

GREEN SHEET REDIGEST

HB 700

2024 Regular Session

Deshotel

UTILITIES: Provides relative to broadband.

DIGEST

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 shall be made on a fixed-amount subaward basis, consistent with NTIA's Tailoring the Application of the Uniform Guidance Policy Notice, and an initial 10% disbursement shall be made available immediately upon entering into a subgrantee agreement. Provides that the next 10% of the subgrant award shall be provided based on provider certification and the office's verification that 10% of the eligible locations have been reached. Provides that the remaining disbursements shall be given at the thresholds of completion of 35%, 60%, 85%, and the final 100%. Provides that the final disbursement be given 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. Provides that the office shall have the authority to disburse on any basis that may be necessary to effectuate option 2.4, Subgrantee Option for Alternative Initial LOC or Performance Bond Percentage made available in the BEAD Letter of Credit Waiver issued by NTIA on November 1, 2023, and the office shall give full effect to that option as a means of enabling a subgrantee to satisfy the GUMBO 2.0 letter of credit requirement.

Present law provides relative to a grant recipient failing 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. Further defines the term "default or otherwise fail to fulfill".

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, nondeployment, that will allow eligible parties that include but are not limited to state agencies, nonprofits, 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 IJA, 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 U.S. Dept. of Commerce. Provides that 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 and spent within the maximum timelines allowed by NTIA.

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. 51:2370.33(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.

The House Floor Amendments to the engrossed bill:

1. Make technical changes.
2. Clarify that the office of broadband and connectivity has the authority to collect data from winners on the location of new broadband infrastructure deployed through GUMBO funding and existing water, sewer, or gas infrastructure in the path of excavation funded through GUMBO.
3. Add that a GUMBO winner may enter into a cooperative endeavor agreement with a participating water, sewer, or gas system to expedite the construction of broadband projects.
4. Exempt certain broadband providers from liability or penalty from collecting, providing, or facilitating the transfer of data outlined in proposed law.
5. Provide for certain data outlined in proposed law to be confidential and an exception from present law, Public Records Law.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the reengrossed bill

1. Remove the authority of the office to collect data from GUMBO winners on the location of new broadband infrastructure deployed through GUMBO funding and existing water, sewer, or gas infrastructure in the path of excavation funded through GUMBO.

2. Remove exemptions from certain broadband providers from liability or penalty from collecting, providing, or facilitating the transfer of mapping data of certain infrastructure.
3. Remove exception from Public Records Law for the data collected or provided in accordance with proposed law in infrastructure owned, operated, leased, or otherwise used by an internet service provider or telecommunication provider.
4. Provide that GUMBO 2.0 awards shall be made on a fixed-amounts subaward basis and provides for disbursements based on certain thresholds of completion.
5. Defines certain terms including "default or otherwise fail to fulfill".
6. Make technical change.