



OFFICE OF MANAGEMENT AND BUDGET

BROADBAND EQUITY, ACCESS, AND DEPLOYMENT (BEAD) PROGRAM

Committee on Housing, Transportation & Telecommunication
35th Legislature of the U.S. Virgin Islands

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Kimika Woods
Acting Director

Good afternoon Honorable Marvin A. Blyden, Chairman of the Committee on Housing, Transportation and Telecommunications, other Members of the 35th Legislature, and the viewing and listening audience of the U.S. Virgin Islands.

I am Cristeen Rodriguez-Cox, Senior Performance Analyst with the Office of Management and Budget (OMB). Accompanying me today is Somere Webber, OMB's Federal Grants Manager. On behalf of Acting Director Kimika Woods, thank you for the opportunity to provide testimony on the status of the territory's plans for the utilization of the Broadband Equity, Access, and Deployment (BEAD) Grant Program funding. We are pleased to share with you today updates on the program timeline, proposed funding allocations, upcoming technical workshops, and new initiatives that aim to support Internet Access Affordability in the territory.

Since we last appeared before this committee in January, the Virgin Islands Broadband Office, housed within the Office of Management and Budget, has made significant strides in securing the full \$27.1M awarded to the territory for BEAD. On July 22, 2024, the Biden-Harris Administration announced the approval of the U.S. Virgin Islands' "Internet for All" Volume II Initial Proposal. I am pleased to report that the USVI was amongst the first twenty-five states and territories to receive approval of both proposals. This approval marks a significant step towards us being able to request access to the funding and begin implementation of the BEAD program.

Before I provide program updates, it is important to note that the use of our BEAD funding for infrastructure deployment purposes would be considered duplicative, due to the award of the Federal Communications Commission (FCC) Connect USVI grant. Given this, the Virgin Islands Broadband Office will not utilize BEAD funds to deploy or sustain infrastructure projects within the Territory. Rather, by investing in non-deployment initiatives and programs, BEAD funding will be used to empower residents to thrive in an increasingly digital world and bridge the digital divide. By prioritizing digital equity-centric projects, the BEAD Program seeks to fully realize the potential of the U.S. Virgin Islands and its residents regarding high-speed, dependable, Internet access.

Through collaborative efforts with our Digital Equity partners and federal partners at the National Telecommunications and Information Administration (NTIA), the Virgin Islands Broadband Office is poised to navigate the complexities of the BEAD Program, by driving impactful initiatives that enhance broadband access, affordability, and digital literacy throughout the U.S. Virgin Islands. The Program's goals and objectives have been incorporated into a comprehensive strategy to invest BEAD funding into the distinct areas that will have the widest potential impact to achieve aspirations. These four key pillars are: Internet Access Affordability, Digital Economy Transformation, Community Digital Competency, and Workforce Upskilling. Outlined below is an overview of each program pillar that will be supported through BEAD funding:

Internet Access Affordability:

In response to the conclusion of the federal Affordable Connectivity Program (ACP), the Virgin Islands Broadband Office recognizes the need to continue supporting residents through a more sustainable and impactful approach, considering the BEAD's program extension to June 2032. Understanding the benefit of leveraging available broadband funding within the territory to support one goal, we have chosen to support the Learn2Earn model through the USVI Digital Equity Plan. This approach benefits both residents and Internet Service Providers (ISP) alike. By providing residents an incentive to gain essential skills, boosting their digital literacy and career prospects, participants will be able to earn free one-year, high-speed home internet subscriptions upon the successful completion of digital skills training(s) with approved community partners, fostering long-term self-reliance and reducing subsidy dependence. Subsequently, ISPs will gain new

customers through the Learn2Earn and ConnectVI programs, driving growth and revenue, while enhancing their corporate social responsibility profile by demonstrating their commitment to community development. This approach provides a win-win solution for both the community and service providers.

Digital Economy Transformation:

This pillar represents a pivotal opportunity for catalyzing economic transformation within the U.S. Virgin Islands. Enhanced broadband access will afford new opportunities for entrepreneurship, innovation, and job creation, empowering businesses to expand their reach and compete on a global scale. Through targeted investments, the BEAD grant will drive economic growth, foster innovation, and ultimately position the U.S. Virgin Islands as a vibrant hub for digital commerce and opportunity. The VIBO plans to support initiatives that will attract U.S. Virgin Islands professionals, innovators, tradespeople, and educators back to the Territory to transform the economy by capitalizing on the global trend of economic digitization. Initiatives such as developing shared business automation for cross-agency platforms, eGovernment services, telehealth platforms for remote medical care, and funds for entrepreneurial businesses in eCommerce will be key drivers in fostering a vibrant digital economy. These efforts will not only enhance the Territory's technological infrastructure but also create new opportunities for growth, ensuring that the U.S. Virgin Islands remains competitive in the digital era and attracts top talent committed to driving economic advancement.

Community Digital Competency:

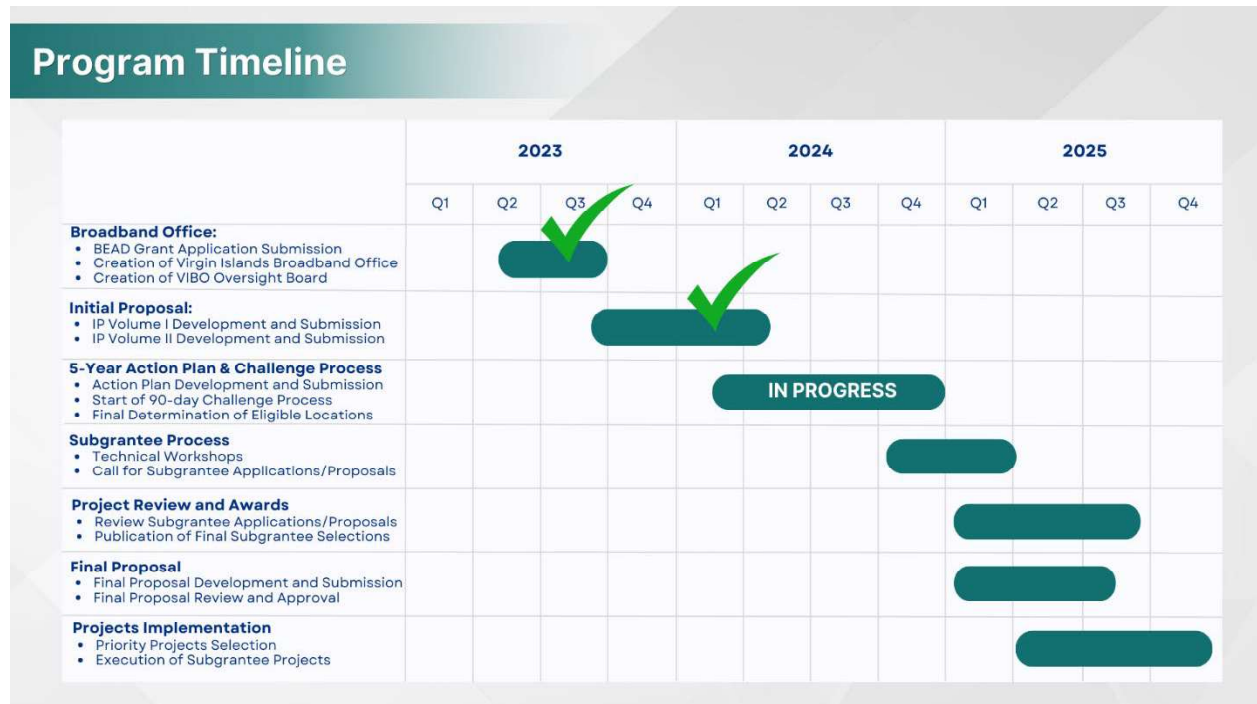
To bolster community digital competency, BEAD funding will be allocated to outfit new and existing multi-purpose computing facilities and community anchor institutions that provide programs aimed at enhancing digital literacy and skills development among residents. This comprehensive approach intends to equip these facilities with essential technological resources to provide programs that foster a vibrant, tech-savvy community. Facilities that host STEAM-based learning programs, adult technical development workshops, digital literacy seminars, programming labs, and makerspace/creativity labs, will be supported through this pillar.

Workforce Upskilling:

Utilizing BEAD grant funding for workforce upskilling will profoundly impact the skills and employability of U.S. Virgin Islands residents, leading to broader economic growth and increased competitiveness. The VIBO is dedicated to leveraging this funding to advance the Territory's workforce readiness, particularly for roles requiring Information Technology (IT) expertise. By focusing on upskilling programs, we aim to transition the USVI economy from its traditional reliance on tourism to a more diversified, knowledge-based economy. Investments will be directed toward eligible entities that provide specialized training and certifications in IT fields, such as, but not limited to, cybersecurity, software development, and data analysis. By developing a highly skilled workforce, the USVI will be better positioned to compete in the technology sector, drive innovation in our emerging agriculture industry, and create sustainable employment opportunities across the territory.

However, to fully unlock all these critical benefits, we must first complete another essential step in the BEAD program: the launch and implementation of the Territory's Challenge Process. The user-friendly challenge portal is in the development phase and is slated to launch on schedule, at the end of Q4, in accordance with our program timeline as noted below. Through this process, units of local government, nonprofit organizations, or broadband service providers can challenge a determination made by the Virgin Islands Broadband Office as to whether a particular location or community anchor institution within the Territory is eligible for the grant funds, or if a specific location is unserved or underserved. Once this step is complete, we will furnish the results of

successful challenges to the NTIA and await final approval to begin the subgrantee selection and program execution phase.



In summary, the VIBO’s strategy for utilizing the awarded funds highlights this Administration’s dedication to not only achieving immediate enhancements in internet connectivity but also guaranteeing that these improvements are both sustainable and responsive to future demands. This forward-thinking approach will lay a solid foundation for a digitally advanced and a well-connected U.S. Virgin Islands, benefiting generations to come. It is our hope that through our series of upcoming technical workshops and continued engagement with stakeholders, we will be able to effectively address community needs, foster modernization, and ensure the successful deployment of program resources.

Mr. Chairman, this concludes my prepared statement. Mr. Webber and I stand ready to answer any questions that this Committee may have.