



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
PUBLIC SERVICE COMMISSION
NORMAN J. SAARI
COMMISSIONER

SALLY A. TALBERG
CHAIRMAN

RACHAEL EUBANKS
COMMISSIONER

SHELLY EDGERTON
DIRECTOR

February 1, 2017

Honorable Rick Snyder
Governor of Michigan

Honorable Members of the Senate
Secretary of the Senate

Honorable Members of the House of Representatives
Clerk of the House of Representatives

The enclosed annual report, Status of Competition for Video Services in Michigan, is submitted on behalf of the Michigan Public Service Commission (Commission) in accordance with Section 12(2) of the Uniform Video Services Local Franchise Act (2006 PA 480, or the Act). This report will be made available on the Commission's website at michigan.gov/mpsc. The purpose of this report is to describe the status of competition for video/cable services in Michigan. This report also details Commission activities for 2016 and provides an overview of the survey responses from franchise entities and video/cable service providers.

There are currently 38 cable providers offering service to over 2.1 million video/cable customers in Michigan. Even though subscribership decreased by approximately 178,000 from 2015, providers are continuing to report more competition in their franchise areas since the Act took effect. Providers reported investing over \$3.1 billion into the Michigan market since the Act became effective.

The number of video/cable complaints and inquiries received by the Commission in 2016 is lower than previous years as the number is based on only six months of data, as opposed to a full year. There was only a partial year of operations due to a lapse in funding authority. The Commission will continue to educate and inform customers of the dispute resolution process that was adopted in 2009, and will continue to monitor complaints regarding video/cable services in Michigan.

Similar to previous reports, it is noted that the Act does not cover satellite providers and as such this report does not include information on satellite providers which are viewed as a competitor to video/cable service providers.

February 1, 2017

Page 2

The Commission would like to express its appreciation to the Governor and Legislature in providing a permanent funding source for the video/cable operations by enacting Public Act 438 of 2016. The Commission also provides recommendations for additional legislative revisions pursuant to Section 12(2) of 2006 PA 480 to help improve the Commission's ability to more effectively implement provisions of the Act.

The Commission will continue to monitor the status of video/cable services competition in Michigan, which includes receiving and analyzing information from both franchise entities and video/cable service providers throughout Michigan. The Commission will also continue to assist individual customers, franchise entities, and providers with their questions and/or complaints. Finally, the Commission will inform the Governor and Legislature of any future developments and make the appropriate recommendations for needed legislation.

Sincerely,

Sally A. Talberg, Chairman
Michigan Public Service Commission

Norman J. Saari, Commissioner
Michigan Public Service Commission

Rachael Eubanks, Commissioner
Michigan Public Service Commission

STATUS OF COMPETITION FOR VIDEO SERVICES IN MICHIGAN

**Sally A. Talberg, Chairman
Norman J. Saari, Commissioner
Rachael A. Eubanks, Commissioner**

MICHIGAN PUBLIC SERVICE COMMISSION
Department of Licensing and Regulatory Affairs
In compliance with Public Act 480 of 2006

February 1, 2017



Table of Contents

	Page
Introduction	1
I. Responsibilities and Activities of the Commission	1
A. Statutory Responsibilities	2
B. Outreach	3
C. Complaint/Inquiry Handling	4
1. Informal/Formal Customer Complaints	4
2. Franchise Entity vs. Video/Cable Provider Complaints	6
II. 2016 Commission Survey to Franchise Entities and Providers	6
A. Franchise Entities' Responses to the Commission Survey	6
1. Complaints	7
2. Impact of the Video Franchise Act on Communities	8
3. Changes in Quality of Service and/or Service Offerings of Providers	9
4. Franchise Entities' Suggestions or Comments	10
B. Providers' Responses to the Commission Survey	11
1. Video/Cable Subscribers.....	12
2. Video/Cable Competition	13
3. Disputes.....	14
4. Investment in Michigan	14
5. Video/Cable Providers' Improvements/Enhancements in 2016.....	14
III. Recommendations	17
IV. Conclusion	18

Introduction

On January 1, 2007, the Uniform Video Services Local Franchise Act (hereinafter referred to as “2006 PA 480” or the “Act”) became effective. Section 12(2) of the Act states:

The commission shall file a report with the governor and legislature by February 1 of each year that shall include information on the status of competition for video services in this state and recommendations for any needed legislation. A video service provider shall submit to the commission any information requested by the commission necessary for the preparation of the annual report required under this subsection. The obligation of a video service provider under this subsection is limited to the submission of information generated or gathered in the normal course of business.

This Act directs the Michigan Public Service Commission (Commission) to provide information regarding the status of competition for video/cable services in Michigan, as well as any recommendations for needed legislation to the Governor and Legislature by February 1 of each year. For the 10th year, the Commission has collected information regarding the status of competition of video/cable services by developing electronic surveys for use by franchise entities (also referred to as municipalities or communities) and video/cable service providers operating throughout Michigan. The surveys, as well as the information collected from the surveys, are explained in further detail within the body of this report.

In addition to the survey information, this report provides a brief description of the Commission’s role as it pertains to the Act as well as the Commission’s video/cable franchise activities (including complaint handling) during 2016. This report also includes information relating to recommendations for legislative changes and the Commission’s conclusion on the status of video/cable competition for 2016.

I. Responsibilities and Activities of the Commission

This section provides an overview and analysis of the responsibilities and activities of the Commission since the Act became effective, and more specifically, during the 2016 calendar

year. These responsibilities and activities have been divided into the following categories: Statutory Responsibilities, Outreach, and Complaint Handling.

A. Statutory Responsibilities

This Act became effective on January 1, 2007. The Commission established a statewide uniform standardized form to be used by both video/cable service providers (providers) and franchise entities pursuant to Section 2(1) of the Act. The Uniform Video Service Local Franchise Agreement (Agreement) was formally approved on January 30, 2007 by the Commission in Case No. U-15169. The Agreement can be found on the Video/Cable section of the Commission's website.¹

The Act required the Commission to develop a proposed dispute resolution process, which was submitted to the Legislature in compliance with Section 10(3) of the Act. Public Act 4 of 2009 established the video/cable dispute resolution process. The Commission offers the dispute resolution process for the following types of complaints: customer vs. provider; franchise entity vs. provider; and provider vs. provider.

The Act provides that the Commission shall receive and rule on waiver requests from providers for an extension of requirements in Section 9 of the Act (deployment of services) and provides for the monitoring of the providers' compliance through annual reports. To date, the Commission has not received any such waiver requests. However, after multiple attempts to contact Martell Cable Service, Inc. and RCI Broadband they both failed to provide compliance information with the Commission during 2016. The Commission will review this issue for any further action.

¹ The Agreement, as well as the Act, can be located at: michigan.gov/mpsc/0,1607,7-159-49641---,00.html.

Also, due to a lapse in funding authority on December 31, 2015, operations ceased until a temporary solution was secured.² On January 3, 2017 Governor Snyder signed SB 1087 into law which created a permanent funding solution, Public Act 438 of 2016.

B. Outreach

Video Franchise Staff continue to make efforts to meet with representatives from various cable companies as well as local municipalities in an effort to keep communication open between the Commission and those impacted by the Act.

Updates and enhancements are continually being made to the Commission's video franchise webpage.³ An interested customer can go to the video franchise webpage and click on "Video Cable Providers Offering Service in Michigan" and view an updated list of all video/cable providers offering service as well as contact information for each provider. In addition, there is a link on the video franchise webpage to Michigan's Interactive Broadband Map.⁴ The map is detailed, user-friendly, and allows users to see if Internet service – including Internet service offered by a video/cable provider – is available in a particular area, and if so, which providers are offering those services.⁵

Other items on the video franchise webpage include: 2006 PA 480, Frequently Asked Questions (FAQs), the Uniform Video Services Dispute Resolution Process (Public Act 4 of 2009), Consumer Tips,⁶ an online complaint form, contact information for Video Franchise, and an archive containing the Video Competition Reports.

² The Commission resumed handling video/cable complaints on July 1, 2016, when a temporary source of General Fund monies was identified and funds were transferred to the MPSC to allow the statutory requirement to be carried out. Note: A letter was sent to the legislature in lieu of the 2015 report.

³ <http://www.michigan.gov/mpsc/0,1607,7-159-49641---,00.html>

⁴ <http://connectmi.org/>

⁵ The map provides broadband internet information from participating providers. In addition, since providers continually expand and enhance their infrastructure, it is recommended that consumers contact the potential provider for assurance that service is available and can be offered.

⁶ http://www.michigan.gov/mpsc/0,4639,7-159-16368_16408---,00.html

C. Complaint/Inquiry Handling

Complaints and inquiries are received in several ways: by calling the Commission's toll-free telephone line, fax, mail, online complaint form, and customers can walk into the Commission's office. The video/cable franchising section also receives complaint and inquiry referrals from the Governor's office, legislative staff, the Attorney General's office, the director of the Department of Licensing and Regulatory Affairs, and other state agencies.

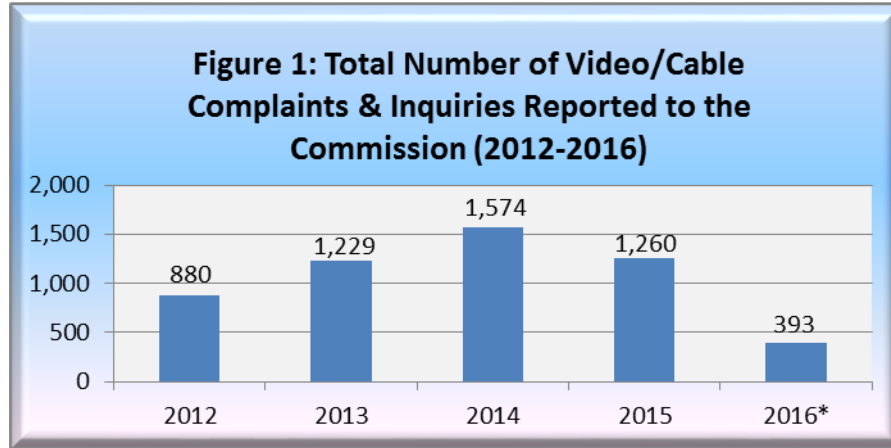
When contacting the Commission, a customer record is created for each customer complaint and/or inquiry. These records allow the Commission to track the history and progress of the customer's complaint to resolution and collect data to analyze complaint and inquiry trends. Video Franchise Staff respond directly to a customer's inquiry or complaint, and when appropriate the complaint is forwarded to a provider complaint representative for resolution. The Commission follows the dispute resolution process as set forth in Public Act 4 of 2009.

1. Informal/Formal Customer Complaints

The Commission received 393 video/cable customer complaints and inquiries from July 1, 2016 to December 31, 2016. As stated earlier, due to a lack of funding authority, Video/Cable operations ceased between January 1, 2016 and June 30, 2016. Previous years' complaint reporting encompassed the respective entire year.

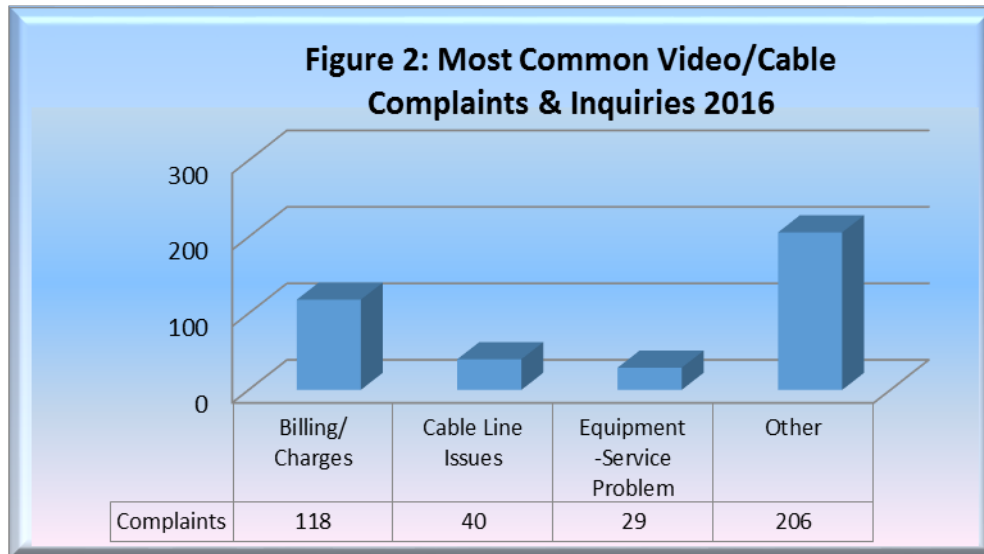
The 393 complaints and inquiries are those that are fully documented and reported to the Commission and do not include calls where customers were not willing to provide their name and contact information. Follow-up calls and the reopening of a complaint are not documented as a new complaint unless the complaint consists of an additional problem not originally reported

by the customer. Figure 1 below shows the number of video/ cable complaints and inquiries filed at the Commission over the past five years (2012 – 2016):



*July 1, 2016 to December 31, 2016
 Source: MPSC Complaint Data

The Commission continues to assist customers on a variety of issues regarding billing, false or misleading information, equipment service problems, cable line issues, customer service, and request for service – among others. Figure 2 provides a listing of the most common types of video/cable complaints and inquiries filed with the Commission in 2016:



Source: MPSC Complaint Data

Of the 38 cable providers operating in Michigan, the Commission received video/cable complaints and inquiries pertaining to 10 different cable providers. The three providers with the most complaints and inquiries filed with the Commission in 2016 were Comcast (64 percent), AT&T (14 percent) and Charter (11 percent).

Customers who remain dissatisfied with the informal complaint process have the option to file a formal complaint pursuant to the Act. There was one formal customer complaint (U-18165) filed in 2016, which was resolved via formal mediation.

2. Franchise Entity vs. Video/Cable Provider Complaints

The Commission did not receive any informal complaints filed on behalf of a franchise entity against a video/cable provider in 2016.

The Commission received two informal mediation requests from cable providers with complaints against municipalities. Both cases were informally mediated by Commission Staff. One case has since been successfully resolved, while the other is nearing resolution.

II. 2016 Commission Survey to Franchise Entities and Providers

As in the past, the Commission developed an electronic survey for franchise entities, as well as a separate survey for providers.

A. Franchise Entities' Responses to the Commission Survey

As in prior years, the Commission made the survey form available on its website for franchise entities to complete. The online survey was available October 21 – November 18, 2016.

Although the franchise entity survey is not mandatory and not required by the Act, the Commission believes it is important to continue collecting information from municipalities regarding the video/cable environment in their communities. Notification letters were sent to

over 1,700 municipalities informing them of the location and availability of the survey, and encouraging communities to respond. The Commission also included with the notification letter two Video Franchise Consumer Tip Sheets, one that describes the dispute process for customers to file a video/cable complaint, and one for municipalities that explains the process to file a complaint against a cable provider.

Of the more than 1,700 municipalities that the survey notification letters were sent to, 376 communities responded and 205 responded for the first time this year. The compiled responses provide a cross-section of information necessary for analyzing video/cable service and competition in Michigan. The Commission believes it is important to include this information in this report; however, the responses do not necessarily reflect the views of the Commission. Of the municipalities that responded, 103 new respondents requested to be added to the Commission's listserv.⁷

1. Complaints

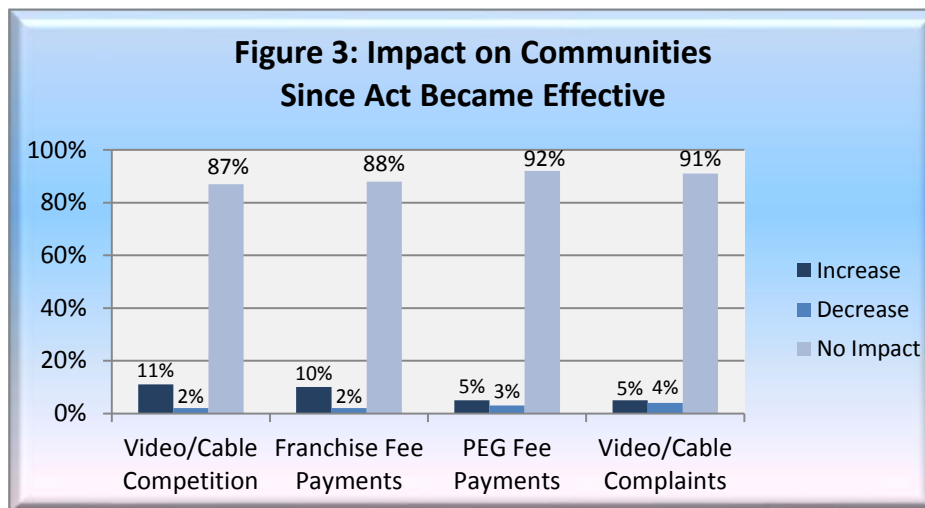
Of those municipalities that responded to the survey regarding customer complaints, 83 percent indicated they no longer take video/cable complaints. The Commission has continued to make an effort to inform municipalities about Public Act 4 of 2009 (the dispute resolution process) resulting in 67 percent of the respondents in this year's survey stating they are aware of Public Act 4 of 2009, with 75 percent of responding municipalities indicating they are aware the Commission can assist customers, franchise entities, and providers with video/cable inquiries and/or complaints.

⁷ The Commission's listserv is an email distribution list to which individuals may voluntarily subscribe to in order to receive updates and information related to the activities at the Commission.

Of those municipalities that continue to respond to video/cable complaints from their residents, the four most frequent complaints received by municipalities are rates,⁸ customer service, service equipment issues/outages, and billing issues. Although less frequently, municipalities also received various other complaints.⁹ In 2016, 99 percent of respondents indicated they have not had any form of dispute with a provider regarding a franchise agreement.

2. Impact of the Video Franchise Act on Communities

Municipalities were surveyed on the impacts they have witnessed within their communities since the Act took effect. Similar to previous years, the impacts that were highlighted are: Video/Cable Competition, Franchise Fee Payments, Public, Education and Government (PEG) Fee Payments, and Video/Cable Complaints. Figure 3 displays community responses relative to the four categories since the Act became effective:



Source: MPSC Franchise Entity Survey

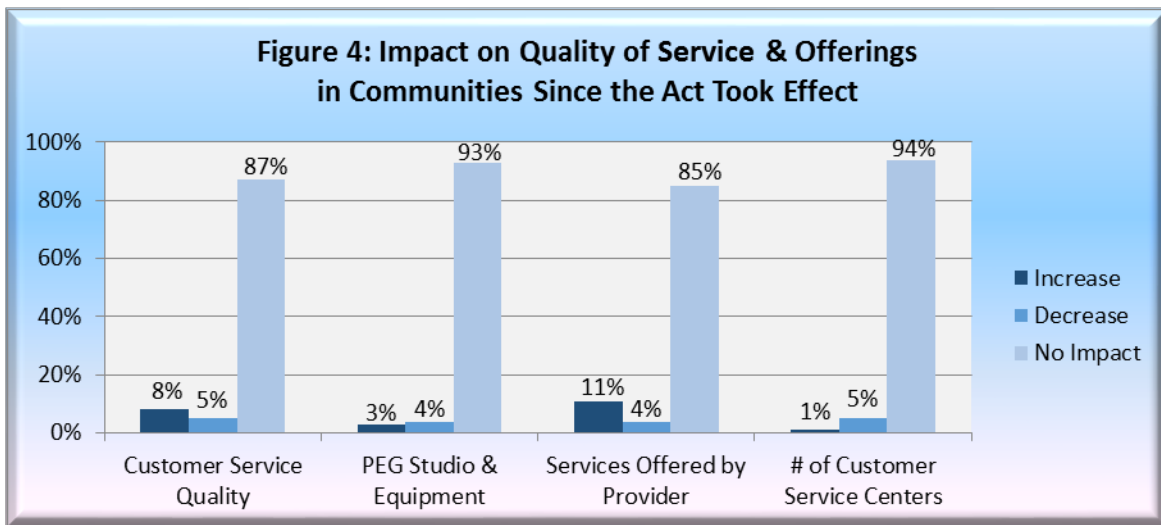
⁸ Pursuant to 2006 PA 480, neither the Commission, nor the franchise entity has rate regulatory authority or control over a provider. The Commission does not regulate video/cable rates.

⁹ “Other” complaints received included: availability/no service, data caps, expansion of services/lack of development, unburied/low hanging cables, property damage, channel availability/no local stations, and installation outside of easements.

Similar to previous years, a high percentage of communities that responded reported no impact in each of the four categories.¹⁰

3. Changes in Quality of Service and/or Service Offerings of Providers

As in previous years, the Commission asked the municipalities to report on the changes they perceived occurring throughout their communities during 2016 regarding Customer Service Quality, PEG Studio and Equipment, Services Offered by Providers, and the Number of Customer Service Centers. Figure 4 reflects those responses from the municipalities:



Source: MPSC Franchise Entity Survey

In 2016, a large percentage of municipalities reported “no impact” in each of the four categories since the Act took effect.

Municipalities also provided feedback regarding whether a PEG channel is available. Based on the responses received, 41 percent of municipalities indicated their community has a designated PEG channel.

¹⁰ It is important to keep in mind that those communities that responded last year are not necessarily the same communities that responded this year. Therefore, it is important to not make a direct comparison and make the assumption that this is representative of the entire state.

4. Franchise Entities' Suggestions or Comments

Franchise entities were provided the opportunity to offer any comments, recommendations, and/or suggestions.¹¹ The following summarized comments were received by the Commission:

Lack of competition is still a concern for some Michigan municipalities. Municipalities commented the Act has increased competition for some, but not all, residents. Municipalities stated lack of competition has caused an increase in costs, some of which have doubled in price. Municipalities believe more competition would ensure better service quality, better customer service, and offer cheaper options such as bundling and faster internet options. Municipalities stated they were unsure how to attract new cable/internet companies to their township, and commented that cable/internet providers only cover a certain area for service and these areas do not always overlap. Some municipalities reported that with only one provider in a single area, customers have to wait long periods of time to be serviced by technicians. Smaller cities and townships believe their size is what limits them from having better competition, as they are rarely approached by providers, often having to seek them out themselves.

Build-out is another important issue for some municipalities. Municipalities stated that in rural areas they are under-served and that providers will not invest and/or expand their service leaving the community with very limited options. Municipalities commented that often rural residents of Michigan are offered satellite service as their only option, stating that satellite service comes with its own problems and has slow internet service. A couple of municipalities commented that providers have facilities in the area, but service is still not provided and customers who request service are told the area is not serviceable which frustrates residents. One

¹¹ These recommendations and suggestions are the sole opinion of some of the franchise entities and do not necessarily reflect the views of the Commission.

municipality expressed frustration that there has been no progress in their area for expansion since 2011, while others stated their area has no cable infrastructure at all. One municipality questioned why cable/internet services cannot be provided if the power companies already have power poles going to every residence. Another commented that they do not receive local stations pertaining to their county or area. One municipality stated the current uniform franchise agreement prohibits them from specifying build-out leaving much of their township without needed service.

Only a few municipalities expressed their displeasure with the Act. One municipality stated the Act is inappropriate and takes control away from the local franchise entity. They commented that this has left the local municipality with no control over the Consumer Protection Ordinance or the Franchise, removing all protections afforded by those documents. Another municipality noted the Act has done nothing to promote real change in service.

One municipality suggested that public access be removed from Public, Education and Government (PEG), stating educational access will always have an audience and government access will always be essential to transparency, but public access can be obtained via the internet. Some municipalities believe public access has been replaced by the internet.

Lastly, one municipality commented that their provider had significantly improved customer service since the previous year, while another municipality praised their experience with their provider and the services offered.

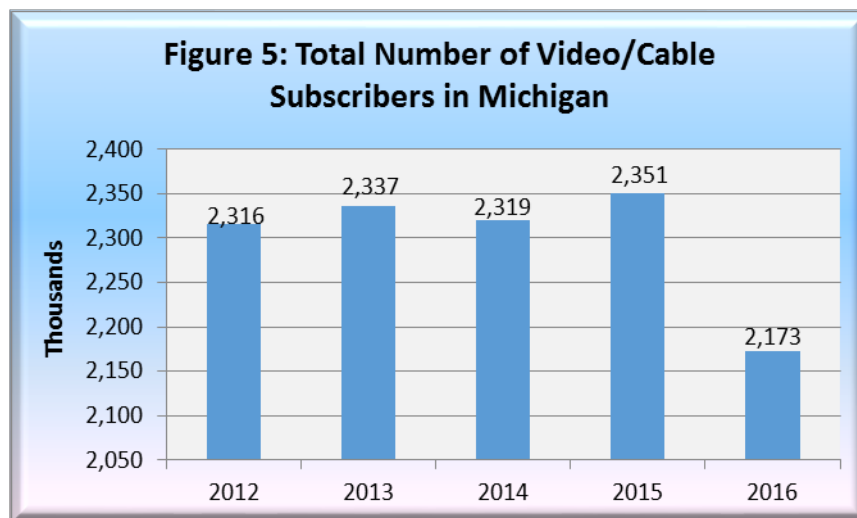
B. Providers' Responses to the Commission Survey

In 2016, the Commission continued to use its electronic survey to gather responses from providers. The survey notification letter was sent by e-mail on December 1, 2016 to all providers of video/cable service in Michigan. The survey also became available on the

Commission webpage beginning December 1, 2016. Taking into account any closures and/or mergers of companies and with the addition of new providers, there are now a total of 38 video/cable providers offering service in Michigan compared to 43 providers in 2015.¹² Martell Cable Service, Inc., and RCI Broadband failed to submit information for 2016. The Commission will review this issue and will take further action as necessary.

1. Video/Cable Subscribers

During 2016, 2,172,891¹³ video/cable customers were reported for Michigan. This is a decrease of 178,080 customers compared to the number reported in 2015. Figure 5 shows the evolution in video/cable subscribership since 2012:

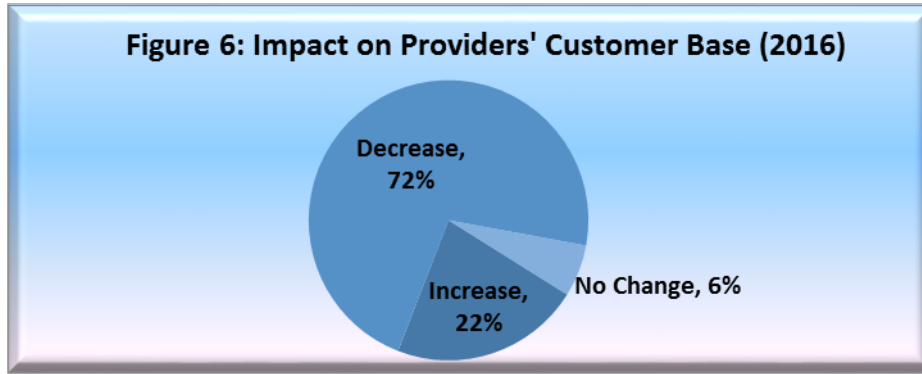


Source: MPSC Provider Survey

In addition to the overall number of subscribers, Figure 6 shows the cumulative breakdown of the providers' customer bases in 2016:

¹² T2TV, Climax Telephone Company, Stambaugh Cable Company, and Caspian Community TV Corp., no longer provide video/cable services to customers. City of Crystal Falls was purchased by Packerland Broadband, and Brighthouse Networks and Time Warner merged with Charter Communications. ATI Networks and RCI Broadband are new providers in the state of Michigan.

¹³ This number does not include satellite providers. Satellite providers are not required to have franchise agreements with franchise entities and are not required to report to the Commission.

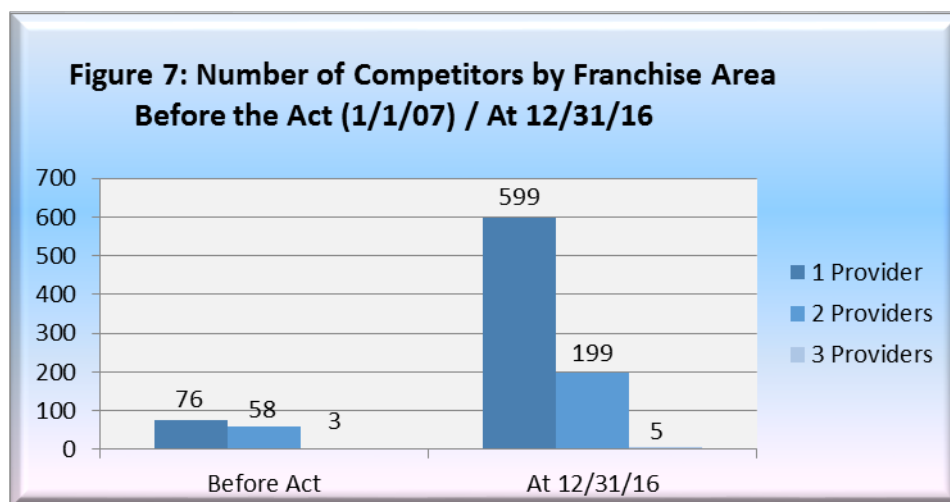


Source: MPSC Provider Survey

2. Video/Cable Competition

Overall, there are currently 2,045 franchise agreements in existence in Michigan (both individual franchise agreements entered into before the Act that have not yet expired, and the Uniform Video Service Local Franchise Agreements as required by the Act). When compared to 2015, this represents an increase of six (6) franchise agreements.

Consistent with previous years, the Commission asked providers to submit information regarding the competition encountered in their franchise areas. Providers submitted information on the number of competing providers existing in their franchise areas before and since the Act took effect. Similar to previous years, providers have reported a continued increase in competitors entering their franchise areas. Figure 7 shows this comparison:



Source: MPSC Provider Survey

3. Disputes

Two providers reported having informal or formal disputes with a franchise entity regarding their Uniform Video Services Local Franchise Agreement. The disputes involved franchise fees, PEG fees, completeness of the Agreement, service concerns, courtesy services and rejection of the Act in general.

4. Investment in Michigan

Similar to previous years, the Commission requested information from providers regarding how many dollars they have invested in Michigan.¹⁴ Twenty five of the 38 video/cable providers reported investing over \$120 million in the Michigan video/cable market during 2016 and over \$3 billion since the Act took effect.

5. Video/Cable Providers' Improvements/Enhancements in 2016

Video/Cable providers were also given the opportunity to provide information on improvements/enhancements to customer service, technical upgrades or any other improvements made in 2016.¹⁵ Video/Cable providers indicated that they have created over 240 new jobs in Michigan during 2016 and offered the following information regarding improvements and/or enhancements they have made in 2016:

Charter highlighted recent customer service enhancements: 1 hour appointment windows with 97% of customers with appointments completed the same day. Charter stores now offer more flexible business hours. Charter offers a television (TV) application, complimentary with TV services. Charter has added more programming to OnDemand, and additional High Definition (HD) content. All Charter call centers are now based in the U.S.

¹⁴ The information that was submitted by the providers was done so on a voluntary basis.

¹⁵ This information voluntarily submitted to the Commission should not be construed as verified by the Commission, nor should it be construed as the Commission supporting video/cable services of any particular provider.

Charter reports that it has invested over \$70 million of private risk capital to rebuild cable systems serving 24 rural communities across 11 counties, bringing advanced cable technology and broadband internet to more than 14,000 homes. Charter offers voice technology and 100Mbps broadband with 60Mbps noted as the slowest speed. Charter added over 500 Michigan jobs in the past five years. Charter recently launched "Spectrum Internet Assist," its low-cost high-speed broadband program for students and seniors who qualify and is rolling this out during 2017.

The City of Norway (cable company) added upgrades to its headend equipment and node splitting, and increased digital/HD offerings. D&P Cable streamlined processes to improve productivity and added content to Watch TV Everywhere (WTVE) and Video On Demand (VOD) services. Lewiston Communications added digital platform for video, and extended their hybrid fiber coax hub.

AT&T noted the highlights of its latest U-verse TV offerings. AT&T stated their customers enjoy access to more HD channels. AT&T customers can use the U-verse App on numerous devices, and customers can watch more live channels inside and outside the home. AT&T also noted they work closely with all communities who have requested AT&T to carry their PEG programming on U-verse TV.

Michigan Cable Partners stated it upgraded bandwidth to their subscribers and added broadband internet access to one of their systems. Negaunee Cable did an all-digital conversion, and fiber overlay. Northside TV Corporation extended their office hours and added new channels. Packerland Broadband (Packerland) added customer support staff to provide quicker resolutions for customers. They also did a build-out to bring in digital broadcasting. Packerland

also brought gigabit internet to one of their municipalities which will serve as the template for their network.

Parish Communications is in the process of upgrading their broadband system. They are also doubling speeds with their maximum speed at 30MB. Parish Communications stated they currently have a few businesses and residential customers with a direct fiber connection to their premises and expect to expand on fiber connections where they have fiber presently in 2017.

Southwest Michigan Communications stated it now provides more HD channels on its channel offerings. Springcom stated it continues to upgrade their facilities to allow for offering of more programming and increases with their HD and digital channels. Star Video reported it added new set top boxes/remotes/modems and Potts cards, as well as encoders-decoders.

Town and Country Cable stated it increased bandwidth for broadband internet provided to its subscribers. TVC added new channel offerings. Vogtmann Engineering extended their cable plant with fiber to the home (FTTH) and is offering higher internet speeds. Westphalia Broadband upgraded their online billing system as well as their 24/7 technical support to better serve their customers. They maintained their current system, and added additional programming to their on-line Watch TV Everywhere.

Lastly, Wide Open West (WOW) added faster answer times for customers, and added more self-service web options for customers. WOW stated they improved technology to identify and reduce customer impacting service issues and added faster Internet speeds. WOW also upgraded their infrastructure to create a better customer experience and has expanded to offer their services in new franchise areas.

III. Recommendations

This section provides the Commission's recommendations for legislative action pursuant to Section 12 (2) of the Act. The Commission offers the following three areas for consideration.

First, the Commission recommends that the Legislature extend the due date of the Commission's Annual Report from February 1 of each year, to March 1 of each year. The current due date makes it difficult for respondents to provide timely and accurate year-end information to the Commission. This narrow timeline to receive information from respondents and thoroughly analyze that information so that the Commission can provide a report to the Legislature by February 1 forces the Commission to rely on estimates in some areas instead of actual numbers.

Second, the Commission recommends language be added to the Act similar to the language currently found in Section 211(a) of the Michigan Telecommunications Act, which requires the provider to register the following information with the Commission: the name of the provider; a description of the services provided; the address and telephone number of the provider's principal office; the address and telephone number of the provider's registered agent authorized to receive service in this state; and any other information the Commission determines is necessary. This contact information is necessary so the Commission has accurate contact information available to it for complaints, as well as for future information and data collection.

Third, the Commission recommends that if a company changes its name, goes out of business, or is merged into another company, it be required to notify the Commission of this change. Providers do not submit their Franchise Agreements to the Commission – the Franchise Agreements are submitted to the individual franchise entities. As such, this information is not available to the Commission.

The Commission will continue to monitor the status of video/cable services competition in Michigan and inform the Legislature of any further recommendations for needed legislation.

IV. Conclusion

The Commission, adhering to its responsibilities as set forth in Section 12(2) of the Act, provides the Legislature and Governor with this report that includes information related to the Commission's role, activities, and responsibilities, as well as summarizes the information that has been collected from franchise entities and providers, and the Commission's legislative recommendations. The Commission would like to express its appreciation to the Governor and Legislature in providing a permanent funding source for the video/cable operations by enacting Public Act 438 of 2016. Public Act 438 of 2016 provides a permanent source of funding for the video/cable operations to allow the Commission to carry out its duties under the Video Franchise Act.

As in past years, since the Act took effect, there are now hundreds of franchise areas that have at least 2 video/cable providers in those areas. While the overall number of video/cable providers may have decreased by five this past year due to mergers, acquisitions, and closures, video/cable providers continue to invest millions in the video/cable market in Michigan, and enhance equipment, infrastructure, and service offerings to customers. The Commission will continue to educate and inform customers of the dispute resolution process, and will continue to address complaints regarding video/cable services in Michigan.