



The Benefits of Bulk Billing Arrangements

Bulk billing provides millions of Americans with significantly lower-priced, higher-quality broadband service compared to individual retail plans, which in turn helps in closing the digital divide.

What is Bulk Billing?

- ▶ Bulk Billing refers to 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. These arrangements 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 within 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 conducts a competitive selection process (e.g., requests for proposals, or RFPs) to choose 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 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 in 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.

Reasons Why Bulk Billing Enables Consumer Benefits

▶ More Competition

- ▶ There are generally 2-3 retail internet service providers (ISPs) in a region; they are also bulk deal competitors.
- ▶ The bulk model generally attracts up to three additional ISPs (e.g., bulk specialists, nearby retail ISPs) that are willing to build last mile connections to MDUs conditional on 100% penetration at the MDU.

▶ Reduced Provider Costs

- ▶ Compared to retail, the bulk billing model spreads upfront investment costs across all units and reduces operational costs.
- ▶ This allows providers to pass on greater savings to consumers.

▶ Increased Purchasing Power

- ▶ Collective negotiations provide consumers with more bargaining power.
- ▶ MDUs can afford to utilize experts (e.g., agreement specialists) to help negotiate the best prices and terms in bulk billing arrangements.

Widespread Support for Bulk Billing

A broad coalition of stakeholders have recognized the benefits of bulk billing, including dozens of members of Congress, over 50 mayors, and other elected state and local leaders from across the political spectrum, as well as housing organizations, internet service providers, broadband adoption advocates, and free-market groups. The following quotes illustrate the widespread support for bulk billing from key stakeholders:



"One key factor behind the deployment of better broadband infrastructure and more affordable service, particularly for apartment and multi-unit dwelling residents, is the utilization of bulk billing arrangements. These arrangements leverage the collective buying power of residents to secure significantly lower prices for broadband internet, compared to individual plans. Moreover, these agreements deliver robust services and great customer service to residents."

▶ *51 Bipartisan Mayors Representing Cities Across the Nation*



"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*



"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*