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Broadband V.I. Awarded \$84.5 Million Contract by Federal Government to Provide up to 1 Gig of Affordable Broadband Internet Service in USVI

Technology / **Published On June 09, 2021 06:26 AM /**

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Broadband VI has won an \$84.5 million federal bid to buildout phase 2 of the Connect USVI program, whose aim is to provide affordable voice and broadband services for 10-year periods with speeds of up to 1 gigabit per second downstream.

The bid, awarded through the Federal Communications Commission, or FCC, is part of the commission's \$691.2 million every-decade program that aims to aid the USVI and Puerto Rico in meeting its broadband needs. For Puerto Rico, \$504.7 million has been allocated in phase 2 through the Uniendo Fund, while the USVI has been allocated \$186.5 million over the next ten years through the Connect USVI fund — with broadband winning the first \$84.4 million bid of phase 2.

"Each winning applicant that is authorized to receive Stage 2 Fixed support will be required to offer voice and broadband services meeting the relevant performance requirements to all fixed locations associated with the minimum geographic area for which it is the winning applicant," said the FCC. "Stage 2 support recipients may offer a variety of broadband service offerings as long as they offer at least one standalone voice plan and one service plan that provides broadband at the relevant performance tier and latency requirements, and these plans must be offered to retail customers at rates that are reasonably comparable to rates offered in urban areas."

For voice services, the FCC said a support recipient "will be required to certify annually that the pricing of its service is no more than the applicable reasonably comparable rate benchmark that the Bureau releases each year."

For broadband services, "a support recipient will be required to certify that the pricing of a service that meets the required performance tier and latency performance requirements is no more than the applicable reasonably comparable rate benchmark, or that it is no more than the non-promotional price charged for a comparable fixed wireline broadband service in the state or U.S. territory where the [eligible telecommunication carrier] receives support."

For the St. Thomas-St. John District, the program identifies 25,201 potential customers costing a total of \$36.8 million for the buildout, and 20,838 customers on St. Croix for a total buildout cost of \$47.5 million. Broadband VI will be provided with \$10.9 million in the first twelve months, with \$5.9 million allocated for the St. Croix buildout and \$4.9 million for the St. Thomas-St. John District. The second twelve months sees the amount decreasing to \$5.4 million, with St. Croix and St. Thomas-St. John allocations at \$2.9 million and \$2.4 million respectively, according to documents obtained by the Consortium. The first payment to Broadband VI will be issued in July, according to the FCC.

"We are excited about today's action by the FCC," said David Zumwalt, Broadband VI's chief operating officer. "The FCC's Connect USVI application and vetting process was rigorous and time-consuming, and we thank the FCC for entrusting us with the very serious job that lies ahead, which will benefit our fellow Virgin Islanders for years to come. We expect our network will boost and diversify our local economy, create jobs and promote educational opportunities."

The FCC said each support recipient must complete construction and begin offering retail service to at least 40 percent of the locations in an area by the end of the third year of support; to at least 60 percent by the end of the fourth year; at least 80 percent and by the end of the fifth year, and to 100 percent by the end of the sixth year. "A support recipient is deemed to be commercially offering voice and/or broadband service to a location if it provides service to the location or could provide it within 10 business days upon request," the FCC said.