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GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
PUBLIC SERVICE COMMISSION

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COMMISSIONER      CHAIRMAN      COMMISSIONER

January 31, 2014

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 being 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, the Act). This report will also be made available on the Commission's website at [www.michigan.gov/mpsc](http://www.michigan.gov/mpsc). The purpose of this report is to describe the status of competition for video/cable services in the state of Michigan. This report also details Commission activities for 2013, and provides an overview of the survey responses from franchise entities and video/cable service providers.

Currently, there are 44 cable providers offering service to over 2.3 million video/cable customers in Michigan. Subscriberhip has increased by over 23,000 from 2012, and providers are continuing to report more competition in their franchise areas. In 2013, two new cable providers entered the market. Providers reported they invested over \$420 million into the Michigan market.

Subscriberhip and investment in Michigan has continued to rise as well as the number of complaints received by MPSC video franchise staff. In 2013, video franchise reported an increase in mediation requests and formal complaints from customers. The Commission will continue to educate and inform customers of the dispute resolution process 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.

The Commission also provided recommendations for legislative revisions pursuant to PA 480, Section 12(2), of 2006 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

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video/cable service providers throughout Michigan. The Commission will continue to serve the public by assisting 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,

John D. Quackenbush, Chairman  
Michigan Public Service Commission

Greg R. White, Commissioner  
Michigan Public Service Commission

Sally A. Talberg, Commissioner  
Michigan Public Service Commission

Enclosure