OMB CONTROL NUMBER: 0660-0037
EXPIRATION DATE: 12/31/2013

ANNUAL 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

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?** ◯ 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 Vicki Johnson	**7c. Telephone (area code, number and extension)** 3407141635
	7d. Email Address vjohnson@usvipfa.com
7b. Signature of Certifying Official Submitted Electronically	**7e. Date Report Submitted (MM/DD/YYYY):** 02-28-2013

OVERALL PROJECT PERFORMANCE INDICATORS

1. Please provide the following average cost figures for your project. Please review the instructions to determine how to calculate these figures. Write "0" in the second column and "N/A" in the third column if your project does not yet have this information. Depending on whether your project contains Middle Mile and/or Last Mile components, some metrics may not apply. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

Cost Indicator	Average Cost / Speed	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Average cost per new mile (Middle Mile)	0	N/A: Until the network build is completed and tested, the U.S. Virgin Islands Public Finance Authority (VIPFA)/Virgin Islands Next Generation (viNGN) team is unable to accurately calculate the average cost per new mile. The team has executed an Indefeasible Right of Use (IRU) agreement with Global Crossing/ Level 3 and a lease agreement with AT&T; has purchased all of the fiber required for its network; and, has purchased all of the required Carrier Ethernet equipment.
Average cost per household passed (Last Mile)	0	N/A
Average cost per subscriber (Last Mile)	0	N/A
Maximum broadband speed advertised (Middle Mile)	10Gbps	N/A: Until the network build is completed and tested, viNGN will not be able to accurately identify the speeds that will be available. The Broadband speeds that are expected to be available are from 1 Gbps to 10 Gbps.
Maximum broadband speed advertised (Last Mile)	0	N/A
Average broadband speed provided (Middle Mile)	0	N/A: Until the network build is completed and tested, viNGN will not be able to accurately identify the speeds that will be available.
Average broadband speed provided (Last Mile)	0	N/A

2. Please provide each facility name and type, the county where the facility is located, and census tract information for any facilities funded by your project during this annual reporting period. Report only facilities for which construction has been completed.

Facility Identifier / Name	Facility Type	County	Census Tracts
STX-02 - Lagoon Street/SuperFAP	Fiber Access Point (FAP)	N/A	N/A
STX-13 - Department of Public Works (DPW) Anna's Hope	Fiber Access Point (FAP)	N/A	N/A
STT-01 - VITEMA/SuperFAP	Fiber Access Point (FAP)	N/A	N/A

Add Facility	Remove Facility

3. Please identify (1) the total number of interconnection, peering, and/or transit agreements entered into during this annual reporting period; (2) the total number of agreements of each type that you are currently negotiating; and (3) whether you have denied any request for interconnection and if so, why. If you have not entered into any agreements, please write "N/A."

Interconnection Agreements (600 words or less)

N/A

Peering and Transit Agreements (600 words or less)

1) viNGN has executed one Indefeasible Right of Use (IRU) agreement with Global Crossing/Level 3 for access to 10Gb of capacity through New York

and Miami, providing a strong network with a diverse route and the ability to purchase bandwidth at prices that are significantly less than what is offered in the local market today. The IRU with Global Crossing/Level 3 is providing 1) two 10Gb Clear Ethernet WAVE, 2) a "one hop" to the core of the NAP (Network Access Point) of the Americas and to New York City, 3) an internet peering point, and 4) a Carrier Ethernet Network.

2) The team has a lease agreement with AT&T for the SONET OC-48 to temporarily connect St. Thomas and St. Croix.

3) The team has not denied any request for interconnection, as its network is being built and tested.

viNGN has not signed any agreements with retail services providers; however, the team continues to engage the local community of anchor tenants/ Community Anchor Institutions (CAIs) and last mile providers in discussions. These conversations have been conducted on an individual basis, as well as under the aegis of the Broadband Coalition. Three Broadband Coalition meetings were held during CY 2012, two of which were simulcast through video conference on St. Thomas and on St. Croix. One of the simulcasts was held at the University of the Virgin Islands (UVI), and the second simulcast was held at the U.S. Virgin Islands Emergency Management Agency (VITEMA), both of which are CAIs on VIPFA/viNGN's network.

The Broadband Coalition meeting discussions included the following:

-VIPFA/viNGN's Organization, Key Contacts and Working Relationship with Service Providers, ISPs, the local government and the Federal government;

-CCI Build-out Plans and Schedule;

-Equipment to be deployed at each CAI, the technical specifications and the schematics;

-FAP Details (Locations and Layout);

-Community Anchor Institutions (Connecting to the Network); and

-viNGN's Future Business Plans.

These meetings and conversations have resulted in the request for a business and technical conference to be held to further facilitate discussions and to achieve consensus on the optimal types of products and services to be offered by viNGN. The Broadband Coalition and the technical conference are also designed to support a range of market research activities and to solicit direct feedback as viNGN refines its range of products, prices, terms and conditions for the services and products to be offered.

CAPACITY, UTILIZATION, AND CAPABILITY INDICATORS

4. Community Anchor Institutions: In the chart below, please provide information on the types of community anchor institutions capable of receiving service (i.e., anchor institutions connected to your network plus those passed by your network) as a result of BTOP funds.

Type of Community Anchor Institution	Total Number Within Service Area	Type of Community Anchor Institution	Total Number Within Service Area
Schools (K-12)	74	**Public Housing**	22
Libraries	7	**Other Institutions of Higher Education**	6
Medical and Healthcare Providers	19	**Other Community Support Organizations**	17
Public Safety Entities	42	**Other Government Facilities**	126
Community Colleges	0	**Total Community Anchor Institutions**	313

5. Please indicate the average increase in broadband speed provided to the community anchor institution customers as a result of your project, including a description of how this increase was calculated (600 words or less).

N/A; CAI connections are expected to begin during Quarter 2, CY 2013.

6. What retail services are being provided by this project? Please describe below. (600 words or less). As an attachment to this report, please provide pricing plans (in $ per month) associated with each retail service. Retail services description:

N/A; The VIPFA/viNGN team is building out a middle mile network; thus, retail services will not be provided.

7a. What network management policies (e.g., bandwidth limitations, traffic prioritization) are in place for the services provided by your project? 7b. Have you ever limited or blocked consumers from accessing any lawful content, service, service provider, or application, or prevented any consumers from attaching any legal device to the network? If so, please explain why (300 words or less)?

N/A;

7a. Network management policies are being developed for viNGN's middle mile services

7b. The VIPFA/viNGN team is building out a middle mile network; thus, retail services will not be provided directly to retail consumers.

8. If applicable, please provide the total number and the percentage of subscribers who have dropped the broadband service provided through this project (total number of households and/or businesses and the "churn rate") and the subscribers' reasons for discontinuing their service (600 words or less).

N/A; The VIPFA/viNGN team is building out a middle mile network; thus, retail subscriber services will not be provided.

9. Please provide the following information regarding the number of fiber strand-miles:

Total Number of Strand-miles	Total Number of Active Fiber Strand-miles Used by Recipient	Total Number of Leased Fiber Strand-miles	Total Number of Dark Fiber Strand-miles	Total Number of Strand-miles Being Built		
				Active	**Leased**	**Dark**
31,489	0	0	0	31,489	0	0

10. If you wholesale dark fiber, please list your wholesale customers and the number of fiber miles you currently are leasing to those customers:

N/A

11. Please provide the following information regarding the facility collocation capacity:

Total Facility (total square feet for all facilities)	Number of Square Feet Used by Recipient	Number of Square Feet Leased	Number of Square Feet Available
12	12	0	0

12. If you do not own collocation space, please describe how and where other network providers and/or customers interconnect with your network (600 words or less).

In both the Miami NAP (Network Access Point) of Americas and the NYC 60 Hudson NAP, viNGN's collocation agreement contractually provides it with the ability to extend fiber cables from the collocation cage to the "meet me" rooms; the interconnection to other carriers is via "mid-span" fiber "meet me" physical connection arrangements that enable connectivity with more than sixty (60) different carriers and network providers.

viNGN has a lease with Global Crossing/Level 3 at both the Miami and New York NAPs. The NAP in Miami has 750,000 sq ft.; viNGN leased 6 sq. ft. The New York NAP has 15,000 sq. ft.; viNGN leased 6 sq. ft. in this facility, as well. These areas that are leased are not collocation spaces. However, as the FAPs are completed, the square footage within them will be collocation spaces between viNGN and the ISPs (Internet Service Providers) and other service providers.

viNGN may also lease additional space on St. Croix from Global Crossing/Level 3, in an effort to provide customers with an earlier service date, i.e. prior to the completion of its entire network build.

13. 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).

N/A

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

None at this time

 15. **Using the Excel spreadsheet template titled "Annual PPR CCI Addendum", please provide an updated list of Community Anchor Institutions (CAIs) that you have connected and plan to connect to your network**.

 16. **Using the Excel spreadsheet template titled "Annual PPR CCI Addendum", please provide a list of community pairs that are receiving new or improved broadband service as a result of BTOP grant funds.**

17. **Please provide up-to-date network route maps in a single file, in a Google Earth compatible format (e.g., KMZ file).**