

Louisiana Office of Broadband Development & Connectivity

GUMBO 1.0
Capital Projects Fund
2024 Performance Report
July 2024

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Executive Summary

The Louisiana Office of Broadband Development and Connectivity, also known as ConnectLA, has made considerable progress toward the program objective of funding eligible broadband infrastructure projects. These projects will deploy broadband internet service to unserved and underserved areas throughout the state through the Granting Unserved Municipalities Broadband Opportunities grant program. The legislature has passed numerous laws governing the administration of this program, including Act 477, GUMBO Grant Rules, Act 288 and Act 632. These laws are the framework for the program and outline how internet service providers were selected, the program rules ISPs must follow and how Capital Projects Funds will be disbursed through the GUMBO grant program.

The ConnectLA team has traveled throughout the state (having visited over 100 cities, towns, and villages) to meet with leaders and residents to give them the opportunity to learn and ask questions about the program. These informational sessions were done in person to address all comments and concerns and ensure stakeholder buy-in. To participate in the GUMBO program, ISPs were required to match at least 20% of the GUMBO award. While 20% was the minimum, ConnectLA has been able to select recipients with an average match of 40% from combined input of the ISPs and local governments. This demonstrates significant buy-in from the local leaders and parishes who were willing to provide the best value for the awards received.

The GUMBO grant process began with ISPs completing detailed applications in the ConnectLA's online portal. The office then selected projects through a detailed scoring process outlined in the GUMBO grant rules. This process was aimed at awarding providers with the best chance to successfully service residents and make the greatest impact. After ISP applications were accepted, there was a 60-day protest period in which any interested party could submit comments concerning pending applications. ISPs were able to submit a protest of any application or project area in which broadband service already existed or where construction of broadband infrastructure would begin within 24 months. After the first round of protests, the prevailing ISPs were awarded grant funds. Once awards were announced, there was an additional protest period of seven days before awards were issued. Once all protests were resolved, grant agreements were executed with rules and regulations provided by the office with a promise to fulfill the contract agreement to supply infrastructure with the ability to serve all locations within their project area. More than \$131 million was awarded in the initial round of grants to parishes throughout the state, with more than 65,000 locations (approximately 90% of the locations were households and 10% were small businesses) to be served. The project with the most locations impacted was in Avoyelles Parish and included more than 9,000 locations.

Since the grant agreements were executed, nearly 80% of the funded projects are actively under construction and will be completed within the next 12 months. The balance of the projects will be completed by the 3rd quarter of 2025. ConnectLA has made available to the public a <u>dashboard</u> that lists the monthly progress of each project for people to view and ask questions.

ConnectLA has also promoted the Federal Communication Commission's Affordable Connectivity Program, which gives eligible households a \$30 monthly discount on internet service (\$75 for eligible households on tribal lands) and a one-time \$100 discount on the purchase of a desktop computer, laptop or tablet. Nearly 540,000 Louisianians received this benefit during the duration of the program. Effective June 1, 2024, households no longer received an ACP discount.

Finally, Louisiana also received a \$1.356 billion allocation of Broadband Equity, Access and Deployment funds from the Infrastructure Investment and Jobs Act. This was the eighth largest allocation nationally and 10th largest allocation per capita. The funds used will continue to build off of the infrastructure build from CPF to ensure that the remaining 141,000 broadband service locations that are BEAD eligible will be served on the BEAD program.

Uses of Funds

To date, ConnectLA has 74 active GUMBO awards to ISPs for broadband infrastructure projects in Louisiana. Many of these projects are in progress, and several are completed, and funds have been disbursed.

Two external, independent vendors were hired to ensure projects are executed as planned and are in compliance with both state and federal regulatory requirements. These vendors have created standardized procedures and put controls in place to collect, review and confirm all necessary data for the projects prior to the disbursement of funds. As the vendors build out the administrative areas of the program, the ISPs work through the build phases of their projects.

Across multiple quarters from Q3 2023 to Q2 2024, various telecommunications companies undertook broadband infrastructure projects across Louisiana, showcasing achievements in fiber infrastructure builds, detailed through audited locations, completion thresholds, acceptance rates, and expenditures. Cajun Broadband Inc. led with extensive efforts, serving a total of 1,994 locations across projects in St. Martin, Iberia, and Vermilion parishes. This initiative incurred a total expenditure of approximately \$4,761,976.26. SkyRider Communications contributed significantly with Project 216 in Caldwell Parish, where a near perfect 508 locations were accepted, totaling expenditures of \$3,050,074.59. Meanwhile, AOP's Project 2 spanned Calcasieu and Jefferson Davis Parishes, and considerable progress was made in serving 592 locations, with expenditures totaling \$1,050,000.00. These efforts underscore the substantial investment and progress made in enhancing Louisiana's broadband infrastructure, reflecting complete project management cycles and strategic allocation of resources thus far. A breakdown of each quarter's progress follows:

In Q3 2023, Cajun Broadband Inc. completed Project 157 in St. Martin Parish, with expenditures totaling \$729,824.17. The project included the audit of 513 locations, with 416 locations meeting acceptance criteria, achieving an 81% acceptance rate. Concurrently, SkyRider Communications made significant progress in Caldwell Parish with Project 216, achieving a 60% completion threshold. This effort involved auditing 319 locations, with 318 locations accepted, amounting to a total expenditure of \$1,837,249.66.

Moving into Q4 2023, AOP commenced Project 2 across Calcasieu and Jefferson Davis Parishes, achieving a 10% completion threshold with \$300,000.00 expended. The project encompassed the audit of 216 locations, out of which 196 were accepted.

In Q1 2024, Advanced Tel, L.L.C. successfully completed Project 18 in Lafourche Parish, auditing 43 locations with a 100% acceptance rate and \$52,272.00 expended. Cajun Broadband Inc. also achieved full completion for Projects 155 and 156 in Iberia Parish, auditing a combined total of 1,305 locations with 1,136 locations accepted, utilizing \$1,129,473.68 and \$759,368.72 respectively for each project. Cajun Broadband Inc. undertook Project 143 in Vermilion Parish as well, achieving a completion threshold of 85% with expenditures totaling \$1,384,200.00. The project involved auditing 418 locations, of which 389 were accepted. REACH4

Communications completed Project 56 in Acadia Parish with a 60% completion threshold and expenditures amounting to \$394,130.52. The project included auditing 297 locations, with 277 locations accepted. Volt Broadband, LLC initiated Project 163 across Franklin, Tensas, and Madison Parishes, achieving a 10% completion threshold and spending \$226,235.14. Auditing efforts covered 57 locations, resulting in 50 locations accepted. Finally, SkyRider Communications achieved full completion of construction for Project 216 in Caldwell Parish, achieving nearly 100% acceptance rate with \$1,212,824.93 expended. The audit covered 191 locations, all locations except one were accepted without issue.

Lastly, in Q2 2024, Cajun Broadband Inc. conducted a supplemental audit for Project 157 in St. Martin Parish, resulting in the acceptance of 4 additional locations with an expenditure of \$7,017.94. They also completed Project 143 in Vermilion Parish with \$752,091.75 expended, with an audit of 55 locations with 49 locations accepted. AT&T completed construction for Project 79 in West Baton Rouge Parish with a 94% acceptance rate, totaling \$66,768.10 in expenditures. The project audited 31 locations, of which 29 were accepted. Finally, AOP continued Project 2 across Calcasieu and Jefferson Davis Parishes, achieving a 35% completion threshold with expenses totaling \$750,000.00. Audits covered 432 locations, with 396 locations accepted.

In total, over the course of the year, 14 projects resulted in successful audit and payments. Of these 14 projects, a total of 3,877 locations were audited for completeness, and of these, 3,493 were accepted as served locations. This amounted to program reimbursements of \$9,601,456.61 to date that is directly related to fiber infrastructure build to serve locations in need.

Activities planned for the next reporting period includes a follow up with ISP Providers who are eligible to receive reimbursement and suggest they submit as soon as possible to help the audit request logistics. And, a team of auditors and compliance personnel are ready and equipped to handle the review and payment of these requests.

Significant Challenges

The greatest challenge for the GUMBO program has been the availability of location data demonstrating where broadband service is available. ISPs were required to provide location data and details on unserved and underserved locations they planned to serve, and ConnectLA relied on protests from other ISPs to determine accuracy of the data. The availability of the Federal Communication Commission's National Broadband Map is aimed at providing much more reliable data for ConnectLA to use into the future; however, there is a significant amount of reconciliation required to match the initial GUMBO location data that was approved in grant applications to newly reconciled geolocations with fabric IDs. The office is working with ISPs to reconcile the location data and ensure that the required information is available for CPF reporting and compliance with grant agreements.

Example of Benefits to Individuals/Households

Spectrum recently launched Spectrum Internet, Mobile, TV and Voice services to more than 2,500 homes and small businesses in Evangeline, Acadia, and St. Landry Parishes in Louisiana. Additionally, Spectrum launched Spectrum Internet, Mobile, TV and Voice services to more than 4,000 homes and small businesses in Washington, Tangipahoa, and St. Tammany Parishes in Louisiana. Spectrum's newly constructed fiber-optic network buildout is part of the company's RDOF-related and GUMBO 1.0 grant investments in unserved rural communities.

Interactive Dashboard

For an interactive map detailing the progress of all GUMBO 1.0 projects, please visit our website here.

Promoting Equitable Outcomes

Digital opportunity was considered in the design of the GUMBO program. Most GUMBO projects in Louisiana are in economically depressed areas, consisting of low-income residents with high digital illiteracy rates. ISPs were required to provide details on low-income household service offerings, digital opportunity or literacy support and programs or partnerships to provide these services in their applications. The scoring criteria for the GUMBO grant program includes metrics that award points based on how rural the project area is, the number of unserved and underserved households and businesses, small business and veteran-owned business participation and consumer price. ConnectLA also understands the importance of internet affordability in addition to expanding access. To that end, the office has encouraged Congress to vote to reauthorize the Affordable Connectivity Program, which has helped more than 479,000 households afford internet service.

ConnectLA has developed a plan that outlines Louisiana's first coordinated effort to assess the state's digital divide and move the state toward digital opportunity. The plan focuses on more than just how we can provide faster internet. It lays out strategies for how to make the internet affordable and accessible and how to equip residents with the skills needed to fully participate in today's digital world. In order to implement this plan, ConnectLA has submitted an application for the State Digital Program (SDECGP). Using monies awarded under this grant program, ConnectLA plans to create a Digital Opportunity Dashboard, which was included in Louisiana's Digital Opportunity Plan. The Digital Opportunity Dashboard will summarize critical needs in Louisiana by covered populations and track progress toward achieving the goal of closing Louisiana's digital divide. The Digital Opportunity Dashboard will also include a public-facing component where Louisiana residents can find resources available in their communities. Since ConnectLA's SDECGP application is still under review and the state has not officially been awarded funding yet, the Digital Opportunity Dashboard has yet to be created. However, ConnectLA anticipates the Digital Opportunity Dashboard being created and available by early Fall 2025.

For a copy of the Louisiana Digital Opportunity Plan, please visit our website here.

Labor

For all GUMBO projects more than \$5 million, ISPs must ensure strong labor practices in construction (e.g., Davis-Bacon, National Labor Relations Act, Prioritization of Local Hires and Community Benefit Agreement) and must supply additional information on their workforce practices. The ISPs were also encouraged to develop a strategy to prioritize local workers in their applications. To help ensure an educated workforce, the Caddo Correctional Center, in collaboration with Bossier Parish Community College, offers two-fiber optics-certifications to inmates participating in the Northwest Regional Re-entry program. GUMBO grant rules require ISPs to adhere to Civil Rights Compliance and other applicable federal laws and regulations.

Community Engagement

Community engagement continues to be an area of focus for ConnectLA. The office has been very active in holding informational sessions to understand stakeholder needs and address any comments and concerns. ConnectLA leaders meet regularly with elected officials to provide them with the status of projects in their areas, answer questions and discuss next steps. Correspondence with the office is accepted and encouraged via email at connect@la.gov.

During the summer of 2024, the ConnectLA team traveled to ten cities across Louisiana to meet with elected officials, internet service providers, and community stakeholders and provide an update on state broadband grant programs. ConnectLA appreciates the participation and thoughtful discussions we've seen. Feedback is important to us as we work to answer questions and best position stakeholders to close the digital divide in their communities.

Region	Date	Time	Venue	City
Northeast LA	Monday, June 17, 2024	9:00 – 10:30 AM	Delta Community College	Monroe
Northwest LA	Monday, June 17, 2024	1:30 – 3:00 PM	Bossier Parish Community College	Bossier City
Natchitoches	Tuesday, June 18, 2024	9:00 – 10:30 AM	Natchitoches City Council Chambers	Natchitoches
Central LA	Tuesday, June 18, 2024	1:30 – 3:00 PM	Rapides Parish Library	Alexandria
Southwest LA	Monday, June 24, 2024	9:00 – 10:30 AM	SEED Center	Lake Charles
Acadiana	Monday, June 24, 2024	1:00 – 2:30 PM	One Acadiana Board Room	Lafayette
Bayou Region	Tuesday, July 9, 2024	9:00 – 10:30 AM	Terrebonne Parish Library	Houma
Capital Region	Tuesday, July 9, 2024	1:00 – 2:30 PM	BRAC Board Room	Baton Rouge
Southeast LA	Wednesday, July 10, 2024	9:00 – 10:30 AM	GNO, Inc. Board Room	New Orleans
Southeast LA	Thursday, July 11, 2024	9:30 – 11:00 AM	Madisonville Library	Madisonville