

QUARTERLY PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION

General Information		
1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration	2. Award Identification Number 78-43-B10569	3. DUNS Number 789438293
4. Recipient Organization Virgin Islands Public Finance Authority 32-33 Kongens Gade, St. Thomas, VI 00802-0430		
5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2012	6. Is this the last 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): 05-24-2012	

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) continued to focus on completing activities under the first phase of its Sustainable Broadband Adoption (SBA) program implementation schedule.

Significant project accomplishments completed during Quarter 1, CY 2012 are as follow:

1. Executed a contract with key strategic partner, CyberLearning, Inc.; VIPFA/viNGN contracted with CyberLearning to create and conduct a training program to include a comprehensive Digital Literacy curriculum, including basic Internet Skills, Train-the-Trainer courses and more advanced certification programs. In partnership with the National Education Foundation (NEF), training courses valued at \$1,150,749 will be offered as in-kind match. There are more than 60 course packages and 5,500 courses in those course packages which are available online. Curricula/course content, prices and certification information can be found at www.nefuniversity.org/catalog. CyberLearning is contracted to create a specialized training curriculum specific to the needs of each PCC location and the clientele it serves. For example, at PCCs serving populations whose dominant language is Spanish, CyberLearning will offer its training courses in Spanish and English. In designing curricula for PCCs serving populations using assistive technology, CyberLearning will make a good faith effort to accommodate those with special needs, in an effort to encourage expanded use of broadband technology by vulnerable populations;
2. Executed a contract with BetterWorld Telecom; VIPFA/viNGN has also contracted with Working Excellence Capital Partners, LLC d/ b/a BetterWorld Telecom to develop and implement broadband-based training and employment centers ("Hubs"), one on St. Croix and one on St. Thomas. Each "Hub" will serve as a job and skills training and job placement services center. BetterWorld has been contracted to develop and deliver curriculum that is tailored to assist local job-seekers on each island to qualify for and obtain sustainable employment in broadband-related businesses, to establish their own broadband-based businesses, to work as remote contractors or as outsourced employees for U.S.-based companies. The curriculum will be tailored, based on existing skill levels and job placement needs. Job skills training and related jobs are expected to include telephone and computer-based customer relationship management, customer care, help line and technical support services. Thus, training will also include for technical support operations, diction, customer service etiquette, video conference interviewing skills. Through the contract with BetterWorld, viNGN has the ability to provide training and jobs through broadband-based virtual communication, and U.S. Virgin Islanders will have the ability to remain in the Territory while training and gaining employment, eliminating the need to relocate for training and/or job placement. The company has also been contracted to work with companies to bring call center jobs to the U.S. Virgin Islands and to work with commercial businesses and not-for-profit organizations to identify call center, virtual call center or other virtual job opportunities for U.S. Virgin Islands residents;
3. Began coordination efforts with CyberLearning, the NEF and the active Public Computer Centers (PCCs) to arrange for training of the PCC staff trainers and viNGN staff;
4. Hired a PCC/SBA Program Manager for St. Croix;
5. Hired an Administrative Assistant to support the PCC/SBA program management team on a part-time basis;
6. Began coordination efforts with BetterWorld to arrange for the establishment of training and employment centers on St. Thomas and St. Croix; and,
7. Actively assessed locations for training courses which the PCC locations cannot accommodate, e.g. train-the trainer and job skills training.

Further, during Quarter 1, CY 2012, a Broadband Technology Opportunities Program (BTOP) team from National Telecommunications and Information Administration (NTIA) and the National Institute of Standards and Technology (NIST) conducted a routine site visit, including visits to several PCCs and with some strategic partners. The visiting NTIA/NIST team cited significant improvements in financial management, internal controls and compliance, related to VIPFA/viNGN's management of its four BTOP 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	4	<p>The VIPFA/viNGN team remains confident that it will encourage greater use of computers, the Internet and broadband-based services and technology through community outreach and awareness programs, training and other educational courses, Internet-based research and other online services. Training and community outreach and awareness activities will take place on St. Croix, St. Thomas, and St. John through VIPFA/viNGN's Public Computer Centers (PCCs) and other locations that are strategically positioned in neighborhoods and communities throughout the Territory, in order to offer training and educational programs in conveniently-accessible locations for those who have limited to no access to computers, the Internet and broadband-based training, including those who are un-served or underserved by reliable mass public transit options.</p> <p>Significant progress is expected during the next two quarters, as VIPFA/viNGN has fully executed contracts with CyberLearning, Inc. and BetterWorld Telecom to provide training which ranges from basic digital literacy and advanced certification programs through to targeted job skills training with job placement support.</p> <p>During Quarter 1, CY 2012, VIPFA/viNGN modestly over performed against its projections for the quarter, largely because of the work completed towards the development of the team's community outreach, awareness, marketing, and public relations media campaign. The focus was on activities that would support training and community outreach, awareness, and marketing efforts. Despite experiencing delays in implementation, the team generated a very modest improvement in its overall percentage completion from Quarter 4, CY 2011. However, the team is under performing against the Baseline Milestone target due to overall project implementation delays. Under performance against this Baseline Milestone target is due to the fact that the new management team is reviewing the approved plan, reassessing the project schedule and reassessing some of the business decisions that were made by the former management team. As a result of this reassessment, implementation is delayed. The combination of the accomplishments that are outlined in Item #1 above and total expenditures incurred to date document the achievements made by the new management team during a very short period of time.</p>
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
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).

The VIPFA/viNGN team remains confident that it will encourage greater use of computers, the Internet and broadband-based services and technology through its community outreach and awareness programs, training and other educational courses, Internet-based research and other online service, despite the delays it has experienced to date. The team will continue to work closely with the assigned BTOP program team members to identify ways to speed up the overall project implementation. Discussions will include the experiences from other BTOP grantees who have experienced and/or are experiencing delays in implementation but have identified or

developed ways to speed up implementation.

Further, VIPFA/viNGN staff will continue to participate in BTOP-sponsored conferences, workshops, webinars, and group discussions, and BTOP program team members and VIPFA/viNGN team members plan to coordinate a discussion/discussions with the National Telecommunication and Information Administration (NTIA)'s Director of Minority Telecom Development.

VIPFA/viNGN continues to build its new management and project implementation team. The new team has made significant progress towards assessing the current state of project implementation; re-engaging with contractors and partners; restarting the program implementation; conducting site visits to prospective training locations, including BTOP-supported PCC locations and other locations; gaining a more in depth understanding of its four BTOP programs, including the approved grant and local match budgets, the implementation schedules, the approved applications and the grant award agreements for each; and, training a full complement of new staff. The biggest challenge faced by the team and its contractors has been with finding a facility that is large enough but affordable to conduct broadband-based training by CyberLearning, Inc. and BetterWorld Telecom where larger numbers of participants are expected, e.g. the train-the trainer and job skills development courses.

The team expects to overcome the delays experienced to date by continuing to work closely with contractors to identify training locations. The team will also continue to coordinate closely with its contractors to work on accelerated schedules and to identify and create ways to speed up project activities. This will include any guidance that is received from BTOP program team members.

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
Not Applicable during Quarter 1, CY 2012	Not Applicable during Quarter 1, CY 2012	Not Applicable during Quarter 1, CY 2012	0	0	0	0
Total:			0	0	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).

Not Applicable during Quarter 1, CY 2012; During Quarter 2, CY 2012, the Project Team expects to conduct additional due diligence on tools and methodologies for capturing relevant performance data.

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).

The total number of new subscribers does not vary from the Baseline Indicator target of 0 for Quarter 3 of Year 2.

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
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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 2, CY 2012 are the following:

- Coordinate with CyberLearning, Inc. to select the Education Subject Matter Expert (Trainer);
- Coordinate with CyberLearning, Inc., the National Education Foundation and the outfitted PCCs to arrange for training of the PCC staff trainers and viNGN staff during late Quarter 2, CY 2012/early Quarter 3, CY 2012;
- Coordinate with CyberLearning, Inc. to providing training programs in computer literacy, digital literacy and skills development,

beginning in late Quarter 2, CY 2012/early Quarter 3, CY 2012;

- Coordinate with BetterWorld Telecom to develop and implement broadband-based training and employment centers, one on St. Croix and one on St. Thomas;
- Work with CyberLearning, BetterWorld and other partners to identify locations for training which cannot be accommodated in a BTOP-supported PCC;
- Continue discussions on policies, procedures and next steps with strategic PCC partners and others that will host training;
- Develop and/or identify/source effective tools, templates, and software for collecting data on training and outreach/awareness/marketing/Public Relations campaigns provided;
- 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 users, and initiate efforts to source them in accordance with Federal and local procurement requirements; the goal is to have one Americans with Disabilities Act (ADA)-compliant work station at each PCC; and,
- Prepare to launch the first phase of the media campaign to promote training opportunities and encourage broadband adoption.

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	5	Training is expected to begin with CyberLearning, Inc. at the PCCs for training the trainers late Quarter 2, CY 2012/Quarter 3, CY 2012. The team will continue to work diligently to identify and implement ways to accelerate implementation. As PCC sites are opened for public use and other training locations identified, significant progress is expected during the next two quarters, as reflected in the project accomplishments planned that are outlined in Item #1 above and based on total anticipated expenditures through Quarter 2, CY 2012. The team does anticipate under performing against this Baseline Milestone target, given the fact that the new management team is reviewing the approved plan, reassessing the project schedule and reassessing some of the business decisions that were made by the former management team. As a result of this reassessment, implementation is delayed.
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).

The VIPFA/viNGN team remains confident that it will encourage greater use of computers, the Internet and broadband-based services and technology through its community outreach and awareness programs, training and other educational courses, Internet-based research and other online service, despite the delays it has experienced to date. The team will continue to work closely with the assigned BTOP program team members to identify ways to speed up the overall project implementation. Discussions will include the experiences from other BTOP grantees who have experienced and/or are experiencing delays in implementation but have identified or developed ways to speed up implementation.

Further, VIPFA/viNGN staff will continue to participate in BTOP-sponsored conferences, workshops, webinars, and group discussions, and BTOP program team members and VIPFA/viNGN team members plan to coordinate a discussion/discussions with the National Telecommunication and Information Administration (NTIA)'s Director of Minority Telecom Development.

VIPFA/viNGN continues to build its new management and project implementation team. The new team has made significant progress

towards assessing the current state of project implementation; re-engaging with contractors and partners; restarting the program implementation; conducting site visits to prospective training locations, including BTOP-supported PCC locations and other locations; gaining a more in depth understanding of its four BTOP programs, including the approved grant and local match budgets, the implementation schedules, the approved applications and the grant award agreements for each; and, training a full complement of new staff.

The biggest challenge the team anticipates is in finding a facility that is large enough but affordable to conduct broadband-based training by CyberLearning, Inc. and BetterWorld Telecom where larger numbers of participants are expected, e.g. the train-the trainer and job skills development courses. VIPFA/viNGN also recognizes the great need to work closely with its 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 volunteer corps to ensure that the training and other 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's new management team 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. As the new management team engaged in discussions with key strategic partners during the past five to six months, it was determined that additional resources should be allocated under the 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.

The team also expects to overcome the delays experienced to date in implementing the program by continuing to work closely with contractors to identify training locations. The team will also continue to coordinate closely with its contractors to work on accelerated schedules and to identify and create ways to speed up project activities. This will include any guidance that is received from BTOP program team members.

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.

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. Personnel	\$574,754	\$0	\$574,754	\$273	\$0	\$273	\$273	\$0	\$273
b. Fringe Benefits	\$165,351	\$0	\$165,351	\$2	\$0	\$2	\$2	\$0	\$2
c. Travel	\$125,625	\$0	\$125,625	\$350	\$0	\$350	\$350	\$0	\$350
d. Equipment	\$31,350	\$0	\$31,350	\$0	\$0	\$0	\$0	\$0	\$0
e. Supplies	\$40,000	\$0	\$40,000	\$0	\$0	\$0	\$118	\$0	\$118
f. Contractual	\$1,372,002	\$0	\$1,372,002	\$138,025	\$0	\$138,025	\$185,525	\$0	\$185,525
g. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Other	\$1,376,749	\$1,150,749	\$226,000	\$6,577	\$0	\$6,577	\$6,577	\$0	\$6,577
i. Total Direct Charges (sum of a through h)	\$3,685,831	\$1,150,749	\$2,535,082	\$145,227	\$0	\$145,227	\$192,845	\$0	\$192,845
j. Indirect Charges									
k. TOTALS (sum of i and j)	\$3,685,831	\$1,150,749	\$2,535,082	\$145,227	\$0	\$145,227	\$192,845	\$0	\$192,845

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