

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration	2. Award Identification Number NT10BIX5570096	3. DUNS Number 789438293
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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) 03-31-2011	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No
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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 Julito Francis	7c. Telephone (area code, number and extension) (340) 714-1635
	7d. Email Address jafrancis@usvipfa.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-20-2011
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Project Indicators (This Quarter)

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

The Final EA was submitted on March 28, 2011 with the expectations of a FONSI shortly. The surveys of the selected Fiber or Facility Access Point (FAP) sites have begun as well as the rodding and roping of the existing underground duct bank system to verify the condition of the in-kind assets from VIWAPA. Over 15 RFPs are drafted and ready to be posted for services and materials. We have also selected the IRU and collocation vendors for the mainland aggregation points for the network and are close to completing contract agreements. We have also placed an order for the conduit system excavation equipment that will substantially save on project costs. Field analysis of all entry points from the core network ring and the respective servicing FAP to the communications room of each CAI location have been completed. Existing underground conduit ducts received through our partner VIWAPA as in-kind assets are being rodded and roped to verify condition of ducts for fiber cable installation. Also, make ready analysis has begun on pole spaces in preparation for aerial fiber cable installation.

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 plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, 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 subsequent written updates provided to your program officer)
2a.	Overall Project	2	Invoices for March 2011 were not yet received from the Engineering Consultant for their construction design activities. However, we will make up any variance since most of the field verification activities have been completed. This information has been passed onto to the design team to update the construction drawings.
2b.	Environmental Assessment	100	The final EA has been submitted and we are awaiting a FONSI.
2c.	Network Design	7	The field verification process has progressed slower than anticipated due to the time taken to negotiate the contract with the engineering firm and for them to fully mobilize their work crews from the mainland and hire additional local staff. However, we will make up the variance during the quarter by adding more manpower on the ground doing the field engineering work. We are executing as many tasks in parallel as our current man-power can sustain.
2d.	Rights of Way	0	Access to a vast majority of properties owned by the Virgin Islands government has been granted and at no cost since the network and FAPs are primarily located on Government of the Virgin Islands properties. 100% of the underground network is on central Government of the Virgin Islands properties. About 50% of the FAPs are on central Government of the Virgin Islands properties. About 45% of the FAPs are on semiautonomous Government Agency properties. About 5% of the FAPs are on private properties. 100% of the aerial network is on WAPA poles that have been granted to viNGN/PFA through their in-kind contribution. All of the underground routes and all of the central GVI FAP sites have been memorialized via MOUs. The other FAP sites are in the process of being granted ROW access through MOUs, easement, or outright purchase in the case of the private owner properties. To the extent possible, we may seek to have the cost savings from the rights-of-way reclassified as in-kind contribution from the GVI.
2e.	Construction Permits and Other Approvals	0	FAP sites are currently being surveyed. Once completed, this information will be turned over to the FAP Architect who will complete the permitting application for construction of the FAPs. Construction permits for the main underground conduit systems are underway; however, the construction engineering drawings have not yet been received. Despite the delays in receiving the construction engineering drawings we are following a batch approach to submitting our permits for the process. This will also quickly allow us to make up this deficit and get back on track and possibly get ahead. We are also trying to minimize the need for Tier 1 CZM process for a couple of small sections of the network. We will have a determination by May 23, 2011. All of the road construction permits are being submitted on May 23, 2011. The FAP permits will be submitted as the designs and site plans are completed on

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			a FAP by FAP basis; however hopefully we can batch the FAP sites as much as possible. We will anticipate submitting the first 10 FAP permits by the end of June 2011 and expect a 15 day turn around.
	2f. Site Preparation	0	FAP sites are currently being surveyed. Once completed, this information will be turned over to the FAP Architect who will complete the permitting application for construction of the FAPs and site preparation can begin. The delays were caused from using a batching approach to obtaining ROW for groups of properties for the roads and the FAP sites. We anticipate having most of this in place in the upcoming quarter which will allow us to meet or exceed planned objectives.
	2g. Equipment Procurement	2	We have not yet finalized our collocation agreements that will allow us to place some of our network switch gear in the respective cages as we had anticipated. We also do not want to place our equipment prematurely since the monthly cost for leasing space and other monthly costs will begin to impact the network long before we can generate income. Once the construction of the local FAPs begin we also anticipate that we will make up this variance very easily with the placement of network equipment in our own FAPs. A lot of work went into first verifying and validating the cost per MG that was a result of the original interconnection approach submitted in the grant application. Once it was determined that the original approach would no longer have allowed us to implement a successful wholesale broadband strategy at a price point to attract local or new last mile providers, we had to quickly scramble to devise an alternative approach. We expect to present our IRU/Lease/Construction contract and collocation recommendations to the Board in the next quarter.
	2h. Network Build (all components - owned, leased, IRU, etc)	0	No variance from baseline plan
	2i. Equipment Deployment	0	No variance from baseline plan
	2j. Network Testing	0	No variance from baseline plan
	2k. Other (please specify):	0	No variance from baseline plan

3. To the extent not covered above, 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).

A major challenge faced this quarter was not getting the field engineering activities started as quickly as expected due to the late arrival of the field engineering team to the islands. Our engineering & consulting firm is currently engaged on several RUS projects on the mainland which were at various stages of completion. It took time for them to mobilize there manpower after our contract negotiations were completed and get them on island. Also, we did not receive feedback on our draft EA within the time expected (that is, March 18th when we finally got feedback vs. February 15th, which was our original expectation date.) as well as the efforts surrounding whether our needed a SHPO concurrence letter or not. These matters are all now resolved and the project is moving forward as expected. Finally, due to an SF270 amendment on this project, we were unable to make any draws from the federal grant funds - the project's indicator of overall progress. We fully anticipate that this will be resolved shortly and we will draw all eligible grant funds for payments we have made from our local matching monies. We estimate that the project is 2 months off schedule; however, our 67% target is not in jeopardy.

4. Please report the following information regarding network build progress. Write "0" in the Total column and "N/A" in the Narrative column if your project does not include this activity. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	0	No variance from baseline plan.
New network miles leased	0	No variance from baseline plan.
Existing network miles upgraded	0	No variance from baseline plan.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Existing network miles leased	0	No variance from baseline plan.
Number of miles of new fiber (aerial or underground)	0	No variance from baseline plan.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	No variance from baseline plan.

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your sub recipient, contractor or subcontractor is negotiating or entered into.

5a. If applicable, please provide the following information with regard to agreements with broadband wholesalers and/or last mile providers as a result of your project.

Indicators	
Number of signed agreements with broadband wholesalers or last mile providers	0
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	2
Average term of signed agreements (in quarters)	40

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:
None Yet

5c. What wholesale services are being provided by this project? Please describe below. As an attachment to this report, please provide pricing plans (in \$ per month) associated with each wholesale service provided by your product (100 words or less). Wholesale services description:
None Yet.

5d. If you have designated a third party to operate all or a portion of your network, please provide the name and contact information for this third party, indicate if this entity is a sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this third party operates (600 words or less).
N/A

6. Please provide the data according to the type of subscriber. Write "0" in the Total column and "N/A" in the Narrative column if your project does not pass or serve a particular subscriber type. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (300 words or less).

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Broadband Wholesalers or Last Mile Providers	Providers with signed agreements receiving new access	0	No variance from baseline plan
	Providers with signed agreements receiving improved access	0	No variance from baseline plan
	Providers with signed agreements receiving access to dark fiber	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from baseline plan

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	No variance from baseline plan
	Subscribers receiving new access	0	No variance from baseline plan
	Subscribers receiving improved access	0	No variance from baseline plan
	Please identify the speed tiers that are available and the number or subscribers for each	0	No variance from baseline plan
Residential / Households	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Businesses	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A

7. Please describe any special offerings you may provide (600 words or less).

N/A

8a. Have your network management practices changed over the last quarter? Yes No

8b. If so, please describe the changes (300 words or less).

N/A

9. Community Anchor Institutions:

Using the table below, please provide a list by service area of the community anchor institutions (including Government institutions) connected to your network as a result of BTOP funds. Figures should be reported for the most recent reporting quarter only (NOT cumulatively). Also indicate whether your organization is currently providing broadband service to the anchor institution. Finally, provide a short narrative description with examples of how institutions are using BTOP-funded infrastructure (300 words or less).

Institution Name	Service Area (town or county)	Type of Anchor Institution (as defined in your baseline)	Are you also the broadband service provider for this institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure
NONE THIS QTR.	NONE	NONE	NONE	NONE THIS QTR.

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 We expect to receive our FONSI. Major construction can begin on several of our FAPs and of the underground conduit duct bank. Fiber cable will begin to be pulled through innerduct in existing conduit received as an in-kind contribution. Make-ready efforts are expected to begin in preparation for hanging of the aerial fiber cables. Once the construction of the local FAPs begin we also anticipate that we will make up the variance on the deployment of equipment very easily with the placement of network equipment in our own FAPs.

2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Planned 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 plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the next 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	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	35	We expect to exceed this number since we anticipate paying up front for our long term IRU agreements.
2b.	Environmental Assessment	100	We expect no variance from the baseline plan since we fully expect to have received our FONSI.
2c.	Network Design	100	We anticipate no variance from the the baseline plan.
2d.	Rights of Way	50	We anticipate no variance from the the baseline plan. The rights of way are primarily on government property; consequently, much of the expenses will be incurred trying to negotiate with private owners. We expect to expend project funds in this category.
2e.	Construction Permits and Other Approvals	50	We anticipate no variance from the the baseline plan. Our approach will be combining our permitting applications for as many parts of the construction routes as possible. Road construction represents over 50% of the project permitting requirement. We will be submitting the permits for the road construction by next quarter. We anticipate to receive permitting within the quarter; therefore, we believe we will be at better than 50% completed in this category by the end of June 2011.
2f.	Site Preparation	35	Achievement of this goal by the end of June 2011 is ambitious. Underachievement will not have a dire impact on the project overall since FAPs will be significantly complete before network completion. We will continue permitting en masse and will manage the outcome to overall achievement.
2g.	Equipment Procurement	25	We anticipate no variance from the the baseline plan. Once the construction of the local FAPs begin we also anticipate that we may exceed this number very easily with the placement of network equipment in our own FAPs and at CAI locations.
2h.	Network Build (all components - owned, leased, IRU, etc.)	15	We expect to significantly exceed this number since we expect to complete our IRU negotiations and make up front payments for long term leases and IRUs, filing of applicable and appropriate Award Action Requests notwithstanding.
2i.	Equipment Deployment	10	We may exceed this number since we expect to deploy network gear in at least three collocation facilities. Also, once the construction of the local FAPs begin we also anticipate that we may exceed this number very easily with the placement of network equipment in our own FAPs and at CAI locations.
2j.	Network Testing	10	We anticipate no variance from the the baseline plan.
2k.	Other (please specify):	15	We anticipate no variance from the the baseline plan.

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).

One challenge that may impact achieving planned progress against the project's milestone in this quarter is receiving the authorization to raise sufficient local cash match due to the Legislature's decision to move the BAN/Bond authorization bill to a sub-committee hearing before a final vote before the Committee on the Whole. This may delay the availability of additional local match funds to the middle of May 2011. Without these funds, we will not be able to enter into certain contracts for various construction phases of the project. However, the Governor plans to call a Special Session of the Legislature during the week of April 4, 2011 to expedite this vote and get us the authorization sooner to maintain the financing time schedule to receive the local match dollars before the end of April 2011. We are proceeding with the release of all RFPs and once we receive access to local funds the week of April 20th we do not anticipate any project delays. As we approach the hurricane season, unpredictability becomes a real factor in available days for construction. Fortunately for this project, the majority of the infrastructure (conduit system and poles) is already in place and only requires pulling through or attachment of the fiber cables.

Infrastructure Budget Execution Details

Activity Based Expenditures (Infrastructure)

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.

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		
Cost Classification	Total Cost (plan)	Matching Funds (plan)	Federal Funds (plan)	Total Cost	Matching Funds	Federal Funds	Total Costs	Matching Funds	Federal Funds
a. Administrative and legal expenses	\$450,000	\$0	\$450,000	\$0	\$0	\$0	\$300,000	\$0	\$300,000
b. Land, structures, right-of-ways, appraisals, etc.	\$1,500,108	\$0	\$1,500,108	\$0	\$0	\$0	\$350,000	\$0	\$350,000
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$4,153,932	\$500,000	\$3,653,932	\$378,378	\$193,629	\$184,749	\$700,000	\$150,000	\$550,000
e. Other architectural and engineering fees	\$280,320	\$0	\$280,320	\$235,071	\$235,071	\$0	\$280,320	\$0	\$280,320
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$992,050	\$0	\$992,050	\$0	\$0	\$0	\$300,000	\$100,000	\$200,000
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$2,880,000	\$0	\$2,880,000	\$0	\$0	\$0	\$1,000,000	\$0	\$1,000,000
j. Equipment	\$66,838,777	\$28,886,379	\$37,952,398	\$1,165,696	\$1,165,696	\$0	\$16,890,019	\$13,750,000	\$3,140,019
k. Miscellaneous	\$11,179,661	\$0	\$11,179,661	\$0	\$0	\$0	\$11,179,661	\$0	\$11,179,661
l. SUBTOTAL (add a through k)	\$88,274,848	\$29,386,379	\$58,888,469	\$1,779,145	\$1,594,396	\$184,749	\$31,000,000	\$14,000,000	\$17,000,000
m. Contingencies									
n. TOTALS (sum of l and m)	\$88,274,848	\$29,386,379	\$58,888,469	\$1,779,145	\$1,594,396	\$184,749	\$31,000,000	\$14,000,000	\$17,000,000

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
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