

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Improving Competitive Broadband Access to)	GN Docket No. 17-142
Multiple Tenant Environments)	

COMMENTS OF CHOICE RPROPERTY RESOURCES

August 22, 2017

INTRO.

Since 1999, Choice Property Resources, Inc. ("Choice") has been exclusively representing multifamily owners, managers and developers to secure telecommunications services for their residents. Choice has represented over 320,000 apartment homes in 49 states plus the District of Columbia. These properties have included a mix of affordable, student housing, senior, market rate, condominiums, HOA's and assisted living ("MTE's"). Locations of these properties span urban, suburban and rural markets. Choice submits these comments to the Federal Communications Commission ("FCC ") in response to the Commission's Notice of Inquiry ("NOI") adopted June 22, 2017, in the matter of Improving Competitive Broadband Access to Multiple Tenant Environments ("MTEs").

SUMMARY.

Choice supports the comments submitted by the National Multifamily Housing Council ("NMHC") on July 24, 2017. Choice requests that the FCC **not** propose rules to disrupt the existing or future and contracts between multifamily property owners and the service providers of broadband and internet services ("service providers"). The existing relationships and contracts promote healthy investment in broadband infrastructure and increased competition. All of this is to the benefit of residents living in the MTE's.

The tools used to achieve this ongoing investment include on-site marketing rights (exclusive or non-exclusive), bulk service, marketing fee payments, long term access and use of the property owner's wiring. As part of the significant investment service providers make to build and maintain their networks, the providers reasonably require an opportunity for a return on investment. This

dynamic has the cooperative benefit of providing reliable, high quality services to the residents in competitive environments.

- Exclusive Wiring: Exclusive wiring use in contracts encourages investment in required infrastructure by the property owners and service providers. Removing the ability for property owners and service providers to mutually agree to exclusive use of wiring will create service interruptions and potential life-safety issues. In a multifamily environment, service providers need clear direction on what infrastructure they can and cannot access; with increased competition on properties, situations arise where multiple providers attempt to utilize the same wiring, causing service disruption and potential safety issues.
- Bulk Billing Programs: Bulk billing programs provide opportunities for significant savings and ease of use for residents as well as lowered costs for service providers. These programs are particularly effective in student housing, senior housing, affordable housing and condominiums. It should be noted that except for exemptions provided by the FCC to Private Cable Operators (PCO's), residents in bulk billing programs continue to have the option to purchase service(s) from other service providers.
- Exclusive Marketing: Exclusive marketing agreement do **not** hinder competition in MTE's. A key point for exclusive marketing is that the exclusivity only extends to the service provider's rights to conduct marketing activities on-site at each property. Service providers, with or without on-site marketing rights continue to have the ability to market their services by contacting residents through telemarketing, postal mail, email, online ads, radio, billboards, television and print advertising.
- Revenue Sharing Agreements: Revenue sharing agreements are typically structured for terms from five to ten years in duration. Revenue sharing payments assist property owners in offsetting costs associated with providing the required infrastructure; this infrastructure includes home-run wiring, home wiring, space for vendor equipment (MDF, IDF closets), property staff time, joint trench costs, central wiring panels, conduit and required electrical services. These agreements also help provide additional internet access for residents and costs savings through services such as Wi-Fi hot spots in common areas on properties.
- System Upgrades: The use of exclusive marketing, exclusive use of wiring, bulk billing and/or long-term revenue sharing agreements are key tools in property owners ability to

leverage service providers to a) build their network, b) maintain their network and 3) upgrade their network. In our experience, service providers are increasingly willing to upgrade their systems and/or offer their latest services when they have a reasonable timeline to sell those services to the residents.

- Prices MTE tenants pay for service: The agreements do **not** affect the prices residents pay. Residents in multifamily properties pay the same rates and are offered the same offers as residents in single family home or other multifamily properties. Except for steep *discounts* offered in bulk billing programs, service providers are prohibited from offering different pricing on a per-property basis. The requirements that residents pay the same prices offered to the public are typically documented in these agreements.
- Property Size: The size of a property can impact the overall terms of these agreements. Smaller properties (e.g., <20 units) often have a higher per-unit capital cost for service providers to build to.
- Who negotiates these agreements: Many property owners negotiate their own agreements, particularly owners with larger portfolios. There are also third-party companies such as Choice and attorneys who negotiate these agreements for owners who may not have the internal resources required. Similar to other areas of their business such as legal, accounting or marketing, MTE owners utilize outside expertise while they focus on their core business of providing housing.
- Agreements impact on level of broadband competition within MTE's: These agreements have a positive impact on competition as owners are able to offset costs associated with the required infrastructure. Service providers are willing to invest in their systems when they have the necessary considerations. The FCC should note that MTE owners are typically motivated to offer a selection of two or more service providers to their residents in support of a quality residents experience and to maintain high occupancy rates. Residents unhappy with the services available pose a potential threat to MTE owners in the form of lost lease renewals. As a point of reference for the FCC, of the >3,200 multifamily properties Choice represents today, >93% have two or more wireline service providers.

CONCLUSION.

For the reasons outlined here and by the NMHC in their comments dated July 24, 2017, the FCC should **not** entertain further rulemaking regarding exclusive marketing, exclusive use of wire, revenue sharing agreements, or bulk billing agreements. With increased options in the broadband service providers available for residents of MTE's today, a change by the FCC risks the unintended consequence of ***decreased*** competition.

Respectfully submitted,

Choice Property Resources, Inc.

5862 Mist Flower Lane

Westerville, OH 43082

Dated: August 22, 2017