

The Virgin Islands Consortium

\$400 Million Needed For 100 Percent Fiber-Optic Internet Service In USVI, V.I.N.G.N. Says

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To bring fiber-optic internet connection to every business, government-owned entity and home in the U.S. Virgin Islands, a staggering \$400 million is needed to build out what is called the last mile, a final leg of work, in many cases underground conduits, that would see the super high-speed internet being a universal reality in the U.S. Virgin Islands.

It's a problem, then, according to Virgin Islands Next Generation Network (viNGN) President and CEO Mark McGibbon, that needs government involvement to solve. But with the territory cash-strapped and with no access to the bond market at favorable rates, universal fiber-optic internet service in the U.S. Virgin Islands remains a distant dream.

"We have a \$400 million problem here in the Virgin Islands, in that \$400 million has to be spent to go to the last mile if you're going to have a 100 percent fiber-optic network that goes to each government agency, each business and each resident," Mr. McGibbon said.

Mr. McGibbon revealed the staggering dollar figure during a Committee on Housing, Transportation and Telecommunications hearing at the Pearl B. Ottley Legislative Hall Thursday, while being queried by Senator Novelle Francis on the One Dig legislation that sought to mandate government agencies to build conduits large enough to accommodate privately-owned telecommunications providers in the territory, or allow those providers to build their own conduits alongside the government's. The focus of the legislation was viNGN, which has a vast underground network built from a \$90 million federal grant to provide high-speed internet throughout the territory, and to create centers where internet can be accessed free of charge.

The bill was vetoed by Governor Kenneth Mapp just before he left office in January. The governor had contended that the local government could become liable for the \$90 million funding as the grant was for public use and not to facilitate privately held firms.

Virgin Islands Water and Power Authority CEO, Lawrence Kupfer, spoke along the same lines relative to who can and cannot use services built from federal dollars. During testimony at the same hearing, he said while WAPA and FEMA were in the process of building a 350-mile underground network of conduits as part of the utility's infrastructure-hardening plan, the network could not be used by private firms.

"The authority's underground projects, present and proposed are largely funded by federal dollars and are designated for specific purposes. The federal government will not approve projects that are specified for use by privately-named entities or are for their benefit. Additionally, the authority has no control over what the federal government may conditionally approve for any particular project. Also, once a federally-funded project design is approved, the authority cannot allow a private entity to enter and install their own conduits even if the cost is borne by that private entity," Mr. Kupfer said.

Through the One Dig legislation, lawmakers had sought to allow private firms like Viya -- the largest communications firm in the USVI -- to utilize the viNGN underground network. Viya officials had fought hard for the legislation's approval as the company sought to quicken and better safeguard its equipment all while saving money.

The problem of universal fiber optic service is not limited to the U.S. Virgin Islands, Mr. McGibbon said. The executive pointed to what he said was an \$80 billion problem on the U.S. mainland, stating that solving is akin to the electrification of the United States in the 1930s. "If we're going to keep up technology-wise for our country and our territory, this is a problem that has to be addressed from the highest levels of government to really take a look at the problems just like when [President] Dwight Eisenhower took a look at the interstate transportation system," he said.

Mr. Francis said his high interest in the matter stemmed from the countless calls his office has received relative to the territory's telecommunications infrastructure. "I'm at the level of frustration because we're hearing from our constituents every single day. They want to know that when they pick up their phone, be it their cellphone, landline or whatever, that they can call 911 and ensure that there's a police responding, that the ambulance is responding or that the fire department is responding in record time," the

third-term Democrat said.

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