

Government of Puerto Rico

Performance Report

Capital Projects Fund

2025 Report

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Executive Summary

Provide a high-level overview of the Recipient's actual uses of funding and progress made during the reporting period towards objectives stated in the approved Program Plan(s). The Executive Summary should also include an overview of key outcomes and any noteworthy challenges or opportunities identified during the reporting period.

Program Management

The Puerto Rico Broadband Program progressed staffing and resource acquisition for the execution of the CPF programs. PRBP hired a dedicated Project Manager in August 2024 and completed contracting and onboarding for a CPF Grant Administrator in October 2024. Starting August, planning and coordination began for program progress, with the Grant Administrator's addition facilitating program implementation.

Submarine Cable Resiliency Program

For the Submarine Cable Resiliency Program (SCRCP), we began program implementation planning in August 2024. During this time a Technical Feasibility and Viability Study was identified as necessary to progress the program and determine the location of program implementation as well as system configuration. From October to November, PRBP with the Grant Administrator engaged with industry entities to better understand current needs and perspective. On December 2024, PRBP published an RFP for the development of a Desktop Study which would provide the necessary technical and engineering information to determine the program SOW and configuration.

The RFP for the Desktop Study closed in January 2025 with the evaluation process starting in February 2025 with a final determination and Notice of Award issued in May 2025 to the firm Ocean Networks, Inc. This award was the first mayor step and milestone for the program execution. Contracting process began in May and was expected to be completed in July 2025, the Desktop Study is expected to be completed by October 2025.

Key outcomes for the SCRCP implementation include:

- Industry engagement and feedback
- RFP for Desktop Study to obtain technical feasibility information to make decisions on final program implementation.
- Notice of Award for the Desktop Study RFP

The program faced challenges with lack of available resources, lack of technical information, and the Desktop Study faced challenges in contracting. During this reporting period PRBP remedied these challenges by contracting more resources, procuring an engineering firm to gather the necessary information to make informed decisions, and PRBP streamlined internal processes to make the contracting process more efficient.

Multi-Purpose Community Facility Program

For the Multi-Purpose Community Facility Program (MPCF) PRBP began analyzing and creating regional metrics for local municipalities to help ascertain existing conditions within Puerto Rico. During the reporting period we also identified the need for a program plan amendment and began drafting and planning changes for the program implementation. Site visits to municipalities were performed to view existing infrastructure and identify potential sites for implementation. Budget estimates and SOW estimates were refined and tailored to identified sites. During this reporting period program execution has remained in a planning and scoping phase, with execution beginning with an amendment to the existing program plan.

Key Outcomes:

- Analysis of municipal statistical data and regional viability for Multi-Purpose Facility construction.
- Development of initial program plan draft to align with program direction.
- Engagements with municipalities and state agencies to find possible sites for implementation and use in alignment with program goals.

Uses of Funds

Provide a short narrative describing the intended and actual use of funds and the performance of each Program Plan. Recipients should reference the objectives and activities outlined in the approved Program Plan(s). The narrative should also explain the data, including performance indicators, submitted via the Project and Expenditure Reports during the reporting period and must address the following topics:

- *Activities implemented over the reporting period, including summaries of key milestones achieved, outputs produced, and outcomes achieved;*
- *Activities planned for the next reporting period;*
- *Narratives about individuals/households benefiting from CPF funds, including information about methods used for collecting and measuring success;*
- *Notable challenges and the status of each challenge;*
- *Overview and outcomes of ancillary costs incurred to support bringing the capital asset(s) into full use (e.g., focused advertising to increase broadband subscriptions in high-need communities, digital literacy training to support device loan programs, community engagement to support successful operations, etc.)*

If appropriate, include information on your jurisdiction's use (or planned use) of other federal funds including other programs under the American Rescue Plan, such as the State and Local Fiscal Recovery

Fund, and those under the Infrastructure Investment and Jobs Act, including the Broadband Equity, Access, and Deployment program.

Note: Recipients are encouraged to include in their Performance Report links to public documents, including, but not limited to, legislation, dashboards, and survey results, to support the Performance Report narrative. Treasury recommends that Recipients make use of infographics, tables, charts, pictures, case studies, and other explanatory elements in describing their programs.

Submarine Cable Resiliency Program

1. Activities implemented over the reporting period:

During the reporting period, PRBP engaged with Telecom industry firms to obtain feedback on initial program plan and intention. This was considered when developing the RFP for the Desktop Study. PRBP developed and published an RFP for the execution of a Desktop Study to evaluate the feasibility of landing stations in the East, West, and South Coasts of Puerto Rico as well as the viability of a cable system that interconnects the landing stations to the Dominican Republic, the US Virgin Islands, and connection to an existing landing station in the North of Puerto Rico. Three proponents competed within the Desktop Study RFP with a Notice of Award announced in May 2025.

2. Activities planned for the following reporting period (July 2025 – June 2026)

For the following reporting period, we expect the contracting of the Desktop Study and the culmination of the study by October 2025. PRBP expects to develop a program plan amendment that contemplates the feedback of the Desktop Study to finalize program implementation and SOW, with refined budget and timelines. Additionally, PRBP shall develop RFPs for both the Wet and Dry Plants of the program. The Wet plant contemplates a submarine survey along the cable route, manufacturing of the submarine fiber optic cable, and cable installation vessel and installation services. The Dry plant contemplates the design, construction and furnishing of the Cable Landing Stations, as well as the construction of the Front Haul cable infrastructure, Beach Manhole, and Horizontal Direction Drilling (HDD) for underground ducts that connect the land to the sea for cable installation and landing. PRBP shall also look to contract a permitting agency to conduct necessary studies and permitting work.

PRBP will execute the RFPs during Q3-Q4 2025 with contracting occurring in 2025 with execution beginning no later than January 2026. During the 2026 reporting period PRBP expects the program will be well underway and in full execution of all activities.

3. Narratives about individuals/households benefiting from CPF Funds

The SCRP will have an island wide impact on the availability of internet connectivity and added resilience by implementing alternative landing points for submarine cables and adding additional routes to carry data across PR that does not rely on terrestrial fiber infrastructure that is susceptible to damage during significant weather events.

4. Notable challenges and the status of each challenge

The program had challenges related to lack of personnel, resources, and technical information. PRBP resolves these challenges by hiring a Program Manager, a Grant Administrator, and conducting the Desktop Study RFP to inform decisions on program implementation. Additionally, the program is in the process of submitting amended program plan to ensure alignment with CPF guidelines and to demonstrate that the project executable within an acceptable timeframe.

5. Overview and outcomes of ancillary costs incurred to support bringing the capital asset(s) into full use

PRBP is in the process of obtaining a contract to conduct a Desirability and Convenience Study which will ensure long-term program success. This study shall be funded with local state funds: Puerto Rico Broadband Infrastructure Fund (PRBIF).

Multi-Purpose Community Facility

1. Activities implemented over the reporting period:

During the reporting period, PRBP began analyzing municipal census data and statistical population information to measure existing internet and digital equipment access. From September to early November, initial coordination with municipalities were held to begin the process of identifying existing infrastructure to implement the program. PRBP consulted with the US Treasury regarding a need for a change in program implementation to align with the state goals and implementation strategy. PRBP presented the amended Program Plan to the US Treasury and were informed we'd need to submit a new program plan due to the types of changes in implementation. From November to January, PRBP engaged with the Puerto Rico Public Buildings Authority to identify state owned facilities with potential for implementation.

From February to

2. Activities planned for the following reporting period (July 2025 – June 2026)

For the following reporting period, PRBP expects to present the new Program Plan to the US Treasury with all the facilities, facility information, SOW, and Costs associated with each site for approval. Following approval, PRBP shall execute subaward agreements with select municipalities and state agencies to execute the program SOW.

3. Narratives about individuals/households benefiting from CPF Funds

The MPCF shall benefit the population by constructing/furnishing public facilities around PR managed by municipalities to offer access to internet, computer equipment, and enable remote work, access to online health services, and education.

4. Notable challenges and the status of each challenge

The PRBP encountered several challenges during the reporting period that affected early-stage implementation:

- **Resource constraints:** Early in the program, limited staff capacity created challenges in executing concurrent engagement and planning activities. This was mitigated through a structured schedule of municipal meetings and on-site visits, which ensured consistent communication, visibility into local priorities, and timely decision-making throughout the engagement process.
- **Visibility of existing infrastructure:** At the outset, there was limited visibility into community structures suitable for Multipurpose Community Facilities (MPCFs). This challenge has been addressed through direct coordination with municipalities and the implementation of a standardized facility questionnaire. Municipalities provided proposed facilities, which PRBP analyzed for feasibility to confirm alignment with local priorities and community needs.
- **Alignment of program scope with government priorities:** The currently approved Program Plan scope of work (SOW) did not fully reflect the updated goals of the Government of Puerto Rico. An amendment is under development to reconcile this gap, ensuring consistency with both local priorities and Treasury's CPF requirements.
- **Program complexity and detail management:** As a large-scale initiative, PRBP faced the challenge of identifying and addressing operational gaps across multiple program components. This was mitigated by careful review of every detail and systematic resolution of identified issues, ensuring that implementation proceeds efficiently, with risks reduced and compliance safeguarded.

Status: These challenges are being addressed through enhanced municipal coordination, structured data collection, systematic gap resolution, and program amendments. Corrective actions are strengthening compliance, improving alignment with community needs, and establishing a solid foundation for efficient MPCF implementation.

5. Overview and outcomes of ancillary costs incurred to support bringing the capital asset(s) into full use

To ensure that the **Multipurpose Community Facilities (MPCFs)** are fully operational and able to deliver long-term value, PRBP has undertaken preparatory activities supported by ancillary costs. These activities focus on building the foundation necessary for successful implementation, including:

- **Structured municipal engagement and site assessments** to validate the suitability of proposed facilities and confirm alignment with community priorities.

- **Development and distribution of standardized facility questionnaires** to collect consistent information from municipalities on proposed sites, enabling feasibility analysis and informed decision-making.
- **Targeted technical and administrative support** to address program gaps, streamline coordination, and strengthen compliance with federal requirements.

All ancillary activities are carefully documented and financed through local resources, ensuring that **Capital Projects Fund (CPF) allocations remain dedicated to direct capital investments and program delivery**. This approach demonstrates prudent financial stewardship while creating the conditions for MPCFs to be efficiently implemented and effectively utilized.

By addressing potential gaps in advance — through municipal coordination, structured data collection, and feasibility analysis — PRBP is mitigating the risk of delays, misalignment, or underutilization. These steps ensure that once CPF-funded assets are deployed, they will immediately support education, workforce, health, and resilience outcomes in at-risk communities, consistent with Treasury’s compliance and performance expectations.

Addressing Critical Needs

Treasury encourages uses of funds that promote growth in communities with a critical need, such as high-poverty and rural areas.

Each Performance Report must provide an update, using qualitative and quantitative data, on progress towards key outcomes and how the Recipient has addressed or faced challenges to addressing critical needs during the reporting period.

Please describe how the Recipient addressed critical needs at various stages of the Program during the reporting period, including:

- Objectives:** *Based on your definition of communities with critical need, are there particular communities, including those living in rural areas and/or high-poverty areas, that the capital assets being funded by CPF are designed to serve? Include the definition of critical need used for each Program Plan.*
- Awareness:** *Was it convenient for members of these communities, including households, businesses, and other organizations, to become aware of the services funded by CPF? Please explain.*
- Outcomes:** *What progress has the Program made toward addressing critical needs in these communities, such as closing gaps in broadband access, reaching universal levels of service, increasing access to digital connectivity devices or community facilities that directly enable work, education, and health monitoring? Please include other outcomes (e.g. affordable service) as relevant to policy objectives. What methods (e.g., surveys, interviews) are being used (if applicable) to quantify and qualify Project and Program outcomes?*

Submarine Cable Resiliency Program

- Objectives

The SCRP is intended to assist the entire island of Puerto Rico providing further connectivity resilience and data distribution diversity to key areas of Puerto Rico. This program will indirectly benefit Puerto Rico residents and directly impact internet distribution with the goal of increasing accessibility, bandwidth, and lower distribution reliance on terrestrial fiber across the island.

b) Awareness

PRBP provides information and publication on its public initiatives and use of funds via its website: smartisland.pr.gov.

c) Outcomes

Currently this program has yet to be implemented, and the outcome of the program cannot be measured yet. PRBP expects affordability, reliability, availability, and resilience to all be improved when the program is fully implemented.

Multi-Purpose Community Facility

a) Objectives

During the COVID-19 pandemic, the Government of Puerto Rico became aware of many households with children who did not have the devices needed to access remote learning, as well as adults that did not have the devices needed for workforce purposes or to access telemedicine. MPCFs will be designed to ensure that these households and the public in general are able to access needed devices, high-speed internet, and related services. In addition, beyond expanding work, education, and healthcare programs for communities, MPCFs will also serve as essential technology centers in the event of incidents causing telecommunications outages in Puerto Rico. Operationalizing an MPCF will improve digital equity across the island and position the facility as a digital access hub for residents of each region.

b) Awareness

PRBP provides information and publication on its public initiatives and use of funds via its website: smartisland.pr.gov.

c) Outcomes

Currently this program has yet to be implemented, and the outcome of the program cannot be measured yet. Operationalizing an MPCF's will improve digital equity across the island and position the facility as a digital access hub for residents of each region.

Community Engagement

Recipients should report on (and include quantitative information, such as counts) about the following activities related to community engagement in support of the implementation and operations of each Program and related Projects:

Overview

During the reporting period, the Puerto Rico Broadband Program (PRBP) implemented a structured engagement strategy to support planning for Multipurpose Community Facilities (MPCFs) under the Capital Projects Fund (CPF). While construction activities are pending final approval of implementation plans, PRBP prioritized municipal and community consultations to ensure that siting decisions and programming are:

- Grounded in documented community needs,
- Designed to deliver measurable benefits in education, workforce, and health, and
- Supported by clear records of municipal alignment and stakeholder participation.

This approach establishes a defensible record of engagement, demonstrating that community input directly informs program design and resource allocation.

Engagement Summary

During the reporting period, PRBP carried out multiple coordination briefings with municipalities, held community sessions and engaged with a range of organizations representing education, health, nonprofits, and local government. Follow-up actions included site inspections, continued discussions on potential partnerships, and the preparation of draft agreements to formalize roles and responsibilities.

All engagement activities are documented with supporting records (e.g., agendas, sign-in sheets, meeting notes), ensuring compliance with CPF reporting and audit requirements.

Key Community Needs Identified

Community input highlighted consistent priorities across municipalities, including:

- Workforce and small business: demand for broadband access, digital training spaces, and entrepreneurship support.
- Education: interest in after-school programs, dedicated study spaces, and digital literacy training.
- Health: need for private telehealth areas and assistance with online health platforms.
- Access and inclusion: emphasis on ADA compliance, bilingual programming, and senior-focused training opportunities.
- Resilience: strong preference for facilities equipped with backup power and reliable connectivity during emergencies.

These priorities will guide the development of MPCFs to ensure facilities deliver practical, high-impact results for communities.

Engagement Process and Compliance Alignment

PRBP applies a standardized process to ensure transparency and compliance:

1. Municipal briefings: align MPCF objectives with municipal priorities and identify potential facility sites.
2. Community outreach: gather feedback from residents, nonprofits, and sector leaders to validate needs.
3. Preliminary recommendations: compile options for programming and siting, supported by community input and documented evidence.
4. Partnership coordination: define operational responsibilities with municipalities and community partners to ensure long-term sustainability.

Each stage is documented to satisfy Treasury's CPF requirements for equitable service delivery and measurable public benefit.

Next Steps

In the upcoming period, PRBP will:

- Advance due diligence and finalize MPCF site selections in coordination with municipalities,
- Formalize subrecipient agreements to establish operational responsibilities,
- Complete municipality-specific programming plans with defined performance measures, and
- Initiate program execution.