

**QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS**

**General Information**

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b>  Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b>  NT10BIX5570096	<b>3. DUNS Number</b>  789438293
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<b>4. Recipient Organization</b>  Virgin Islands Public Finance Authority 32-33 Kongens Gade, St. Thomas, VI 00802-0430
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<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  03-31-2014	<b>6. Is this the last Report of the Award Period?</b>  <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.

<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Vicki Johnson	<b>7c. Telephone (area code, number and extension)</b>  3407141635
	<b>7d. Email Address</b>  vjohnson@usvipfa.com

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  05-30-2014
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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 significant progress with its 100% fiber optic, wholesale, open access network build-out during Quarter 1, Calendar Year (CY) 2014. The team still expects that its CCI grant-funded network will be 100% complete by June 30, 2014, including all Facility Access Point (FAP) construction, equipment installations and lateral drop installations for its Community Anchor Institutions (CAIs). Testing of the newly-constructed network has been and will continue to be conducted on an ongoing basis as underground backbone and aerial backbone segments are deployed, as Fiber Access Points (FAPs) are connected to the network, and as CAIs are connected to the network.

Through continuing successful coordination with its contractors and collaboration with key stakeholders, the VIPFA/viNGN team achieved the following major milestones as of March 31, 2014:

As of March 31, 2014, all aerial and underground backbone fiber was installed, with the exception of two short sections, i.e. approximately 2,500 feet of aerial deployment on St. Thomas and approximately 800 feet of underground deployment on St. Croix, both of which are expected to be completed June 2014. Also, more than 95 percent of all lateral drop fiber to VIPFA/viNGN's CAIs was installed.

On St. Croix:

Aerial Backbone Fiber Installed = 32.98 miles  
 Underground Backbone Fiber Installed = 38.27 miles  
 Lateral Fiber Installed = 65.51 miles  
 Total Fiber Installed on St. Croix = 136.75 miles

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

Aerial Backbone Fiber Installed = 25.43 miles  
 Underground Backbone Fiber Installed = 26.75 miles  
 Lateral Fiber Installed = 70.37 miles  
 Total Fiber Installed on St. Thomas, St. John and Water Islands = 122.5 miles

Cumulative Total Fiber Installed on St. Croix, St. Thomas, Water Island and St. John through Quarter 1, CY 2014:

Aerial Backbone Fiber Installed = 58.41 miles  
 Underground Backbone Fiber Installed = 65.02 miles  
 Lateral Fiber Installed = 135.87 miles  
 Cumulative Total Fiber Installed on All Islands = 259.30 miles

[METHODODOLOGY CHANGE: Please note that, per guidance provided by NTIA, the VIPFA/viNGN team has revised its methodology for reporting fiber miles installed from what was used in prior quarter reporting. Starting with Quarter 1, CY 2014, the VIPFA/viNGN is now reporting point-to-point fiber installations and is now excluding all slack and storage loops that have been deployed. As a result, the amount of fiber miles installed, per the summary above, is lower than that which was reported during Quarter 4, CY 2013 only due to a change in methodology to exclude the slack and storage loops. The actual point-to-point fiber miles that the team expected to install, per its network design diagrams, adjusted for the impact of all NTIA and NOAA-approved route changes and program modifications, remain consistent with the reported baseline submitted in June 2012. The final As-Built Drawings will include the actual total fiber miles installed.]

During Quarter 1, CY 2014, the VIPFA/viNGN team also continued to make significant progress with its FAP construction and equipment installations. From project inception through March 31, 2014, twenty-one (21) of the twenty-four (24) FAPs were completed, with racking, equipment, DC power, air conditioning, security systems and generators installed.

Of the twenty-one (21) completed FAPs, ten (10) FAPs were completed on St. Croix, nine (9) FAPs were completed on St. Thomas, and two (2) FAPs were completed on St. John. The three (3) remaining FAPs [STX-15 (Juan Luis Hospital), STX-17 (WAPA Richmond), and STT-05 (Dorothea)] were substantially complete.

In addition, 183 or 58% of VIPFA/viNGN's planned 316 CAIs have been connected to its network, based on NTIA's definition. Thirty-four (34) of these CAIs have been successfully tested end-to-end to the Internet; three (3) of these CAIs have signed contracts with their selected ISPs/retail/last mile service providers to receive service on viNGN's network; and, two(2) of these CAIs are receiving broadband service on viNGN's network.

Further, the team has also awarded all major contracts expected to be awarded under the CCI grant. These contracts have a total value of approximately \$35 million.

**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	78	<p>The VIPFA/viNGN team continued to make significant progress with the construction of its 100% fiber optic, wholesale, open access network during Quarter 1, CY 2014. 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 78%, i.e. when considering total federal expenditures plus allowable matching contributions alone.</p> <p>Payments against invoices for work completed through Quarter 1, CY 2014 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	99	<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 1, CY 2014, the VIPFA/viNGN team received approval from NTIA and NOAA for the following project modifications for St. Croix and St. Thomas:</p> <ol style="list-style-type: none"> <li>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,</li> <li>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.</li> </ol>

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
	<b>2d. Rights of Way</b>	99	<p>Agreements are in place with all land owners for rights of way for property on which FAPs have been constructed.</p> <p>As discussed with the NTIA and NOAA team, some CAIs have changed office locations, and new rights of way have been and are being obtained from the property owner(s) of these new locations.</p>
	<b>2e. Construction Permits and Other Approvals</b>	98	<p>The VIPFA/viNGN team 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 1, CY 2014, DPNR approved and began issuing Final Electrical Inspection approval certificates and Certificates of Occupancy (COs) for additional completed FAPs.</p>
	<b>2f. Site Preparation</b>	70	<p>The VIPFA/viNGN team and its contractors continued the build out of the wholesale, 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>In preparation for the network to "go live", VIPFA/viNGN continues to stage and connect network equipment within the FAPs to service customers.</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 VIPFA/viNGN team will coordinate with NTIA for approval of all updated/new locations for currently-approved CAIs.</p>
	<b>2g. Equipment Procurement</b>	98	<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 procurement activities for small amounts of materials and tools are continuing as the network is being built out. During Quarter 1, CY 2014, VIPFA/viNGN continued to procure materials and tools that are being used to connect the fiber installed to the core of the network.</p>

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2h.	Network Build (all components - owned, leased, IRU, etc)	80	<p>As of March 31, 2014, all aerial and underground backbone fiber was installed, with the exception of two short sections, i.e. approximately 2,500 feet of aerial deployment on St. Thomas and approximately 800 feet of underground deployment on St. Croix, both of which are expected to be completed June 2014. Also, more than 95 percent of all lateral drop fiber to VIPFA/viNGN's CAIs was installed.</p> <p>During Quarter 1, CY 2014, VIPFA/viNGN installed a cumulative total of 23.24 miles of point-to-point 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 March 31, 2014, the team installed a total of 259.30 miles of fiber (not strand miles), with 136.75 miles installed on St. Croix and 122.55 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) Lateral Drops to the outside premises/patch panels of Community Anchor Institutions (CAIs) on a point-to-point basis since the inception of the grant through March 31, 2014.</p> <p>During Quarter 1, CY 2014, the VIPFA/viNGN team also continued to make significant progress with its FAP construction and equipment installations. From project inception through March 31, 2014, twenty-one (21) of the twenty-four (24) FAPs were completed, with racking, equipment, DC power, air conditioning, security systems and generators installed.</p> <p>Of the twenty-one (21) completed FAPs, ten (10) FAPs were completed on St. Croix, nine (9) FAPs were completed on St. Thomas, and two (2) FAPs were completed on St. John. The three (3) remaining FAPs [STX-15 (Juan Luis Hospital), STX-17 (WAPA Richmond), and STT-05 (Dorothea)] were substantially complete.</p> <p>In addition, 183 or 58% of VIPFA/viNGN's planned 316 CAIs have been connected to its network, and thirty-four (34) of these CAIs have been successfully tested end-to-end to the Internet as of March 31, 2014.</p>
2i.	Equipment Deployment	20	<p>VIPFA/viNGN continues to install patch panels, routers and switches 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.</p>
2j.	Network Testing	55	<p>Testing of the newly-constructed network has been and will continue to be conducted on an ongoing basis as underground backbone and aerial backbone segments are deployed, as Fiber Access Points (FAPs) are connected to the network, and as CAIs are connected to the network.</p> <p>The team is also testing its network as it is being connected to ISPs and other broadband service providers who enter into Master Services Agreements (MSAs) with viNGN, INC.</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 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 two (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 the supply of materials and network installations.

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

Miscellaneous Budget Cost Classification: The Miscellaneous budget line item expenditures were reduced from \$666,882, as reported during Quarter 4, CY 2013, to \$661,227 as a result of accounting adjustments made during Quarter 1, CY 2014.

**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	259	<p>As of March 31, 2014, a cumulative total of 259.30 miles of underground backbone, aerial backbone and lateral fiber was installed across St. Croix, St. Thomas, St. John and Water Island on a point-to-point basis since the inception of the project. The number of new network miles deployed during Quarter 1, CY 2014 is 23.24 miles on a point-to-point basis.</p> <p>[METHODOLOGY CHANGE: Please note that, per guidance provided by NTIA, the VIPFA/viNGN team has revised its methodology for reporting fiber miles installed from what was used in prior quarter reporting. Starting with Quarter 1, CY 2014, the VIPFA/viNGN is now reporting point-to-point fiber installations and is now excluding all slack and storage loops that have been deployed. As a result, the amount of fiber miles installed, per the summary above, is lower than that which was reported during Quarter 4, CY 2013 only due to a change in methodology to exclude the slack and storage loops. The actual point-to-point fiber miles that the team expected to install, per its network design diagrams, adjusted for the impact of all NTIA and NOAA-approved route changes and program modifications, remain consistent with the reported baseline submitted in June 2012. The final As-Built Drawings will include the actual total fiber miles installed.]</p>
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

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
<b>Number of miles of new fiber (aerial or underground)</b>	259	<p>As of March 31, 2014, a cumulative total of 259.30 miles of underground backbone, aerial backbone and lateral fiber was installed across St. Croix, St. Thomas, St. John and Water Island on a point-to-point basis since the inception of the project. The number of new network miles deployed during Quarter 1, CY 2014 is 23.24 miles on a point-to-point basis.</p> <p>[METHODOLOGY CHANGE: Please note that, per guidance provided by NTIA, the VIPFA/viNGN team has revised its methodology for reporting fiber miles installed from what was used in prior quarter reporting. Starting with Quarter 1, CY 2014, the VIPFA/viNGN is now reporting point-to-point fiber installations and is now excluding all slack and storage loops that have been deployed. As a result, the amount of fiber miles installed, per the summary above, is lower than that which was reported during Quarter 4, CY 2013 only due to a change in methodology to exclude the slack and storage loops. The actual point-to-point fiber miles that the team expected to install, per its network design diagrams, adjusted for the impact of all NTIA and NOAA-approved route changes and program modifications, remain consistent with the reported baseline submitted in June 2012. The final As-Built Drawings will include the actual total fiber miles installed.]</p>
<b>Number of new wireless links</b>	0	N/A
<b>Number of new towers</b>	0	N/A
<b>Number of new and/or upgraded interconnection points</b>	31	The VIPFA/viNGN team has thirty-one (31) Points-of-Presence/interconnection points, exceeding its Baseline target of fifteen (15).

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	
<b>Number of signed agreements with broadband wholesalers or last mile providers</b>	6
<b>Number of agreements currently being negotiated with broadband wholesalers or last mile providers</b>	4
<b>Average term of signed agreements (in quarters)</b>	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/retail/"last mile" providers for 1 year each, with a renewal option. The MSAs are with ADM Wireless, Broadband VI, Fibernet, Inc., Orbitel Access, SmartNet and Surge Communications.

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 , wholesale 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 wholesale provider, primarily offering a variety of services which include all elements for a complete circuit/optical service, based upon broadband bandwidth capacities from 10 Megabits to 10 Gigabits, including Fiber Optic Service Loops, Service Ports [e.g. Multiprotocol Label

Switching (MPLS)/Virtual Private Network (VPN) service], Internet access and Static IP addresses. 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 retail/"last mile" providers (i.e. ADM Wireless, Broadband VI, Fibernet, Inc., Orbitel Access, SmartNet and Surge Communications) and the signing of two (2) agreements with broadband wholesalers to lease network miles (Level 3 and AT&T), the VIPFA/viNGN team is near to meeting the Baseline Indicator target of 7. The VIPFA/viNGN team has agreements in place to allow it to connect its network and provide wholesale, middle mile broadband services to these last mile, retail broadband service providers. The six (6) retail/"last mile" service providers that have fully executed Master Services Agreements (MSAs) with viNGN, INC. are now positioned to sell their broadband services on a retail basis to the CAIs, private businesses, private organizations and residential customers.
	Providers with signed agreements receiving improved access	0	All agreements will result in the provisioning of new access as VIPFA/viNGN is building a new, 100% fiber optic, wholesale, open access network.
	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	4	viNGN is currently offering 4 speed tiers to its retail/"last mile" broadband and other wholesale broadband service provider customers. Tier 1 providers are expected to receive up to 10Gbps; Tier 2 providers are expected to receive up to 1Gbps; Tier 3 providers are expected to receive up to 500 Mbps; and, Tier 4 providers are expected to receive up to 100 Mbps.  Of viNGN's six (6) retail/last mile service provider customers, two (2) have requested service at the Tier 4 level to service their CAI customers. All of viNGN's other retail/"last mile" provider customers are coordinating with the CAIs that have been connected to viNGN's network to determine the level of service at which they are interested in contracting for and subscribing to receive service on viNGN's network through their selected retail/"last mile" broadband service provider(s). Reporting of speed tiers for the remaining retail/"last mile" customers that are connected to viNGN's network will follow in subsequent reports when that information is available from the ISP/retail/"last mile" broadband service provider(s) and the CAIs.
Community Anchor Institutions (including Government institutions)	Total subscribers served	183	183 or 58% of VIPFA/viNGN's planned 316 CAIs have been connected to its network, based on NTIA's definition. Thirty-four (34) of the 183 connected CAIs have been successfully tested end-to-end to the Internet; three (3) of the connected CAIs have signed contracts with their selected ISPs/retail/"last mile" service providers to receive service on viNGN's network; and, two (2) of the 183 connected CAIs are receiving broadband service on viNGN's network.



Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Subscribers receiving new access	183	183 or 58% of VIPFA/viNGN's planned 316 CAIs have been connected to its network, based on NTIA's definition. Thirty-four (34) of the 183 connected CAIs have been successfully tested end-to-end to the Internet; three (3) of the connected CAIs have signed contracts with their selected ISPs/retail/"last mile" service providers to receive service on viNGN's network; and, two (2) of the 183 connected CAIs are receiving broadband service on viNGN's network.
	Subscribers receiving improved access	0	All subscribers will receive new access as VIPFA/viNGN is building a new, 100% fiber optic, wholesale, open access network..
	Please identify the speed tiers that are available and the number or subscribers for each	4	viNGN is currently offering 4 speed tiers to its retail/"last mile" broadband and other wholesale broadband service provider customers who will provide broadband services to the CAIs on viNGN's network. Tier 1 providers are expected to receive up to 10Gbps; Tier 2 providers are expected to receive up to 1Gbps; Tier 3 providers are expected to receive up to 500 Mbps; and, Tier 4 providers are expected to receive up to 100 Mbps.  There are two (2) CAIs that have subscribed to receive broadband service from their selected ISP/retail/"last mile" broadband service provider(s) at a Tier 4 level. All other CAIs that have been connected to viNGN's network are in the process of contracting for and/or subscribing to receive service on viNGN's network through their selected ISPs/retail/"last mile" broadband service provider(s). Reporting of speed tiers for the remaining CAIs that are connected to viNGN's network will follow in subsequent reports when that information is available from the ISP/retail/"last mile" broadband service provider(s) and the CAIs.  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.
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
Frederiksted Health Clinic (Ingebord Nesbitt) Frederiksted, St. Croix	Town	Medical and Healthcare Providers	No	As of March 31, 2014, viNGN is providing Tier 4 level service as a wholesale provider through the CAI's selected ISP/retail/"last mile" broadband service provider.

**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 2, CY 2014:

- Estimate of New Fiber Miles To-Be-Installed/Deployed during Quarter 2, CY 2014:

Cumulative Total Fiber To-Be-Installed on St. Croix, St. Thomas, Water Island and St. John during Quarter 2, CY 2014: 9.52 miles on a point-to-point basis

- Estimate of CAIs To-Be-Connected to viNGN's network during Quarter 2, CY 2014: 133 CAIs

The VIPFA/viNGN team also plans to finalize the following during Quarter 2, CY 2014:

- Continue to actively coordinate with the U.S. Virgin Department of Planning and Natural Resources (DPNR), the Virgin Islands Water and Power Authority (WAPA), and viNGN's contractors to work on accelerated schedules and actively identify and create ways to speed up the approvals and installation and construction activities;
- Complete the installation of fiber to fill in the short segment of underground backbone on St. Croix and short segment of aerial backbone on St. Thomas;
- Continue to negotiate with other retail/ISPs/"last mile" service providers, in an effort to enter into at least one additional Master Services Agreement (MSA);
- Continue the installation of routers, switches and other equipment in the remaining FAPs to be completed;
- Continue the point-to-point testing of the connections of the remaining 149 CAIs that were already connected to the network as of March 31, 2014;
- Continue connecting CAIs and testing the connections;
- Continue to assess the project implementation schedule to identify ways to speed up the "lighting up" of the network and testing;
- Continue to identify ways to keep operational costs at the lowest levels possible while providing great service;
- Continue to assess the grant project budget to determine if a budget modification will be needed;
- Continue with Close-Out activities; 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.	<b>Overall Project</b>	84	<p>The VIPFA/viNGN team will continue to make progress with the build out of its 100% fiber optic, wholesale, open access network during Quarter 2, 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 2, CY 2014 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>During Quarter 4, CY 2013, the VIPFA/viNGN team projected that the "Planned Percent Complete" would be 88% as of the end of Quarter 1, CY 2014; however, after reevaluating the timing of contractor invoicing and the need to close out a number of contracts, the team has lowered the "Planned Percent Complete" expectations. However, the team expects to expend and Draw Down all remaining grant funds during the Close-Out period through September 30, 2014.</p>
2b.	<b>Environmental Assessment</b>	100	<p>No additional environmental assessments are anticipated during Quarter 2, 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.</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.	<b>Network Design</b>	100	The core network design is complete.
2d.	<b>Rights of Way</b>	100	All Rights of Way that are needed are expected to be obtained.
2e.	<b>Construction Permits and Other Approvals</b>	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.	<b>Site Preparation</b>	100	Site preparation will be complete, with the exception of those that may be related to any remaining CAI connections.
2g.	<b>Equipment Procurement</b>	100	<p>VIPFA/viNGN will continue to receive materials and tools 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>
2h.	<b>Network Build (all components - owned, leased, IRU, etc.)</b>	100	During Quarter 2, CY 2014, the VIPFA/viNGN team plans to complete the network build out on St. Croix, St. Thomas, St. John and Water Island and connect the remaining CAIs to the network.
2i.	<b>Equipment Deployment</b>	100	VIPFA/viNGN will continue to deploy procured equipment throughout the network build.
2j.	<b>Network Testing</b>	100	<p>Network testing will continue and be ongoing in alignment with network build out and equipment deployment.</p> <p>All testing is projected to be completed by June 30, 2014.</p>
2k.	<b>Other (please specify):</b>	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).**

During Quarter 2, CY 2014, the VIPFA/viNGN team will need to continue to actively coordinate with the U.S. Virgin Islands Department of Planning and Natural Resources (DPNR), the Virgin Islands Water and Power Authority (WAPA), and viNGN's contractors to work on accelerated schedules and actively identify and create ways to speed up the approvals, installation and construction activities, and

testing activities.

In addition, the team will need to continue to actively negotiate with other "last mile"/retail service providers/ISPs, in an effort to enter into additional Master Services Agreements (MSAs); continue to actively encourage the ISPs to provider services to CAIs, private businesses, individual residents and organizations, powered by viNGN's 100% fiber optic, wholesale, open access network; and, continue to actively encourage CAIs to subscribe to services for new access on viNGN's 100% fiber optic, wholesale, open access network.

### 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	\$1,628,523	\$0	\$1,628,523	\$1,730,000	\$0	\$1,730,000
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	\$4,737,441	\$0	\$4,737,441	\$4,950,000	\$0	\$4,950,000
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	\$19,767,836	\$324,543	\$19,443,293	\$21,824,543	\$324,543	\$21,500,000
j. Equipment	\$35,646,004	\$10,474,987	\$25,171,017	\$30,438,244	\$10,474,987	\$19,963,257	\$32,424,987	\$10,474,987	\$21,950,000
k. Miscellaneous	\$661,833	\$0	\$661,833	\$661,227	\$0	\$661,227	\$661,833	\$0	\$661,833
<b>l. SUBTOTAL (add a through k)</b>	<b>\$73,610,586</b>	<b>\$14,722,117</b>	<b>\$58,888,469</b>	<b>\$57,598,668</b>	<b>\$10,799,530</b>	<b>\$46,799,138</b>	<b>\$61,989,563</b>	<b>\$10,799,530</b>	<b>\$51,190,033</b>
m. Contingencies									
<b>n. TOTALS (sum of l and m)</b>	<b>\$73,610,586</b>	<b>\$14,722,117</b>	<b>\$58,888,469</b>	<b>\$57,598,668</b>	<b>\$10,799,530</b>	<b>\$46,799,138</b>	<b>\$61,989,563</b>	<b>\$10,799,530</b>	<b>\$51,190,033</b>

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
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