

# The Merits of Bulk

As property owners focus on broadband service quality, the FCC’s decision to leave bulk agreements untouched will provide consumers with quality services in all types of multifamily communities.

By Bryan J. Rader / *Pavlov Media*

In February, the FCC issued a Report and Order and Declaratory Ruling “ensuring competitive choice of communications services in MDUs.” Why bother with the single-family marketplace where there is only an incumbent cable provider that is occasionally pushed around by a fiber over-builder? Let’s address the genuine concern in apartment communities. This is where providers can make a real difference, the FCC said.

The FCC issued new rules around certain types of revenue-sharing agreements and created disclosure requirements for exclusive marketing arrangements. It also stopped the use of sale and leaseback provisions between MDU owners and providers for internal wiring. In other words, the agency made some changes around the edges, painting property owners as “landlords” who only have their hands out for more revenue.

## MDU OWNER TRANSFORMATION

Over the past two decades, there has been a transformation among real estate owners and their views of ancillary services and amenities. Though they pursue miscellaneous income in these areas, creating lifestyle amenities is critical to making their real estate more attractive to prospective residents. Direct payments don’t represent enough revenue to support one additional occupied unit.

But making lousy tech decisions can negatively affect more than rental income from one unit. Property owners care about multiple sources of cash flow and rental rates and strive to continuously improve their real estate value.

The FCC created a solution that doesn’t meet today’s market realities. Property owners are highly concerned about the quality of these services and giving residents what they want. Do you have any service-level commitments from your cable provider if you own a home? Do you have any control over pricing or terms? Nope.

## EXAMINING BULK INTERNET

This brings me to bulk internet. The FCC evaluated the merits of bulk internet in 2010 and chose not to act. It considered it again in 2017 and found no reason to make any rule changes. In 2022, it made the right choice to keep bulk agreements in place.

Property owners use bulk agreements to benefit their residents, and the demand for these types of deals is only accelerating. This is a good thing.

Bulk agreements provide quality, high-speed internet services to residents in all types of multifamily communities. Internet providers offer an above-market speed at a reasonable rate in affordable housing communities. There are no installation fees, credit checks, individual contracts to sign, or waiting at home for a technician to arrive. Everything is included in rent, offering an excellent way for families in lower-income housing to access the internet for school, work or entertainment.

Bulk internet deals are taking hold in hundreds of affordable housing developments across the U.S. today. In many, properties utilize managed Wi-Fi networks that offer always-on, no-equipment-needed access to the internet. Plus, bulk agreements include on-site tech support, customer care access and an easy-access help desk. Bulk contracts are helping to close the digital divide.

Bulk agreements are also ideal for luxury apartments, where many residents are heavy users of innovative home applications. They enjoy monitoring their homes while they are away.

In addition, all apartment types are experiencing drastic changes in their residents’ work-from-home lifestyles. This makes the need for bulk internet even more critical. Quality bulk agreements come with modern infrastructure, service-level obligations for providers, and great convenience for end users.

Some might suggest that bulk agreements limit options. In general, this isn’t the case – alternatives continue to be available from legacy providers. Plus, as a long-time bulk service provider, I can tell you that the level of competition to win a bulk agreement is intense, sometimes involving more than seven to 10 competitors bidding for these rights.

The FCC got it right by leaving bulk agreements untouched. The merits are clear, and consumer benefits are apparent.

I hope the FCC continues to get it right. ❖

*Bryan Rader is the president of MDU for Pavlov Media.*

