

## RÉSUMÉ DIGEST

ACT 632 (HB 700)

2024 Regular Session

Deshotel

Existing law provides for the Granting Unserved Municipalities Broadband Opportunities 1.0 and 2.0, or GUMBO 1.0 and 2.0, programs.

New law adds that the office of broadband development and connectivity (office) may create a grant program and promulgate rules to prevent damage to existing utilities and ensure proper documentation of utilities associated with the grant program. After review by the House Committee on Commerce and the Senate Committee on Commerce, Consumer Protection and International Affairs, the Joint Legislative Committee on the Budget shall review and approve the rules and regulations before implementation.

New law adds that data collected or provided in accordance with new law on infrastructure owned, operated, leased, or otherwise used by an internet service provider or telecommunications provider, or its affiliates or subsidiaries, shall be confidential and exempt from existing law and exempt from disclosure under any other provision of law.

New law adds that no GUMBO 2.0 applicant or grantee shall be liable for damages or required to pay any penalty to any person or governmental entity for an act or omission of a local government, utility system, or the office related to or arising from the collection of data pursuant to new law.

New law adds that nothing in new law shall be construed to relieve any person or operator of a public or private underground facility or utility of its obligations under existing law.

New law requires that any broadband provider receiving funding through the GUMBO 1.0 or 2.0 program shall report all instances of damage to existing utilities that occur during the construction or installation of broadband infrastructure.

New law requires that broadband providers receiving funding through the GUMBO 1.0 or 2.0 program shall coordinate with the relevant parish or municipality during the planning and construction phases of broadband infrastructure projects. Adds that nothing in new law relieves the GUMBO 1.0 or 2.0 grantee of its obligations to comply with local regulations and ordinances.

New law adds that the relevant local governmental subdivision may do either of the following when applied to GUMBO 2.0:

- (1) Require a one-time GUMBO grant assessment for construction and installation of GUMBO grant-funded broadband facilities and may charge a corresponding one-time GUMBO grant assessment fee not to exceed \$1,000.
- (2) Require a permit for construction and installation of GUMBO grant-funded broadband facilities, and may charge a corresponding one-time permit fee not to exceed \$1,000.

Prior law provided for the reimbursement of GUMBO 2.0 program grantees.

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

New law repeals prior law and instead states 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.

New law provides that the office may 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 of broadband may give full effect to that option as a means of enabling a subgrantee to satisfy the GUMBO 2.0 letter of credit requirement.

Existing law provides relative to a GUMBO 2.0 grant recipient failing to perform the obligations established in law or in the grant agreement.

New 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.

New law provides that the office shall determine if a broadband provider has defaulted or otherwise failed to fulfill a deployment obligation. The office shall not approve any default that covers more than 5% of the unserved or underserved locations subject to the deployment obligation.

New 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.

New 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.

New 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 new law are to be obligated and spent within the maximum timelines allowed by NTIA.

The funds for GUMBO 3.0 outlined in new 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 new law are to be spent by March 1, 2029.

Effective August 1, 2024.

(Amends R.S. 51:1363.1(E) and 2370.32; Adds R.S. 51:1363.1(F), 2370.17, 2370.18, 2370.33(E), 2370.34, 2370.35, 2370.41, and 2370.51)