

# NAR Issue Summary

## Commercial / Forced Access

### **NAR Committee:**

Commercial Federal Policy Committee

### **What is the fundamental issue?**

On October 31, 2007, the Federal Communications Commission (FCC) voted to ban exclusive agreements between video providers and operators of apartment communities. Apartment owners use exclusive contracts to leverage the telecommunications options available to them and negotiate the best possible deal for residents in terms of services, costs, and reliability and other customer service concerns. By banning both existing and future exclusive access agreements, the FCC will allow the large telecommunications companies to dominate the market. To provide video services, cable companies must invest in the wiring and infrastructure necessary to carry their services. Smaller providers can not afford to make this investment without some hope of recouping these costs through subscribers. Larger telecommunications monopolists can easily afford to overbuild and undercut these companies to the point that they force them out of business.

### **I am a real estate professional. What does this mean for my business?**

Real estate professionals involved in the sale, lease, and management of commercial space must prepare for increased tenant demand for advanced telecommunications products and capabilities due to expanding market competition, technological innovation, and regulatory reform. Unrestricted access could prohibit owners and managers from maintaining their properties and could undermine their ability to responsibly manage complex building systems in order to ensure tenant safety.

### **NAR Policy:**

NAR opposes all government-mandated building access proposals. Owners and managers of residential and commercial buildings should maintain the right to negotiate, select and control the telecommunications systems serving their tenants and facilities.

### **Opposition Arguments:**

Opponents of NAR policy will argue that by barring exclusive contracts, tenants will have more choice in telecommunications providers, and competition in that market will result in lower prices.

### **Legislative/Regulatory Status/Outlook**



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There has not been any action from the FCC and Congress on the Forced Access issue in several years. However, NAR will continue to press policymakers to pass regulation or legislation that will allow property owners to enter into exclusive contracts with telecommunication companies.

### **Current Legislation/Regulation (bill number or regulation)**

No action at this time.

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