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State of Louisiana
Division of Administration

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Supplemental Notice to Prospective Participants in Louisiana’s Broadband Equity Access and Deployment Subgrant Process (GUMBO 2.0)

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The purpose of this supplemental notice is to provide additional explanation of certain program rules and requirements established in Louisiana’s approved BEAD Initial Proposal Volume 2 (IPv2). All information in this Supplemental Notice is fully consistent with the Initial Proposal Volume 2 approved by NTIA on December 7, 2023 as well as overall BEAD program requirements as established by the National Telecommunications and Information Administration (NTIA).

1. BEAD Pre-Qualification Requirements

A. Financial Qualifications: Letter of Credit.

IPv2 section 2.4.11.B provides that Louisiana “will make available to applicants all of the options provided by NTIA’s Limited Waiver to the NOFO’s Letter of Credit requirements applicable to fixed award subgrants, as well as any future additional options made available by subsequent additional waiver or guidance.” It further provides that “before executing any subgrantee agreements, each prospective subgrantee must obtain an irrevocable standby letter of credit, which ConnectLA deems acceptable as required under the Limited Waiver, and amounts to no less than so required including provisions for the adjustment of amounts according to the schedule of fixed award disbursements based on certified build-out milestones.” Finally, IPv2 Appendix D(5) directs applicants to “upload a letter of credit” as a requirement of the Pre-Qualification process.

To clarify, if applicants already have obtained an irrevocable letter of credit consistent with the requirements of section 2.4.11.B at the Pre-Qualification phase, they are welcome to submit it for review at that time. However, because ConnectLA recognizes that applicants will not know the final amount of their eventual subgrant award(s), if any, at the Pre-Qualification stage, an acceptable response to Exhibit D(5) is to upload a short description of how the applicant intends to comply with the requirements of section 2.4.11.B in the event subgrant awards(s) are received, including the particular option(s) for compliance that the applicant plans to utilize, the identity of qualified bank(s) that the applicant plans to enlist, and any other relevant description. These submissions must be made in good faith by applicants as representations that the applicant has the ability to obtain the required LOC commitment letters, final LOC, and bankruptcy opinion letters prior to final subgrant issuance.

B. Volume 2 Exhibit D(21) Ownership: Joint and Consortium Applications.

Exhibit D(21) directs applicant entities to “[u]pload proof of ownership information.” In the case of entities comprising more than a single party, such as a joint or consortium application entities formed to pursue BEAD funds in Louisiana, ownership information must be submitted for each participant in the multi-party entity.

In addition, the underlying consortium agreement between the parties must also be uploaded in order for ConnectLA to assess whether the underlying obligations amongst the parties provide for sufficient operational, technical, and managerial commitments to meet BEAD program requirements. For example, the BEAD NOFO provides “that subgrantees may be able to, or required, to demonstrate their capabilities in a variety of manners. A newly established special purpose vehicle established by a consortium of entities may point to the capabilities and experience of those entities in support of its application.” NOFO IV.D. at 71. NTIA also says that “[a] prospective subgrantee that has significant experience deploying broadband networks but no experience operating them may be able to demonstrate operational capability by entering a binding contract with another entity with such experience.” The parties may request confidential business treatment of sensitive information included in agreements as consistent with Louisiana law.

Such multi-party entities should also be clear in other responses to Exhibit D to the extent that given members are responsible for specific financial, managerial, operational, or technical qualifications on behalf of the entity, and to reference the relevant provisions of the agreement uploaded in response to D(5).

Finally, given the BEAD requirement that state subgrant plans ensure fairness, openness, and competitiveness in the award of subgrants, including compliance with Louisiana’s BEAD program Anti-Collusion and Prohibited Communication Certification, any party that participates in a joint or consortium application entity may join only one such entity and may not separately apply on an individual basis.

C. Reminder: Selected Acknowledgements and Certifications.

Applicants are reminded of several certifications specific to the Louisiana BEAD program that must be made during the Pre-Qualification process. Please note that the approved IPv2 as well as the broader BEAD program includes other certifications that applicants must also provide; the list below is intended to highlight several of the most important Louisiana-specific certifications to the operation of the subgrant process:

- a) No withdrawal of applications after Round 1 submission. IPv2, section 2.4.1 provides “In Round 2, all remaining unawarded Round 1 applications will automatically be pulled forward and may not be withdrawn.” In other words, a Round 1 submitted application represents a binding offer to the state that must remain open until the conclusion of the BEAD process.
- b) Acknowledgement of state’s ability to remove certain locations from final awards. Initial Proposal Volume 2, section 2.4.3 provides “...GUMBO 2.0 also will require all applicants to agree that the state may, prior to making

final subgrant awards, unilaterally remove certain locations from a subgrant in order to ensure compliance with the BEAD-required prioritization of all unserved locations first, then underserved locations, and then CAIs. For example, in the event that insufficient BEAD funds are available to reach 100% of underserved locations, the state would remove CAI locations from all subgrants, and then would remove certain underserved locations in order to comply with BEAD requirements for the order in which underserved locations are reached if 100% is not possible. In such cases, the state would adjust the subgrant award amount to account for the removal.”

In addition, section 2.4.6 provides “the state reserves the unilateral ability as a final step to remove up to 20% of the BSLs from any subgrant application prior to final award, and applicants must certify their acceptance of this condition during the prequalification phase.”

- c) Commitment Not to Default on Other Deployment Obligations.
IPv2, section 2.4.14.A provides: “[a]ny GUMBO 2.0 subgrantee also subject to deployment obligations elsewhere in Louisiana – including from programs such as RDOF, Enhanced-ACAM, ReConnect or any other similar program included in the BEAD de-duplication 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 the state of Louisiana. 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.”
- d) Acknowledgement of Penalty Conditions for Violation of Certifications.
Applicants must acknowledge that the penalty for violation of any of the above or other required certifications in IPv2 could include rescindment of BEAD subgrant award(s) and/or cause the entity to be deemed ineligible for the BEAD Program in Louisiana.

2. BEAD Subgrant Process

- A. “Self-overlap” Impact on Round 1 Awards and Round 2 De-confliction.
IPv2, section 2.4.6 provides that “subgrantees may submit any number of applications (comprising one or more SPAs) in Round 1 and are also permitted to include the same SPA in up to two separate applications...” (emphasis added). Section 2.4.2 separately provides that one category of Round 1 awards is “FTTH applications that do not overlap with any other application of any technology type, and that request funding no greater than the reference funding levels for all included SPAs.” (emphasis added) For purposes of these two rules, an application that overlaps only with a second application from the same applicant will not be awarded in Round 1, as such “self-overlap” is deemed to be a form of “overlap with any other application.”

Similarly, in Round 2, “self-overlap” will be treated no differently than the general case of “conflicting overlap” with another applicant. In other words, in Round 2, if two applications from the same applicant overlap only with each other, the higher scoring application will be awarded and the second will be subject to the standard de-confliction process outlined in section 2.4, including the application of any applicable separable SPA preferences for the lower-scoring application.

B. Treatment of “Separable” SPAs Designated in Round 2.

IPv2, section 2.4.6 provides that “an additional element of Round 2 is that applicants may specify whether any included SPA is ‘separable’ from the overall application.” To clarify for applicants the operation of this option in Round 2, “separable” SPAs within overall applications will be resolved during Round 2 according to the following order of operations:

- a) Round 2 applications remain fully “intact” – with underlying separable SPA designations not cognizable in the application process – until an application is determined to overlap with at least one other higher-scoring application (also noting that FTTH applications receive selection preference over non-FTTH applications, as provided in IPv2 section 2.4.6).
- b) Upon identification of such an overlap condition, the following actions will result:
 - a. The highest scoring application of the overlapping set will be selected.
 - b. All other overlapping applications will be “separated” into a new group of single-SPA applications for any separable SPAs designated, and with any SPAs not designated as separable removed from consideration for award to the given applicant.
- c) The new set of single-SPA applications resulting from this step then will be re-scored based only upon the characteristics of the single SPA, and returned to the set of remaining applications to be resolved for overlap and de-confliction according to the standard Round 2 process.

Applicants should recognize in their application plans that this re-scoring of “separated” SPAs on a single-SPA application basis could substantially impact point totals available from secondary scoring categories that depend on the volume of BSLs in a parish and/or the number of ED-SPAs or CRN-SPAs in an application.

C. Rounding Down of Requested BEAD Funding for an Application.

To the extent required, calculation of award amounts submitted as a percentage of reference funding will be rounded down to the penny, to ensure that ConnectLA could never exceed available BEAD allocation funds. To allow for applicant control and management of funding requests, the input for the percentage of funding requested will allow for significant decimal places.

D. Updates to Scoring Elements for “Separable SPAs.”

When designating a given SPA as a “separable” SPA during Round 2, an applicant will be permitted to make the following changes to scoring elements that will apply to that separable SPA in the event it become a new single-SPA application. Other than the list below, all other scoring elements will be automatically taken from the main application of which the separable SPA is a part:

- a) Requested BEAD funding amount
- b) Technology type to be deployed
- c) Number of months for deployment
- d) Infrastructure hardening commitments
- e) Speed of network
- f) Updated technical plan, if applicable given changes to items on this list

3. BEAD Subgrant Application Portal

A. Administrative and Other Authorized Users.

Each applicant entity approved for participation in the Pre-Qualification process must designate a single Administrative User authorized to submit applications as require by IPv2 section 2.4 and thereby commit the applicant to the subgrants for which it applies. Each applicant will be allowed additional users to complete applications, but only the Administrative User will have the ability to confirm and submit the applications for consideration.

B. Access Between Rounds 1 and 2.

The application portal will be unavailable to users after the closing of Round 1 until the commencement of Round 2, as well as after the end of Round 2. Applicants will receive summary reports providing details of submitted applications as well as other status updates from ConnectLA.