

Reply to comments of the Independent MultiFamily Communications Council (IMCC):

In comments to the Commission by the IMCC, the executive director, Mr. William J. Burhop, seems to imply something sinister has emerged with the advent of the site BanBulkBilling.com.

On this forum site, users can give their views of the consequences they are experiencing because their communities are involved in bulk billing, exclusive contracts for various services. Most of these views are in direct conflict with the sentiments expressed by the IMCC on the 07-51 and other FCC sites. Our real-world views, particularly those about PCO-MDU exclusive contracts, is in complete disagreement with the rosy, greatest-thing-in-the-world-for-MDU-residents promises the IMCC expounds that exclusive contracts with PCOs offer MDUs.

In one letter, Mr. Burhop states "I also described how PCOs operate technically and how exclusive contract financing techniques used by PCOs facilitate competition with franchised cable operators and Verizon and A T & T. I also described how the elimination of PCOs and MVPDs would retard such competition which would be negative for the delivery of the triple play to MDU residents." I live in Live Oak Preserve in Tampa and receive exclusive, bulk billed "services" from Century Communications through mandatory HOA fees. When LOP was being developed, the developer entered into an exclusive 15-year contract with Century. Majority ownership in Century is by the Falcone family that conveniently also was the original developer of LOP. There was NO competition for the exclusive contract. The developer made the decision with NO input from anyone else. Bright-house cable, the predominate player in the Tampa region, chose not to overbuild LOP. Did the exclusive contract prevent that competition? Several years later, Verizon has overbuilt LOP and DirectTV and Dish network also provide services now. But all of these providers find their customers are limited to the fortunate few who can afford to pay for duplicate services. Is the exclusive contract detrimental to their competition? In my opinion, and in the views of many users of BanBulkBilling.com, a resounding YES!!!

In further statements "The IMCC also asserts that MDU owners through vigorous negotiations with PCOs, seek the best products and services for MDU communities. Such is evidenced by MDU-PCO contract covenants because they frequently state that the PCOs' products and services must be competitive using current technology employed by other providers in the area and that the PCO shall maintain its services to be substantially equivalent to other providers." This method of operation sounds great for those MDU residents that can participate in said negotiations. But what about MDUs such as LOP that had a long term exclusive contract foisted upon them and now enforced upon them by a developer controlled HOA with little interest in holding the PCO to level-of-service standards? Century provides current technology competitive with Verizon, DirectTV, etc. I think NOT!!!

In other statements, the IMCC addresses responses from PCOs to questions from the IMCC. One such question states "What is the minimum number of years required to make an exclusive service/access agreement meaningful? The range is 5 to 10 years. The smaller and less financially secure PCOs require a longer term. The average for all PCOs is 7 to 8 years." Century somehow requires twice as long as the average. Other communities have stated terms as long as 75 years. Justify these contract lengths if you can IMCC.

But I found some particular comments in one of the IMCC letters very interesting. The IMCC sites the opinions of a Harvard economist, Professor Michael Whinston as follows: "In order for an exclusive contract to have an anti-competitive effect, there must be third parties who are negatively affected by the contract but not present in the bargaining leading to the formation of the contract. By contrast, when all affected parties are involved in the negotiations over the exclusive contract, the exclusive contract will be signed precisely when it is effective." Also "Such contracts are anti-competitive only when used to undermine the possibility of competitive entrants bidding for access (exclusive or non-exclusive) to MDU buildings in the first instance."

Well, the third parties, the current residents of LOP, consider themselves as negatively affected by the exclusive contract with Century Communications which is providing sub-standard cable, inter-

net and security monitoring services to LOP. And as stated before, the LOP residents certainly were not present to bargain for/against this exclusive contract. And now ask Brighthouse, Verizon, DirectTV, Dish, ADT, Brinks, etc. whether they consider the LOP-Century exclusive contract as anti-competitive.

I would encourage anyone who is currently negotiating with any MVPD for service to any MDU, first visit BanBulkBilling.com before voting on any exclusive, bulk-billing agreements.