

TESTIMONY OF DR. TONJIA COVERDALE BEFORE THE 31ST LEGISLATURE OF THE VIRGIN ISLANDS COMMITTEE ON ECONOMIC DEVELOPMENT, AGRICULTURE AND PLANNING

To provide an update by the Virgin Islands Next Generation Network (viNGN), and the Bureau of

Information Technology (BIT) regarding the operations of both agencies.

Wednesday, February 10, 2016

Time: 4:00 P.M.

Chairperson: The Honorable Janette Millin Young

Vice-Chairperson: The Honorable Novelle E. Francis, Jr.,

Location: Earle B. Ottley Legislative Hall

St. Thomas, Virgin Islands

Committee members: Janette Millin Young (Chair), Novelle Francis, Jr. (Vice Chair), Clifford Graham, Myron Jackson, Neville James, Almando "Rocky" Liburd, Nereida "Nellie" Rivera-O'Reilly, Tregenza A. Roach, Kurt Vialet

Good day and greetings to the Honorable Janette Millin Young, Chairperson of this illustrious Legislative Committee, other Honorable members of the Committee, other Honorable members of the Legislature of the Virgin Islands, the esteemed invited testifiers, and to all in the listening and viewing audience. I am Dr. Tonjia Coverdale and I am the President and Chief Executive Officer of the Virgin Islands Next Generation Network. [I am joined today by Deepak Bansal, our Chief Financial Officer, Daryl Wade, our Senior Vice President for Information Technology and Network Operations, Ken Farrington, our Compliance and Property Manager, Yvonne Fenton, our Community Development Coordinator, Anita Davis, our Community Program Manager, and other members of our most amazing team. Greetings to you all as well, and I would like to publicly thank you for your continued dedication to our mission and vision and to the People of the Virgin Islands.]

I appear here before you today, absolutely elated and absolutely inspired, for this 4 foot cord has the potential to pump millions of dollars into the Virgin Islands economy. Before I continue gracious Senators, I want you to know and I want Virgin Islanders to know that at this moment, we, the U.S. Virgin Islands are making history as the first State or Territory with a fiber-optic telecommunications backbone throughout its entire jurisdiction. Our "light" has the ability to

go all over the world and today, viNGN is prepared to go global. And, in understanding that this means that we now collectively hold the power to change the trajectory of our Territory and become an economic powerhouse of the Caribbean and the emerging Latin and South American markets, we are finally ready to take our places on the national and international economic stage.

We have what every major city in the United States wants...today. We have what New York City is now building, what New York State will complete by 2018, what Boston will complete by 2017, what Los Angeles will complete by 2018, etc. and, with this cord, by offshoring our fiber, we have the power to "power" major cities on the East Coast and beyond. This is a real opportunity and discussions have already commenced. However, the technological world now moves at light speed, and time is of the essence. If we are going to truly become an economic powerhouse, it is going to take all of you sitting in this room, and every single Virgin Islander to join together and understand that our future is now and we must own it. Ladies and gentlemen, in the 21st century, our fiber is now our greatest export.

I am hopeful that you invited me here today because you are interested in how you can assist us in our efforts in leading us into the Next Generation of the Virgin Islands, because we will need your partnership in order to realize our vision and the great news is – we do not need additional funding from you, nor do we plan to in the future. As shown by our cost/revenue curve located immediately after my testimony in your packets, we have been extremely successful in our cost minimization and revenue maximization strategy that I implemented upon my arrival and are rapidly approaching the break-even point, which is an amazing feat for a startup company with barely one year of operation. But, what we do need is for you to help us protect the future of the People of the Virgin Islands by clearing the way of systematic obstacles so we can soar. That's it. We are ready to achieve our goals of bringing millions of dollars to the Virgin Islands each year and we need to be free to do so. If we need a bill written and passed to assist our efforts, we hope we have a friend in the Legislature of the Virgin Islands.

The major issue that we face at viNGN is two-fold: we are limited by our current wholesale configuration in having to rely on partner Internet Service Providers (ISPs) to reach the people of the Virgin Islands. Plainly stated, we are not allowed to connect directly to the people, we have to work with ISPs to do so. It is not getting to the people fast enough for me and this needs to change. While there are some ISPs that have been receptive to viNGN, this business model creates a detrimental reliance on the investment of ISPs to extend the network. However, there may be financial incentive for them not to participate as to their full ability. I have heard tell that there are ISPs in line to try and purchase viNGN if we are not successful. Of course, since we are solely reliant upon them and we are "not successful" then it benefits them.

Even with this limiting model, defying all odds, we have successful and will continue to be. If they do not invest at the levels and the speed that they need to invest to ensure that the People of the Virgin Islands have widespread access, our aspirations for a technology economy are threatened.

Our second issue relates back to our configuration as it is time for us to think bigger. We are a post-grant revenue generating startup company operating in a grant configuration both systematically and perceptually and it is impeding us from our evolutionary destiny. We actually have had instances where we are competing directly with AT&T and Google Fiber for business, yes, we are now playing on the world stage, however, it is becoming increasingly difficult for us to be taken seriously as a global player if potential clients, competitors, and investors, most recently an investor who is interested in investing upward of \$1B in a new technology development in St. Croix, question our viability and longevity because they think we are "government." People are afraid of investing with a company that is potentially subject to political whims. Senators, this is serious. Our vision is too important for the future prosperity of the Virgin Islands and we cannot allow big business or government to impede the progress of viNGN.

As you know, as a holder of Bachelor, Master, and Doctorate degrees in the area of information technology and a former University professor, I am extremely passionate about preparing Virgin Islanders in the area of information technologies especially as a minority technologist in a very lucrative industry that is largely anything but. It is no secret that the technology workforce suffers from a lack of diversity, however, it boasts some of the largest professional salaries and our people are not at the table; therefore, the lack of our technological access continues to perpetuate an economic divide that is impairing our economic access. We have the technology, we know how to use it, so it is certainly no longer the Digital Divide of old of which we speak; it is about teaching our people to become active creators rather than passive users, teaching our people to design games, instead of just playing them, teaching our people to design apps instead of just downloading them. We cannot continue to be passive participants in a multi-billion dollar industry that disproportionately benefits others; it is time for us to have a proverbial seat at the economic table and begin to gather revenue from other economies and redistribute that wealth right here in the Virgin Islands. Herein lies the heart and soul and PASSION of viNGN: right here in our Territory, we have some amazingly bright minds in the Territory, both young and seasoned, that are ready to harness the power of technology and viNGN will not stop until we have built a sustainable, largely minority technology workforce and we will not stop until the Virgin Islands has a robust technology and innovation economy with St. Croix, the fiber crossroads of the Caribbean, as the economic centerpiece drawing new businesses of all sizes, educational institutions and researchers, technology and information-

based entrepreneurs, and more, all powered by our sun, sand, sea, (Internet) speed, and (tax) savings, and becoming a global leader in technological tourism.

This is our goal. This is our legacy. This is our life. It is not a game to us.

[This is why we are here. This is why viNGN has forged a partnership with the Department of Education and the University of the Virgin Islands to create a STEAM – Science, Technology, Engineering, the Arts, and Mathematics – Academy to train the best and the brightest young Virgin Islanders who may not have the socioeconomic support to pursue specialized technology education otherwise. This is why we have a partnership with the Catholic Schools of the Virgin Islands via the St. Joseph’s High School IT Academy, where viNGN has provided financial and educational sponsorship of its first cohort of students and ALL students will receive seven IT certifications upon graduation (!). This is why, at our Public Computer Centers, we sponsor programs, too numerous to name, but listed in an Appendix to my Testimony today, that have included classes on Home Networking and Security, Hour of Code where the first cohort of UVI’s new IT degree program taught our young Virgin Islanders how to code, Child Internet Safety, the Absolute Beginners Computer Lab, PowerPoint Workshop, Maker Camps on how to make hovercrafts, rockets, and solar ovens, how to use basic tools such as email and Google Drive, even how to set up an eBay, PayPal, and Square accounts to begin an e-Commerce venture! The wonder of all of this is: many, if not MOST of our PCC courses are taught by our very own team members at viNGN. Our team of almost 40 individuals tirelessly give of themselves every day, not only in the workplace, but their time and treasured talent to prepare our fellow Virgin Islanders and ensure that all are prepared to “have a seat at the technology table.”

Let me now say for the record, that viNGN does not own and operate the PCCs. They are NOT our entities. viNGN does not have the obligation to ensure they are opened and staffed and have programs. As per our grant, we were to supply computers and connectivity and we have done just that; many other grant recipients have turned over the PCCs at the end of the grant to each entity and have no continued interest. However, this is our life, this is our PASSION, and we continue to go above and beyond at the PCCs, not because we have to as per the grants, because we have to as per our moral responsibility to our fellow Virgin Islanders to ensure that they are technologically prepared to survive and thrive in the digital economy and this is why we give of ourselves daily.

But, we cannot do this alone. We need all of you sitting in this room and all of you in the listening audience. We have asked for volunteers, we need volunteers to help the PCCs keep themselves open. We have multiple events weekly, we need you to send your children or even come yourselves. It is free education! We need the commitment of Virgin Islanders to actually embrace and want to learn something new. At this point, it is not an option, it is about the

economic survival of our Territory and every Virgin Islander needs to understand things will not change, unless we change them ourselves. The tourism industry is declining, we have the Zika virus now, we cannot expect people to come here and save us; we have the power right here right now to generate millions for ourselves and for our Territory, but we all have to be willing to do the work.]