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) 06-30-2012	**6. Is this the last 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):** 08-17-2012

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 second phase of the Sustainable Broadband Adoption (SBA) program. Significant project accomplishments completed during Quarter 2, CY 2012 are as follow:

• In partnership with BetterWorld and the U.S. Virgin Islands Department of Labor (DOL), engaged in community outreach and marketing efforts by conducting an Open House at the DOL to discuss training, job creation, entrepreneurship and community activities that are being planned;

• Established the beta version of the ConnectSpace.vi website at www.ConnectSpacevi.net to highlight training, job creation, entrepreneurship and other activities to be carried out through BetterWorld;

• Identified the BetterWorld-administered Connectspace.vi Hub location and office space in Frederiksted on St. Croix;

• Approved training programs to be administered by CyberLearning, Inc.;

• Submitted press releases to the local print and television media to publicize training that will be carried out within the PCCs, the ConnectSpace.vi Hub and other locations through CyberLearning and BetterWorld, which led to articles in the major local newspapers and interviews with viNGN's CEO and Vice President of Sales and Marketing;

• Hired a Vice President of Sales and Marketing who oversees the PCC and SBA programs but is not charged to the grant; and

• Hired one Marketing Coordinator on St. Thomas who is also not charged to the grant.

In preparation for the training to be conducted under the SBA programs through the VIPFA/viNGN Public Computer Centers (PCCs), the initial phase of Digital Literacy and "Train the Trainer" programs was completed under the PCC program. These training programs were hosted at the U.S. Virgin Islands Department of Labor PCCs on St. Thomas and St. Croix and were administered by CyberLearning, Inc.

In addition, the team participated in National Telecommunications and Information Agency (NTIA) and National Institute of Standards and Technology (NIST)-sponsored webinars and attended the Schools, Health, and Libraries Broadband (SHLB) Coalition conference in Virginia.

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	6	The VIPFA/viNGN team remains confident that it will encourage greater use of computers, 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, community outreach and awareness activities have taken place on St. Croix, St, Thomas and St. John through VIPFA/viNGN's Public Computer Centers (PCCs) and prospective PCC locations that are strategically positioned in neighborhoods and communities throughout the Territory, 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 under served by reliable mass public transit options. During Quarter 2, CY 2012, VIPFA/viNGN over performed against its projections for the quarter, largely because of the work that has begun with CyberLearning, Inc. and BetterWorld to approve training and technical support plans. In addition, CyberLearning, Inc.-administered Digital Literacy and "Train the Trainer" programs on St. Croix and St. Thomas have begun. During the next two quarters, CyberLearning, Inc. will also provide advanced certification preparation courses for targeted job skills training and job placement support and has met with BetterWorld Telecom to review their training curriculum. Also, during Quarter 2, CY 2012, VIPFA/viNGN improved performance against its projection for the quarter because of the work towards the execution of the team's community outreach awareness, marketing and public relations media campaign. viNGN has conducted an Open House in collaboration with BetterWorld and the U.S. Virgin Islands Department of Labor to highlight training, job creation and entrepreneurship support plans; is continuously updating its website; has rolled out a new Facebook page; and has submitted press releases to print media and television to inform and engage the community of its activities. The VIPFA/viNGN team is steadily working to improve its performance.
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).

VIPFA/viNGN established two PCCs in partnership with the U.S. Virgin Islands Department of Labor to be the central training centers for the CyberLearning-administered Digital Literacy and "Train the Trainer" programs and other programs that require larger capacity. A need was identified for additional training space to accommodate larger classes. The existing and prospective PCCs are not large and will not accommodate large class sizes. To address this issue, VIPFA/viNGN is working with its contractors to identify additional methods to expedite some of the training in the community through the PCCs, e.g. by conducting beginner, intermediate and accelerated courses to meet the demands of every individual. However, fees may be incurred in the future to accommodate training for high demand courses, e.g. job skills training courses.

The VIPFA/viNGN team remains confident that it is encouraging greater use of computers, the Internet and broadband-based services and technology through its community outreach and awareness activities and initial training programs. Despite the implementation delays its has experienced to date, the team will continue to work closely with the assigned BTOP program team members, its contractors and other partners to identify ways to speed up the overall project implementation.

4a. In the chart below, please provide the requested information on your BTOP grant-funded SBA activities. Please also provide a short description of the activity (600 words or less). Figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please ensure that the numbers of new household subscribers and business or community anchor institution (CAI) subscribers reflected in the "Total" row represent the unduplicated number of new subscribers that can be attributed to your SBA project as a whole.

Name of the SBA Activity	Location of SBA Activity	Description of Activity (600 words or less)	Size of Target Audience	Actual Number of Participants	New Subscribers: Households	New Subscribers: Businesses and/or CAIs
CyberLearning, Inc./National Education Foundation (NEF)-administered Digital Literacy and "Train the Trainer" programs	U.S. Virgin Islands Department of Labor on St. Thomas and St. Croix	Digital Literacy and "Train the Trainer" programs were taught at the U.S. Virgin Islands Department of Labor, targeting PCC and viNGN staff	18	18	0	0
Total:			18	18	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 2, CY 2012

4c. Please provide a narrative explanation if the total number of new subscribers is different from the targets provided in your baseline plan (600 words or less).

VIPFA/viNGN's Baseline Milestone targets for Quarter 2, CY 2012 were initially established at 7,894 household subscribers and 100 business/commercial or Community Anchor Institution (CAI) subscribers. However, at this stage of implementation, VIPFA/viNGN's SBA program is placing a heavier emphasis on community outreach, awareness and marketing campaigns and training to emphasize the benefits of broadband technology from a professional, educational and personal perspective for all citizens. The program's impact is being realized by providing digital literacy and train-the-trainer programs and engaging in community outreach and awareness activities, while focusing on encouraging broadband adoption by relying upon existing technology but emphasizing the differences that will be experienced when viNGN's Comprehensive Community Infrastructure (CCI) network build-out is completed and last mile providers have leased access to the network. viNGN is building a middle mile network, and adoption/subscription rates would be at the level of its prospective customers who are the retailers/last mile providers.

As viNGN's CCI network is being built-out, viNGN's SBA team will continue to develop methods for coordinating with and creating incentives for the retailers/last mile providers to provide this data from and confirm this data with their customers and/or to engage in follow-up survey activities with users of the PCCs and others whom viNGN has trained and those who have participated in the outreach and awareness campaigns to capture this data in a comprehensive manner, including after the middle mile network is built out and retail service providers have purchased access from viNGN's CCI network to then offer to their clients.

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

During the next two quarters, a heavier emphasis will be placed on advanced training and education programs, including those which

are focused on job creation, skills enhancement and entrepreneurship for those who are able to work for companies that are located outside of the territory without relocating and for those who may need to stay at home and work, in order to care for children or an elderly parent or even if they themselves are physically-challenged.

This is a win-win situation until viNGN's CCI network is completed.

4d. Please provide the number of households and the number of businesses and CAIs receiving discounted broadband service as result of BTOP funds.

Households: 0	Businesses and CAIs : 0

Project Indicators (Next Quarter)

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

Significant project accomplishments planned for completion during Quarter 3, CY 2012 are as follow:

• Continue to engage in community outreach and media campaigns to promote the VIPFA/viNGN PCCs, to promote training and skills development opportunities and to encourage broadband adoption;

• Continue to coordinate with CyberLearning, Inc./National Education Foundation and the PCC partners to arrange for the next phase of training for PCC staff and VIPFA/viNGN staff;

• Continue to coordinate with CyberLearning, Inc. to provide training programs in digital literacy and skills development to PCC users;

• Continue to coordinate with BetterWorld Telecom to develop the ConnectSpace.vi Hub on St. Croix and broadband-based training, skills development and entrepreneurship-focused activities;

• Continue to 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 any other locations that will host training;

• Finalize policies, procedures, tools and templates for collecting data on training and community outreach, awareness, and marketing campaigns; and

• Continue to conduct due diligence on assistive technology, including computer hardware, software and peripherals and other tools, which will support visually impaired, hearing impaired and other physically challenged participants.

2. Please provide the percent complete anticipated for the following key milestones in your project as of the end of the next quarter. Write "0" in the second column if your project does not include this activity. If you provided additional milestones in your baseline report, please insert them at the bottom of the table. Figures should be reported cumulatively from award inception to the end of the next reporting quarter. Please provide a narrative description if the planned percent complete is different from the target provided in your baseline plan (300 words or less).

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2.a.	Overall Project	13	The team will continue to engage in community outreach and marketing activities, and training will continue with CyberLearning, Inc. at the PCCs and potentially at non-PCC locations. The team will also continue to work diligently with CyberLearning and BetterWorld to identify and implement ways to accelerate training and job creation activities. 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 3, CY 2012.
2.b.	Equipment Purchases	-	Milestone Data Not Required
2.c.	Awareness Campaigns	-	Milestone Data Not Required
2.d.	Outreach Activities	-	Milestone Data Not Required
2.e.	Training Programs	-	Milestone Data Not Required
2.f.	Other (please specify):	-	Milestone Data Not Required

3. Please describe any challenges or issues anticipated during the next quarter that may impact planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

The VIPFA/viNGN team remains confident that it will continue to encourage greater use of computers, the Internet, broadband-based services and technology through its community outreach and awareness programs, training and other educational courses, Internet-based research and other online services, despite the delays it has experienced to date. The team expects to overcome the delays experienced to date in implementing the program by actively implementing its community outreach and marketing plan and continuing to work closely with contractors to identify additional training locations, 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, as 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 which have experienced and/or are experiencing delays in implementation but have identified or developed ways to speed up implementation. In addition, VIPFA/viNGN staff will continue to participate in BTOP-sponsored conferences, workshops, webinars and group discussions. In addition, BTOP program team members and VIPFA/viNGN team members plan to coordinate discussions with the National Telecommunication and Information Administration's Director of Minority Telecom Development.

The biggest challenge the team anticipates is to be able to work with the PCC sites to handle the continuous flow of users at the PCC sites and train these users in Digitally Literacy at varying levels of skills and knowledge, in addition to providing job skills training and creating jobs within the U.S. Virgin Islands.

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 amount of volunteers to ensure that the training and other forms of support are carried out effectively. This is especially important, given current economic conditions and the negative impact on local government revenue collections and the amount of contributions being made to non-profit organizations. VIPFA/viNGN recognizes that its strategic partners are not positioned to contribute significantly to offering advanced, technology-driven training programs and can no longer support community outreach, awareness, marketing, public relations and other media campaigns as was envisioned when the program was designed. The VIPFA/viNGN team has determined that additional resources should be allocated under the Sustainable Broadband Adoption (SBA) program to meet the technology driven training needs and desires of the targeted demographic groups and to promote and encourage the adoption of broadband technologies.

In addition, the team anticipates that it will experience challenges with finding a facility that is large enough but affordable to conduct training by CyberLearning, Inc., BetterWorld Telecom and/or other contractors where larger numbers of participants are expected, e.g. the job skills development courses. The team is working with its contractors to identify additional methods to expedite some of the training in the community through the PCCs, e.g. by conducting beginner, intermediate and accelerated courses to meet the demands of every individual.

Sustainable Broadband Adoption Budget Execution Details

Activity Based Expenditures (Sustainable Broadband Adoption)

1. Please provide details below on your total budget, cumulative actual expenditures (for the period ending the current quarter), and cumulative anticipated expenditures (for the period ending next quarter) for each line item, including detailed disbursements of both matching funds and federal funds from project inception through end of this quarter (actual) or next quarter (anticipated). Actual and anticipated figures should be reported cumulatively from award inception to the end of the applicable reporting quarter.

Cost Classification	Budget for Entire Project			Actuals from Project Inception through End of Current Reporting Period			Anticipated Actuals from Project Inception through End of Next Reporting Period		
	Total Cost (plan)	Matching Funds (plan)	Federal Funds (plan)	Total Cost	Matching Funds	Federal Funds	Total Costs	Matching Funds	Federal Funds
a. Personnel	$574,754	$0	$574,754	$3,971	$0	$3,971	$9,971	$0	$9,971
b. Fringe Benefits	$165,351	$0	$165,351	$2	$0	$2	$652	$0	$652
c. Travel	$125,625	$0	$125,625	$5,106	$0	$5,106	$5,606	$0	$5,606
d. Equipment	$31,350	$0	$31,350	$0	$0	$0	$0	$0	$0
e. Supplies	$40,000	$0	$40,000	$0	$0	$0	$1,000	$0	$1,000
f. Contractual	$1,372,002	$0	$1,372,002	$161,775	$0	$161,775	$417,545	$0	$417,545
g. Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0
h. Other	$1,376,749	$1,150,749	$226,000	$67,758	$66,408	$1,350	$71,350	$70,000	$1,350
i. Total Direct Charges (sum of a through h)	$3,685,831	$1,150,749	$2,535,082	$238,612	$66,408	$172,204	$506,124	$70,000	$436,124
j. Indirect Charges	$0	$0	$0	$0	$0	$0			
k. TOTALS (sum of i and j)	$3,685,831	$1,150,749	$2,535,082	$238,612	$66,408	$172,204	$506,124	$70,000	$436,124

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