



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

NORM SAARI
COMMISSIONER

SALLY A. TALBERG
CHAIRMAN

RACHAEL EUBANKS
COMMISSIONER

February 1, 2018

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 2017 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 million video/cable customers in Michigan. Even though subscribership decreased by approximately 130,865 from 2016, providers are continuing to report more competition in their franchise areas since the Act took effect. Providers reported investing over \$1.1 billion into the Michigan market since the Act became effective.

The Commission continues 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.

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.

LARA is an equal opportunity employer/program.

Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.
7109 W. SAGINAW HIGHWAY • P.O. BOX 30221 • LANSING, MICHIGAN 48909 • www.michigan.gov/mpsc • 517-284-8100

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 A. 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, 2018



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	5
2. Franchise Entity vs. Video/Cable Provider Complaints	7
II. 2017 Commission Survey to Franchise Entities and Providers	7
A. Franchise Entities' Responses to the Commission Survey	7
1. Complaints	8
2. Impact of the Video Franchise Act on Communities	9
3. Changes in Quality of Service and/or Service Offerings of Providers	10
4. Franchise Entities' Suggestions or Comments	10
B. Providers' Responses to the Commission Survey	13
1. Video/Cable Subscribers.....	14
2. Video/Cable Competition	15
3. Disputes.....	16
4. Investment in Michigan	16
5. Video/Cable Providers' Improvements/Enhancements in 2017	17
III. Recommendations	18
IV. Conclusion	20

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 eleventh 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 2017. This report also includes information relating to recommendations for legislative changes and the Commission’s conclusion on the status of video/cable competition for 2017.

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 2017 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.

The Act also provides that video/cable providers shall notify their customers of the dispute resolution process under Section 10 of the Act. In 2017, Video Franchise Staff contacted each video/cable provider operating in Michigan to ensure that this process, as well as the Commission's contact information, is included on all the providers' websites.

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

The Commission issued three Show Cause orders in 2017 against video/cable providers for possible violations of the Act (U-18341², U-18329³, and U-18432⁴). Ultimately, the providers provided the required information to the Commission and the Show Cause orders were dismissed.

B. Outreach

Video Franchise Staff continue to make efforts to communicate and meet with representatives from various cable companies as well as local municipalities to keep communication open between the Commission and those impacted by the Act. In 2017, staff mailed letters to over 1,700 municipalities as well as the Michigan Township Association and the Michigan Municipal League in an effort to remind municipalities to share the dispute resolution process and the Commission's contact information with their communities.

Updates and enhancements are continually being made to the Commission's video franchise webpage.⁵ The video franchise webpage provides a link to "Video Cable Providers Offering Service in Michigan" where a person can 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.⁶ The map is detailed, user-friendly, and allows users to see if Internet service – including Internet service

² Show Cause order against Martell Cable -

<http://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=18341&submit.x=0&submit.y=0>

³ Show Cause order against RCI Broadband -

<http://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=18329&submit.x=0&submit.y=0>

⁴ Show Cause order against Negaunee Cable Company -

<http://efile.mpsc.state.mi.us/efile/viewcase.php?casenum=18432&submit.x=0&submit.y=0>

⁵ MPSC Video/Cable webpage: <http://www.michigan.gov/mpsc/0,4639,7-159-49641---,00.html>

⁶ <http://connectmi.org/>

offered by a video/cable provider – is available in a particular area, and if so, which providers are offering those services.⁷

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), the Uniform Video Services Local Franchise Agreement, Video/Cable Consumer Tips,⁸ information on the process for filing an informal or formal complaint, an online complaint form, contact information for Video Franchise, and an archive containing previous Video Competition Reports.

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, or in person at the Commission 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.

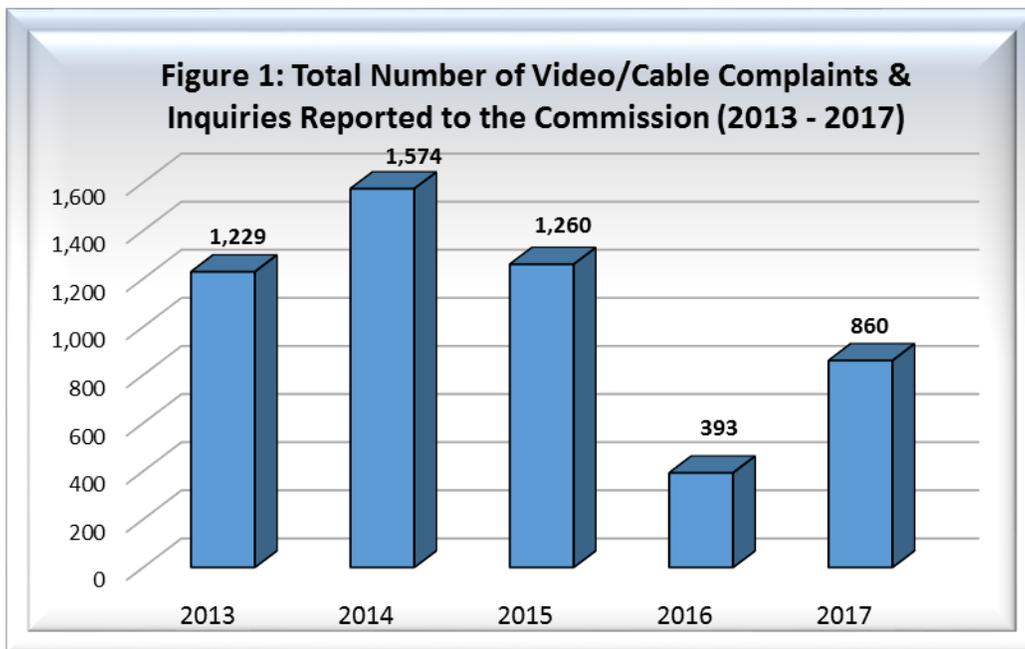
When contacting the Commission, a customer record is created for each customer complaint and/or inquiry. These records allow the Commission to track the history and progress of the customer’s complaint from initial contact to resolution and collect data to analyze complaint and inquiry trends. Video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

⁷ 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.

⁸ http://www.michigan.gov/mpsc/0,4639,7-159-16368_16408---,00.html

1. Informal/Formal Customer Complaints

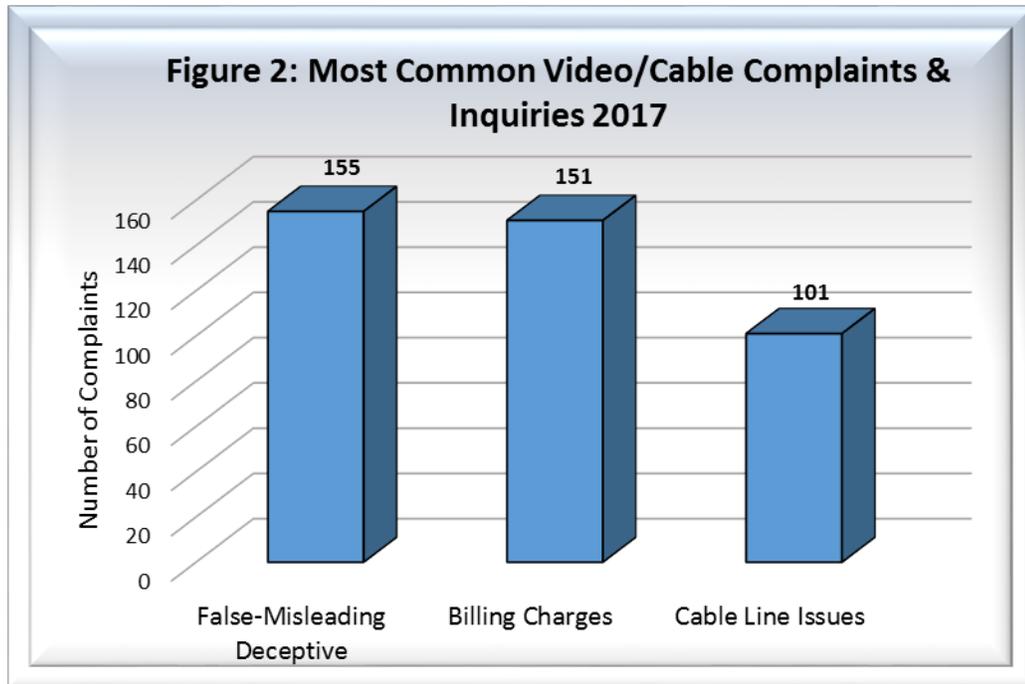
The Commission received 860 video/cable customer complaints and inquiries from January 1, 2017 to December 31, 2017. Figure 1 below shows the number of video/cable complaints and inquiries filed at the Commission over the past five years (2013 – 2017). (As noted in last year’s annual report, due to a lack of funding authority at that time, Video/Cable operations ceased between January 1, 2016 and June 30, 2016 resulting in a lower number of complaints handled for 2016.)



Source: MPSC Complaint Data

The 860 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.

The Commission continues to assist customers on a variety of issues regarding billing, false/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 2017:



Source: MPSC Complaint Data

Of the 38 cable providers operating in Michigan, the Commission received video/cable complaints and inquiries pertaining to 8 different cable providers. The three providers with the most complaints and inquiries filed with the Commission in 2017 were Comcast (58 percent), AT&T (16 percent) and Charter (10 percent).

Customers who remain dissatisfied with the complaint resolution offered during the informal complaint process have the option to file a formal complaint pursuant to the Act. There were five formal customer complaints (U-18430, U-18473, U-18477, U-18481, and U-18492)

filed in 2017, one of which was found not to be prima facie, one was withdrawn, and the remaining three are currently ongoing.

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 2017, nor did it receive any informal complaints filed on behalf of a video/cable provider against a municipality.

The Commission received one informal mediation request from a franchise entity against a cable provider. The case has since been successfully resolved without the need for informal mediation.

II. 2017 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 20 – November 17, 2017.

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, 384 communities responded and 99 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.

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 years' 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.

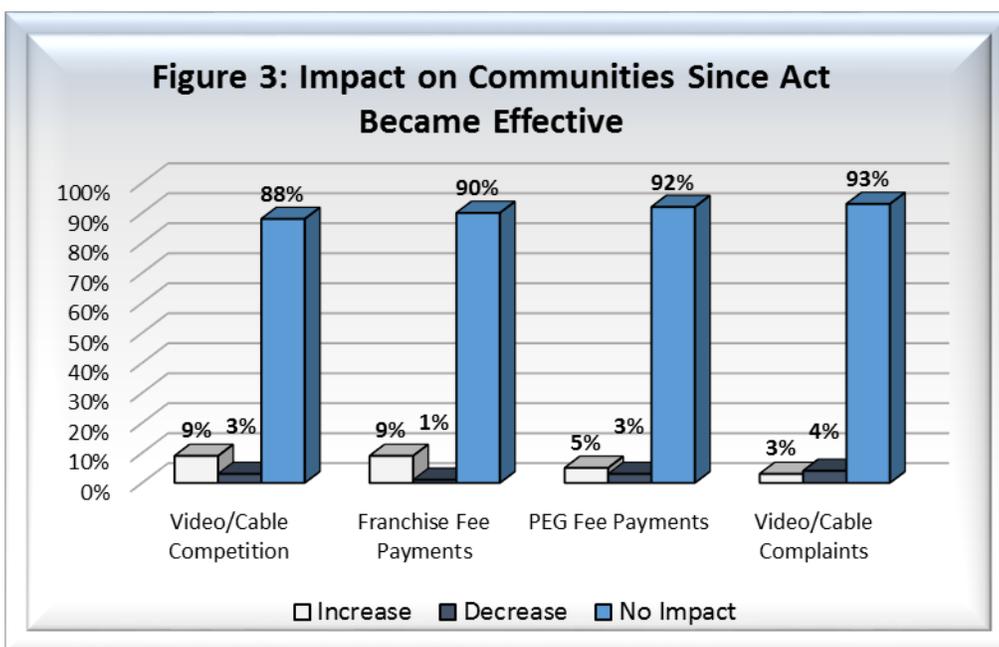
Of those municipalities that continue to respond to video/cable complaints from their residents, the four most frequent complaints received by municipalities are rates,⁹ customer service, service equipment issues/outages, and billing issues. Although less frequently, municipalities also received various other complaints.¹⁰ In 2017, 97 percent of respondents indicated they have not had any form of dispute with a provider regarding a franchise agreement.

⁹ 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.

¹⁰ "Other" complaints received included: Lack of competition, lack of service area, no service available, low hanging and unburied cable lines, and property damages.

2. Impact of the Video Franchise Act on Communities

Municipalities were surveyed on any impact they have witnessed within their community since the Act took effect. Like 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:



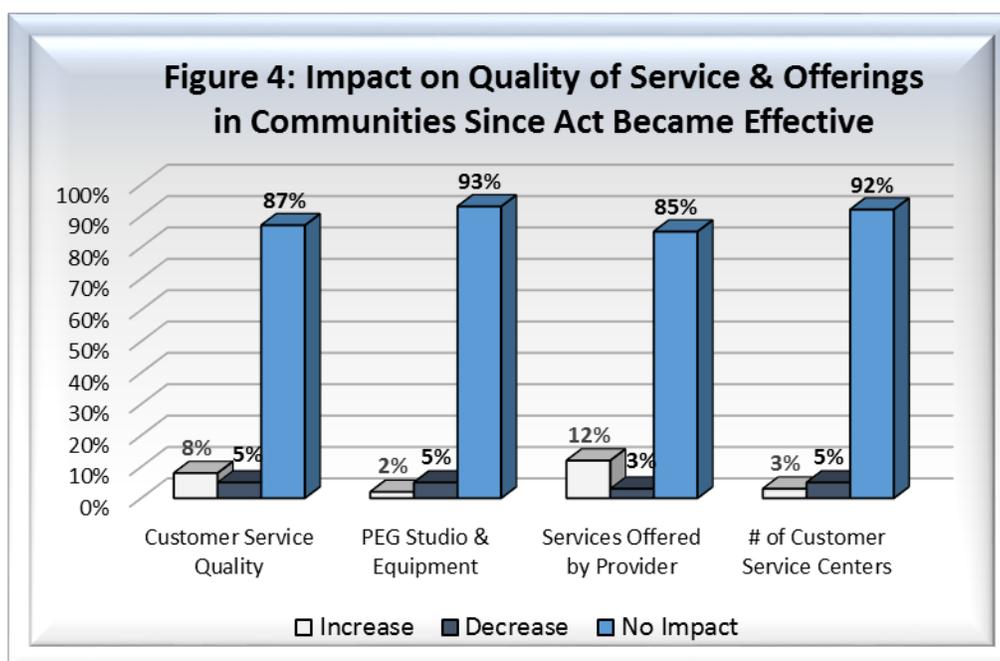
Source: MPSC Franchise Entity Survey

Like previous years, a high percentage of communities that responded reported no impact in each of the four categories.¹¹

¹¹ 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.

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

As in previous years, the Commission asked the municipalities to report any changes they perceived during 2017 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

For 2017, 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, 38 percent of municipalities indicated their community has a designated PEG channel.

4. Franchise Entities’ Suggestions or Comments

Franchise entities were provided the opportunity to offer any comments,

recommendations, and/or suggestions.¹² The following summarized comments were received by the Commission:

Lack of competition is a concern among some of those franchise entities who filed comments in the survey. A few franchise entities stated that a having a single video/cable provider in the area allows them to force residents to pay higher rates, which have continued to rise over the years. A couple municipalities also stated that while satellite television service may be the only option for residents in their community, some of their residents are not able to obtain this type of service due to the costs associated with it. One municipality encouraged Comcast and Charter to expand their territory to pick up residents that were dropped by CTS Telecom, but the franchise entity stated that both companies declined. Another noted that Caspian Cable went out of business 1-2 years ago, leaving Iron River as the only other video/cable provider. According to this franchise entity, because of the high costs associated with providing service to all of the residents, Iron River Cable opted to serve only 20 homes in a select area. As a result, this left the rest of the community with satellite being the only option; leaving many without any form of television service due to digital antennae not working well in the area.

A couple of franchise entities noted comments regarding the Uniform Video Services Local Franchise Agreement. One municipality expressed frustration with residents who believe the Agreement is exclusive, and the township has been asked why providers are not allowed into the area. Another franchise entity believes that the Agreement needs to be eliminated and revert back to a franchise that provides for municipalities to negotiate service areas. A second

¹² These recommendations and suggestions are the sole opinion of some of the franchise entities and do not necessarily reflect the views of the Commission. These recommendations and comments are the views of only those franchise entities who provided comment, and do not necessarily reflect the same opinion of other franchise entities throughout Michigan.

franchise entity stated that it believes the Agreement has failed to help anyone but the video/cable providers in Michigan.

Some franchise entities also provided their comments as it relates to access and service concerns in rural municipalities of Michigan. A franchise entity stated that most of the calls taken at their township are from residents who are unable to obtain internet for their children's schooling. Another stated that while they receive few to no complaints about video/cable problems because of minimal residency in their area, it is very expensive to become connected due to the distances between the residents. A few rural municipalities have expressed the desire to support accessibility for video and cable services if it was offered, but no options are currently present. One municipality identified themselves as a vibrant agricultural community; they settle for expensive, unreliable service with slow speeds. Some municipalities do not have franchise agreements. A municipality questioned the technology capable of bringing broadband to these rural areas and inquires as to whether there are any groups in Michigan exploring the possibilities.

One franchise entity also commented on customer service from the video/cable providers in the area, stating that customer service is the number one complaint they receive. Another asks the MPSC to encourage transparency on the part of the providers with respect to packages offered and agreements made involving changes in service or bundled pricing, and require them to confirm immediately in writing to customers, eliminating confusion. They added that the 14-day process for handling complaints by the MPSC is too long and the follow-up process is not consumer friendly, and likely involves the expense of an attorney. High definition, an upgrade from standard, is in high demand among municipalities, particularly for their PEG channels. One municipality expressed frustration with residents calling them to pay their video/cable bill,

and having to instruct those residents where to find their video/cable provider. Other municipalities expressed frustration with the video/cable providers themselves, stating that they believe their revenues for their municipality should be increasing with additional cable suppliers. One reported having a problem with Charter Spectrum and their franchise fee. As a side note, MPSC staff followed-up and explained to this particular franchise entity that MPSC staff could assist them with a dispute, if necessary.

A couple municipalities commented that they are answering the franchise entity survey for the first time, and are unaware of their municipality's cable history, nor previous employees' answers to previous surveys, and are trying to educate themselves. One municipality stated they do not encounter anything regarding video/cable with the exception of this survey. A few municipalities expressed their satisfaction with the MPSC, stating that it provides an important service for their residents. A couple franchise entities expressed gratitude for the website link to the MPSC's video/cable webpage provided in the annual survey, and said they would place the link where their residents will be able find it, such as their webpage or local newsletter. They added that they would be referring their residents to the MPSC upon receiving any complaints.

B. Providers' Responses to the Commission Survey

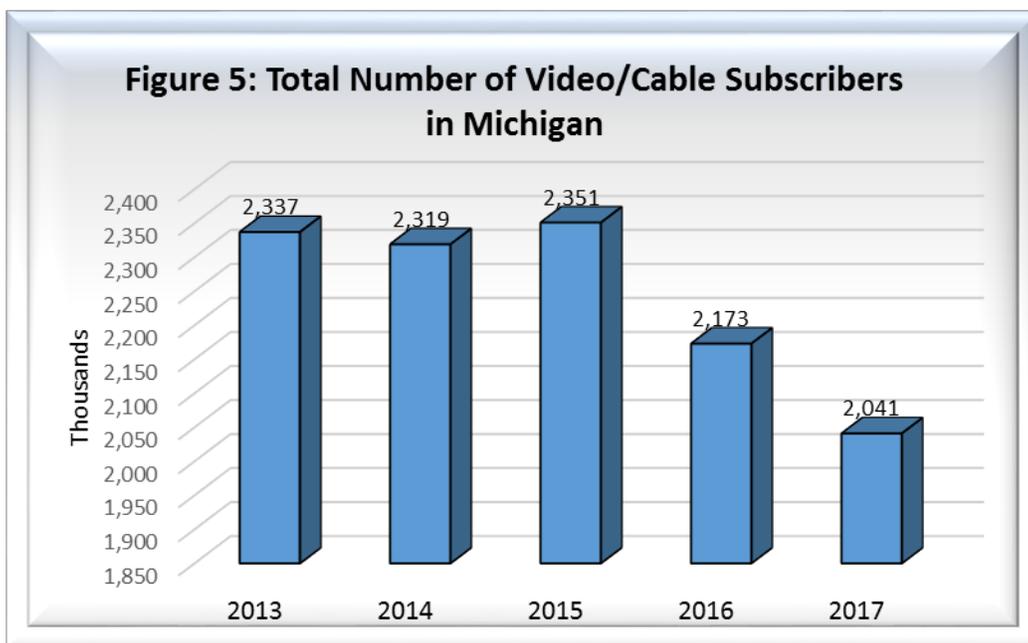
In 2017, the Commission continued to use its electronic survey to gather responses from providers. The survey notification letter was sent by mail and e-mail on December 1, 2017 to all providers of video/cable service in Michigan. The survey was also available on the Commission webpage beginning December 1, 2017. Considering any closures and/or mergers of companies

and with the addition of new providers, there is still a total of 38 video/cable providers offering service in Michigan.¹³

1. Video/Cable Subscribers

During 2017, there were a total of 2,042,026¹⁴ video/cable customers reported for Michigan. This is a decrease of 130,865 customers compared to the number reported in 2016. A trend that appears to be consistent with the national trend as consumers shift away from subscribed video services to video streaming services over the internet. The Federal Communications Commission also highlighted this trend in their annual competition report.¹⁵

Figure 5 shows the evolution in video/cable subscribership since 2013:



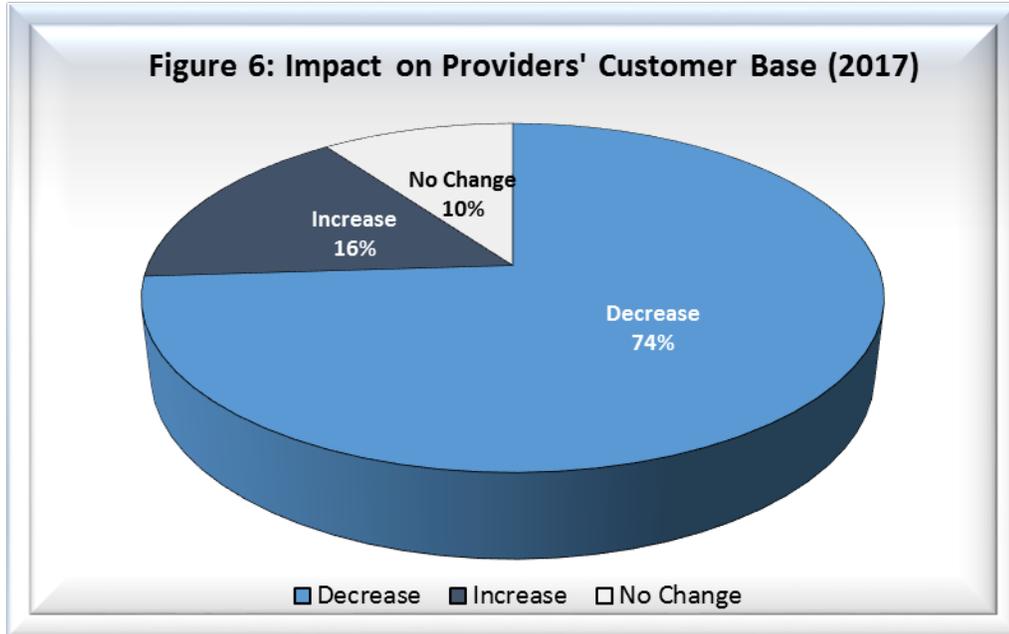
Source: MPSC Provider Survey

¹³ RCI Broadband was included in last year’s report, but notified the Commission through Case No. U-18329 that they are no longer providing cable service in Michigan. CMS Internet LLC is a new provider in the state of Michigan.

¹⁴ 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.

¹⁵ FCC – Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming. See Pages 29-30: https://apps.fcc.gov/edocs_public/attachmatch/DA-17-71A1.pdf

In addition to the overall number of subscribers, Figure 6 shows the cumulative breakdown of the providers' customer bases in 2017:



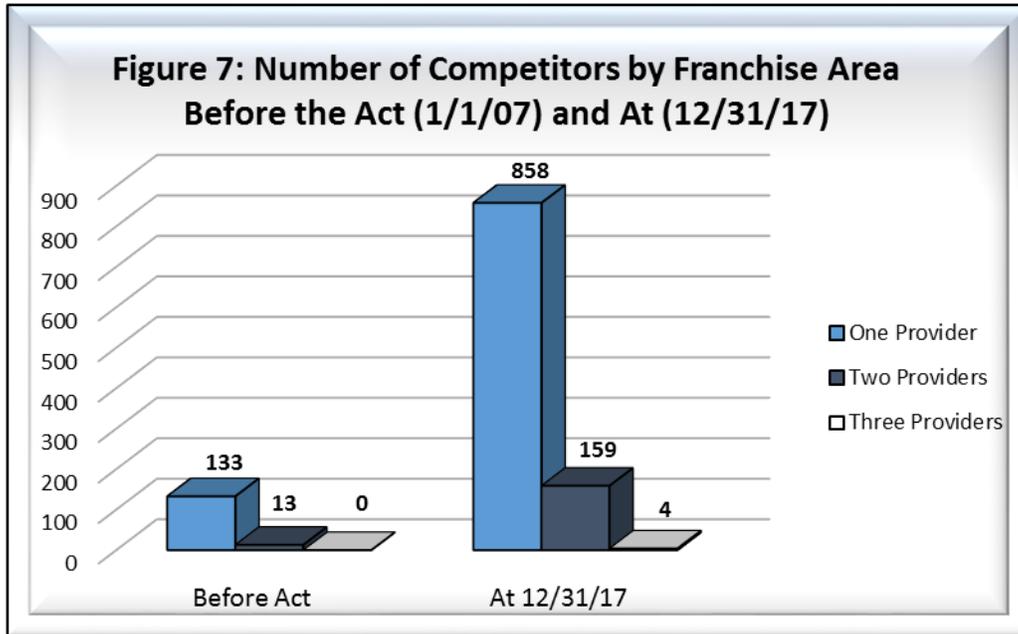
Source: MPSC Provider Survey

2. Video/Cable Competition

Overall, there are currently 2,060 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 2016, this represents an increase of fifteen (15) 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

Three 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, I-net issues, and the enforceability of the Act.

4. Investment in Michigan

Like previous years, the Commission requested information from providers regarding how many dollars they have invested in Michigan.¹⁶ Twenty-one (21) of the 38 video/cable providers reported investing over \$100 million in the Michigan video/cable market during 2017 and over \$1.1 billion since the Act took effect.

¹⁶ The information that was submitted by the providers was done so on a voluntary basis.

5. Video/Cable Providers' Improvements/Enhancements in 2017

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 2017.¹⁷ Video/Cable providers offered the following information regarding improvements and/or enhancements they have made in 2017 regarding customer service, technical upgrades, and service offerings:

ATI Networks, Inc. is continuing to broaden their ability to provide additional customer services as it relates to VOIP and Internet. They are also expanding their footprint for these services via wireless technology and fiber optics. They are hoping to add IPTV to their growing footprint.

AT&T reports customers have access to many benefits such as Total Home DVR and multi-screen content, with the company extending their brand across screens with Uverse.com and the U-verse App for smartphones and tablets. Customers can also access more than 234 HD channels, HD-ready equipment, and stream virtually anywhere they go via their phones, tablets, or computers.

Charter reported that their customers today have access to a flagship broadband speed that is 20 times faster than it was eight years ago, while the price per Mbps for customers has decreased 93%. To ensure great value for customers, Charter states that it does not use data caps or usage based billing and does not charge modem or early termination fees. Over the past four years, via self-funded new builds, cable plant extensions and phone launches, Charter has deployed advanced services and broadband internet to 84 rural communities across the state.

¹⁷ 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.

Approximately 85% of the 800+ Michigan communities Charter serves are communities with populations under 2,000.

In 2017, Charter deployed "Spectrum Internet Assist," a low-cost high-speed broadband program for students and seniors who qualify in their Michigan footprint. By the end of 2017, Charter's flagship broadband speed will be 100 megabits per second (Mbps) in virtually every market served. In the past year, Charter increased that speed 66% from 60 Mbps to an even faster 100 Mbps at no extra cost to its customers. Lastly, Charter Spectrum now offers an audible TV guide and downloadable video app for customers with visual disabilities. A Spectrum receiver preloaded with the Charter Spectrum Guide Narration is their talking guide solution.

Many providers are reporting that they have upgraded to a digital format, increased their broadband capacity, and widened their footprint. This can lead to an increase in channels and other video offerings. Customers are now able to stream video due to these upgrades by providers. Northside TV Corporation reports purchasing the latest equipment, as well as upgrading their nodes, to improve the quality of picture. D&P Cable, Inc. added 24/7 technical support for customers and web help desk, as well as a new skinny cable package. Parish Communications, as well as Vogtmann Engineering, expanded their fiber footprint in 2017 and expect to continue adding fiber in 2018. Westphalia Broadband, Inc. continues to educate their customer service representatives regarding customer care issues, as well as added technical personnel. HD channels are another addition to many providers as well this year.

III. Recommendations

This section provides the Commission's recommendations for legislative action pursuant to Section 12 (2) of the Act. 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 offers the following three additional 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 summarizing the information that has been collected from franchise entities and providers, and the Commission's legislative recommendations.

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. 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.—