

**PREPARED STATEMENT OF
STEPHAN ADAMS, viNGN PRESIDENT & CEO
BEFORE THE SENATE COMMITTEE ON
HOUSING, TRANSPORTATION, INFRASTRUCTURE &
TELECOMMUNICATIONS
35TH LEGISLATURE OF THE VIRGIN ISLANDS
April 24, 2023**

Good morning, 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 honored to present to you today.

I wish to start my testimony with a recap on viNGN's mandate to include why we were established in 2011 and how we were funded. I will then discuss how we're achieving our mandate. I will then conclude with our vision for the future and how we intend to leverage an unprecedented amount of federal broadband funding to close the digital divide in the Territory and empower our residents and businesses to be competitive in the global digital economy.

viNGN was founded as a corporation, solely owned by the PFA. Our primary mission is to provide open access, wholesale bandwidth through local Internet Service Providers (ISPs). They in turn provide end-user service. viNGN has 10 active ISP partners that serve a wide range of markets.

Another viNGN objective is to earn enough money to sustain the Company as well as reinvest in technology. Since our founding, viNGN has not sought additional funding from the Legislature. We have been self-sustaining. viNGN is nearing profitability for the first time in our history. Once achieved, viNGN would be poised

to repay investments made by PFA and the WAPA. This includes repayment of PFA's original bond, which is now a \$36 million loan on viNGN's Balance Sheet.

viNGN was established by the twenty-ninth Legislature to close the digital chasm that existed in 2011. Although the chasm has narrowed to a digital divide, viNGN's mission is still relevant today. Our aim is to bring the Territory to parity with the U.S. mainland in high-speed Internet accessibility and affordability.

The federal government, PFA, and WAPA undertook the imperative of establishing viNGN after considering a 2011 National Broadband Listing which showed the US Virgin Islands as dead last in terms of broadband speeds among all states and territories. Although, we have made strides in closing the performance gap, the USVI still remains at the bottom in Internet speeds and affordability in the nation.

For historical context, the Twenty-Ninth Legislature, sponsored Bill No. 29-38 which I encourage you to read. It is an Act authorizing the funding for the Broadband Expansion Project. This Act recognized PFA and WAPA's exploration into developing and operating a territory-wide broadband network to expand access and better serve citizens, businesses, and public institutions.

The Bill also authorized PFA and WAPA to apply for and receive 4 grants to finance part of the Broadband Expansion Project, which became the genesis of viNGN.

As a condition of the Federal Broadband Grant and as enacted by Bill 29-38, PFA was required to provide \$29 million in capital and WAPA, \$15 million of in-kind contributions, as a "match". The in-kind portion of the match came through WAPA granting viNGN pole right and maintenance services. Whereas PFA was authorized to issue up to \$42 million in Gross Receipts Tax Bonds.

This historical overview of viNGN serves to remind this legislative body that your predecessors had the wisdom and courage to invest in viNGN to address a glaring broadband inequality that existed over twelve years ago. Then, 10 Megabytes per second was considered high speed Internet. Today, high-speed internet is 100 times greater at a fraction of yesterday's costs.

So, what can viNGN do to influence Internet access and affordability in the Territory today? Well, we're making significant investments in upgrading our core infrastructure to handle a far greater amount of Internet traffic to enable distance learning, telemedicine, remote government, and ecommerce activities. All this while enabling a household to simultaneously stream high-definition video, play real-time "twitch" games and participate in Zoom conference calls.

viNGN has applied for several grants to continue upgrading and expanding the reach of our infrastructure. This will enable our ISP partners to offer greater, more resilient bandwidth services at lower prices to consumers.

Although viNGN is a 100% fixed fiber optic network, the future of the Internet is increasingly mobile. viNGN's vision aligns with this transformation.

Case in point, viNGN is actively deploying free community Wi-Fi throughout public places in the Territory under a \$10.8 million ARPA and \$582 thousand CARES Act grants. We have installed 68 free Wi-Fi hotspots with over 200 access points and counting. This initiative is a top priority for Governor Bryan who is viNGN's Chairman. I've attached Exhibit A, which is a list of active hotspots in the Territory.

viNGN will also leverage its Wi-Fi network to build fiber to underserved and unserved communities. This is critical given the Territory's challenging socioeconomical condition, small population that is dispersed among four islands. This will lessen the capital costs for our ISP partners, which in turn will incentivize them to offer lower retail pricing to these citizens.

It is important to note that some telecommunications companies in the Territory have and continue to receive bountiful federal subsidies and generous local tax benefits. Yet, the territory woefully lags most other poor areas of the United States in terms of Internet speed and affordability.

viNGN has a valuable role to play, empowering all Virgin Islanders the opportunity to participate in the global digital economy and connected society. All grants that we are awarded will be used for the sole purpose of achieving this aim.

Thank you for your attention to my testimony today. I look forward to taking your thoughtful questions.

Exhibit A

68 FREE Wi-Fi Locations with 202 Access Points and Counting!

Location	Isl	Location	Isl	Location	Isl
Ag Fair Grounds (East)	STX	DHS Mars Hill	STX	Marley Homes	STX
Ag Fair Grounds (West)	STX	Elaine Sprauve Library	STJ	McBean Ball Park	STT
Altona Lagoon Shed	STX	Emancipation Garden	STT	Midre Cummings Park	STX
Ann Abramson Pier	STX	Emile Griffith Ball Park	STT	Mon Bijou Community Center	STX
Aureo Diaz Heights	STX	Estate Bovoni Community Center	STT	Mount Pleasant	STX
Bordeaux Farmers Market	STT	Florence Williams Library	STX	Myrah Keating Clinic (Outdoor)	STJ
Blyden Terminal	STT	Fort Christian	STT	National Park & Baseball Field	STJ
BMV Cruz Bay Parking Lot	STJ	Fort Frederik	STX	Oswald Harris Court	STT
Bureau of Motor Vehicles	STX	Franklin Powell Park	STJ	Parking Lot (Carnival Village)*	STT
Buddhoe Park	STX	Frederiksted Health Clinic	STX	Pearson Gardens	STT
Candido Guadalupe	STX	Garden Street Community Center	STT	Petersen Library	STX
Charles Turbull Library	STT	Grove Place	STX	Pine Peace Basketball Court	STJ
Contant Knolls	STT	Havensight 1(Virgin Haven)	STT	Red Hook Dock	STT
Cotton Valley Fire Station	STX	Havensight 2 (Port of Sale)	STT	Roosevelt Park	STT
Cramers Park	STX	Henry Rohlsen Airport	STX	Seaplane STT	STT
Cruz Bay Dock	STJ	HH Bergs Home	STT	Seaplane STX	STX
Cruz Bay Parking Lot (Carnival)	STJ	JFK Housing	STX	Sion Farm Ball Park	STX
Cruz Bay Tennis Courts (BMV)	STJ	Joseph E. James	STX	Sunny Isle Medical Center	STX
D. Hamilton Jackson	STX	Juan F Luis ER and Main Lobby	STX	VI Library for the Handicapped	STX
DC Canegeta Park	STX	Kirwin Terrace	STT	Water Isalnd Fire Station	STT
Department of Health (Mobile facilites)	STX	LaReine Fish Market	STX	Wilfredo Pedro Homes	STX
Department of Labor (STT)	STT	Lucinda Millin	STT	Williams Delight Villas	STX
Department of Labor (STX)	STX	Magens Bay	STT		

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