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April 10, 2024

**VIA ELECTRONIC FILING**

Marlene Dortch, Secretary  
Office of the Secretary  
Federal Communications Commission  
45 L Street NE  
Washington, DC 20554

Re: ***Improving Competitive Broadband Access to Multiple Tenant Environments, GN Docket No. 17-142***

Dear Ms. Dortch:

Blue Stream Communications, LLC (“Blue Stream Fiber”), by its attorney, hereby submits this letter summarizing *ex parte* meetings with the Federal Communications Commission (“FCC” or “Commission”) held via videoconference regarding the above-referenced docket.

On April 8, 2024, Blue Stream Fiber’s Chief Executive Officer Joe Canavan and Vice President and General Counsel Philip Kantor, along with Blue Stream Fiber’s undersigned counsel (collectively, the “Parties”), met with Jodie May Donovan and Michele Berlove of the FCC’s Wireline Competition Bureau. In separate meetings, the Parties also met with Elizabeth Cuttner, Legal Advisor to Chairwoman Jessica Rosenworcel, and with Hayley Steffen, Legal Advisor to Commissioner Anna Gomez.

In response to the March 5, 2024 News Release from Chairwoman Rosenworcel describing a proposal to ban certain bulk billing arrangements and to allow tenants to opt out of such arrangements,<sup>1</sup> the Parties noted that, in 2010, the FCC concluded that the benefits of bulk billing outweigh its harms and chose not to take any action that would raise prices for residents receiving services under bulk billing arrangements.<sup>2</sup> Given that history and the current robust

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<sup>1</sup> News Release, *FCC Chairwoman Announces Push to Lower Broadband Costs & Increase Choice for Families Living in Apartment Buildings* (March 5, 2024), available at <https://docs.fcc.gov/public/attachments/DOC-400915A1.pdf>.

<sup>2</sup> *Exclusive Service Contracts for Provision of Video Services in Multiple Dwelling Units and Other Real Estate Developments*, Second Report and Order, MB Docket No. 07-51, 25 FCC Rcd 2460, 2470-71, paras. 26-28 (2010) (“2010 Order”). See also *Improving Competitive Broadband Access to Multiple Tenant Environments*, GN Docket No. 17-142, 37 FCC Rcd 2448, 2453-54, para. 10 (2022) (noting that the Commission in 2010 also stated it may review marketplace

and competitive bulk billing marketplace, the Parties questioned the timing of and need for the FCC's review of and proposed ban on bulk billing arrangements.

Mr. Canavan described Blue Stream Fiber as a company that primarily focuses on providing high-speed internet and video services under bulk billing arrangements to buildings and communities represented by Homeowners and Condominium Associations ("Associations"). The company also provides services to apartment residents using bulk billing agreements. Operating in Florida for more than 45 years, Blue Stream Fiber is an alternative to legacy cable and telecommunications companies. Blue Stream Fiber has provided communities with fiber-to-the-home services since 2002 and employs almost 600 full-time team members. The company has direct customer relationships with more than 350,000 residents in the state, mostly aged 55+, and spends over \$150 million per year building fiber networks that provide its customers with high-speed internet connectivity and optional add-on services including video, telephone, and alarm monitoring. Blue Stream Fiber has been very successful in delivering high-speed internet services at affordable prices, evidenced by 99% of its customers rating the company at four or five out of five stars in customer satisfaction.

Blue Stream Fiber's business model enables the company to provide fiber-based internet services that are significantly better and priced up to 65% lower than traditional cable and telecommunications company rates for internet services because they sell to entire communities using bulk billing arrangements. Blue Stream Fiber's customers also have a direct path to contact and work with the company, receiving contractual customer service commitments and benefits that are on par with what enterprise customers receive.

This is a highly competitive marketplace whereby Associations use their considerable collective bargaining power to negotiate benefits and deeply discounted pricing through a Request for Proposal ("RFP") process. With input from residents, and sometimes employing professional technology consultants, Associations issue RFPs that typically attract five to seven bidding providers for each contract. The superior bargaining power held by Associations enables them to negotiate bulk discounts and enhanced services for their entire communities, allowing providers to offer service efficiently at low cost to each resident because everyone contributes to the costs of providing service. Depending on the services selected by each resident, the monthly cost of internet alone or internet plus additional services would be \$60 to \$175 higher if provided by an alternative service provider to the consumer on a retail basis. Mr. Canavan also noted that Association residents have an additional measure of consumer protection under Florida Law, as Association members may vote to cancel bulk billing contracts negotiated and entered into by Associations on their behalf under certain circumstances.<sup>3</sup>

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conditions in the future to determine if bulk billing practices are "having new and significant anti-competitive effects." (quoting *2010 Order* at para. 9)).

<sup>3</sup> See Fla. Stat. Ann. § 718.115(1)(d)(1.) (concerning condominiums); Fla. Stat. Ann. § 720.309(2)(a) (concerning homeowners' associations).

The Parties further described the value of Blue Stream Fiber's services from the perspective of its client Rich Bobker, President of Kings Point Homeowners Association, explaining how many low-income seniors and residents on fixed incomes would have to forego television and/or internet services without the low-cost options that bulk billing provides in their community.

In response to questions from FCC staff, the Parties explained that Blue Stream Fiber is able to provide high-quality installation, education, and maintenance to support its services because the company maintains direct relationships with each resident, negating the need for residents to go through their property managers or landlords to get customer support. The Parties also explained that they provide the same level of service and support to apartment residents as they provide to residents of communities represented by Associations. In response to information shared by FCC staff about complaints from some Affordable Connectivity Program (ACP)-qualified residents—that they were not allowed to use their ACP benefit to cover the cost of internet service provided through bulk billing arrangements—Mr. Canavan explained that the company sought guidance from the FCC regarding how they could, within program rules and restrictions, allow qualified customers to successfully apply the ACP benefit to Blue Stream Fiber's services.

Regarding the FCC's proposal to allow tenants to opt out of bulk billing arrangements, the Parties explained that the company supports the right of consumers to have choices for their internet service, and reiterated that, in Associations, residents exercise that choice through their elected representatives who collectively bargain on their behalf. In fact, Associations are able to negotiate bespoke terms of service which reflect the specific interests and needs of the community, a level of choice which is not available to retail consumers. Also, to the extent residents are not being provided high-quality services, they should be able to (and are able to) secure services from a different provider, should they choose to do so. At the same time, the Parties emphasized that the bulk billing model only works to provide high quality internet services at affordable prices where all residents in a community share the cost associated with providing the service.

The Parties further emphasized that the services provided by Blue Stream Fiber using bulk billing arrangements are highly valued and sought-after by communities in Florida, and that their service offerings meet the FCC's goals of providing reliable high-speed internet service at affordable prices. They further stated that disallowing bulk billing arrangements or allowing residents whose interests are fully represented by their elected boards and Associations to opt out of bulk billing agreements: (a) will result in higher prices and thereby force certain residents to forego these vital services because they will no longer be able to afford them, and (b) likely will dissuade other providers from offering comparable services to that community at affordable prices. A ban on bulk billing arrangements would run directly counter to the FCC's intentions to increase competition, as opportunities for bulk contracts encourage competition among providers to enter new communities, and offer services with more favorable pricing and service terms than would otherwise be available to consumers.

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Finally, the Parties declined to offer specific questions for the Further Notice of Proposed Rulemaking under consideration, but generally encouraged FCC staff to seek comment on the benefits of bulk billing arrangements negotiated by Associations rather than propose or tentatively conclude that they should be broadly banned, and on the effect to consumers' ability to get high-speed internet services at affordable prices if the FCC prevents Associations from negotiating all-in bulk billing arrangements for their residents.

Attached hereto is a presentation shared with FCC staff describing additional details of the Blue Stream Fiber's service offerings, the value provided to consumers, and the benefits the company offers to communities through bulk billing arrangements.

This notice is being filed in the above-referenced docket for inclusion in the public record in accordance with the Commission's rules. Please direct any questions to the undersigned.

Respectfully Submitted,

*/s/ Diane Griffin Holland*

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Diane Griffin Holland  
*Counsel for Blue Stream Communications LLC*

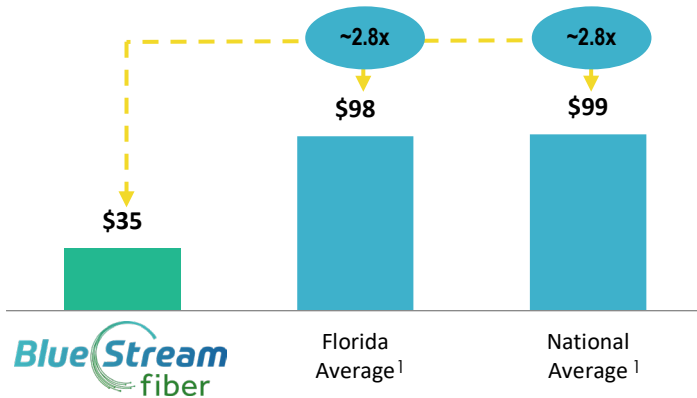
cc: Elizabeth Cuttner  
Hayley Steffen  
Jodie May Donovan  
Michele Berlove

Attachment

**Bulk providers, like Blue Stream Fiber, deliver high-quality fiber based services with enterprise-grade level commitments, high touch installation and white-glove support at ~1/3 of the non-bulk price.**

## Pricing is Much Lower

<sup>1</sup> Gig Plan Pricing (\$ / Month)



## Customer Service is Guaranteed



**Retail Providers**

- ✓ Network uptime, call answer time, network outage response time, service visit response time, video service quality
- No contractual service level commitments

## Turn-Key Installation & Education



**Retail Providers**

- ✓ White glove installation, 1-on-1 customer education with technician at install, dedicated full-time support for larger communities
- Self-installs, limited/no human communications, minimal customer support

1. FCC 2024 Urban Rate Survey data, average monthly charge for all Florida / U.S. 940 and 1,000 Mbps plans, excluding Blue Stream and Hotwire (known bulk providers).

**Homeowner / condo associations (“HOA / COAs”) leverage collective bargaining to drive competition and obtain the best services and pricing.**

	1970s – 1980s	1990s	2000s – 2010s	Today
Focus	Year-Round Video Service	Digital Cable	TV, Internet, Early Fiber Networks	<b>All Inclusive Services &amp; Guarantees: TV, Internet, Fiber, Enhanced Support</b>
Competitors	1	2	3	5 - 7
Savings	\$	\$\$	\$\$	\$\$\$\$ (up to 65% off)
Service & Support Enhancements	NA	NA	<ul style="list-style-type: none"> <li>✓ Dedicated Phone Number</li> <li>✓ Included all additional devices (Wi-Fi, Modem, Set-top)</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>Dedicated Phone Number</b></li> <li>✓ <b>Included all additional devices (Wi-Fi, Modem, Set-top)</b></li> <li>✓ <b>Guaranteed Service Up time</b></li> <li>✓ <b>1 Min call hold times</b></li> <li>✓ <b>Same day in-home support</b></li> <li>✓ <b>&amp; More</b></li> </ul>



## Kings Point HOA

55+ Community in Tamarac, Florida

4,869 units of condominiums, villas, and coach homes.

Over 9,000 Residents



“Our 9,000 senior residents at Kings Point In Tamarac rely on TV and Internet services for their healthcare, mental wellbeing, their connection to the world and the enjoyment of their daily lives. With Bulk pricing, all of our residents are able to afford this connection, because they are receiving both TV and Internet services for less than the price of just one service. Without the benefit of the substantial discounts that bulk provides, our residents, especially the older seniors on fixed incomes, would need to forego their TV and/or Internet services because they could no longer afford them.” – **Rich Bobker, President, Kings Point In Tamarac Homeowners Association**