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TESTIMONY OF MICHAEL CARTY BEFORE THE VI SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, AGRICULTURE AND PLANNING

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Good afternoon Madam Chairman, Members of the Committee, constituents from the community, and fellow testifiers. My name is Michael A. Carty, and it is my pleasure to speak again before this Committee on Economic Development, Technology and Agriculture.

I was born, raised and molded in the US Virgin Islands and am a graduate of Charlotte Amalie High School. I am the founder and president of Smartnet and Alliance Data Services. I started Alliance Data in 2006 at the age of 24 after working for a Department of Defense contractor, and then for an off island contractor that was awarded what was and still is the largest network integration contract in the US Virgin Islands, the VI Department of Education. We currently employ 14 highly skilled technicians between St. Thomas and St. Croix. Each tech is certified in their respective area of focus. Staff are required to obtain at least 1 new certification each year. This requires time, focus, discipline and the innate hunger for progress. I hold 8 technical certifications including CCNA, CCNP, CCNA Wireless and successful written exam of the CISCO CCIE certification, which with the completion of the Lab exam in late 2016, I will be one of only 30,000 individuals in the world with that level of certification.

We have employed summer interns every year since 2008, when at the time we were uncertain if we could afford them. We thought it more important to provide as much knowledge and exposure to the industry as early as possible to those interested and willing to learn. To date,

we have had 11 interns, 4 of which are now in college majoring in studying computer science and information systems, their selection of a study major was solidified after working with us. Another intern is now overseas in the military utilizing her skills and knowledge gained with us and building upon that, already many levels above her peers. Another intern Vernon Jones currently works for us full time now and is working on his CCNA certification. We have successfully completed some of the largest network deployment projects in the USVI, including schools, banks, and public safety. We were the first provider to implement an MPLS network in the USVI and all of the work was done in house. Though ahead of the industry need at the time, why did we do it? Because we can…

In 2009 when we acquired the assets of what was formerly Comtek, the executives at Comtek urged me to not attempt to move forward. The company was on the brink of going out of business due to shifting focus on the mainland and an uncertain business climate in the USVI. We moved forward anyway, saved the 5 remaining jobs that were still with the company and formed Smartnet. Today 2016, we have grown our coverage and client base by 800% and are recognized enough in the industry to be sitting before you here today. This work and these accomplishments were not driven by a group of academics or theoretical thinkers, but by a group of locals who had the vision for a better avenue to channel their talents through.

This career was honestly not the dream I chased. I wasn't born into privilege. My family and I mastered being poor early on. I spent my 9th grade year in a homeless shelter but still made the honor roll. I grew up in hospital ground which most people know as "Round de field". I didn't obtain an "Ivy League" degree but am a product of the local public school system. I was a former Chemistry major at Johnson C. Smith University, one of only two students. After struggling through the year, only able to afford books for half of the school year, I still made the Dean's List. The next year however, I dropped out of school. Not for a sensational reason like having a great business idea or the newest concept for a revolutionary product… I dropped out because my family back home was struggling. With me being gone and one less income, things went South.

So at 19, I learned what it meant to sacrifice what you want for what you know is right. On August 21 2001, the date of my scheduled return flight back to Charlotte, North Carolina, I stood working in the mall, looking at my watch at the time that I knew the plane had just left. After the decision was made, I hunkered down and said, well maybe I'll go back next year. But if I was going to do this, I needed to make as much progress as quickly as possible. I observed the one industry that was fast-paced, that allowed you to sharpen your skills and where there were endless books and learning material available, was the Technology industry. Out of every pay check I received, I purchased a new book about the industry. I applied for jobs at every technology company that was around at the time -- Innovative, Choice (Wireless World at the time it was called), Caribbean Data Com. I was turned down by all of them, even when I just asked to tag along for free.

My entry into the industry came in 2004 when a Crucian by the name of Joseph Fergus, owner of one of the largest black-owned technology companies on the mainland decided return to the USVI and start Comtek. Thrown into the deep end of the pool working with some of the best, and soaking up every minute of it, I was able to keep pace and "drink from the fire hose" as my colleagues at the time described it, and assisted on projects spanning the US and lead the network expansion into the USVI. Though their vision was not realized, they set that platform for what we are today.

I detail a portion of my beginnings to provide a window into what is possible, with focus in a growth industry such as technology. But don't be mistaken, focus and preparation needs to meet opportunity. No matter how much training you provide, how much fanfare you have about available classes and instruction, if that plan isn't fulfilled all the way to providing an opportunity to channel that focus, you are almost worse off than if you hadn't done anything at all.

With all this, in 2009 when the possibility of BTOP funding emerged, it was an obvious opportunity to spark the local technology industry and raise the functional level of access and broaden the application options available to the USVI. We fully supported and even signed on as a project partner to assist in the effort. Fast forward to [redacted] when early construction of the

network began, the majority of the fiber optic installation was performed by off-island vendors. So much so that after several change orders with increased pay, they called for assistance and additional staffing from other off-island vendors, bypassing local on-island firms. At one point, these off island companies were so inundated with work they assigned their heavy equipment personnel to do the specialized skill of fiber splicing. I personally stood and watched an off-island contractor whose trade was actually a backhoe operator struggling to use a fusion splicer which he just learned to use two days prior. At the time, all of my staff were certified fiber optic outside plant installers, but yet we stood by and could only watch as the highest skill we observed being gained by our peers involved in the project was laying cones and flagging traffic. Ask yourselves, close to $100 million dollars was spent and miles upon miles of fiber laid, where are our highly skilled fiber technicians that gained experience from that project?

After construction of the network, doing business with viNGN proved just as challenging. Constant policy changes, pricing changes, and being denied every design we requested even though we followed all rules and policies outlined at the time. The message was being sent to local companies was "this is not for you". Having gone through far worse in my life, I persisted, and with our value being recognized by the majority of our clients, we were able to make great progress toward signing up locations for the new service despite two years' worth of challenges and denials placed before us. Much of the progress occurred in late 2014 through 2015 with new viNGN management. Soon thereafter, the pricing was drastically reduced. But even then, we were notified 30 days after the other providers. Fortunately enough, our clients saw the value we brought to the table in our service offerings and skillset. Thanks to them, we are here before you as one of the purchasers of access from viNGN, offering diversified services and rapid response to any service-related issues. I would like to thank our clients for recognizing our mission and supporting us. We will always provide you with superior service and be examples of what's possible when opportunity is placed in the proper hands. Despite progress, we are unfortunately again faced with another turn in the road which resurrects the initial concerns expressed in

previous senate hearings in regards to the government becoming a direct competitor to the private sector providers.

I explain this to provide insight into the fact that opportunity placed in the right hands can lead to lasting and resounding affects. Empowerment needs to be placed in the hands of those that recognize what's possible and who aren't far-removed from knowing what it means to struggle. In the hands of those who look toward the greater good of the whole rather than doing just enough to make any waves and maintain a job. The individuals on this panel today, while I acknowledge all of their accomplishments, how many of them can truly relate? How many of their stories reflect that of the average Virgin Islander? One may..but is that enough? My story is not unique…it is the story of 90% of Islanders still today.

I acknowledge all the IT practitioners in the USVI, especially the government IT staff's. I applaud you for being in the field and rising to the task of being a part of this knowledge driven industry. Even though much of the experiences in building the industry over the past decades bypassed many of us, you all have used what you know and the experiences that you have and no matter how small to spin that into a career. You all are a portion of the answer. Our people are our most valuable natural resource. To everyone that is thinking about starting a business technology or not, there is no better time than the present. Most of you may think you don't have the background or the knowledge to do so but all you need is a skill. Something that you are better than anyone else at or a work ethic that no one else can match. There is nothing you will face in the world of business that is any worse than what you have likely faced in your own reality. Your experiences provide you more heart and courage than the polished practitioners can ever learn or earn a degree for. Knowing this, you have the advantage. You have nothing to lose… Literally. Be at the door, standing ready for the next turn in the road, because the more of us there are in the industry, any industry, the less of an excuse there will be to select someone from the outside.