ENROLLED

2021 Regular Session

HOUSE BILL NO. 648

BY REPRESENTATIVE DESHOTEL AND SENATORS ABRAHAM, BERNARD, CATHEY, CLOUD, CORTEZ, FESI, HENSGENS, HEWITT, JACKSON, JOHNS, LUNEAU, MCMATH, MILLIGAN, MIZEELL, MORRIS, AND PETERSON

AN ACT

To amend and reenact R.S. 44:4.1(B)(25) and to enact Part VI-C of Chapter 39 of Title 51 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 51:2370.1 through 2370.16, relative to grants for broadband expansion; to provide for the establishment of the grant program; to define terms; to provide requirements for area protection; to provide a procedure for application; to allow for public comment; to allow for protest; to allow for judicial review of a protest decision; to provide for consultation; to provide conditions for the scoring process; to require fund matching; to provide requirements for compliance; to mandate forfeiture of funds for failure to perform; to provide for the receipt and disbursement of federal grant funds; to require reports; to allow for an administration fee; to provide prohibitions and exceptions; to provide for reimbursement; to provide for promulgation of rules; to provide relative to the application of the Public Records Law to certain records related to the grant program; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Part VI-C of Chapter 39 of Title 51 of the Louisiana Revised Statutes of 1950, comprised of R.S. 51:2370.1 through 2370.16, is hereby enacted to read as follows:

PART VI-C. GRANTING UNSERVED MUNICIPALITIES BROADBAND OPPORTUNITIES

§2370.1. Establishment

There is hereby created a grant program to be known as the "Granting Unserved Municipalities Broadband Opportunities" program, hereinafter referred to as the "GUMBO" program.
§2370.2. Definitions

As used in this Part, the following terms have the meaning ascribed to them:

(1) "Agriculture" means the commercial planting, growing, harvesting, production, storage, processing, marketing, distribution, or export of any agricultural product, including but not limited to farm products, livestock and livestock products, poultry and poultry products, milk and dairy products, fruit and other horticultural products, and seafood and aquacultural products.

(2) "Broadband service" means deployed internet access service with a minimum of twenty-five megabits per second (Mbps) download and at least three megabits per second upload transmission speeds.

(3) "Cooperative" means a corporation organized under Part I of Chapter 2 of Title 12 of the Louisiana Revised Statutes of 1950 or a corporation who becomes subject to the those provisions pursuant to R.S. 12:401 et seq.

(4) "Director" means the executive director of the office of broadband development and connectivity within the division of administration.

(5) "Economically distressed parish" means an unserved area that is in need of expansion of business and industry and the creation of jobs, giving consideration to unemployment, per capita income, and the number of residents receiving public assistance within that unserved area.

(6) "Eligible grant recipient" means a provider of broadband service, including a provider operated by a local government if the local government is compliant with the Local Government Fair Competition Act prior to July 1, 2021, with respect to providing such services, a cooperative, or any partnership thereof.

(7) "Eligible parishes" means any parish with unserved structures.

(8) "Eligible project" means a discrete and specific project located in an unserved area of an eligible parish seeking to provide broadband service to homes, households, businesses, educational facilities, healthcare facilities, and community anchor points not currently served. A project that is primarily engaged in middle-mile, backhaul, or similar work is not an eligible project. The inclusion of middle-mile, backhaul, or similar capacity is permissible in an eligible project, if the
capacity does not otherwise exist and is necessary for the project's last-mile broadband connectivity to end users. If a contiguous project area crosses from one eligible parish into one or more eligible adjacent parishes, for the purposes of this Part, the project shall be deemed to be located in the parish where the greatest number of unserved households are proposed to be served.

(9) "Household" means any individual or group of individuals who are living together at the same address as one economic unit. A household may include related and unrelated persons. An "economic unit" consists of all adult individuals contributing to and sharing in the income and expenses of a household. An adult is any person eighteen years or older. If an adult has no or minimal income, and lives with someone who provides financial support to him, both people shall be considered part of the same household. Children under the age of eighteen living with their parents or guardians are considered to be part of the same household as their parents or guardians.

(10) "Infrastructure" means existing facilities, equipment, materials, and structures that an internet service provider has installed either for its core business or public enterprise purposes. Examples include but are not limited to copper wire, coaxial cable, optical cable, loose tube cable, communication huts, conduits, vaults, patch panels, mounting hardware, poles, generators, batteries and cabinets, network nodes, network routers, network switches, microwave relays, microwave receivers, site routers, outdoor cabinets, towers, easements, rights-of-way, and buildings or structures owned by the entity that are made available for location or collocation purposes.

(11) "Infrastructure costs" means costs directly related to the construction of broadband infrastructure for the extension of broadband service for an eligible project, including installation, acquiring or updating easements, backhaul infrastructure, and testing costs. The term does not include overhead or administrative costs.

(12) "Local government" means a parish, municipality, or school board, or any instrumentality thereof.
(13) "Office" means the office of broadband development and connectivity within the division of administration.

(14) "Prospective broadband recipient" means a household, home, business, educational facility, healthcare facility, community anchor point, agricultural operation, or agricultural processing facility that is currently unserved and is identified in an application submitted in accordance with this Part.

(15) "Shapefile" means a file format for storing, depicting, and analyzing geospatial data depicting broadband coverage, comprised of several component files, such as a Main file (.shp), an Index file (.sbx) and a dBASE table (.dbf).

(16) "Unserved" means, notwithstanding any other provision of law, any federal funding awarded to or allocated by the state for broadband deployment shall not be used, directly or indirectly, to deploy broadband infrastructure to provide broadband internet service in any area of the state where broadband internet service of at least twenty-five Mbps download and three Mbps upload is available from at least one internet service provider.

(17) "Unserved area" means a designated geographic area that is presently without access to broadband service, as defined in this Section, offered by a wireline or fixed wireless provider. Areas included in an application where a provider has been designated to receive funds through other state or federally funded programs designed specifically for broadband deployment shall be considered served if such funding is intended to result in the initiation of activity related to construction of broadband infrastructure in such area within twenty-four months of the expiration of the sixty-day period related to such application established pursuant to R.S. 51:2370.4(C).

§2370.3. Ineligibility due to funds; submission of census block, shape file area, and address data; time limitations

A. A provider receiving Universal Service, Connect America Phase II, Rural Digital Opportunity Fund, or non-federal funds to deploy broadband service may qualify the area for protection by submitting, within sixty days of the close of the application period, a listing of the census blocks, shapefile areas, individual

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addresses, or portions thereof, comprising the federally-funded project areas meeting
this requirement to the office.

B. In future program years, the deadline for submitting the census blocks,
shapefile areas, individual addresses, or portions thereof shall be established by the
office, but shall not be less than sixty days prior to the beginning date of the
application period. This will enable the office to update maps and advise applicants
as to the unserved areas of the state that are ineligible for consideration in that
program year.

C. The office shall only utilize the data to update maps of census blocks,
shapefile areas, individual addresses, or portions thereof and to reflect the census
blocks, shapefile areas, individual addresses, or portions thereof as being served.

D. In no instance shall an applicant be required to provide any data beyond
that which it is required to provide to the Federal Communications Commission
pursuant to The Broadband Deployment Accuracy and Technological Availability
Act pursuant to 47 U.S.C. 641 et seq.

E. Failure on the part of a provider to submit the listing of census blocks,
shapefile areas, individual addresses, or portions thereof by the deadline shall result
in those areas being ineligible for exclusion under the GUMBO program during the
upcoming program year. A provider that has facilities in the area or that intends to
deploy broadband service within twenty-four months shall be able to protest
ineligibility.

F. The office shall use the provided census blocks, shapefile areas, individual
addresses, or portions thereof only for mapping of unserved areas.

G. Upon expiration of the twenty-four month reservation period described
in Subsection E of this Section, a provider that has received a reservation of census
blocks, shapefile areas, individual addresses, or portions thereof shall submit written
documentation by April thirtieth of the year following the program year that the
initiation of activity related to broadband infrastructure will or has begun in the
census blocks, shapefile areas, individual addresses, or portions thereof, that have
been deemed ineligible by the office due to the existence of a federally-funded project area.

§2370.4. Applications; burden of proof; public comment; protest

A. Applications for grants shall be submitted at times designated by the director and shall include, at a minimum, the following information:

(1) An attestation to the office that the proposed project area is eligible.

(2) The identity of the applicant and its qualifications and experience with deployment of broadband.

(3) The estimated total cost and duration of the project.

(4) The amount to be funded by the applicant.

(5) An illustration or description of the area to be served, identifying the number of residential and commercial locations that will have access to broadband as a result of the project, including any available addresses, or other identifying information satisfactory to the office, for the foregoing. In the event that the office is unable to identify the proposed project area with specificity, the office may require the applicant to submit additional information. If construction of the proposed project would result in the provision of broadband service to areas that are not eligible for funding, those ineligible areas should be identified in the application along with the eligible areas.

(6) An assessment of the current level of broadband access in the proposed deployment area.

(7) The proposed estimated construction timeline.

(8) A description of the broadband service to be provided, including the proposed upstream and downstream broadband speeds to be delivered and any applicable data caps.

(9) Any other information or supplementary documentation requested by the office.

(10) A plan to encourage users to connect that incorporates, at a minimum, multimedia advertising and marketing programs.
(11) For the proposed area to be served, the infrastructure cost per location for the project.

(12) Evidence of support for the project from citizens, local government, businesses, and institutions in the community.

(13) The proposed advertised speed to be marketed to end users, and the projected cost to the consumer to utilize the service at the projected speed.

(14) An explanation of the scalability of the broadband infrastructure to be deployed for higher broadband speeds in the future.

B. A provider submitting an application pursuant to this Section shall bear the burden of proof that the proposed area to be served can, in fact, be served using the proposed technology.

C.(1) Applications shall be made publicly available, subject to the confidentiality protections provided in this Part, by posting on the website of the office or the website of the division of administration for a period of at least sixty days prior to award. During the sixty-day period, any interested party may submit comments to the director concerning any pending application. Any aggrieved person may submit a protest of any application or award in accordance with R.S. 51:2370.5.Protests shall be submitted in writing, accompanied by all relevant supporting documentation, and shall be considered by the office in connection with the review of the application. Upon submission of evidence to the office that the proposed project area includes prospective broadband recipients that are served, the office may work with an applicant to amend an application to reduce the number of unserved prospective broadband recipients in the project area to reflect an accurate level of current broadband service. The office may revise application scores in accordance with amended applications. The office shall not grant funds to an applicant who submits an application that does not comply with program requirements. For applications with filed protests, the director shall issue a written decision to the protesting party at least fifteen days prior to the approval of that application. Following a protest that is granted for a portion of the application, the office shall release to an applicant the locations or areas declared ineligible. Any provider
submitting a protest shall attest that the information in the protest is accurate and that
the protest is submitted in good faith. The office may deny any protest or application
that contains inaccurate information.

(2) As a means of resolving a protest, the office may utilize speed tests that
conform to the methodology employed in the Federal Communications
Commission's "Measuring Broadband America" report to determine if the protested
area or individual households or businesses currently have access to broadband
service as defined in this Part. All decisions regarding the speed test to be utilized
and the manner by which the speed tests are applied shall be made by the director or
his designee.

(3) The office shall treat any information submitted with a protest that is not
publicly available as confidential and subject to the trade secrets protections of state
law upon a challenging provider's request for confidential treatment.

§2370.5. Administrative and judicial review

A. The director or his designee shall have authority, prior to the
commencement of an action in court concerning a protest arising under this Part, to
settle and resolve the protest of an aggrieved person concerning a grant application.
This authority shall be exercised in accordance with applicable regulations.

B. If the protest is not resolved by mutual agreement, the director or his
designee shall, within fourteen days, issue a decision in writing. The decision shall:

(1) State the reasons for the action taken.

(2) Inform the protestant of its right to administrative and judicial review as
provided in this Part.

C. A copy of the decision required by Subsection B of this Section shall be
mailed or otherwise furnished immediately to the protestant and any other party
intervening.

D. A decision required by Subsection B of this Section shall be final and
conclusive unless one of the following applies:

(1) The decision is fraudulent.
(2) The person adversely affected by the decision has timely appealed to the commissioner of administration in accordance with Subsection E of this Section.

E. The aggrieved person shall file an appeal with the commissioner of administration within fifteen days of receipt of a decision issued pursuant to Subsection B of this Section. The commissioner of administration shall have the authority to review and determine any appeal by an aggrieved person from a determination by the director or his designee.

F. On any appeal filed pursuant to Subsection E of this Section, the commissioner shall decide within fourteen days whether the decision concerning a grant application was in accordance with this state's constitution, statutes, and regulations, and the terms and conditions of the application. Any prior determinations by the director or his designee shall not be final or conclusive.

G. A copy of the decision issued pursuant to Subsection F of this Section shall be mailed or otherwise furnished immediately to the protestant and any other party intervening.

H. A decision issued pursuant to Subsection F of this Section shall be final and conclusive unless one of the following applies:

(1) The decision is fraudulent.

(2) The person adversely affected by the decision has appealed to the court as provided for in Subsection I of this Section.

I. The aggrieved person shall file an appeal in the Nineteenth Judicial District Court within seven days of receipt of a decision issued pursuant to Subsection F of this Section. The Nineteenth Judicial District Court shall have exclusive venue over an action between the state and an applicant, prospective or actual, to determine whether an award of a grant is in accordance with this state's constitution, statutes, and regulations. Such actions shall extend to all kinds of actions, whether for monetary damages or for declaratory, injunctive, or other equitable relief.

J. Any party aggrieved by a final judgment or interlocutory order or ruling of the Nineteenth Judicial District Court may appeal or seek review thereof, as the
case may be, to the Louisiana Court of Appeal, First Circuit or the Supreme Court of Louisiana, as otherwise permitted in civil cases by law and the constitution of this state.

§2370.6. Consultation

The office may consult with the Louisiana Department of Economic Development to determine if a broadband project proposed under this Part will benefit a potential economic development project relevant to the proposed area outlined in the broadband project.

§2370.7. Scoring

A. Applications shall be scored based upon a system that awards a single point for criteria considered to be the minimum level for the provision of broadband service with additional points awarded to criteria that exceed minimum levels. The office shall develop a scoring system in accordance with the following:

1. The office shall give additional points based upon the experience, technical ability, and financial wherewithal of the applicant in successfully deploying and providing broadband service, as well as the proposed amount of matching funds committed by the applicant relative to the minimum required amount of twenty percent.

2. The office shall give additional points to applicants that provide a letter of support from local government.

3. The office shall give additional points to projects based upon the estimated number of unserved households within the eligible economically distressed parish, as determined by the most recent data published by the Federal Communications Commission or any other information available to the office.

4. The office shall give additional points to projects that will provide broadband service based upon the percentage of the total unserved households within the eligible economically distressed parish that the project will serve. The number of unserved households shall be determined using the most recent data published by the Federal Communications Commission or any other information available to the office.
(5) The office shall give additional points to projects that will provide broadband service to unserved businesses located within the eligible economically distressed parish, as determined by the most recent data published by the Federal Communications Commission or any other information available to the office.

(6) The office shall give additional points based upon the applicant's ability to leverage its own or nearby or adjacent broadband service infrastructure in the proposed project area, and shall consider the ultimate price to the consumer in awarding points.

(7) The office shall give additional points to projects receiving funding or in-kind contributions from local government for eligible projects within the jurisdiction of the local government.

(8) The office shall give additional points to projects in which the eligible grant recipient is a small business entrepreneurship certified by the Hudson Initiative, R.S. 39:2001 et seq., or the Veteran Initiative, R.S. 39:2171 et seq., in accordance with rules promulgated by the office.

(9) The office shall give additional points to projects in which the eligible grant recipient commits to a good faith subcontracting plan to contract with or employ a small business entrepreneurship certified by the Hudson Initiative, R.S. 39:2001 et seq., or the Veteran Initiative, R.S. 39:2171 et seq., to substantially participate in the performance of the project, in accordance with rules promulgated by the office.

(10) The office shall not consider the format of mapping data provided by a broadband provider evaluating a grant proposal.

§2370.8. Funding; match requirement

A. Grant recipients are required to provide matching funds in accordance with rules promulgated by the office. A grant recipient shall contribute from its own funds a minimum of twenty percent of the total estimated cost of the project.

B. (1) A local government may contribute funding or in-kind contributions for use on an eligible project under the provisions of this Part. The contribution of funding by local government for an eligible project under the provisions of this Part

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shall not be considered a partnership for providing a covered service under the Local Government Fair Competition Act.

(2) A local government shall not make or grant any undue or unreasonable preference or advantage to itself or to any provider of broadband service.

(3) A local government shall apply without discrimination as to itself and to any provider the local government's ordinances, rules, and policies, including those relating to obligation to serve, access to public right of way, permitting, performance bonding, reporting, and quality of service.

§2370.9. Compliance during the agreement

The office shall require that grant recipients offer the proposed advertised minimum download and minimum upload speeds of twenty-five Mbps download and three Mbps upload. Grant recipients that have offered broadband service to at least one thousand consumers for a period of at least five consecutive years shall offer broadband service at prices consistent with offers to consumers in other areas of the state. Any other broadband provider shall ensure that the broadband service is priced to consumers at no more than the cost rate identified in the project application, for the duration of the five-year service agreement. In calculating cost, the recipient may adjust annually, consistent with the annual percentage increase in the Consumer Price Index in the preceding year. At least annually, a grant recipient shall provide to the office evidence consistent with Federal Communications Commission attestation that the grant recipient is making available the proposed advertised speed, or a faster speed, as contained in the grant agreement. For the duration of the agreement, grant recipients shall disclose any changes to data caps.

§2370.10. Failure to perform

A. A grant recipient shall forfeit the amount of the grant received if it fails to perform, in material respect, the obligations established in the agreement. Grant recipients that fail to provide the minimum advertised connection speed and cost at the advertised rate shall forfeit any matching funds, up to the entire amount received through the GUMBO program. The office shall use its discretion to determine the amount forfeited. A grant recipient that forfeits amounts disbursed under this Part

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is liable for up to the amount disbursed plus interest. The number of subscribers that
subscribe to broadband services offered by the provider in the project area shall not
be a measure of performance under the agreement for the purposes of this
Subsection.

B. A grant recipient shall not be required to forfeit the amount of the grant
received if it fails to perform due to a natural disaster, an act of God, force majeure,
a catastrophe, pandemic, or such other occurrence over which the grant recipient has
no control.

C. Except as provided for in Subsection B of this Section, if a grant recipient
fails to perform and fails to return the full forfeited amount required pursuant to this
Section, the ownership and use of the broadband infrastructure funded by the
GUMBO program shall revert to the division of administration.

§2370.11. Receipt and disbursement of federal grant funds

The division of administration shall be the designated agency for receipt and
disbursement of state and federal funds intended for the state for broadband
expansion or allocated by the state for broadband expansion and shall seek available
federal grant funds for that purpose. All federal grant funds received for the purpose
of broadband expansion shall be disbursed in accordance with this Part.

§2370.12. Reporting requirements

A. Grant recipients shall submit to the office an annual report for each
funded project for the duration of the agreement. The report shall include a summary
of the items contained in the grant agreement and shall also include all of the
following:

(1) The number of residential and commercial locations that have broadband
access as a result of the project.

(2) The percentage of end users in the project area who have access to
broadband service and the percentage of those with access who actually subscribe
to the broadband service.
(3) The average monthly subscription rate for residential and commercial broadband service in the project area.

(4) Any right-of-way fees or permit fees paid to local government, state government, railroad, private entity or person during the fulfillment of the grant awarded pursuant to this Part.

(5) Any delays encountered when obtaining a right-of-way permission.

B. The office shall submit an annual report to the House Committee on Commerce, Senate Committee on Commerce, Consumer Protection, and International Affairs, and the Joint Legislative Committee on Technology and Cybersecurity on or before September thirtieth of each calendar year. The report shall contain all of the following:

(1) The number of grant projects applied for and the number of grant agreements entered into.

(2) A timeline for each grant agreement and the number of households, businesses, agriculture operations, and community anchor points expected to benefit from each agreement.

(3) The amount of matching funds required for each agreement and the total amount of investment.

(4) A summary of areas receiving grants that are now being provided broadband service and the advertised broadband speeds and corresponding costs for those areas.

(5) Any breaches of agreements, grant fund forfeitures, or subsequent reductions or refunds of matching funds.

(6) Any recommendations for the GUMBO program, including better sources and methods for improving outcomes and accountability.

§2370.13. Administration fee

The office may use up to one percent of the appropriated funds to administer the GUMBO program.
§2370.14. Rules

A. The office shall promulgate rules necessary to carry out the provisions of this Part in accordance with the provisions of the Administrative Procedure Act.

B. In administering the program, the office shall not include consideration of any new or additional regulatory obligations beyond those provided in this Part and any other applicable law.

C. Grants solicited and awarded pursuant to the GUMBO program shall not be subject to the provisions of the Louisiana Procurement Code, R.S. 39:1551 et seq. or the Public Bid Law, R.S. 38:2181 et seq. The office shall devise and implement alternate procurement methods to identify and award on the basis of best value, soliciting applications and scoring product features, cost, and technical factors in accordance with this Part.

§2370.15. Reimbursement for grantees

Initial funding of ten percent shall be distributed to a grantee once the grantee has demonstrated that ten percent of the project has been completed. Thereafter, payments shall be distributed as follows: thirty-five percent completion, sixty percent completion, eighty-five percent completion, and the final fifteen percent payment shall not be paid without an approved completion report. Invoice for final payment shall be submitted within ninety days of completion date. All invoices are subject to audit for three years from the completion date.

§2370.16. Records; limitations

Notwithstanding any provision of this Part to the contrary, all records related to the GUMBO program shall be public records as provided by the Public Records Law, except the following:

(1) A provider's trade secret and proprietary information, including coverage data, maps, and shapefiles.

(2) Information regarding unserved coverage areas not yet awarded or announced.

(3) Applications pending evaluation.
Section 2. R.S. 44:4.1(B)(25) is hereby amended and reenacted to read as follows:

§4.1. Exceptions

*          *          *

B. The legislature further recognizes that there exist exceptions, exemptions, and limitations to the laws pertaining to public records throughout the revised statutes and codes of this state. Therefore, the following exceptions, exemptions, and limitations are hereby continued in effect by incorporation into this Chapter by citation:

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(25) R.S. 39:294, 1435, 2370.16

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Section 3. This Act shall become effective on July 1, 2021; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on July 1, 2021, or on the day following such approval by the legislature, whichever is later.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: ____________________

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