

## Services

### [Technology](#)

## New FCC Rules Open Commercial and Residential Multi-Tenant Buildings to Broadband Competition

FCC rules released on February 15, 2022 prevent telecommunications carriers from entering exclusive revenue sharing agreements and tiered revenue sharing agreements with managers or landlords of commercial and residential MTEs.<sup>1</sup> In addition, telecommunications carriers must disclose to tenants of MTEs if their building has such an agreement. The disclosure must be made on marketing materials distributed to MTE tenants that inform tenants of the existence of an exclusive marketing arrangement.

The FCC also clarified that existing Commission rules regarding cable inside wiring prohibit so-called “sale-and-leaseback” arrangements which effectively deny access to alternative providers. A sale-and-leaseback arrangement is an arrangement whereby an incumbent provider conveys its inside wiring—typically both home and home run wiring—to a residential MTE owner and then leases it back on an exclusive basis; this allows the provider to gain an unfair competitive advantage over other would-be market entrants.

The rules take effect within 180 days of Federal Register publication, so most likely in late September 2022. **In the meantime, building owners, managers, and telecom providers should review their existing contracts to ensure that these agreements do not allow prohibited revenue sharing arrangements, and that they also do not include “sale and leaseback” of inside wiring.**

If you need guidance with these FCC rules, please contact attorney [John Reardon](#) or a member of our [Technology Practice Group](#). You may also visit us at [www.KutakRock.com](http://www.KutakRock.com).

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<sup>1</sup> Please see, In the Matter of Improving Competitive Broadband Access to Multiple Tenant Environments; FCC GN Docket No. 17-142, Report and Order and Declaratory Ruling; February 15, 2022.

