Executive Summary

a) Opportunity the proposed system seeks to address. Historically, Virgin Islanders have had to suffer exorbitant rates for all forms of communication due to monopolistic business practices ascribed to by the local exchange carrier. In 2003, the applicant sought financing through commercial lenders and venture capitalists to build a world-class communications system that could provide relief to the local ratepayers and hopefully motivate the local exchange carrier to join the 21st century. That effort was commandeered by its investors and taken to 'more profitable markets' leaving the USVI still underserved. The architects of that system have regrouped, inspired by the audacity of the American Recovery and Reinvestment Act in the hope that maybe this time, we can build the network that Virgin Islanders so desperately need and deserve. b) A general description of the proposed funded service areas (location, number of communities, etc.) The US Virgin Islands consist of three islands of rural population densities, St. Croix pop. Approx. 50,000 Saint Croix is divided into the following subdistricts (with population as per the 2000 U.S. Census): Anna's Hope Village (pop. 4,192) Christiansted (pop. 2,865) East End (pop. 2,341) Frederiksted (pop. 3,767) Northcentral (pop. 5,760) Northwest (pop. 4,919) Sion Farm (pop. 13,565) Southcentral (pop. 8,125) Southwest (pop. 7,700) St. Thomas 55,000, Saint Thomas is divided into the following subdistricts (with population as per the 2000 U.S. Census): Charlotte Amalie (pop. 18,914) Northside (pop. 8,712) Tutu (pop. 8,197) East End (pop. 7,672) Southside (pop. 5,467) West End (pop. 2,058) Water Island (pop. 161) and St. John with roughly 5,000 year round residents, Saint John is divided into the following subdistricts (with population as per the 2000 U.S. Census): Central (pop. 746) Coral Bay (pop. 649) Cruz Bay (pop. 2,743) East End (pop. 59) c) Number of households and businesses passed. 25,000 households 3,000 businesses d) Number of community anchor institutions, public safety entities, and critical community organizations passed and/or involved with project (e.g., health care, education, libraries, etc.) There are half a dozen Police substations and firehouse substations scattered across the territory's three islands that have limited connectivity through the existing infrastructure. The same numbers apply for public libraries. There is one hospital on each of the islands of St. Croix and St. Thomas and two clinics on the Island of St. John. St. Thomas has 24 public schools followed by St. Croix with 18 and St. John has 2. e) Proposed services and applications for the proposed funded service areas and users: . The network will support virtually all internet transport control protocols, there will be some hierarchical prioritization of data to the extent that real-time applications like VoIP, Terminal Services, Citrix, SAP, Video conferencing and other latency-vulnerable applications will be given priority in the event of peak use contention, when these services are being used over either unsecured or VLAN segments of the network. f) Approach to addressing the non-discrimination and interconnection obligations Implementing a non-discrimination interconnection
policy has been the bedrock on which the basis of the entire system has been predicated since the inception of this project back in 2003. Executing the Non-Discrimination mandate will be simple. Our rate structure will be posted publicly on our website at all times for any interested party to access without encumbrance. Interconnection and cross-connection facilities with other carriers will be available at most of our main service site locations as well as at our Core Router at the Network Operations Center. Requests for these services will be welcomed with low cost, low-documentation solutions. There will be no 'hidden' costs. There will be no 'trick and trap' fine print designed to obfuscate onerous policies. Competitors and would-be competitors will be given the same rights and privileges of access as any other paying customer and will be prioritized on a first come first served basis.

g) Type of broadband system that will be deployed (network type and technology standard).
Unlike most broadband systems, the project in question will be a managed network rather than a switched (or unmanaged) network. This will allow for and necessitate a Network Operations Center (NOC) that will monitor network traffic and performance, typically discovering and implementing solutions for equipment failures, traffic congestion and other performance issues often before the end user becomes aware of any difficulty. The last-mile network equipment at the 'edge' will utilize the best of breed US WiMax equipment manufacturers, like; Cisco, Navini, Flarion and Alvarion all members of the WiMax protocol committee that literally wrote the book on how the WiMax communication protocol works. Back-haul and middle mile equipment will similarly utilize best of breed US manufacturers like Cisco, Harris, Andrews, Microwave Networks and Orthogon. Unlike all other systems in the territory, the topology of the network will reflect a structure that is dictated by the local topography.

h) Qualifications of the applicant that demonstrate the ability to implement and operate a broadband infrastructure, and/or be a sustainable broadband services provider. All of the engineering personnel involved with this project have built wireless networks throughout the Caribbean. Please see attached Curriculum Vitae. Three were responsible for the deployment of a managed network in San Juan; Puerto Rico (a highly contentious RF environment) that was ultimately purchased by AT&T.

i) Overall infrastructure cost of the broadband system. The total budgeted cost for four years of construction of the network territory wide is $9,430,660. Of that, $7,658,660 is projected to be spent in the first two years. For that reason, the sum of $7,500,000 is being requested in the form of a grant so that the system will have the opportunity to support a large enough contingent of new (unserved) customers so that future build-out debt can be supported by retained earnings, which translates into over $2,000,000.00 of In Kind Contributions over the course of the project. When those earnings are added to the more than $2,000,000.00 of In Kind Contributions provided by the Caribbean Alternatives Rural Electric Co-operative and the G&A personnel, the total Matching funds for this project come to 53% of the Requested Funds.

j) Overall expected subscriber projections for the project. By the end of the 5th year of the project we anticipate that over 7,500 unserved and underserved customers will be enjoying the benefits of the network. By that time, thousands of government workers will be connected to the world and each other by fiber and 10's of thousands of itinerant users will have also enjoyed the benefit of the 20 free hotspots located at all of the local shopping areas, airports, marinas and other large public venues throughout the territory.

k) Number of jobs estimated to be created or saved as result of this project. The six-dozen or so jobs that will be created by this project will be dwarfed in comparison to the hundreds of collateral jobs that will be saved, improved and or created by virtue of the networks construction and operation. As an example: The University of the Virgin Islands has long
wanted to develop a technology park, but to do so required that they build their own purpose-built information infrastructure. With that cost burden removed, their prospects for success can be taken for granted. The jobs created there will be in the hundreds, of sustainable, mid to high paying wage positions. Another case in point; the Virgin Islands' government sponsored Economic Development Commission (EDC Program) uses tax incentives to encourage businesses to relocate to the Virgin Islands, unfortunately, after they do, they often discover that the quality of information services that they took for granted up north, does not exist here and so are often reluctantly constrained to withdraw. Tourism, education, and hospitality industries similarly all stand to reap large dividends in the form of enhanced productivity and improved services to their customer base. Taking the conservative estimate that 40 collateral jobs are created or saved within the territory each year for the next five years, the project will have contributed more than its cost back into the local economy. Put another way, the increased productivity of the projects' first 7,500 customers easily equate to more than the initial tranche of the projects' cost. Finally, the social and economic justifications for the implementation of this project abound, but can a responsible and just argument be made as to why it should not.