



The Benefits of Bulk Billing Arrangements... and the FCC Chairwoman's Misguided Proposal to Regulate Them

Regulating bulk billing arrangements would directly harm millions of consumers by increasing the cost and decreasing the quality of their broadband and video services, while also hindering efforts to bridge the digital divide.

What Are Bulk Billing Arrangements?

- ▶ Bulk Billing is an arrangement between a service provider and a property of multi-dwelling units (MDUs), such as apartments, community-governed properties, senior living facilities, and student housing. They are mostly found in larger MDUs, which account for about 30% of the nation's housing stock, or roughly 43.7 million units.
- ▶ Under these agreements, the service provider delivers service to all units in the property – services could be internet only, or internet and video bundled together.
- ▶ Bulk billing offers an alternative to purchasing internet and video through a retail model (where an individual contracts directly with a provider).
- ▶ The property generally holds a competitive process (e.g., requests for proposals, or RFPs) to select the service provider for bulk billing.
- ▶ Services provided under bulk billing are treated similarly to other property amenities, with the price for the service included in the property's community fees or rent.
- ▶ Today, about 5.6 million housing units benefit from bulk billing, and that number is steadily growing.

Bulk Billing Arrangements Provides Significant Benefits

- ▶ **Lower Prices**
 - ▶ Monthly bulk billing pricing is generally 50% lower than promotional pricing for comparable retail packages.
 - ▶ Retail plans commonly charge additional nonrecurring fees, such as install fees, that are typically absent from bulk billing plans.
- ▶ **Higher Quality Services**
 - ▶ High infrastructure investment enables the provision of higher speeds and digital amenities at no added cost to the resident.
 - ▶ Bulk billing creates a better customer experience due to convenient setup, guaranteed reliability, and dedicated customer service.
- ▶ **Closes the Digital Divide**
 - ▶ Bulk billing's lower prices and lack of upfront fees help reduce affordability barriers to adoption.
 - ▶ Common internet enrollment barriers, such as credit checks, are absent in the bulk billing model.

The FCC Chairwoman's Proposed Reversal on Bulk Billing Arrangements Will Harm Consumers

A 2010 FCC study found bulk billing benefits consumers, leading the agency to decide against regulating them. It said:

“[B]ulk billing arrangements predominantly benefit consumers, through reduced rates and operational efficiencies, and by enhancing deployment of broadband. Based on the evidence of all the effects of bulk billing on consumers, we do not prohibit any MVPD from using bulk billing arrangements.”

In 2017, the FCC again sought comment on bulk billing. The agency did not seek to adopt new rules for bulk billing thereafter.

Now, in 2024, the FCC Chairwoman proposes to reverse course and eliminate bulk billing or require that residents of MDUs with bulk billing be given the option to opt out of them – a misguided plan that will harm consumers.

While allowing residents to opt out of bulk billing might initially seem appealing to consumers, in reality, it prevents MDUs from leveraging their residents' buying power to demand better deals from service providers. Ultimately, this harms consumers by preventing residents from being collectively organized to secure lower prices and higher quality services through bulk billing.

Widespread Support for Bulk Billing Arrangements

Consumers, community organizations, broadband advocates, and providers are urging the FCC to abandon the proposed action and protect bulk billing.

“As our society's reliance on technology continues to grow, the disparity between those with and without internet connection disproportionately affects our lowest-income households including people of color, older adults, and persons with disabilities. Public housing authorities are crucial to narrowing the digital divide since they house and serve the lowest-income households in our country. Because of bulk billing arrangements, CLPHA members can subsidize the cost of internet or offer affordable rates to residents living in public housing units.”

► *Council of Large Public Housing Authorities (April 26, 2024)*



“The ability of a building owner to negotiate bulk billing arrangements with Internet Service Providers (ISPs) and Managed Service Providers (MSPs) enables competitive options such as managed Wi-Fi. The availability of these competitive options leads to lower prices, better service quality, and higher internet adoption amongst residents in affordable multifamily housing.”

► *EducationSuperHighway (April 3, 2024)*



“For many of our residents, these arrangements are more than just a way to save on monthly bills – they're a lifeline, ensuring that every family, regardless of income, can stay connected and informed in an increasingly digital world. I've seen firsthand the impact of these arrangements on our community.”

► *Alix Desulme, North Miami Mayor (April 5, 2024)*

