

ANNUAL PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION

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 78-43-B10569	3. DUNS Number 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) 12-31-2012	6. Is this the last Annual Report of the Award Period? <p style="text-align: center;"> <input type="radio"/> Yes <input checked="" type="radio"/> No </p>	
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 Vicki Johnson	7c. Telephone (area code, number and extension) 3407141635	
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7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 01-30-2013	

PROJECT INDICATORS

1. Does your Sustainable Broadband Adoption (SBA) project foster a particular broadband technology or technologies? If so, please describe this technology (or technologies) (600 words or less).

The VIPFA/viNGN Sustainable Broadband Adoption (SBA) Program's goal is to foster the adoption of a wide range of broadband technologies by encouraging the use of high speed, broadband communication and information services through training and outreach activities to promote the benefits of the technology. VIPFA/viNGN expects to generally foster broader broadband technology adoption through a variety of outreach activities and training which will be deployed through its Sustainable Broadband Initiatives (SBA) within the U. S. Virgin Islands.

With regards to the specific broadband technology being implemented to foster sustainable broadband adoption, VIPFA/viNGN has implemented the Comprehensive Community Infrastructure (CCI) project to build out a fiber optic "middle mile" network. viNGN is building a Carrier Grade Ethernet Fiber to the Premise (STPX) infrastructure, which will be a high speed, open access, fiber optic network infrastructure. The network when completed will provide Ethernet transport for a variety of service providers and, by extension, to Community Anchor Institutions (CAIs)/anchor tenants throughout the U.S. Virgin Islands, which are a part of the viNGN network. The local ISPs will provide the "last mile" of service to the CAIs. The Fiber Optic Network will serve as the key "central nervous system" for the body of all viNGN's grants. With regards to SBA, the carrier grade CCI network, will foster greater broadband adoption on the part of the CAIs who will be able to upgrade to faster speeds. Additionally, the ISPs will purchase bandwidth from viNGN in larger quantities and at a lower price than previously possible. As a result, the ISPs themselves will buy more bandwidth and sell it to their customers at a lower price, further facilitating even greater broadband adoption under the SBA grant.

Additionally, training and support services offered under the SBA program will enable VIPFA/viNGN to continue contributing to the drivers of economic growth and community development, including broader broadband adoption, given its contributions to a larger population of citizens with greater digital literacy, enhanced job readiness skills, access to entrepreneurial opportunities and other skills-driven educational opportunities.

Finally, the VIPFA/viNGN SBA project team heavily utilizes broadband to execute all initiatives under this grant, including the operation of the BetterWorld/Connectspace.vi business hub on St. Croix and the upcoming opening of the new business hub on St. Thomas in early 2013. The team's initiatives and projects are implemented by vendors BetterWorld/Connectspace.vi and CyberLearning, Inc./ National Education Foundation (NEF) which have also implemented Digital Literacy Training, job training, skills assessment and outreach campaigns, all with the goal to increase the relevance of broadband in people's everyday lives. Finally, the BetterWorld/Connectspace.vi vendor provides critical services such as Call Center Operations, Bootcamp Telework Training sessions, and various teleconferences which require a heavy dependency on broadband technology.

2a. Please list all of the broadband equipment and/or supplies you have purchased during the most recent calendar year using BTOP grant funds or other (matching) funds, including any customer premises equipment or end-user devices. If additional space is needed, please attach a list of equipment and/or supplies. Please also describe how the equipment and supplies have been deployed (100 words or less).

Manufacturer	Item	Unit Cost per Item	Number of Units	Narrative description of how the equipment and supplies were deployed
0	0	0	0	N/A
Totals		0	0	

Add Equipment

Remove Equipment

2b. To the extent you distribute equipment/supplies to beneficiaries of your project, please describe the equipment/supplies you distribute, the quantities distributed, and the specific populations to whom the equipment/supplies are distributed (600 words or less).

VIPFA/viNGN does not plan to distribute equipment or supplies through its SBA program; Equipment and peripherals will be provided to its PCC locations where SBA-funded training and outreach activities will occur through funding under its PCC grant award.

3. For SBA access and training provided with BTOP grant funds, please provide the information below. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent calendar year. For each type of training (other than open access), please count only the participants who completed the course.

Types of Access or Training	Number of People Targeted	Number of People Participating	Total Training Hours Offered
Open Lab Access	0	0	0

Types of Access or Training	Number of People Targeted	Number of People Participating	Total Training Hours Offered
Multimedia	0	0	0
Office Skills	0	0	0
ESL	0	0	0
GED	0	0	0
College Preparatory Training	0	0	0
Basic Internet and Computer Use	811	32	960
Certified Training Programs	16,690	2	60
Other (please specify):	0	0	0
Total	17,501	34	1,020

4. Please describe key economic and social successes of your project during the past year, and why you believe the project is successful thus far (600 words or less).

The VIPFA/viNGN team has accomplished real economic and social success on the SBA grant during the past year. However, despite there being many initiatives being executed during CY 2012, many will come to fruition in 2013; predominately within the first quarter of 2013. The team has followed the mandates of the grant providing tangible jobs and real growth within the USVI, which continues to experience economic . The VIPFA/viNGN team has also accomplished the following:

- VIPFA/viNGN vendor BetterWorld/Connectspace.vi has opened its St. Croix Hub in 2012 and have submitted over 100 job applications from the Virgin Islands to companies such as Sungevity, a solar electricity company based in Oakland, California. Founded in 2007, it was the first American solar company to design residential solar energy systems remotely over the Internet, using satellite imagery called Remote Solar Design (RSD). Additionally more generic data related applications were also sent to other companies including VirtualAssistants.com and VA.com.
- BetterWorld/Connectspace.vi is ready to begin training and facilitating job placement for Remote Solar Design Engineer positions, to begin in early 2013. The VIPFA/viNGN Team intends to conduct the grand opening of the Connectspace.vi St. Thomas Hub, which will be located next to viNGN's St. Thomas office. This hub will provide telework opportunities and tangible job opportunities on St. Thomas. The Team along with vendor BetterWorld/Connectspace.vi is working with Sungevity to bring hundreds of mid to high paying jobs to the Territory to manufacture and assemble solar panels.
- BetterWorld/Connectspace.vi has developed a program called Launch Pad VI in partnership with the Virgin Islands Department of Human Services. The project sees to access the Human Services client base (approximately 25,000 USVI residents). The goal of the program is to encourage and garner a minimum of 1,000 Human Services clients to sign up for BetterWorld/Connectspace.vi's telework bootcamp and trainings, and then find 100 of the 1,000 online work and positions.
- The BetterWorld/Connectspace.vi team has become a part of an internet radio show called "Inside the Marketplace". The program was developed with www.Kallaloo.com, based on St. Croix, and broadcasts every Wednesday at 2 p.m. Atlantic Standard Time on www.InsidetheMarketplace.com. The series focuses on broadband workforce development opportunities and issues and is intended to be serve as a marketing and awareness tool for ConnectSpace.vi. Upcoming topics include The Changing Nature of Work, Workforce Training, Local Economics, Global Business Trends and more.
- VIPFA/viNGN through its vendors CyberLearning, Inc. /NEF is offering a wide range of training and encouraging broader broadband adoption. Thus far, CyberLearning, Inc. /NEF through its Digital Literacy course trained fifty-one (51) people and thirteen (13) people "tested out" of the course, (meaning that they did not have to take the overall course due to passing the introductory course which assess a potential client's broadband aptitude/digital literacy) in year 2012.
- The VIPFA/viNGN Team has been in talks with financial company Deloitte, to consider moving one hundred (100) accounting positions to USVI from India. Discussions and meetings have begun with Deloitte local and national leadership around the topic of advancing a proposal to start moving Deloitte jobs from India to the USVI. BetterWorld/Connectspace.vi is also involving the University of the Virgin Islands on this initiative and as a result UVI college students interested in Finance and Accounting will also have an opportunity to participate in the Deloitte initiative. Connectspace.vi is also working on a medical transcription component which is providing telemedicine opportunities, in advance of viNGN's fiber optic network being up and running.

These trainings and job opportunities will provide assist in educating a wide range of individuals seeking employment, retraining, advancement and/or entrepreneurial opportunities and will support their efforts for job placement, advancement and/or business ownership.

5. Please estimate the level of broadband adoption in the community(ies) and/or area(s) your project serves, explain your methodology for estimating the level of broadband adoption, and explain changes in the broadband adoption level, if any, since the project began.

5a. Adoption Level (%):	Narrative description of level, methodology, and change from the level at project inception (600 words or less).
5	<p>A broadband Adoption Level for the USVI is currently measured and assessed, based on statistics gathered from the Federal Communications Commission's FCC 477 Report filers. A baseline measure was taken at the start of the SBA program and was reported at 5%, primarily based on business and governmental departments and agencies, while the residential Adoption Level was estimated at 0%, based on the fact that the U.S. Virgin Islands is considered a 100% "Under-served area", per BTOP standards, as defined in the applicable Notice of Funds Availability (NOFA). Further, there is no reliable service that is available to residences to provide "two-way data transmission with advertised speeds of at least 768 kilobits per second (kbps) downstream and at least 200 kbps upstream to end users.", based on the definition of "Broadband" included in the NOFA. Internet speeds offered in the USVI fall below the "Broadband" speeds, as defined in the NOFA.</p> <p>With the full deployment of VIPFA/viNGN's CCI program, viNGN will be positioned to provide access to high speed, reliable, and secure capacity to retail service providers who, in turn, will hopefully offer lower prices to end-users/customers, individual homes and businesses, to encourage broader broadband adoption. Further, in combination with the implementation of its PCC program, Adoption Levels are expected to increase with the implementation of VIPFA/viNGN's SBA program, given increased access to computers and the Internet and digital literacy and other training that will be offered through the PCCs.</p> <p>While the CCI project is being built, the VIPFA/viNGN SBA Project Team is in the process of thoroughly quantifying broadband adoption as a result of the team's efforts. The team is currently in the process of developing the appropriate metrics to properly measure the success of the team's initiatives. It is estimated that one of the initiatives that the team will be implementing within 1st Quarter 2013 which will assist with broadband adoption and measurement is the "Broadband Unity Campaign". The Campaign will focus on the VIPFA/viNGN team creating a print advertisement ad campaign, promoting the benefits of broadband, and encouraging USVI residents to sign-up for broadband service with any of the local Internet Service Providers (ISPs). Miniature versions of the logos of all of all local ISPs will be displayed in the advertisement, beneath a much larger viNGN logo. The advertisement conveys a sense of relationship and unity among all of the companies. The advertisement will further state that if residents bring in the actual "Broadband Unity" print advertisement with them at sign up or even just mention it, they will receive half off of the cost of the regular new subscriber sign-up fee at each ISP, which would be established by viNGN in advance. When the ISP customers sign up for the "Broadband Unity Campaign", the ISP will record that sign-up separately from their other retail initiatives and transmit that data to viNGN on a weekly basis during the duration of the campaign.</p> <p>Adoption Level data is also expected to be captured and reported through VIPFA/viNGN's State Broadband Initiative (SBI)/State Broadband Data and Development (SBDD) program which is also BTOP funded.</p>

6. Please describe the two most common barriers to broadband adoption that you have experienced this year in connection with your project. What steps did you take to address them (600 words or less)?

As the viNGN fiber optic network is not yet deployed, viNGN is not yet currently providing bandwidth which consequently results in barriers to broadband adoption primarily being the local ISPs and their high cost of bandwidth. However, specific barriers that the team has directly experienced with regards to facilitate broadband adoption are as follows: First, with regards to BetterWorld/Connectspace.vi, the team has found that some residents within the community have expressed reservations about visiting the Business Hub on St. Croix, because some residents are unqualified for some of the jobs that are available online due to a lack of basic computer experience knowledge. The team recognized that many USVI residents do not have the knowledge, ability or skill to comprehend the Digital Literacy course. Therefore, a need for an introductory computer course, involving typing as well as other remedial computer-based activities is necessary for the residents to feel comfortable in utilizing the computer, peripherals and to surf Internet. Once the residents have taken and passed the Introduction to Computer and Keyboarding courses, they can graduate to take or test out of the Digital Literacy course. After successfully passing the Digital Literacy course and if qualified for job openings, the residents then can be

placed in the telework boot camp training and apply for jobs online.

Secondly, as it relates to Communication Service for the Deaf program Project Endeavor, the program is designed to promote greater broadband adoption among the deaf and hard hearing community. The program initially was designed to offer discount electronic devices that would aid the deaf in utilizing the Internet. However, after attempting to offer the devices at the discounted rate, the price was reportedly still too high for the USVI deaf and hard of hearing residents. These residents do not have the disposable income to purchase the electronic devices. Nonetheless, the VIPFA/viNGN program team found the products and services from Project Endeavor to be beneficial to the USVI. Consequently, VIPFA/viNGN requested Project Endeavor to donate much needed equipment, to which Project Endeavor donated six (6) iPads to be used to assist in the financial hardships of many within the disabled community.

7. To the extent that you have made any subcontracts or sub grants, please provide the number of subcontracts or sub grants that have been made to socially and economically disadvantaged small business (SDB) concerns as defined by section 8(a) of the Small Business Act, 15 U.S.C. 647, as modified by NTIA's adoption of an alternative small business size standard for use in BTOP. Please also provide the names of these SDB entities. (150 words or less)

The entire U.S. Virgin Islands has been classified as a Historically Under-utilized Business Zone (HUBZone), as it is a 100% underserved or un-served, rural, insular territory, consisting of four main islands. As such, it is believed that most of the project's local vendors can be classified as SDBs; however, the information to verify the relevant data is not available at the time of the publication of this report. Further, it is believed that some of the project's non-local vendors can be classified as SDBs, though data for verification will have to be collected. In addition, the VIPFA/viNGN's procurement process allows for open or at least limited competition, the latter in those cases when the purchases are defined as "Small Purchases" or in cases of emergency under Federal and local law. Full and open competition solicitations are posted on the VIPFA's Office of Economic Opportunity (OEO) website, its viNGN website, local newspapers and local online media, with sufficient time for respondents to provide quotes, bids or proposals in order to ensure that all potential vendors, including SDBs, are aware of all opportunities.

8. Please describe any best practices / lessons learned that can be shared with other similar BTOP projects (900 words or less).

The best practice that the VIPFA/viNGN team would share with other similar BTOP projects is that the team would strongly advocate engaging in a tremendous amount of networking among fellow BTOP recipients. Therefore, as a best practice it is important to reach out to fellow award recipients, as the team did with Project Endeavor. In doing so, BTOP recipients not only have the opportunity to learn valuable knowledge and experience from other awardees, but they can also provide substantial benefits to amongst themselves as these benefits relate programs which may not have been available if an initial connection had not been made. VIPFA/viNGN has found a best practice in exploring and tapping into the vast ocean of BTOP awardees that the team has met from webinars, conference calls, conferences, and referrals, and leveraged these relationships to help propel VIPFA/viNGN on the present positive trajectory.