately twenty (20) call center job opportunities in the Territory;

• viNGN has been recognized and awarded the titles of "The Best Afterschool Tutorial for 2013" and "The Best E-Commerce Provider for 2013" by the readers of the Virgin Islands Daily News. This annual readers' voter poll and survey recognizes outstanding achievements among U.S. Virgin Islands-based businesses and services;

• viNGN continues to receive positive testimonials, both written and verbal, from individuals who have participated in VIPFA/viNGN's SBA programs and initiatives;

• The U.S. Virgin Islands Government issued a proclamation, recognizing February 6, 2013, as "V.I. Digital Literacy Day"; and

• Senior management and a Board Member have made several speaking appearances at The Rotary Clubs, The Ad Club, the

Chamber of Commerce, and on local radio and television shows.

2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline report, please insert them at the bottom of the table. Figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2.a.	Overall Project	59	The VIPFA/viNGN team remains confident that it will encourage greater use of computers, the Internet and broadband-based services and technology through its community outreach, marketing, public relations and awareness programs; its training and other educational courses; Internet-based research support; and other services to encourage broadband use and adoption. Training, community outreach and awareness activities continue to take place on St. Croix, St. Thomas and/or St. John, including through VIPFA/viNGN's Public Computer Centers (PCCs) which are strategically positioned in neighborhoods and communities throughout the Territory. As of Quarter 1, CY 2013, VIPFA/viNGN's overall project completed is 59%, based on total cash expenditures and in-kind match recognition only. As outlined in the response to Question #1 above, a great deal of progress has been made that is not reflected in the expenditures through March 30, 2013. After the team has accepted the installation of computers and peripherals at each PCC, has been invoiced and then has paid vendors, expenditures will increase significantly during Quarter 2, CY 2013 and Quarter 3, CY 2013. The team's overall performance has improved as a result of its community outreach, awareness, marketing and public relations media campaign. Expenditures increased during Quarter 1, CY 2013, as the team launched its marketing, advertising, community outreach and public relations campaign to promote the training, prospective job opportunities and entrepreneurial opportunities being made available through the SBA program. The team issued a number of press releases to print, radio and television media to support its ongoing efforts to inform the community about the opportunities available and the many benefits to be realized as a result of SBA project. The team also continuously updates the www.vingn.com website and engages in community outreach activities. The team continues to work closely with its key implementation vendors under the SBA program (CyberLearning, Inc. and Betterworld/Connectspace.vi) to increase training, job creation and entrepreneurship opportunities and to encourage broadband adoption within the Territory. With VIPFA/viNGN's SBA grant funding, CyberLearning, Inc./National Education Foundation (NEF) has administered and provided Digital Literacy and "Train the Trainer" training, and Betterworld/Connectspace.vi has sourced and created job opportunities, is conducting job interviews for job openings and has provided training. Further, CyberLearning has partnered with Betterworld/Connectspace.vi to provide the Digital Literacy training to Betterworld/Connectspace.vi's employees and contracted personnel.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
			Also, on St. Thomas, Betterworld/Connectspace.vi opened the Business Hub which will provide job training, source job opportunities, place job applicants and identify entrepreneurship opportunities for residents based on St. Thomas, St. John and Water Island.
2.b.	Equipment / Supply Purchases	-	Progress reported in Question 4 below
2.c.	Awareness Campaigns	-	Progress reported in Question 4 below
2.d.	Outreach Activities	-	Progress reported in Question 4 below
2.e.	Training Programs	-	Progress reported in Question 4 below
2.f.	Other (please specify):	-	Progress reported in Question 4 below

3. Please describe any challenges or issues faced during this past quarter in achieving planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

The challenges and issues that the VIPFA/viNGN team has experienced during Quarter 1, CY 2013 are related to the significant demand for immediate jobs at various professional levels, as a result of high unemployment within the U.S. Virgin Islands. Those who are interested in jobs that are available through the team's vendor, Betterworld/Connectspace.vi, must have a certain level of training before they are considered qualified for the data, technical support, other IT-related and intensive customer-focused and most administrative jobs that are currently available. Unqualified applicants who are interested in employment must first complete the CyberLearning/NEF Digital Literacy course and then Betterworld/Connectspace.vi's assessment process and boot camp telework training. If necessary, individuals must also complete supplemental classes at the PCCs, online and/or through other training venues. As a result, in cases where the individual's need for employment is immediate, the process may slightly delay the individual's ability to generate income quickly; however, the lack of appropriate on-the-job and/or other training is a significant barrier to employment for the data, technical support, other IT-related and intensive customer-focused and administrative jobs that are available. The assessment of each individual's skills and abilities through these initial training activities is critical for the identification of additional training needs and effective job placements.

Further, the VIPFA/viNGN program team, CyberLearning, Inc. and Betterworld/Connectspace.vi teams, local government officials and members of the local private sector have reported a need for remedial courses in basic computing and Internet usage skills development, general digital literacy and/or keyboarding/typing. In response, the VIPFA/viNGN program team has identified supplemental remedial courses, which may be offered to the extent that sufficient funding is available. These courses may be offered in conjunction with PCC grant-funded training or may be used to supplement the courses that are offered at the PCCs, all in effort to facilitate training and employment opportunities for as many residents as possible.

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Per the Budget Execution Details herein, please note that the National Telecommunications and Information Administration (NTIA) and National Institute of Standards and Technology (NIST) approved the revised project budget during Quarter 3, CY 2012. With the approval of the revised project budget, the requirement of a match contribution against the "Other" budget line item was eliminated. In an effort to demonstrate its commitment to meeting the match obligation during the initial planning phase of the project and until the courses were made available to the public through the BTOP-funded PCCs and the ConnectSpace.vi Hub under VIPFA/viNGN's BTOP-funded SBA project, VIPFA/viNGN recorded match expenditures against the "Other" budget line item under the original approved budget, based on allowable expenditures. Given the approval of the revised budget, effective July 18, 2012, which no longer reflected a match requirement against the "Other" budget line item, a Journal Entry was made to account for these expenditures under the "Contractual" budget line item as cash match as of September 30, 2012. With the effective booking of the Course Licenses/IDs and the accounting adjustment noted above, the required match against the "Contractual" budget line item is now "over-matched" by $66,458.80 in expenditures that were previously recorded as "Other" cash match.

4a. In the chart below, please provide the requested information on your BTOP grant-funded SBA activities. Please also provide a short description of the activity (600 words or less). Figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please ensure that the numbers of new household subscribers and business or community anchor institution (CAI) subscribers reflected in the "Total" row represent the unduplicated number of new subscribers that can be attributed to your SBA project as a whole.

Name of the SBA Activity	Location of SBA Activity	Description of Activity (600 words or less)	Size of Target Audience	Actual Number of Participants	New Subscribers: Households	New Subscribers: Businesses and/or CAIs
CyberLearning Inc./National Education Foundation (NEF)'s Digital Literacy & Train the Trainer courses	U.S. Virgin Islands Dept. of Labor on St. Croix and on St. Thomas and Online	Digital Literacy and Train-the-Trainer programs were taught at the U. S. Virgin Islands Department of Labor on St. Thomas and on St. Croix	176	176	0	0
Total:			**176**	**176**	**0**	**0**

4b. Please describe your method for determining the number of households, businesses, and/or (CAIs) subscribing to broadband as a result of your SBA programs (600 words or less).

The VIPFA/viNGN team, in conjunction with BetterWorld/Connectspace.vi, has established a bandwidth package minimum policy of 3 Megabits of bandwidth that each tele-work employee working from home must have. The current plan is to have each employee to complete a survey, given to them by BetterWorld/Connectspace.vi and asking the employee who their ISP is, how much bandwidth they currently have, and a date for when they will be able to upgrade to the required 3 Megabit minimum, if applicable. Using this information, viNGN proposes to send each ISP a list each week of their existing customers who will be upgrading their service. viNGN is proposing that this same strategy be used for new customers who will sign up for any of the ISPs as well. The ISPs will be asked to report back to viNGN, verifying the customer, the upgrade of service or the installation of new service. This information would be used by viNGN to identify, track and document broadband adoption within the Territory, even in advance of viNGN's middle mile fiber optic network being operational. This strategy is in the planning phase and is expected to replace the previously-reported "Broadband Unity Campaign", which was under development by the VIPFA/viNGN team.

4c. Please provide a narrative explanation if the total number of new subscribers is different from the targets provided in your baseline plan (600 words or less).

VIPFA/viNGN's Baseline Milestone targets for Quarter 1, CY 2013 were initially established at 17,366 household subscribers and 1,923 total Community Anchor Institutions (CAIs) and/or business/commercial customers. viNGN is building a middle mile network, and adoption/subscription rates would be at the level of its prospective customers who are the retailers/last mile providers, not individual households, CAIs and business/commercial customers, except those seeking wholesale services. The middle mile network is under construction. In an effort to obtain subscriber-level data, viNGN is seeking opportunities to partner with service providers, as outlined in Question 4b. above.

At this stage of implementation, VIPFA/viNGN's SBA program continues to place a heavier emphasis on community outreach, awareness and marketing campaigns and training to emphasize the benefits of broadband technology from a professional, educational and personal perspective for all citizens. The program's impact is being realized by providing digital literacy and train-the-trainer courses and engaging in advertising, community outreach and awareness activities, while focusing on encouraging broadband adoption by relying upon existing technology but emphasizing the differences that will be experienced when VIPFA/viNGN's Comprehensive Community Infrastructure (CCI) network build-out is completed and last mile providers and others seeking wholesale services have leased access to the network.

The VIPFA/viNGN team has finalized its Communications, Marketing, Outreach and Public Relations Plan, which has outlined the initiatives that will be undertaken to encourage greater adoption by more residents in advance of VIPFA/viNGN's fiber optic network being up and running. In addition to traditional marketing, advertising, public relations and community outreach activities, social media (including Facebook and Twitter) will also play a large part with viNGN using broadband services to drive broadband adoption and usage. The team will drive users to the www.viNGN.com website which has links to viNGN's Facebook page and lists its Twitter name; encourage USVI residents to "Like" the viNGN Facebook page; introduce and link the viNGN Facebook page to popular Facebook pages, such as those belonging to several of the more popular, local radio disk jockeys; "Tweet" and post on Facebook as VIPFA/viNGN continues to accomplish newsworthy actions, such as viNGN being featured on local radio talk shows.

During the upcoming quarters, an even heavier emphasis will be placed on job creation and advanced training and education programs, including those which are focused on job training, skills enhancement and entrepreneurship for those who are able to work for companies that are located outside of the territory without relocating and for those who may need to stay at home and work, in order to care for children or an elderly parent or if they themselves are physically-challenged. In addition, as VIPFA/viNGN's CCI network is being built, viNGN's SBA team will continue 1) to develop methods for coordinating with and creating incentives for the retailers/last mile providers to provide subscriber data from their customers and confirm the data with their customers and/or 2) to engage in follow-up survey activities with users of the PCCs and others whom viNGN has trained and those who have participated in

the outreach and awareness campaigns, in order to capture this type of data.

Further, the team has begun to engage in discussions with local ISPs to partner to provide retail/last mile broadband services within the Territory on VIPFA/viNGN's CCI project-funded middle mile network. The team is also assessing alternatives that will enable VIPFA/viNGN to provide services to ISPs prior to the complete deployment of the middle mile network. These discussions and assessments will continue during Quarter 2, CY 2013 and thereafter.

4d. Please provide the number of households and the number of businesses and CAIs receiving discounted broadband service as result of BTOP funds.

Households: 0	**Businesses and CAIs :** 0

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).

Significant project accomplishments planned for completion during Quarter 2, CY 2013 are as follow:

• The team will continue to engage in community outreach and media campaigns to promote the usage of VIPFA/viNGN's PCCs and completion of its training programs, such as the "Now Open" radio and print ad campaign, the BetterWorld/Connectspace.vi Boot Camp training sessions and Town Hall Meetings which promote training and skills development opportunities;

• The team will continue to encourage residents to use the PCCs and to complete the Digital Literacy courses within a PCC or online from home, work or other locations with Internet access;

• The VIPFA/viNGN team will continue to coordinate with BetterWorld/Connectspace.vi to develop and provide jobs within the Hub-based call centers and to source additional tele-work opportunities for residents of the U.S. Virgin Islands;

• The team will continue to coordinate with CyberLearning, Inc. to provide training programs in digital literacy and skills development, in an effort to encourage broadband adoption;

• The team will place an even heavier emphasis on job creation and advanced training and education programs, including those which are focused on job training, skills enhancement and entrepreneurship for those who are able to work for companies that are located outside of the territory without relocating and for those who may need to stay at home and work, in order to care for children or an elderly parent or even if they themselves are physically-challenged;

• The team will continue to conduct due diligence on supplemental training classes to encourage broadband usage and adoption, including Introduction to Computers, Introduction to Keyboarding and English as a Second Language (ESL)/English as an additional language training, for example, where funding is available. These courses may be taught at the PCCs and/or other locations;

• The team will continue to identify, develop and promote entrepreneurship-focused activities, such as joint workshops to be held with the U.S. Virgin Islands Small Business Development Center (SBDC), to encourage prospective and existing business owners to develop data, IT related and other broadband-based businesses within the U.S. Virgin Islands; and

• VIPFA/viNGN will continue to coordinate with the Government of the U.S. Virgin Island's Bureau of Information Technology (BIT), the U.S. Virgin Islands Division of Personnel, the U.S. Virgin Islands Department of Labor (VIDOL) and CyberLearning/NEF in offering the training for the Digital Literacy and Train the Trainer courses for representatives of each local government department and agency and their supported and supporting community organizations, in an effort to improve the Digital Literacy skills of the U.S. Virgin Islands government workforce and that of its key community service partners.

2. Please provide the percent complete anticipated for the following key milestones in your project as of the end of the next quarter. Write "0" in the second column if your project does not include this activity. If you provided additional milestones in your baseline report, please insert them at the bottom of the table. Figures should be reported cumulatively from award inception to the end of the next reporting quarter. Please provide a narrative description if the planned percent complete is different from the target provided in your baseline plan (300 words or less).

	Milestone	**Percent Complete**	**Narrative (describe reasons for any variance from baseline plan or any other relevant information)**

2.a.	**Overall Project**	65	The team will continue to engage in community outreach and marketing activities. Training will continue with CyberLearning, Inc., and job creation and job skills development efforts will continue with BetterWorld/ConnectSpace.vi. The team will also continue to work diligently with CyberLearning and BetterWorld/ConnectSpace.vi to identify and implement ways to increase the number of residents completing training courses, to enhance job creation activities and to increase the number of residents who are placed in jobs and/or provided entrepreneurial opportunities. Significant progress is expected during Quarter 2, CY 2013, as reflected in the project accomplishments planned that are outlined in Item #1 above and based on total anticipated expenditures through Quarter 2, CY 2013.
2.b.	**Equipment Purchases**	-	Milestone Data Not Required
2.c.	**Awareness Campaigns**	-	Milestone Data Not Required
2.d.	**Outreach Activities**	-	Milestone Data Not Required
2.e.	**Training Programs**	-	Milestone Data Not Required
2.f.	**Other (please specify):**	-	Milestone Data Not Required

3. Please describe any challenges or issues anticipated during the next quarter that may impact planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

The main challenge that the team faces is in identifying a supply of jobs that meets and addresses the demand for jobs within the Territory and/or that elevate broader economic expansion in the Territory. Unemployment rates remain higher than the national average, particularly on the island of St. Croix, given the recent closing of the Hovensa Oil Refinery which is the largest refinery in the Western Hemisphere and was one of the largest employers in the Territory during the past thirty years. The VIPFA/viNGN team is working with one of its key implementing vendors, BetterWorld/Connectspace.vi, to determine ways to attract more broadband-based jobs that can address the critical demand for employment within the Territory and/or facilitate entrepreneurial opportunities while simultaneously sourcing opportunities that will result in the U.S. Virgin Islands having a more digitally literate and competitive workforce. The team remains confident that the activities under the project will have significant impact within the remaining term of the grant.

Sustainable Broadband Adoption Budget Execution Details

Activity Based Expenditures (Sustainable Broadband Adoption)

1. Please provide details below on your total budget, cumulative actual expenditures (for the period ending the current quarter), and cumulative anticipated expenditures (for the period ending next quarter) for each line item, including detailed disbursements of both matching funds and federal funds from project inception through end of this quarter (actual) or next quarter (anticipated). Actual and anticipated figures should be reported cumulatively from award inception to the end of the applicable reporting quarter.

Cost Classification	Budget for Entire Project			Actuals from Project Inception through End of Current Reporting Period			Anticipated Actuals from Project Inception through End of Next Reporting Period		
	Total Cost (plan)	Matching Funds (plan)	Federal Funds (plan)	Total Cost	Matching Funds	Federal Funds	Total Costs	Matching Funds	Federal Funds
a. Personnel	$105,442	$0	$105,442	$31,385	$0	$31,385	$45,371	$0	$45,371
b. Fringe Benefits	$33,742	$0	$33,741	$3,413	$0	$3,413	$5,152	$0	$5,152
c. Travel	$126,837	$0	$126,837	$8,010	$0	$8,010	$8,010	$0	$8,010
d. Equipment	$0	$0	$0	$0	$0	$0	$0	$0	$0
e. Supplies	$54,825	$0	$54,825	$0	$0	$0	$0	$0	$0
f. Contractual	$3,164,985	$1,150,749	$2,014,236	$2,125,609	$1,217,208	$908,401	$2,338,880	$1,217,208	$1,121,672
g. Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0
h. Other	$200,000	$0	$200,000	$5,185	$0	$5,185	$5,185	$0	$5,185
i. Total Direct Charges (sum of a through h)	$3,685,831	$1,150,749	$2,535,081	$2,173,602	$1,217,208	$956,394	$2,402,598	$1,217,208	$1,185,390
j. Indirect Charges	$0	$0	$0	$0	$0	$0	$0	$0	$0
k. TOTALS (sum of i and j)	$3,685,831	$1,150,749	$2,535,081	$2,173,602	$1,217,208	$956,394	$2,402,598	$1,217,208	$1,185,390

2. Program Income: Please provide the program income you listed in your application budget and actuals to date through the end of the reporting period.

a. Application Budget Program Income: $0	b. Program Income to Date: $0