

**STATEMENT OF
CHAIRMAN AJIT PAI**

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

Melrose Place, The Jeffersons, Seinfeld, Perfect Strangers, Three's Company, Friends, Good Times, and The Big Bang Theory. What do these television shows have in common? Each takes place in an apartment building—or, in the parlance, a multiple tenant environment (MTE). MTEs are residential or commercial premises, including apartment buildings and shopping centers, that are occupied by multiple tenants.

People who live or work in MTEs want and need high-speed Internet access. But we've heard that there are sometimes barriers that discourage or even prevent broadband providers from serving them. For instance, a few months ago, I visited Rocket Fiber in Detroit, Michigan. I saw for myself how this scrappy startup is connecting Motor City residents with a new gigabit broadband network. But the company explained to me that they were having trouble getting access to MTEs in order to provide Internet access and competitive choice to folks in apartment buildings. This is a problem for both the tenants (for obvious reasons) and the company (since it could get a bigger return on investment serving a more densely-populated geographic area).

To make sure we've got an accurate snapshot of the broadband marketplace within MTEs, we're beginning this *Notice of Inquiry*. We'll also think about what we can and should do to incentivize Internet service providers to make infrastructure investments relating to MTEs.

Among other things, we'll look at the state and local regulatory landscape. For example, in an effort to promote competition within MTEs, at least one community has banned certain contractual arrangements that guarantee an Internet service provider the undisturbed use of inside wiring. However, new entrants apparently often use such contracts as evidence of likely success when seeking funding from lenders or investors. Does banning such contracts enhance or diminish competition in the broader marketplace? We're soliciting the facts that will help us answer that question.

Additionally, some argue that certain business practices impede competition, such as Internet service providers making deals with landlords or homeowners associations to exclusively market to residents, or to bill all of them together at a discount. It's also been suggested that revenue-sharing agreements between ISPs and landlords aren't in the best interest of residents. On the other hand, many contend these exclusive marketing and bulk-billing agreements may provide lower prices and better service to MTE residents. Who's right? Here, too, we hope to collect the facts that can inform our judgment.

In sum, we're faced with tough questions of both law and economics. I hope that this *Notice* presages a healthy discussion. For whether Americans live in a deluxe apartment in the sky, 129 West 81st Street, a Chicago housing project, or a stylish courtyard apartment complex in West Hollywood, they deserve digital opportunity.

Finally, as we commence this inquiry, I would like to thank the dedicated staff of the Wireline Competition Bureau, the Media Bureau, and the Office of General Counsel for their work on this item: Michelle Carey, Adam Copeland, Katie Costello, Madeleine Findley, Martha Heller, Daniel Kahn, Karen Kosar, Billy Layton, Bakari Middleton, Kris Monteith, Mary Beth Murphy, Brendan Murray, Eric Ralph, and John Visclosky.