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?
09-30-2012	○ 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	11-29-2012

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) project team continued to focus on completing activities under the second phase of the Sustainable Broadband Adoption (SBA) program. Significant project accomplishments completed during Quarter 3, CY 2012 are as follow:

• In partnership with Working Excellence Capital Partners, LLC d/b/a BetterWorld Telecom (BetterWorld) and the U.S. Virgin Islands Department of Labor (DOL), VIPFA/viNGN conducted community outreach and marketing efforts to promote and host an Open House at the DOL to discuss training, job creation, entrepreneurship and community activities in advance of a hub being opened on St. Thomas;

• VIPFA/viNGN submitted press releases to the local print and television media to publicize the second round of Digital Literacy and "Train the Trainer" courses at the DOL Public Computer Centers (PCCs) on both St. Thomas and St. Croix;

• VIPFA/viNGN continued the second round of the CyberLearning, Inc./National Education Foundation-administered Digital Literacy and "Train the Trainer" programs, in collaboration with its Public Computer Centers program;

• VIPFA/viNGN continued to engage in community outreach and media campaigns to promote the PCCs, to promote training and skills development opportunities, to promote entrepreneurship opportunities through its ConnectSpace.vi hub and to encourage broadband adoption;

• Through the partnership with BetterWorld, the team has conducted twenty nine (29) informational meetings; has recorded three hundred and twenty two (322) meeting attendees; has processed ninety two (92) applications and resumes; has created fifty two (52) oDesk profiles for those who are being positioned for remote/internet-based jobs and entrepreneurship/contract opportunities; and has created thirteen (13) jobs to support the ConnectSpace.vi hub;

• BetterWorld continued to receive resumes and to identify potential candidates to work in the call center at the hub that is open on St. Croix and for the hub to be opened on both St. Thomas, to work for partners who are seeking remote/internet-based staff support and/ or contractors, and/or to identify candidates who are best positioned to be internet-based entrepreneurs;

• VIPFA/viNGN assisted BetterWorld in obtaining furniture for the St. Croix ConnectSpace.vi hub;

• VIPFA/viNGN continued to assist BetterWorld in identifying office space on St. Thomas for a hub;

• Per the terms of the contract with BetterWorld, the team received a draft business plan that will be used as a basis for further development of a plan for viNGN to sustain the ConnectSpace.vi hubs after the end of the SBA grant award period; and

• The VIPFA/viNGN staff continued to participate in National Telecommunications and Information Administration (NTIA) and National Institute of Standards and Technology (NIST)-sponsored webinars.

Moreover, during Quarter 3, CY 2012, a team from the National Telecommunications and Information Administration (NTIA) conducted a follow-up site visit to its February/March 2012 site visit. The visiting NTIA team cited significant improvements in VIPFA/VINGN's management of its four broadband projects.

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)

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2.a.	Overall Project	15	The VIPFA/viNGN team remains confident that it will continue to encourage greater use of computers, the Internet and broadband-based services and technology through community outreach and awareness programs, training and other educational courses, and Internet-based research and other online services. Training, community outreach and/or awareness activities have taken place on St. Croix and St. Thomas/St. John through VIPFA/viNGN's Public Computer Centers (PCCs) and prospective PCC locations that are strategically positioned in neighborhoods and communities throughout the Territory. During Quarter 3, CY 2012, the VIPFA/viNGN team's performance improved from Quarter 2, CY 2012, with 15% of the overall project completed, based on total expenditures only, and a great deal of progress having been made that is not reflected in the expenditures to date, as outlined in the response to Question #1 above. VIPFA/viNGN has continued to execute its community outreach, awareness, marketing and public relations media campaign. The team conducted an Open House on St. Thomas, in collaboration with BetterWorld and the U.S. Virgin Islands Department of Labor, to highlight training, job creation and entrepreneurship support opportunities and plans; is continuously updating its viNGN website; and, has submitted press releases to print media and television to inform the community about its activities. Expenditures are expected to increase significantly during the next six (6) months, as the team works closely with CyberLearning, Inc. and BetterWorld to accelerate training, the identification of job opportunities, job creation and public outreach activities. CyberLearning, Inc. will administer additional Digital Literacy and "Train the Trainer" courses on both St. Croix and St. Thomas and has tailored the programs to be flexible as to the numbers of days and timeframes to accomodate additional training at various PCCs, the ConnectSpace.vi hub and other locations. CyberLearning, Inc. has also partnered with BetterWorld to ensure that their respective employees and contracted staff/services support complete the Digital Literacy course. There are job openings in the BetterWorld-administered ConnectSpace.vi hub and with partner companies/organizations, and BetterWorld will continue to actively conduct interviews on the island of St. Croix for those job openings. In addition, with the opening of additional PCCs and a ConnectSpace.vi hub on St. Thomas, the team also expects to complete additional rounds of Digital Literacy and "Train the Trainer" classes, to advertise and engage in more community outreach, to conduct other training, to identify additional job placement opportunities, and to work to make job placements during the next six months.
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

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

VIPFA/viNGN 'sSBA team did not experience any challenges or issues during Quarter 3, CY 2012. It remains confident that it is encouraging greater use of computers, the Internet and broadband-based services and technology through its community outreach and awareness activities and initial training programs. Despite the implementation delays it has experienced to date, the team will continue to work closely with the assigned BTOP program team members, its contractors and other partners to identify ways to accelerate the overall project implementation.

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)-administered Digital Literacy and "Train the Trainer" programs	U.S. Virgin Islands Department of Labor (DOL) on St. Croix and on St. Thomas	Digital Literacy and "Train the Trainer" programs were taught at the U.S. Virgin Islands Department of Labor, targeting PCC staff.	27	27	0	0
Total:			**27**	**27**	**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 team is considering different ways to track the number of new broadband subscribers who can be attributed as subscribers as a direct result of the work under VIPFA/viNGN's SBA project. For example, a plan has been drafted to track the number of new broadband users who subscribe as a result of VIPFA/viNGN's training and/or community outreach, awareness, marketing and public relations initiatives. This plan entails the development of partnerships with the local Internet Service Providers (ISPs) and other last mile service providers to assist by providing the number of new broadband subscribers to their services who subscribe as a result of VIPFA/viNGN's training and community outreach, awareness, marketing and public relations initiatives. Through its Comprehensive Community Infrastructure (CCI) project, viNGN is building a middle mile network, and the adoption/subscription rates will be at the level of its prospective customers who are the retailers/last mile service providers to household, CAI and other commercial/business subscribers. Thus, VIPFA/viNGN must rely upon them to collect and provide data as to household, CAI and other business/commercial subscribers. viNGN's SBA team will continue to develop methods for coordinating with the retailers/last mile providers to provide and confirm this data from their customers and/or 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 to capture this data. These plans are being further developed by the VIPFA/viNGN management 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 3, CY 2012 were initially established at 9,472 household subscribers and a total of 962 Community Anchor Institution (CAI) and business/commercial subscribers, understanding that, through its Comprehensive Community Infrastructure (CCI) project, viNGN is building a middle mile network and would only sell directly to ISPs and other last mile services providers and must rely upon them to collect and provide data as to household, CAI and other business/commercial subscribers.

At this stage of implementation, VIPFA/viNGN's SBA project team continues to place greater 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 programs, supporting job creation and engaging in 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 viNGN's Comprehensive Community Infrastructure network build-out is completed and last mile providers have subscribed to its services.

VIPFA/viNGN also recognizes the great need to work closely with its PCC partners to conduct the needed outreach, awareness, marketing and public relations campaigns to attract participants and to ensure that each partner allocates adequate staffing and/or mobilizes an adequate amount of volunteers to ensure that the training and other forms of support are carried out effectively. This is especially important, given current economic conditions and the negative impact on local government revenue collections and the amount of contributions being made to non-profit organizations. VIPFA/viNGN recognizes that its strategic partners are not positioned to contribute significantly to offering advanced, technology-driven training programs and can no longer support community outreach, awareness, marketing, public relations and other media campaigns as was envisioned when the program was designed. The VIPFA/viNGN team has determined that additional resources should be allocated under the Sustainable Broadband Adoption (SBA) program to meet the technology driven training needs and desires of the targeted demographic groups and to promote and encourage the adoption of broadband technologies. As a result, the budget for the SBA program was revised and approved by NTIA/NIST to accommodate this change in the economic climate since the grant application was approved.

Additionally, as viNGN's CCI network is being built-out, the SBA team will continue to develop methods for coordinating with and creating incentives for the retailers/last mile providers to provide and confirm data garnered from their customers, including households, CAIs and other commercial enterprises, and/or 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 to capture this data.

The VIPFA/viNGN senior management team has also been meeting with and will continue to meet with the local ISPs to consider alternative ways to provide middle mile broadband services in advance of the CCI project being completed.

Further, following the opening of the Connectspace.vi hub on St. Croix during Quarter 2, CY 2012, greater 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, based on the use of broadband technology.

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 4, CY 2012 are as follow:

• Continue to engage in community outreach, awareness and media campaigns to promote the VIPFA/viNGN PCCs, to promote training and skills development opportunities and to encourage broadband adoption;
• Continue to coordinate with CyberLearning, Inc./National Education Foundation and the PCC partners to arrange for the next phase of training for PCC staff, BetterWorld staff, CyberLearning staff and VIPFA/viNGN staff;
• Continue to coordinate with CyberLearning, Inc. to provide training programs in digital literacy and skills development to PCC users;
• Continue to coordinate with BetterWorld Telecom to develop the ConnectSpace.vi hub on St. Thomas and broadband-based training, skills development, entrepreneurship-focused activities, job opportunity identification and job placements;
• Finalize policies, procedures, tools and templates for collecting data on training and community outreach, awareness, and marketing campaigns; and
• Continue to conduct due diligence on assistive technology, including computer hardware, software and peripherals and other tools, which will support visually impaired, hearing impaired and other physically challenged participants.

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**	19	The team will continue to engage in community outreach and marketing activities, and training will continue with CyberLearning, Inc. at the PCCs and potentially at non-PCC locations. The team will also continue to work diligently with CyberLearning, BetterWorld and other training service providers to identify and implement ways to accelerate training, the identification of job creation activities and hiring for open job positions within the ConnectSpace.vi hubs and with partner organizations. Significant progress is expected during the next quarter, as reflected in the project accomplishments planned that are outlined in Item #1 above and based on total anticipated expenditures through Quarter 4, CY 2012.
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).

Additionally, for technically advanced training and Internet-based research activities that occur at the PCCs and/or at a ConnectSpace.vi hub where all workstations are being used simultaneously, users will experience slower Internet speeds. The various PCCs have different degrees of bandwidth. Thus, in order to ensure that the PCCs run as efficiently as possible, given current Internet service limitations in the Territory, the VIPFA/viNGN team has decided to also provide the Digital Literacy course on a CD at the PCCs. CyberLearning, Inc. is also working to upgrade the online component of the Digital Literacy course to accommodate the very limited broadband services currently available in the Territory. With repeat users being able to experience the change in the speed and reliability of service once viNGN's CCI middle mile network is completed, the team expects to take the opportunity to highlight the change as soon as the network is complete to encourage broader broadband adoption through the end of the SBA grant award period.

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	$8,165	$0	$8,165	$14,616	$0	$14,616
b. Fringe Benefits	$33,741	$0	$33,741	$598	$0	$598	$1,194	$0	$1,194
c. Travel	$126,837	$0	$126,837	$5,129	$0	$5,129	$5,152	$0	$5,152
d. Equipment	$0	$0	$0	$0	$0	$0	$0	$0	$0
e. Supplies	$54,824	$0	$54,824	$0	$0	$0	$0	$0	$0
f. Contractual	$3,164,985	$1,150,749	$2,014,236	$541,179	$66,408	$474,771	$691,178	$66,408	$624,770
g. Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0
h. Other	$200,000	$0	$200,000	$5,185	$0	$5,185	$71,800	$0	$71,800
i. Total Direct Charges (sum of a through h)	$3,685,829	$1,150,749	$2,535,080	$560,256	$66,408	$493,848	$783,940	$66,408	$717,532
j. Indirect Charges									
k. TOTALS (sum of i and j)	$3,685,829	$1,150,749	$2,535,080	$560,256	$66,408	$493,848	$783,940	$66,408	$717,532

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