
DIGEST

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HB 700 Engrossed

2024 Regular Session

Deshotel

Abstract: Provides relative to broadband.

Present law provides for the mapping areas for broadband service.

Proposed law adds that to expedite the construction of broadband projects throughout this state, the office of broadband and connectivity (office) has the authority to collect data from GUMBO 2.0, GUMBO 3.0, and GUMBO 4.0 winners on the location of new broadband and existing utility infrastructure. Data shall be provided to the office in a manner identified to all participants, and may include but not be limited to water, sewer, gas, and voice and data services.

Present law provides that reimbursements of eligible costs shall be made by percentage of total project costs expended: 10%, 35%, 60%, 85%, and the final 15% payment shall not be paid without an approved completion report. Invoice for final payment shall be submitted within 90 days of a completion date. All invoices are subject to audit for three years from the completion date.

Proposed law deletes present law and adds that GUMBO 2.0 awards will be made on a fixed-award subgrant basis, following all requirements of NTIA's modifications to the Uniform Guidance as provided by final rule, with an initial 10% disbursement made upon final grant issuance. The next 10% of the subgrant award shall be provided based on provider certification and the office's verification that ten percent of the eligible locations have been reached. The remaining disbursements shall be given at the thresholds of completion of 35%, 60%, 85%, and the final 100% provided only after verification of 100% deployment to eligible locations, all within the mandatory 48 months maximum deployment timeline or another shorter timeline certified by the applicant.

Proposed law provides that the office will only disburse funds for completed deployments that comply with the terms included in the successful application and will withhold funds for failure to do so.

Present law provides for if a grant recipient fails to perform.

Proposed law adds that any GUMBO 2.0 subgrantee also subject to deployment obligations elsewhere in this state, including from programs such as the Rural Digital Opportunity Fund, the Enhanced Alternative Connect America Model, the Rural Development Broadband ReConnect Program, or any other similar program included in the BEAD deduplication process, must make an enforceable commitment as part of its GUMBO 2.0 subgrant agreement not to default or otherwise fail to fulfill any such deployment obligation in this state.

Proposed law provides that the penalty for breach of this commitment shall be, as reimbursement for funding that could have been awarded but for other federal program funding, payment to the state in the amount equal to the total investment cost of all defaulted locations, as measured by the Eligible Entity tool provided to the state by NTIA.

Proposed law provides that in the event there are remaining GUMBO 2.0 funds after the obligation of infrastructure funds, the office shall run a grant program, non-deployment, that will allow eligible parties that include but are not limited to state agencies, non-profits, for-profits, academic institutions, and planning commissions to utilize these funds to help address challenges in economic development, workforce development, healthcare, cybersecurity, agriculture, and other sectors and industries of importance to the state of Louisiana, as determined by approval of Volume 2 of Initial Proposal from the office and the IJJA, the BEAD Program, and the NOFO, with an obligation deadline of these funds to be completed no later than Dec. 12, 2024. This program will be designated as "Granting Unserved Municipalities Broadband Opportunities 3.0" and the office will receive the authority to create appropriate rules and scoring criteria.

Proposed law provides that the office shall have the authority to develop the rules, scoring criteria, and eligibility in the execution of the State's First Digital Opportunity Plan, pending approval from the National Telecommunications and Information Administration, a Sub-Agency of the United States Department of Commerce. Eligible parties shall include but not be limited to state agencies, nonprofits, for-profits, academic institutions, and planning commissions. This program will be designated as "Granting Unserved Municipalities Broadband Opportunities 4.0".

The funds for GUMBO 2.0 outlined in proposed law are to be obligated by Dec.12, 2024 and spent by Dec. 31, 2028.

The funds for GUMBO 3.0 outlined in proposed law are to be obligated by Dec. 12, 2024 and to be spent by Dec. 31, 2028.

The funds for GUMBO 4.0 outlined in proposed law are to be spent by March 1, 2029.

(Amends R.S. 51:2370.32; Adds R.S. 51:1363.1(A)(7), 2370.33(E), 2370.41, and 2370.51)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Make technical changes.
2. Add that the office of broadband and connectivity has the authority to collect data from GUMBO 2.0, GUMBO 3.0, and GUMBO 4.0 winners on the location of new broadband and existing utility infrastructure.
3. Add that eligible parties for GUMBO 4.0 shall include but not be limited to state agencies, nonprofits, for-profits, academic institutions, and planning commissions.