

**PREPARED STATEMENT OF
STEPHAN ADAMS, viNGN PRESIDENT & CEO
BEFORE THE SENATE COMMITTEE ON
HOUSING, TRANSPORTATION, INFRASTRUCTURE &
TELECOMMUNICATIONS
35TH LEGISLATURE OF THE VIRGIN ISLANDS
August 28, 2024**

Good Afternoon, Honorable Marvin A. Blyden, Chairman of the Committee on Housing, Transportation, Infrastructure & Telecommunications, Honorable Senators, and the listening and viewing audiences. I am Stephan Adams, President, and CEO of viNGN, Inc. I am accompanied by Jaughna Nielsen-Bobbit, Director of the Digital Equity and Inclusion for the USVI. We are honored to present to you today.

We will provide updates on viNGN's broadband operations, FEMA grant projects and the Digital Equity grant we oversee on behalf of the Territory. viNGN is not only an instrumentality of the USVI Government, but we are also a catalyst for the people of the Virgin Islands for them to participate and compete in the global digital economy. As such, our viability is paramount to the Territory closing the digital divide and making the Internet accessible and affordable for All. The men and women of viNGN work hard every day to deliver this value to all Virgin Islanders.

While viNGN continues to be a viable ongoing concern, we are constantly reviewing our business model and practices to ensure we remain relevant to our Internet Service Provider (ISP) partners. As a provider of middle-mile bandwidth, we ensure our network operates at the highest performance level and remains functional even during severe storm events. viNGN deploys the best technology so ISPs can deliver widely available, highly reliable, and most affordable high-speed Internet service in the Territory. This is our mission.

As an example of our mission commitment, we held one-on-one meetings with our ISP partners this year during the week of April 23rd. Our objective was to hear what was working for them and what viNGN could do to help them be more competitive, grow their businesses, and adapt to changing market conditions. I assured them they were heard and that we would act upon their concerns, which we are addressing.

Top feedback from the ISPs was a desire for greater independence, more flexibility, and lower pricing. In response, viNGN now offers dark fiber leasing. This enables ISPs to fully manage their network independently of viNGN's where they buy this service. We also added a GPON solution to give ISPs another option for delivering bandwidth services to multi-dwelling unit buildings and into densely populated neighborhoods. Additionally, we reduced pricing 40% on 1 gigabyte service, effective September 1st. Further price reductions will be considered once we've completed a more comprehensive pricing review.

Furthermore, viNGN is pursuing a diversified revenue strategy in anticipation of decline revenue from lower wholesale bandwidth prices. We also foresee revenue headwinds in the coming years, as Liberty transitions from viNGN's backbone to their own infrastructure, as they build out their fiber to the home network.

The business transformation effort that began five years ago, this October, is nearing completion. Central to this effort was the implementation of an enterprise level back-office system. The last phase of our operations upgrades is integrating procurement and warehouse management automation functionality. These new capabilities will enhance business efficiency and productivity. The resulting benefits will be lower administrative costs, more accurate and timely financial reporting and greater

operational accountability. These are significant requirements of any viable business, whether publicly or privately owned.

Regarding viNGN's FEMA obligations, we have made great progress throughout the year in moving closer to completing these critical restoration and mitigation projects. Attached to my testimony is a summary of all our active Federal Grants, including obligated FEMA projects.

Since January, we are down to the most critical projects. Our top initiative is fortifying our undersea cable landing sites. Our second priority is to build back to Coral Bay. We will also install free Wi-Fi along the way so this community can regain direct Internet access, which they have been without since 2017.

The largest outstanding FEMA project is \$7 million to design generator shelters for all 24 of our fiber access point facilities and to replace all the generators they house. This is an important resiliency undertaking. The design phase for this project has been completed. We are now preparing the RFP for construction and generator purchasing bids. This solicitation will be published soon.

This concludes my portion of viNGN's testimony. I now invite Jaughna Nielsen-Bobbit to provide Digital Equity program implementation updates.

Thank you for your attention to my testimony. Jaughna and I look forward to addressing any questions you may have.

###

Exhibit A

Federal Grants Summary

Active Projects Only

No	ID	Agency	Project Type	Island	Period of Performance	% Comp	FEMA/OMB Obligated Costs	FEMA 90% Federal Share	Expended/Invoiced	Requested Reimbursement	Reimbursement/Advance Received*
a	b	c	d	e	f	g	h	i	j	k	l
1	PW 89405	FEMA	Communications Infrastructure - Hurricane Repairs	STT	3/31/2025	80%	\$ 1,013,945	\$ 912,550	\$ 679,458	\$ 575,778	\$ 259,158
2	PW 89402	FEMA	Communications Infrastructure - Hurricane Repairs	STX	12/31/2025	95%	3,467,210	3,120,489	1,435,201	1,435,201	617,071
3	PW 70673	FEMA	Communications Infrastructure - Hurricane Repairs	STJ	12/31/2025	25%	4,663,026	4,196,723	248,187	0	0
4	PW 79411	FEMA	Communications Infrastructure - Hurricane Repairs	WTR	6/30/2024	100%	94,729	85,256	106,256	21,000	85,256
5	PW 79073	FEMA	FAPs (Repairs & Contents) - St. Thomas	STT	6/30/2024	100%	155,763	140,187	185,834	0	0
6	PW 78643	FEMA	FAPs (Repairs & Contents) - St. John	STJ	12/31/2024	5%	13,031	11,728	0	0	0
7	PW 79117	FEMA	Fiber Optic Landing Sites - St. Thomas	STT	11/2/2025	5%	2,273,082	2,045,774	0	0	0
8	PW 78269	FEMA	Fiber Optic Landing Sites - St. Croix	STX	8/31/2027	10%	1,873,755	1,686,876	7,925	0	0
9	PW 78244	FEMA	FAPs (Repairs & Contents) - St. Croix	STX	12/31/2024	65%	72,709	65,438	48,975	0	0
10		FEMA	FEMA Hurricane 404 Mitigation Phase 1 & Phase 2	USVI	3/30/2027	25%	7,117,829	7,117,829	433,000	433,000	433,000
							\$ 20,745,079	\$ 19,382,850	\$ 3,144,835	\$ 2,464,978	\$ 1,394,484
							Sub-Total FEMA				
11	SLFRP3818	OMB-ARPA	Community Wi-Fi - Communications, Network, Hardware	USVI	9/30/2025	100%	\$ 3,176,071	\$ 3,101,940	\$ 3,091,524	\$ 3,101,940	\$ 3,101,940
12	SLFRP3818	OMB-ARPA	Community Wi-Fi - Equipment & Build Costs	USVI	9/30/2025	65%	1,602,850	1,602,850	970,114	970,114	1,602,850
13	SLFRP3818	OMB-ARPA	Community Wi-Fi - Bandwidth	USVI	9/30/2025	65%	6,000,000	2,996,667	2,996,667	2,996,667	3,379,402
							\$ 10,778,921	\$ 7,701,457	\$ 7,058,304	\$ 7,068,720	\$ 8,084,191
							Sub-Total OMB/DOI				
14	ACOGP2340006-00	FCC	Affordability Connectivity Program (ACP) Outreach	USVI	4/30/2024	100%	\$ 250,000	\$ 250,000	\$ 34,357	\$ 34,357	\$ -
15	78-30-DP146	NTIA	Digital Equity (Planning Grant)	USVI	5/31/2024	100%	150,000	150,000	115,235	115,235	150,000
							\$ 400,000	\$ 400,000	\$ 149,593	\$ 149,593	\$ 150,000
							Sub-Total Other (FCC & NTIA)				
							\$ 31,924,000	\$ 27,484,307	\$ 10,352,731	\$ 9,683,291	\$ 9,628,676
							GRAND TOTAL				

*Reimbursements are net of insurance proceeds.