



Rural Louisiana's High-Speed Internet Grant Rescinded

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Crowding out of private business cited as reason for policy change

NEW ORLEANS, La. - Last week, the U.S. Department of Commerce nullified an \$80.6 million grant meant to extend broadband internet access to rural Louisiana.

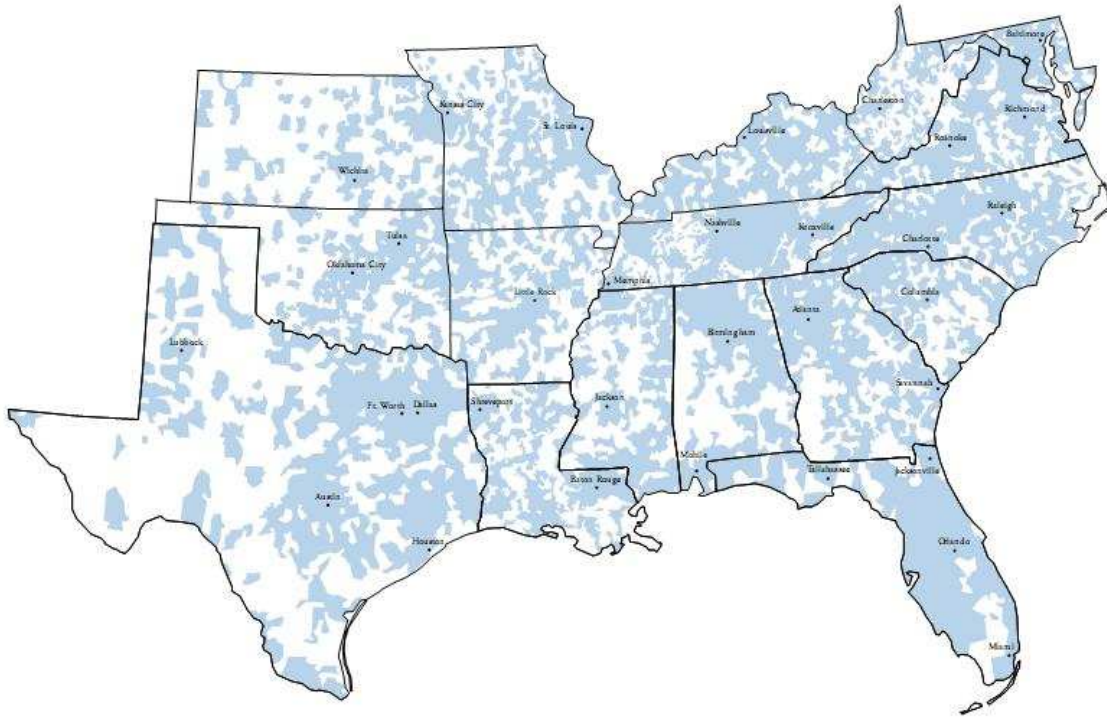
The Commerce Department [rescinded](#) the grant on the grounds that the Louisiana Board of Regents – who originally applied for and received the grant – had an implementation plan that was incomplete and behind schedule.

They also said that the board was unresponsive when repeatedly asked for additional information.

The grant, originally awarded last year through the American Recovery and Reinvestment Act, would have enhanced the state's high-speed optical network at schools and libraries in 21 rural parishes and four American Indian reservations.

Upon learning of the Commerce Department's ruling, Sen. Mary Landrieu (D) [released a statement](#) claiming that it was “yet another missed opportunity to improve the lives of Louisiana residents, particularly rural Louisianans who are often left out of such initiatives.”

[Paul Rainwater](#), Commissioner of Administration, claims that the plan would undermine private businesses.



Projected Rural Broadband Internet Access from the American Recovery and Reinvestment Act

“From the start, we’ve always said there were implementation and sustainability problems in the grant that had to do with a top-down, government-heavy approach that would compete with and undermine, rather than partner with, the private sector and locals.”

[Jim Harper](#), Director of Information Policy Studies for the Cato Institute, agrees with Rainwater, and says that subsidies and grants always distort market processes.

“Businesses are there to serve the demands of ordinary Louisianans, while grants tend to go to the politically well-connected.”

Jim Purcell, Board of Regents Commissioner of Higher Education, claims that he became aware of some problems with the plan soon after arriving in Louisiana, and attempted to remedy the situation, but “unfortunately, despite gaining demonstrated support from both our public and private partners, our approach was rejected.”

Both Landrieu and Purcell also say they’ll continue working to improve broadband access in the state despite losing the grant.

“If the state of Louisiana is unable to carry out these types of transformative projects across our state, then I will work even harder to partner with interested local officials, nonprofits and businesses to accomplish the same goals,” Landrieu says.

Harper contends that the best way to spread broadband to rural Louisiana is to lower taxes, leaving more money for Louisianans to spend on what they want.

He also suggests the federal government should release control of the electromagnetic spectrum so “more wireless broadband providers can come to the market and offer Louisianans more high quality broadband options at lower prices.”



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