

Consumer FAQ: Rules for Service Providers in Multiple Tenant Environments

Apartments, condominiums, and office buildings are homes and workplaces for millions of Americans. To promote competition and consumer choice, the FCC regulates access to telecommunications, cable, and broadband services in these "multiple tenant environments," or MTEs for short. These rules regulate the kinds of agreements service providers may enter into with landlords and prohibit certain anti-competitive arrangements. Additional rules recently went into effect that place new obligations and restrictions on service providers in MTEs.

If you are tenant in an MTE, or own or manage one, check out the FAQ below, along with the overview of new FCC rules for MTEs, to gain a better understanding of how you may be affected.

Consumer FAQ

Is my building an "MTE" covered by FCC rules?

The FCC defines MTEs as commercial or residential premises such as apartment buildings, condominium buildings, shopping malls, or cooperatives that are occupied by multiple entities. MTEs also encompass centrally managed residential real estate developments, such as gated communities, mobile home parks, or garden apartments.

The owner of my building won't allow access to my desired provider. Are they violating FCC rules?

FCC rules only apply to certain service providers and not to landlords, so a landlord may refuse to allow other service providers to offer service to tenants. While a service provider may not enter into an agreement that grants exclusive access to an MTE property, a landlord may still choose the providers it allows into the building, even if that means only one company provides service.

My building requires that residents pay for a service from a provider that I don't want. Does this violate FCC rules?

Not necessarily. The FCC does not currently prohibit what are known as bulk billing arrangements. Under such an arrangement, a company agrees to provide service to every tenant of a building, who are then billed a prorated share of the total cost. Under these arrangements, tenants may be billed by either the landlord or the service provider.

FCC rules do prohibit service providers from entering into bulk billing contracts with landlords that grant the service provider the exclusive right to access and serve a building. These types of contracts harm competition by stopping additional providers from serving tenants in a building, and limit consumer choice.

I'm eligible for the Affordable Connectivity Program (ACP), but my provider says I don't qualify because I pay my apartment landlord for broadband. Can I still receive the ACP discount?

A resident of an MTE who is eligible to participate in the Affordable Connectivity Program may apply the ACP discount to a monthly broadband bill paid to a landlord under a bulk billing arrangement if the service



provider participates in the program. However, residents in a bulk billing situation that pay the landlord for broadband and not the service provider would need the landlord and service provider to work together to ensure that the ACP discount is passed along to the resident. Additionally, service providers are not required to participate in the Affordable Connectivity Program, so if the service provider does not participate, or the landlord refuses to cooperate, a resident may not be able to apply the ACP discount to the monthly broadband bill charged by the apartment or landlord.

A resident eligible for the Affordable Connectivity Program could still apply the discount to another broadband service, such as a mobile broadband plan offered by a participating provider. However, in these situations, the resident would pay for both the bulk billing service as well as the other service for which they apply the ACP discount. More information about the Affordable Connectivity Program can be found on the FCC's <u>website</u> at <u>https://www.fcc.gov/acp</u>.

Overview of MTE Rules

Exclusive contracts between landlords and service providers are prohibited.

Service providers are prohibited from entering into contracts with landlords that grant the service provider the exclusive right to access and serve a building. These types of contracts can harm competition by stopping additional providers from serving tenants in a building, and limit consumer choice.

Certain kinds of revenue sharing agreements are restricted.

A revenue sharing agreement is a contract that gives a portion of a service provider's revenue generated from subscribers in a building to the landlord, which can discourage landlords from allowing other companies from offering service to tenants. FCC rules prohibit two types of revenue sharing agreements:

- Exclusive revenue sharing agreements, under which a provider pays a landlord in exchange for access to a building and prohibits the landlord from agreeing to a similar agreement with other providers; and
- *Graduated revenue sharing agreements*, under which a provider pays a landlord a greater percentage of revenue as the number of subscribers it serves in a building increases.

Disclosure of exclusive marketing arrangements is required.

An exclusive marketing arrangement is a contract that permits only the service provider to advertise its services in a building. These types of arrangements can mislead tenants about the availability of service from other companies. To help tenants, the FCC requires conspicuous and easy-to-understand disclosures

on service-provider created written marketing material for tenants of a building when an exclusive marketing arrangement is in place.

Requirements for what happens to wiring in a building or unit after a landlord or tenant ends its relationship with a service provider must be met.

In general, service providers must either: remove the wiring; abandon but not disable or prevent access to the wiring; or make the wiring available for purchase by the tenant, landlord, or an another service provider.

How to Report Suspected Violations

I believe that a service provider has entered an illegal arrangement with my landlord. Who do I report this to, and how?

If you wish to file an informal complaint with the FCC, visit the Consumer Complaint Center website.

I'm troubled by a service provider's conduct, even if it's not a violation of FCC rules. How can I share my concerns?

The FCC continues to monitor competition in multi-tenant environments. We encourage individuals to share their experiences via the FCC docket on MTEs, GN 17-142. Comments can be submitted to FCC's Electronic Comment Filing System (ECFS). Instructions for filing can be found on the ECFS website at https://www.fcc.gov/ecfs/help/ecfs.

Resources

Background on New MTE Rules

- <u>FCC Acts to Increase Broadband Competition in Apartment Buildings</u> (February 15, 2022)
- <u>FCC Seeks Comment on Broadband Access in Multi-Tenant Buildings</u> (September 7, 2021)
- Improving Competitive Broadband Access to Multiple Tenant Environments (July 12, 2019)

Code of Federal Regulations for MTEs

- 47 CFR § 76.2000: Exclusive Access to Multiple Dwelling Units Generally
- 47 CFR § 64.2500 et seq: Prohibition on Exclusive Telecommunications Contracts
- 47 CFR 76.800 et seq: Cable Inside Wiring

Alternate formats

To request this article in an alternate format - braille, large print, Word or text document or audio - write or call us at the address or phone number at the bottom of the page, or send an email to <u>fcc504@fcc.gov</u>.

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