

United States Senate

WASHINGTON, DC 20510-1804

November 4, 2011

The Honorable Lawrence E. Strickling
Administrator
National Telecommunications and Information Administration
U.S. Department of Commerce
HCHB, Room 4812
1401 Constitution Avenue, NW
Washington, DC 20230

Dear Assistant Secretary Strickling:

I am writing in regards to the Louisiana Broadband Alliance Infrastructure Project submitted to the National Telecommunications and Information Administration (NTIA) under the American Recovery and Reinvestment Act Broadband Technology Opportunities Program (BTOP). In particular, I have been contacted by countless constituents regarding the October 26, 2011 Notice of Termination of Award for this project.

As you know, this \$80 million grant would have targeted 21 parishes in rural Louisiana including those in the Louisiana Delta Region and the four federally-recognized American Indian tribes. Earlier this year, the State of Louisiana assumed overall control of the project due to initial setbacks with its implementation. After taking control, the State proposed significantly modifying the project – from a network design proposal to a proposal centered on purchasing indefeasible rights-of-use (IRUs) from local providers. However, according to the October 26 correspondence, this request for alternate design repeatedly failed to demonstrate to Federal officials that it would allow the grantees to complete the project on time and accomplish the same goals as the original application.

Like you, I am extremely frustrated that the State of Louisiana could not meet necessary deadlines to complete this important project. This award presented a rare opportunity to directly improve the everyday lives of residents in some of the most underserved and rural parts of Central and Northeastern Louisiana. Because of this failure by the State, I am interested in what remaining opportunities, if any, exist to salvage the project. For example, many in Louisiana have inquired if any of these funds may be reallocated to the targeted parishes or local governments to carry out the project.

In order to get clarification for my constituents on the final status of this award, I respectfully request responses to the following questions:

- The award was terminated effective the October 26, 2011 correspondence. Are the award funds still currently in the BTOP account at the Department of Commerce or have they reverted back to the Federal Treasury?
- It is my understanding that 2 CFR 215.62 states that “In taking an enforcement action, the awarding agency shall provide the recipient an opportunity for hearing,

appeal, or other administrative proceeding to which the recipient is entitled under any statute or regulation applicable to the action involved.” Can the Board of Regents request reconsideration or appeal the October 26, 2011 termination of the award? (Yes/No)

- Is the termination decision of October 26, 2011 the agency’s final decision for this award? (Yes/No)
 - If yes/no, please clarify if there are no other administrative actions available to the Board of Regents in regards to this award.
- The October 26, 2011 letter indicates that “Consideration of this adverse action may be used in future funding decisions for your organization.” Please provide additional information on how the termination of this award may impact future applications from the State of Louisiana and/or the Board of Regents. I also would be interested if this adverse action negatively impacts the ability of parish officials or local governments to pursue Federal broadband funding for their own projects.
- Lastly, it is my understanding that there still may be funds available at the State level to carry out smaller scale broadband initiatives. As of June 30, 2011, according to information submitted to the Department of Commerce, the project had expended \$5.3 million of \$15 million in State funds and only \$431,747 of the \$80.5 million Federal award. It is my understanding that part of the \$15 million State match - including some of the \$5.3 million expended - was an in-kind match relating to previous State investments in the Louisiana Optical Network Initiative. Please provide my office with a breakdown of the State match in regards to the in-kind match and actual funds, including how much may be remaining in non-in-kind match funding.

Thanking you in advance for your consideration and with warmest regards, I am

Sincerely,



Mary L. Landrieu
United States Senator

MLL:brv