



GOVERNMENT OF
THE UNITED STATES VIRGIN ISLANDS
THE OFFICE OF MANAGEMENT AND BUDGET



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BROADBAND EQUITY, ACCESS, AND DEPLOYMENT (BEAD)
Committee on Housing, Transportation & Telecommunications
36th Legislature of the U.S. Virgin Islands
April 8, 2026

Good day Honorable Marvin A. Blyden, Chairman of the Committee on Housing, Transportation and Telecommunications, other Members of the 36th Legislature, and the viewing and listening audience of the U.S. Virgin Islands.

I am Julio Rhymer Sr. Director of the Office of Management and Budget (OMB). 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. I am pleased to share with you updates on the program timeline, federal developments, and the Territory's continued compliance and readiness to implement this important initiative.

At our last appearance before this committee, OMB reported meaningful progress in the implementation of the BEAD program. The Territory successfully secured the full \$27.1 million allocation and completed key prerequisites, including the challenge process and Notice of Funding Opportunity release in anticipation of the subgrantee selection and the submission of the Final Proposal.

Since that time, there have been significant developments at the federal level that directly impacted on the Territory's planned use of BEAD funds. On June 6, 2025, the National Telecommunications and Information Administration (NTIA) released a revised policy notice that rescinded the approval of all non-deployment activities previously authorized under Initial Proposals. This represents a substantial shift in the program's implementation framework, particularly for the U.S. Virgin Islands which had strategically focused on non-deployment initiatives due to the separate award of broadband infrastructure funding through the FCC's Connect USVI grant.

Additionally, NTIA has stated that "funding for allowable non-deployment purposes is currently under review, and that updated guidance will be issued in the future". As of the writing of this testimony, OMB is still awaiting this updated guidance.

In the interim, OMB continues to remain fully compliant with all federal grant requirements. This includes the timely submission of all required programmatic and financial reports, full cooperation with quarterly monitoring activities, and the submission and approval of the BEAD Final Proposal which will be revised once we receive further guidance on eligible non-deployment activities.

While these federal changes have temporarily paused forward movement on certain planned initiatives, we remain proactive and prepared. OMB continues to monitor all federal communications closely and are positioned to prioritize program implementation immediately upon receipt of updated guidance from NTIA.

We remain committed to ensuring that all BEAD funding is utilized in full compliance with federal requirements while maximizing its impact for the people of the Virgin Islands. Once clarity is provided, we are prepared to move forward efficiently to implement programs that support digital opportunity, economic growth, and long-term resilience in our Territory.

Thank you, Mr. Chairman. I remain on standby to answer any questions.