

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

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| 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 |
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| 5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2013 | 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.

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| 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 |

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| 7b. Signature of Certifying Official Submitted Electronically | 7e. Date Report Submitted (MM/DD/YYYY): 02-28-2014 |
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Project Indicators (This Quarter)**1. Please describe significant project accomplishments completed during this quarter (600 words or less).**

The Virgin Islands Public Finance Authority (VIPFA)/Virgin Islands Next Generation Network (viNGN) team continued to make progress with its network build-out during Quarter 4, Calendar Year (CY) 2013. Through continuing successful coordination with its contractors and collaboration with key stakeholders, the VIPFA/viNGN team achieved the following major milestones as of December 31, 2013:

On St. Croix:

Aerial Backbone Fiber Installed = 40.13 miles

Underground Backbone Fiber Installed = 60.52 miles

Lateral Fiber Installed = 86.88 miles

Total Fiber Installed on St. Croix = 187.53 miles

On St. Thomas, St. John and on Water Islands:

Aerial Backbone Fiber Installed = 50.50 miles

Underground Backbone Fiber Installed = 37.55 miles

Lateral Fiber Installed = 91.17 miles

Total Fiber Installed on St. Thomas, St. John and Water Islands = 179.22 miles

Cumulative Total Fiber Installed on St. Croix, St. Thomas, Water Island and St. John through Quarter 4, CY 2013:

Aerial Backbone Fiber Installed = 90.63 miles

Underground Backbone Fiber Installed = 98.07 miles

Lateral Fiber Installed = 178.05 miles

Cumulative Total Fiber Installed on All Islands = 366.75 miles

During Quarter 4, CY 2013, despite significant delays due to very heavy rainfall, the VIPFA/viNGN team continued to make good progress with its FAP construction and lateral drop installations for its Community Anchor Institution (CAI) connections.

On St. Thomas, construction was completed for seven FAPs (Facility Access Points) which were under construction. FAP STT-02 (University of the Virgin Islands), FAP STT-09 (Eudora Kean), FAP STT-10 (Rt. 10 & 32)/Nadir, FAP STT-11 (Fort Mylner), FAP STT-12 (Schneider Hospital), FAP STT-13 (Havensight)/WICO and FAP STT-16 (DPW Nisky) are 100% complete. Progress was also made with FAP STT-14 (Veteran's Drive) which is now 95% complete and FAP STT-05 (Dorothea) which is approximately 10% complete.

On St. Croix, the team completed the construction of five FAPs. FAP STX-03 (Estate Diamond), FAP STX-04 (University of the Virgin Islands), FAP STX-07 (La Grande Princess), FAP STX-12 (Cotton Valley), and FAP STX-16 (Roebuck Industrial Park) are 100% complete. Further, FAP STX-17 (WAPA Richmond) is approximately 85% complete, and FAP STX-15 (Juan Luis Hospital) is approximately 55% complete.

From inception through December 31, 2013, construction of 19 out of a total 22 FAPs has been completed, with construction of 9 FAPs completed on St. Croix, 8 FAPs completed on St. Thomas, and 2 FAPs completed on St. John. Racking and DC power has been installed in the 19 constructed FAPs, and networking equipment and generators are installed in the two SuperFAPs.

The VIPFA/viNGN team also connected its second CAI which is the U.S. Virgin Islands Legislature building on St. Croix which is now ready to be activated by its selected broadband service provider which has already entered into a Master Services Agreement (MSA) with viNGN. viNGN connected its first CAI, the U.S. Virgin Islands Department of Planning and Natural Resources' (DPNR) Althalie McFarlane Petersen Library, in Frederiksted, St. Croix, which is also one of VIPFA/viNGN's BTOP-funded Public Computer Centers (PCC), during Quarter 3, CY 2013. The Petersen Library now has broadband capacity at up to 10 times the levels it experienced in the past.

In addition, as of December 31, 2013, the VIPFA/viNGN team has entered into Master Services Agreement (MSA) with the following six (6) local broadband service providers: SMARTNET, Orbitel Access, ADM Wireless, Broadband VI, Surge Communications, and Fibernet, Inc., and discussions and negotiations continue with others.

Moreover, during Quarter 4, CY 2013, VIPFA/viNGN hired a Vice President of Network Operations (Note: The title was changed to Chief Technology Officer during January 2014). The Chief Technology Officer/Vice President of Network Operations is responsible for managing the network operations centers, all other network operations assets, and network operations personnel. These responsibilities include the following:

- Ensure 24/7/365 support for incident management and resolution;
- Manage the budget for the network operations data center development, deployment, ongoing maintenance and service provisioning

- and expansion of the entire middle mile network;
- Schedule and oversee all maintenance and repair activities and notify clients of shutdowns and other maintenance and repair activities;
 - Create and validate reports, regarding the current and future state of all network systems and supporting software to ensure efficient and reliable delivery of services; and,
 - Assist in developing and implementing strategies to expand and improve network operations.

The team also participated in a viNGN-hosted Broadband Business and Technology/Broadband Coalition meeting to update the CAIs on the status of the build-out of VIPFA/viNGN's broadband network and the next steps for connecting them to the network.

Further, the VIPFA/viNGN team obtained approval from NTIA and NOAA for a no-cost extension of its grant award agreement through June 30, 2014 to complete construction and testing, as the team determined that the work could not be completed in significantly less time than the 3 years that was proposed in the original grant application.

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 | 72 | <p>The VIPFA/viNGN team continued to make progress with the construction of its middle mile network during Quarter 4, CY 2013. Refer to the response to Question 1 above for a summary of the significant accomplishments made during the reporting quarter. The progress outlined in the response to Question 1 above, combined with the total expenditures incurred to date, document the significant achievements made by the VIPFA/viNGN team.</p> <p>Also, much of the construction work that was completed has not been invoiced by construction contractors; thus, the actual percentage of completion of the project is underrepresented at 72%, i.e. when considering total federal expenditures plus allowable matching contributions alone.</p> <p>Payments against invoices for work completed through Quarter 4, CY 2013 through to the end of the project are expected to continue through close-out, as construction contractors begin to invoice for work that is confirmed as completed by the team's engineers and architects.</p> |
| 2b. | Environmental Assessment | 98 | <p>The VIPFA/viNGN team continued to monitor its construction sites for artifacts as work was performed near sensitive archaeological sites and for any endangered species that viNGN or its contractors might encounter. To date, viNGN and its contractors have not encountered any artifacts or any endangered species and their habitat on any of the construction sites.</p> |
| 2c. | Network Design | 98 | <p>The core network design is complete. As a part of the network design, VIPFA/viNGN will add "express routes" to provide unhindered 10 gigabyte bandwidth to the farthest reaches of the islands. For example, an express route will be constructed from the SuperFAP location to the farthest located FAP on both St. Thomas and St. Croix, thus providing unhindered bandwidth to CAIs (Community Anchor Institutions) and ISPs (Internet Service Providers) and other broadband service providers that might be located great distances from the SuperFAPs on St. Thomas and St. Croix.</p> <p>During Quarter 4, CY 2013, the VIPFA/viNGN team requested approval of the following project modifications for St. Croix and St. Thomas:</p> <ol style="list-style-type: none"> 1. On St. Croix, approximately 800 feet of aerial network needs to be changed from aerial to underground. This change is necessary because it was determined that the Virgin Islands Water and Power Authority (WAPA) does not have a right of way for aerial installation along this |

| | Milestone | Percent Complete | Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer) |
|--|--|------------------|---|
| | | | <p>section of the network. Originally, the plan was to span this gap without the use of poles, but the landowner will not approve any aerial plan; and,</p> <p>2. On St. Thomas, approximately 2,500 feet of underground network needs to be changed to aerial. This modification is temporary to allow for a recently-approved major road repair project by the U.S. Virgin Islands Department of Public Works along this section of the network and because the portion of the conduit that is contributed by WAPA is blocked and cannot be cleared in the near-term.</p> <p>NTIA's final approval is only subject to any follow-up required by the U. S. Virgin Islands State Historic Preservation Office (VISHPO). Once VIPFA/viNGN receives guidance for the approval of these changes, the network design will be 100% complete.</p> |
| | 2d. Rights of Way | 99 | <p>Agreements are in place with all land owners for rights of way for property on which FAPs have been and are being constructed.</p> <p>However, as referenced in 2c. above, as fiber installation was underway on the east end of St. Croix, an owner of a property along the planned route notified the team that he prefers not to have an obstruction of his views. The area of concern is only 500 feet. The VIPFA/viNGN team proposed trenching and burying conduit at the location. Approval of this project modification is pending guidance from the U.S. Virgin Islands State Historic Preservation Office (VISHPO) and then final approval from NTIA.</p> |
| | 2e. Construction Permits and Other Approvals | 98 | <p>VIPFA/viNGN continues to work with the U.S. Virgin Islands Department of Planning and Natural Resources (DPNR) to ensure that VIPFA/viNGN's permits are updated and in compliance with the previous permits issued.</p> <p>During Quarter 4, CY 2013, DPNR approved the permit for the last FAP to be constructed on the island of St. Thomas [FAP STT-05 (Dorothea)]. Despite significant flooding from heavy rains during the past three months, progress was made with the construction of FAP STT-05 (Dorothea) which is 10% complete.</p> |
| | 2f. Site Preparation | 55 | <p>The VIPFA/viNGN team and its contractors continued the build out of the middle mile, 100% fiber optic network, placing greater emphasis on completing the construction of FAPs and completing lateral drop installations which will allow for the connection of more CAIs. Site preparations for these activities will continue until completion.</p> <p>As a part of the daily site preparation activities for FAP construction, VIPFA/viNGN's contractors continue to install construction fencing and storm water pollution control measures as a typical safety process.</p> <p>In addition, the team shifted its efforts from making general public notices and participating in viNGN-hosted Broadband Business and Technology/Broadband Coalition meetings to contacting CAIs individually to provide updates on the status of the network build-out and the next steps for the connection of their CAIs to viNGN's network. viNGN's staff and viNGN's contractors are visiting each CAI site to reconfirm locations and to assess each site. In addition, the VIPFA/viNGN team is coordinating the connection of all local government departments and agencies through the U.S. Virgin Islands Bureau of Information Technology (BIT), a local government office and a CAI itself. Through these coordinated efforts, the team is identifying the additional local government CAI offices that have moved or are moving to new offices or new locations within existing offices, in an effort to reduce costs, given constrained local government resources. After all information is gathered for the CAIs that have been impacted, the</p> |

| | Milestone | Percent Complete | Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer) |
|-----|--|------------------|---|
| | | | VIPFA/viNGN team will coordinate with NTIA for approval of all updated locations. |
| 2g. | Equipment Procurement | 97 | <p>The VIPFA/viNGN team is currently performing slightly under the Baseline Milestone that was set at 100% complete for Quarter 4, CY 2013, as equipment procurement activities are continuing as the network is being built out. During Quarter 4, CY 2013, VIPFA/viNGN continued to procure equipment, such as plenum rated cable, stackable tangents and rack-mounted splice trays that are being used to connect the fiber installed to the core of the network. Also, equipment was purchased that will aid in "terminating" services at the CAIs.</p> |
| 2h. | Network Build (all components - owned, leased, IRU, etc) | 75 | <p>During Quarter 4, CY 2013, VIPFA/viNGN installed a cumulative total of 119.79 miles of underground backbone, aerial backbone and lateral fiber installations across St. Croix, St. Thomas, Water Island and St. John.</p> <p>From the inception of the grant through December 31, 2013, the team installed a total of 366.75 miles of fiber (not strand miles), with 187.53 miles installed on St. Croix and 179.22 miles installed between St. Thomas, St. John, and Water Island. These numbers include the installation of 1) Aerial Backbone Fiber, 2) Underground Backbone Fiber, and 3) forty-two (42) Lateral Drops to the outside premises of Community Anchor Institutions (CAIs) since the inception of the grant through December 31, 2013.</p> <p>Also, as of December 31, 2013, on St. Thomas, construction was completed for seven FAPs (Facility Access Points) which were under construction. FAP STT-02 (University of the Virgin Islands), FAP STT-09 (Eudora Kean), FAP STT-10 (Rt. 10 & 32)/Nadir, FAP STT-11 (Fort Mylner), FAP STT-12 (Schneider Hospital), FAP STT-13 (Havensight)/WICO and FAP STT-16 (DPW Nisky) are 100% complete. Progress was also made with FAP STT-14 (Veteran's Drive) which is now 95% complete and FAP STT-05 (Dorothea) which is approximately 10% complete.</p> <p>As of December 31, 2013, on St. Croix, the team completed the construction of five FAPs. FAP STX-03 (Estate Diamond), FAP STX-04 (University of the Virgin Islands), FAP STX-07 (La Grande Princess), FAP STX-12 (Cotton Valley), and FAP STX-16 (Roebuck Industrial Park) are 100% complete. Further, FAP STX-17 (WAPA Richmond) is approximately 85% complete, and FAP STX-15 (Juan Luis Hospital) is approximately 55% complete.</p> <p>During Quarter 4 CY, 2013 the U.S. Virgin Islands received extremely heavy rainfall which significantly affected the construction of the FAPs, especially on St. Thomas. At the end of November 2013 and the beginning of December 2013, St. Thomas received approximately 3.08 inches of rain on a daily basis, which significantly impeded work on FAP STT-05 (Dorothea), as the work site was flood. Given the extensive rainfall, the contractors had to allow several days for drying out which resulted in more than two weeks of work stoppage.</p> <p>The VIPFA/viNGN team also connected its second CAI which is the U.S. Virgin Islands Legislature building on St. Croix which is now ready to be activated by its selected broadband service provider which has already entered into a Master Services Agreement (MSA) with viNGN. viNGN connected its first CAI, the U.S. Virgin Islands Department of Planning and Natural Resources' (DPNR) Althalie McFarlane Petersen Library, in Frederiksted, St. Croix, which is also one of VIPFA/viNGN's BTOP-funded Public Computer Centers, a PCC during Quarter 3, CY 2013. The Petersen Library now has broadband capacity at up to 10 times the levels it experienced in the past.</p> |

| | Milestone | Percent Complete | Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer) |
|-----|-------------------------|------------------|--|
| 2i. | Equipment Deployment | 15 | During Quarter 4, CY 2013, VIPFA/viNGN began the installation of patch panels and routers in the CAIs on an aggressive schedule, in preparation for each FAP to be lit. Patch panels were also installed in all of the constructed FAPs throughout St. Croix, St. Thomas, and St. John. |
| 2j. | Network Testing | 35 | <p>The connections through Global Crossing/Level 3 in New York and Miami from St. Croix were activated and tested, and a connection was successfully made to the SuperFAP on St. Croix (FAP STX-02).</p> <p>The team is also testing its network as it is being built out and connected to ISPs and other broadband service providers who enter into Master Services Agreements (MSAs). For example, the connection to the Althalia McFarlane Petersen Library in Frederiksted, St. Croix was connected, tested and activated, and it has been successfully serving the community as a CAI and PCC since early September, CY 2013, providing broadband capacity at up to 10 times the levels it previously experienced. In addition, the U.S. Virgin Islands Legislature building on St. Croix was connected and tested and is now ready to be activated by its selected broadband service provider which has already entered into a Master Services Agreement (MSA) with viNGN.</p> |
| 2k. | Other (please specify): | 0 | N/A |

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).

The VIPFA/viNGN team has successfully increased the speed of implementation and will continue to work hard to complete the remainder of the network build-out and testing. During Quarter 4, CY 2013, the team determined that additional time was needed to complete the construction of the remaining FAPs, to connect CAIs, and to test the network. During late Quarter 3, CY 2013 and as the holiday season drew nearer, the VIPFA/viNGN team realized the importance of an extension to complete these critical activities, especially because the work could not be completed without the grant funding and could not be completed with significantly less time than what was proposed in the construction schedule that was submitted with the original grant application, i.e. a full 3 year construction and testing schedule, assuming no delays due to natural and/or man-made impediments. Construction and testing have been effectively and consistently underway for only 2 years. As a result, NTIA and NOAA approved a no-cost grant award extension from December 31, 2013 to June 30, 2014. During this grant award extension period, the team is continuing its efforts to complete the construction of the remaining FAPs, to complete testing of the equipment in the FAPs, to connect the CAIs, to test the resulting network connections, to complete the installation of the Operating Support System/Business Support System (OSS/BSS) and to complete the testing of the OSS/BSS, using unspent grant funding. The VIPFA/viNGN team will continue to engage in active oversight of all project activities during the extension period and to work closely with its contractors to expedite construction.

As it relates to the Budget Execution Details herein, please note the following:

“Other architectural and engineering fees” Cost Classification:

The "Other Architectural and Engineering Fees" budget line item expenditures were reduced from \$396,995, as previously reported, to \$276,697 as a result of accounting adjustments made during the FY 2012 Financial Audit.

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 | 367 | As of December 31, 2013, a cumulative total of 366.75 miles of underground backbone, aerial backbone and lateral fiber was installed across St. Croix, St. Thomas, St. John and Water Island since the inception of the project. The number of new network miles deployed during Quarter 4, CY 2013 is 119.79. |

| Indicator | Total | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information) |
|--|-------|---|
| New network miles leased | 3,353 | With the leasing of new network miles from Global Crossing/Level 3 and AT&T, the VIPFA/viNGN team has met its immediate plans for new leased miles. |
| Existing network miles upgraded | 0 | The VIPFA/viNGN team does not anticipate that it will upgrade network miles. All network miles are expected to be new installations of fiber or new leases of network miles. |
| Existing network miles leased | 0 | N/A |
| Number of miles of new fiber (aerial or underground) | 367 | As of December 31, 2013, a cumulative total of 366.75 miles of underground backbone, aerial backbone and lateral fiber was installed across St. Croix, St. Thomas, St. John and Water Island since the inception of the project. The number of new network miles deployed during Quarter 4, CY 2013 is 119.79. |
| Number of new wireless links | 0 | N/A |
| Number of new towers | 0 | N/A |
| Number of new and/or upgraded interconnection points | 17 | All interconnection points are new and are considered from point to point. During Quarter 4, CY 2013, the VIPFA/viNGN team connected St. Patrick's School, the U.S. Virgin Islands Housing Finance Authority (VIHFA), the U.S. Virgin Islands Legislature building on St. Croix, Frederiksted Clinic (Ingebord Nesbit), Ludvig E. Harrigan Court Community Center, Claude O. Markoe Elementary School, the U.S. Virgin Islands Department of Public Works Department (West), the Alexander Henderson Elementary School, the U.S. Virgin Islands Department of Planning & Natural Resources (DPNR), the Wilfredo Pedro Homes Community Center, the Walter I.M. Hodge Pavilion Community Center, the Boys' & Girls' Club (West), the U.S. Virgin Islands Department of Police Operations & Administration Substation, the Arthur A. Richards Junior High School, the U.S. Virgin Islands Superior Court, the Marley Additions Community Center, and the Frederiksted Fire Station, which are all CAIs on St. Croix. |

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 | 6 |
| Number of agreements currently being negotiated with broadband wholesalers or last mile providers | 4 |
| Average term of signed agreements (in quarters) | 18 |

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:

VIPFA/viNGN has two broadband wholesale service contracts, one for 15 years with Global Crossing/Level 3 and the other for 1 year with AT&T, both providing leased fiber miles to viNGN.

In addition, VIPFA/viNGN has Master Services Agreements (MSAs) with six (6) ISPs/last mile providers for 1 year each, with a renewal option. The MSAs are with SMARTNET, Orbitel Access, ADM Wireless, Broadband VI, Surge Communications, and Fibernet, Inc.

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:

VIPFA/viNGN is building a high speed, open access, 100% fiber optic network which will provide inexpensive, high speed, reliable Ethernet transport and Internet connections to ISPs and other broadband service providers and, by extension, to Community Anchor Institutions (such as government departments and agencies, non-profit organizations, educational institutions, public safety entities,

healthcare delivery providers, and other key community stakeholders). VIPFA/viNGN's goal is to serve as a Middle Mile provider, primarily offering wholesale broadband bandwidth on-net (i.e. within the U.S.V.I.) and off-net (i.e. outside of the U.S.V.I.) through a variety of service offerings, starting with 100 Megabit, 1 Gigabit and 10 Gigabit bandwidth plans; Multiprotocol Label Switching (MPLS)/Virtual Private Network (VPN) service to the U.S.; and, Transport Aggregation services. The team continues to conduct market research to refine its menu of service/product offerings and is not publishing pricing plans for the general public. Pricing plans are being negotiated with each service provider. Please refer to the attached Strictly Confidential and Proprietary related information that is made available to NTIA and NOAA only, as required as a part of this report. The attached related information has been redacted from this report and shall not be made available to the public.

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 this third party operates (600 words or less).

NOT APPLICABLE

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 | 6 | Refer to the response to Questions 5a and 5b above. With the signing of six (6) agreements with last mile providers (i.e. SMARTNET, Orbitel Access, ADM Wireless, Broadband VI, Surge Communications, and Fibernet, Inc.) and the signing of 2 agreements with broadband wholesalers to lease network miles (Level 3 and AT&T), the VIPFA/viNGN team has exceeded the Baseline Indicator target of 2. Though the network build-out is not complete, the VIPFA/viNGN team has agreements in place to allow it to connect its network and provide services to these service providers. |
| | Providers with signed agreements receiving improved access | 0 | All agreements will result in the provisioning of new access. |
| | 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 | 2 | Speed tiers to last mile providers and broadband wholesalers are anticipated at four levels - Tier 1 providers are expected to receive 10Gbps; Tier 2 providers are expected to receive 1Gbps; and, Tier 3 and Tier 4 providers are expected to receive up to 500 Mbps. Since Quarter 3, CY 2013, VIPFA/viNGN is providing Tier 4 level service to SMARTNET which is, in turn, servicing DPNR's Althalie McFarlane Petersen Library in Frederiksted, St. Croix, which is a BTOP-funded CAI and Public Computer Center (PCC). Further, viNGN has entered into a Master Services Agreement with an ISP which expects to provide up to Tier 3 level service to the U.S. Virgin Islands Legislature building in Frederiksted, St. Croix. viNGN has connected and tested the connection, and the U.S. Virgin Islands Legislature has signed an agreement with an ISP who has an MSA with viNGN and is preparing to test and activate service. VIPFA/viNGN is providing each CAI with Cisco routers/switches with capacity up to 1 Gbps. As funding becomes available to them, each CAI is positioned to upgrade its other related equipment to be able to realize the full capacity of viNGN's network. |

| Subscriber Type | Access Type | Total | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information) |
|---|---|----------|--|
| <p>Community Anchor Institutions (including Government institutions)</p> | <p>Total subscribers served</p> | <p>2</p> | <p>Under performance against this Baseline Indicator is due to the fact that VIPFA/viNGN has not completed the construction and connections of the FAPs and the build-out of other portions of the network that will enable viNGN to connect the remaining CAIs. As FAPs are connected and other portions of the network are built out, the team will be positioned to come in line with the Baseline Indicator target.</p> <p>viNGN connected its first CAI, the U.S. Virgin Islands Department of Planning and Natural Resources' (DPNR) Althalie McFarlane Petersen Library, in Frederiksted, St. Croix, which is also one of VIPFA/viNGN's BTOP-funded Public Computer Centers, during Quarter 3, CY 2013. The Petersen Library now has broadband capacity at up to 10 times the levels it experienced in the past. Prior to connecting to VIPFA/viNGN's network, it experienced a very low level Tier 4 bandwidth capacity (10 Mbps) and is now experiencing up to 100 Mbps.</p> <p>The VIPFA/viNGN team connected its second CAI, the U.S. Virgin Islands Legislature building on St. Croix, which is now ready to be tested and activated by its selected broadband service provider which has already entered into a Master Services Agreement (MSA) with viNGN.</p> |
| | <p>Subscribers receiving new access</p> | <p>2</p> | <p>viNGN connected its first CAI, the U.S. Virgin Islands Department of Planning and Natural Resources' (DPNR) Althalie McFarlane Petersen Library, in Frederiksted, St. Croix, which is also one of VIPFA/viNGN's BTOP-funded Public Computer Centers, during Quarter 3, CY 2013.</p> <p>The VIPFA/viNGN team connected its second CAI which is the U. S. Virgin Islands Legislature building on St. Croix which is now ready to be tested and activated by its selected broadband service provider which has already entered into a Master Services Agreement (MSA) with viNGN.</p> <p>As the remaining FAP construction is completed, the remaining equipment is installed in the FAPs, Community Anchor Institutions are connected, the remaining backbone node equipment is installed, and final testing and activation bring the network fully on line, the team will be positioned to come in line with the Baseline Indicator target.</p> |
| | <p>Subscribers receiving improved access</p> | <p>0</p> | <p>All subscribers will receive new access.</p> <p>As of Quarter 4, CY 2013, VIPFA/viNGN is providing Tier 4 level service to DPNR's Althalie McFarlane Petersen Library through its ISP, SMARTNET. Prior to connecting to VIPFA/viNGN's network, it experienced a very low level Tier 4 bandwidth capacity (10 Mbps) and is now experiencing up to 100 Mbps.</p> |
| | <p>Please identify the speed tiers that are available and the number or subscribers for each</p> | <p>2</p> | <p>Speed tiers to last mile providers and broadband wholesalers are anticipated at four levels - Tier 1 providers are expected to receive 10Gbps; Tier 2 providers are expected to receive 1Gbps; and, Tier 3 and Tier 4 providers are expected to receive up to 500 Mbps.</p> <p>Since Quarter 3, CY 2013, VIPFA/viNGN is providing Tier 4 level service to SMARTNET which is, in turn, servicing DPNR's Althalie McFarlane Petersen Library in Frederiksted, St. Croix, which is a BTOP-funded CAI and PCC.</p> <p>Further, viNGN has entered into a Master Services Agreement with an ISP which expects to provide up to Tier 3 level service to the U.S. Virgin Islands Legislature building in Frederiksted, St. Croix. viNGN has connected and tested the connection, and the U.S. Virgin Islands Legislature has signed an agreement with an ISP who has an MSA with viNGN and is preparing to test and activate service.</p> <p>VIPFA/viNGN is providing each CAI with Cisco routers/switches</p> |

| Subscriber Type | Access Type | Total | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information) |
|---------------------------------|---|-------|---|
| | | | with capacity up to 1 Gbps. As funding becomes available to them, each CAI is positioned to upgrade its other related equipment to be able to realize the full capacity of viNGN's network. |
| 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).

At this time, there is no special offering being proposed. Any special offerings will be determined, based upon the results of market research on optimal pricing and the optimal range of services to be offered.

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

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

NOT APPLICABLE

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 |
|--|-------------------------------|--|--|---|
| The U.S. Virgin Islands Legislature in Frederiksted, St. Croix | Town | Other Government Facilities | No | As of December 31, 2013, VIPFA/viNGN is providing Tier 3 level service through the U.S. Virgin Islands Legislature's-selected ISP, Orbitel Access. The U.S. Virgin Islands Legislature approve the legislation for the VIPFA to raise funds to meet the local cash match requirement for the VIPFA's CCI and PCC grants and for all other non-grant-funded operating expenses to support viNGN. |

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).

The VIPFA/viNGN team plans to finalize the following during Quarter 1, CY 2014:

- Estimate of New Fiber Miles To-Be-Installed/Deployed during Quarter 1, CY 2014:

Cumulative Total Fiber To-Be-Installed on St. Croix, St. Thomas, Water Island and St. John during Quarter 1, CY 2014:
8 miles

- Estimate of CAIs To-Be-Connected during Quarter 1, CY 2014:

On St. Croix = 131 CAIs
On Thomas = 149 CAIs
On St. John = 33 CAIs
On Water Island = 1 CAI
Cumulative Total Number of CAIs To-Be-Connected = 314 CAIs

- Estimate of Broadband Wholesaler or Last Mile Provider Agreements To-Be-Signed during Quarter 1, CY 2014 = 1

The VIPFA/viNGN team also plans to finalize the following during Quarter 1, CY 2014:

- Continue the construction of the remaining FAPs (Fiber/Facility Access Points) and begin the installation of routers, switches and other equipment in the FAPS to await final connections to the aerial or underground fiber to bring the network on line;
- Continue the installation of the remaining equipment in the already-constructed FAPS;
- Continue the connections of CAIs and the testing of the connections;
- Continue to coordinate with contractors to work on accelerated schedules and actively identify and create ways to speed up the construction activities;
- Continue to assess the project implementation schedule and the network design to identify ways to speed up the build-out and "lighting up" of the network and to reduce network construction, operational and maintenance costs;
- Continue to assess the budget to determine if a budget modification will be needed;
- Continue with Close-Out activities;
- Participate in viNGN Broadband Business and Technology Committee meetings (formerly called Broadband Coalition meetings) that may be scheduled with Community Anchor Institutions, future VIPFA/viNGN customers and other stakeholders to discuss the status of the network build and to provide updates on the anticipated service offerings; and,
- Continue to participate in U.S. Department of Commerce Broadband technology Opportunities Program-sponsored webinars.

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 | 88 | <p>The VIPFA/viNGN team continued to make progress with the construction of its middle mile network during Quarter 4, CY 2013, and the momentum is expected to continue through Quarter 1, CY 2014 until the completion of the overall project. Refer to the response to Question 1 immediately above for a summary of the significant accomplishments planned during the next reporting quarter.</p> <p>Payments against invoices for work completed during Quarter 4, CY 2013 through to the end of the project are expected to continue throughout final close-out, as construction contractors begin to invoice for work that is confirmed as completed by the team's engineers and architects.</p> <p>The construction of FAPs (Fiber/Facility Access Points); the installation of fiber patch panels, AC (Air Conditioning) units, racking equipment and DC Power; CAI connections; and, network testing and monitoring will continue.</p> <p>Also, the aerial backbone, underground backbone and lateral fiber installations will continue, as applicable.</p> <p>Further, the team will continue to assess the project implementation schedule</p> |

| | Milestone | Planned Percent Complete | Narrative (describe reasons for any variance from baseline plan or any other relevant information) |
|-----|--|--------------------------|---|
| | | | and the network design to identify ways to speed up the build-out and coordinate with the contractors and NTIA and NOAA to determine if any budget modifications will be needed. |
| 2b. | Environmental Assessment | 100 | <p>No additional environmental assessments are anticipated during Quarter 1, CY 2014, unless a determination is later made by the U.S. Virgin Islands State Historic Preservation Office (VISHPO) and/or NTIA that additional work will be required to address any final issues with the proposed underground installation on the east end of St. Croix and the proposed aerial installation on the east end of St. Thomas that were outlined in the above-referenced request for a project modification.</p> <p>The VIPFA/viNGN team will continue to monitor its construction sites for artifacts as work is performed near sensitive archaeological sites and for any endangered species that viNGN or its contractors might encounter.</p> |
| 2c. | Network Design | 100 | <p>The core network design is complete.</p> <p>During Quarter 4, CY 2013, the VIPFA/viNGN team requested approval of the following project modifications for St. Croix and St. Thomas:</p> <ol style="list-style-type: none"> 1. On St. Croix, approximately 800 feet of aerial network needs to be changed from aerial to underground. This change is necessary because it was determined that the Virgin Islands Water and Power Authority (WAPA) does not have a right of way for aerial installation along this section of the network. Originally, the plan was to span this gap without the use of poles, but the landowner will not approve any aerial plan; and, 2. On St. Thomas, approximately 2,500 feet of underground network needs to be changed to aerial. This modification is temporary to allow for a recently-approved major road repair project by the U.S. Virgin Islands Department of Public Works along this section of the network and because the portion of the conduit that is contributed by WAPA is blocked and cannot be cleared in the near-term. <p>NTIA's final approval is only subject to any follow-up required by the U.S. Virgin Islands State Historic Preservation Office (VISHPO). Once VIPFA/viNGN receives guidance for the approval of these changes, the network design will be 100% complete.</p> <p>The routing protocol design will continue to be updated to best utilize new and existing network nodes.</p> |
| 2d. | Rights of Way | 100 | All Rights of Way that were needed have been obtained to date. A determination may be made later for additional work to address any issues with the right of way for the proposed underground installation on the east end of St. Croix. |
| 2e. | Construction Permits and Other Approvals | 100 | The VIPFA/viNGN team will continue to work with the U.S. Virgin Islands Department of Planning and Natural Resources to ensure that VIPFA/viNGN's permits are updated and that construction activities continue to meet local building codes. |
| 2f. | Site Preparation | 100 | Site preparation will be complete, with the exception of those that may be related to any remaining CAI connections. |
| 2g. | Equipment Procurement | 100 | <p>VIPFA/viNGN will continue to receive equipment as a result of prior procurement activities.</p> <p>Any additional equipment procurements will be the result of needs identified as the final phases of the network build-out continues, as network and equipment testing continues, and as network connection activities continue.</p> |

| | Milestone | Planned Percent Complete | Narrative (describe reasons for any variance from baseline plan or any other relevant information) |
|-----|---|--------------------------|--|
| 2h. | Network Build (all components - owned, leased, IRU, etc.) | 100 | <p>During Quarter 1, CY 2014, the VIPFA/viNGN team plans to install/deploy a cumulative total of 8 new fiber miles across St. Croix, St. Thomas, St. John and Water Island and connect 314 CAIs.</p> <p>The VIPFA/viNGN team also plans to finalize the following during Quarter 1, CY 2014:</p> <ul style="list-style-type: none"> • Continue the construction of FAPs (Fiber/Facility Access Points) and the installation of equipment; • Continue the installation of the remaining equipment in the already-constructed FAPS; • Continue the connections of CAIs and the testing of the connections; • Continue to coordinate with contractors to work on accelerated schedules and actively identify and create ways to speed up the construction activities; and • Continue to assess the project implementation schedule and the network design to identify ways to speed up the build-out and "lighting up" of the network and to reduce network construction, operational and maintenance costs. |
| 2i. | Equipment Deployment | 100 | As the remaining FAP construction is completed, the remaining equipment is installed in the FAPs, the Community Anchor Institutions are connected, and all backbone node equipment is installed, equipment will be tested and deployed, and the team will be positioned to come in line with the Baseline Indicator target. |
| 2j. | Network Testing | 100 | As the remaining FAP construction is completed, the remaining equipment is installed in the FAPs, Community Anchor Institutions are connected, and the remaining backbone node equipment is installed, the team will be positioned to come in line with the Baseline Indicator target. Network testing will be ongoing in alignment with network build out and equipment deployment. |
| 2k. | Other (please specify): | 0 | N/A |

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).

The team will need to continue to coordinate with contractors to work on accelerated schedules and actively identify and create ways to speed up the construction activities, especially during periods of good weather; continue to assess the project implementation schedule and the network design to identify ways to speed up the build-out and "lighting up" of the network and to reduce network construction, operational and maintenance costs; and, continue to assess the budget to determine if a budget modification will be needed.

The VIPFA/viNGN team has successfully overcome the delays experienced to date by closely coordinating with its partners at NTIA, NOAA and WAPA and with its contractors and by focusing its efforts on working on accelerated schedules and continuing to identify and create ways to speed up project activities in all areas of implementation, e.g. by focusing on outside construction activities while the weather remains good.

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 | \$2,194,110 | \$0 | \$2,194,110 | \$1,472,688 | \$0 | \$1,472,688 | \$1,532,688 | \$0 | \$1,532,688 |
| b. Land, structures, right-of-ways, appraisals, etc. | \$125,000 | \$0 | \$125,000 | \$88,700 | \$0 | \$88,700 | \$93,200 | \$0 | \$93,200 |
| c. Relocation expenses and payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| d. Architectural and engineering fees | \$4,950,000 | \$0 | \$4,950,000 | \$4,561,607 | \$0 | \$4,561,607 | \$4,696,607 | \$0 | \$4,696,607 |
| e. Other architectural and engineering fees | \$425,000 | \$0 | \$425,000 | \$276,697 | \$0 | \$276,697 | \$300,000 | \$0 | \$300,000 |
| f. Project inspection fees | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| g. Site work | \$10,000 | \$0 | \$10,000 | \$0 | \$0 | \$0 | \$5,000 | \$0 | \$5,000 |
| h. Demolition and removal | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| i. Construction | \$29,598,639 | \$4,247,130 | \$25,351,509 | \$18,160,441 | \$324,543 | \$17,835,898 | \$21,160,441 | \$324,543 | \$20,835,898 |
| j. Equipment | \$35,646,004 | \$10,474,987 | \$25,171,017 | \$28,195,238 | \$10,474,987 | \$17,720,251 | \$30,224,987 | \$10,474,987 | \$19,750,000 |
| k. Miscellaneous | \$661,833 | \$0 | \$661,833 | \$666,882 | \$0 | \$666,882 | \$666,882 | \$0 | \$666,882 |
| l. SUBTOTAL (add a through k) | \$73,610,586 | \$14,722,117 | \$58,888,469 | \$53,422,253 | \$10,799,530 | \$42,622,723 | \$58,679,805 | \$10,799,530 | \$47,880,275 |
| m. Contingencies | | | | | | | | | |
| n. TOTALS (sum of l and m) | \$73,610,586 | \$14,722,117 | \$58,888,469 | \$53,422,253 | \$10,799,530 | \$42,622,723 | \$58,679,805 | \$10,799,530 | \$47,880,275 |

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 |
|---|--------------------------------|