

RECIPIENT NAME: Virgin Islands Public Finance Authority

AWARD NUMBER: NT10BIX5570096

DATE: 05/27/2014

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 6/30/2015

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) 12-31-2013	6. Is this the last Annual Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> 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): 05-27-2014	

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)	\$116,156	The actual "Average cost per mile (Middle Mile)", per NTIA's definition, is below the Baseline estimate of \$157,294.
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	The network is designed to offer broadband speeds that are up 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 and service is provided to a larger customer base, the VIPFA/viNGN team will not be able to accurately provide an average broadband speed provided.
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
FAP STT-01 (VITEMA)	Fiber Access Point (FAP)	N/A	N/A
FAP STT-02 (University of the Virgin Islands)	Fiber Access Point (FAP)	N/A	N/A
FAP STT-09 (Eudora Kean)	Fiber Access Point (FAP)	N/A	N/A
FAP STT-10 (Rt. 10 & 32)/Nadir	Fiber Access Point (FAP)	N/A	N/A
FAP STT-11 (Fort Mylner)	Fiber Access Point (FAP)	N/A	N/A
FAP STT-12 (Schneider Hospital)	Fiber Access Point (FAP)	N/A	N/A
FAP STT-13 (Havensight)/WICO	Fiber Access Point (FAP)	N/A	N/A
FAP STT-16 (DPW Nisky)	Fiber Access Point (FAP)	N/A	N/A
FAP STJ-01 (Cruz Bay)	Fiber Access Point (FAP)	N/A	N/A
FAP STJ-02 (Myra Keating Medical Center)	Fiber Access Point (FAP)	N/A	N/A
FAP STX-02 (Frederiksted)/Lagoon	Fiber Access Point (FAP)	N/A	N/A
FAP STX-03 (Estate Diamond)	Fiber Access Point (FAP)	N/A	N/A

DATE: 05/27/2014

FAP STX-04 (University of the Virgin Islands)	Fiber Access Point (FAP)	N/A	N/A
FAP STX-05 (La Reine)	Fiber Access Point (FAP)	N/A	N/A
FAP STX-06 (Woodson)	Fiber Access Point (FAP)	N/A	N/A
FAP STX-07 (La Grande Princess)	Fiber Access Point (FAP)	N/A	N/A
FAP STX-12 (Cotton Valley)	Fiber Access Point (FAP)	N/A	N/A
FAP STX-13 (DPW Anna's Hope)	Fiber Access Point (FAP)	N/A	N/A
FAP STX-16 (Roebuck Industrial Park)	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)

Under its Indefeasible Right of Use (IRU) agreement with Global Crossing/Level 3, which was executed during CY 2011, the VIPFA/viNGN team activated connections through Level 3 in New York, Level 3 in Miami, FAP STX-02 (Frederiksted)/Lagoon and the U.S. Virgin Islands Department of Planning and Natural Resources' Althalie McFarlane Petersen Library in Frederiksted, St. Croix, the latter of which is a CAI and a Public Computer Center (PCC).

The team has not denied any request for interconnection.

Peering and Transit Agreements (600 words or less)

N/A

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)	70	Public Housing	22
Libraries	7	Other Institutions of Higher Education	8
Medical and Healthcare Providers	19	Other Community Support Organizations	19
Public Safety Entities	42	Other Government Facilities	127
Community Colleges	2	Total Community Anchor Institutions	316

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).

Prior to the VIPFA/viNGN team's installation of its fiber optic network at the Althalie McFarlane Peterson Library, the library's network was operating at 2 Mbps to 5 Mbps. After VIPFA/viNGN installed its equipment and fiber and the library was connected to VIPFA/viNGN's 100% fiber optic, wholesale/middle mile network, the library's speed was recorded at between 20 Mbps to 50 Mbps, i.e. ten times (10X) the speeds previously experienced at the library.

DATE: 05/27/2014

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 100% fiber optic, wholesale/middle mile network; thus, retail services are not being 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)?

7a. Network management policies are being developed.

7b. No

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 100% fiber optic, wholesale/middle mile network.

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
29,602	21	6,494	22,515	572	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
2,128	2,128	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 broadband service providers.

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).

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 inhabited islands with less than 110,000 residents in total, low per capita income levels and a higher than the national average unemployment rate. Thus, 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

DATE: 05/27/2014

this report. Further, it is believed that some of the project's non-local vendors can be classified as SDBs; however, additional resources would have to be identified and allocated for the data to be collected and verified. Additional funding is not currently available through VIPFA, viNGN or the Government of the U.S. Virgin Islands.

In addition, the VIPFA/viNGN's procurement process allows for open and, at a minimum, 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, for which there have been none to date. Full and open competition solicitations are posted on www.vingn.com, the VIPFA's Office of Economic Opportunity (OEO) 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.

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

The key best practices and lessons learned by the VIPFA/viNGN team are the following:

- Recipients must identify additional financial and human resources needed to meet the extensive reporting requirements under the BTOP projects and to most effectively and efficiently implement a major construction project, especially in environments with relatively low broadband speeds and reliability and very high prices and limited local government financial resources, like the U.S. Virgin Islands; and,
- In order to have significant penetration in broadband adoption levels in communities which are significantly underserved and unserved, like the U.S. Virgin Islands, significant financial resources, well in excess of what is currently available under the VIPFA/viNGN's team's BTOP programs, must be allocated to marketing, public relations, promotions, community outreach, and awareness activities; Internet-based research support; training and other educational courses; and, other services to encourage broadband use and adoption and to have impact in an insular broadband market within the short term of the program.

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).