

Video/Cable Television

Frequently Asked Questions

1. **Q. What is the Michigan Public Service Commission's (MPSC) role regarding video/cable television? Does the MPSC regulate cable television?**
 - A. The Commission's authority is limited to that provided by statute (2006 PA 480). In Section 12(1) of the Act, it states: "The Commission's authority to administer this Act is limited to the powers and duties explicitly provided for under this Act, and the Commission shall not have the authority to regulate or control a provider under this Act as a public utility." (emphasis added)

While the Commission's authority is limited, the Commission still has many responsibilities which include, but are not limited to: reviews disputes between customers and providers, providers and providers, and providers and franchise entities; construct a standardized uniform agreement form; receive annual reports from providers; administer the formal process to review disputes; submit an annual report (February 1 of each year) to the Governor and Legislature, and order remedies and penalties for violations of the Act.
2. **Q. Are you having a problem with your video/cable television provider?**
 - A. If you are experiencing problems with your provider, you should first contact your provider and attempt to resolve the dispute with them. If you are dissatisfied with the provider's response, or the dispute is not resolved to your satisfaction, you may file an informal complaint with the MPSC.
3. **Q. Do you have a satellite television complaint?**
 - A. If you are experiencing a problem with your satellite television, you should contact the Federal Trade Commission (FTC): (877) 382-4357 or www.ftc.gov. The MPSC does not have authority over satellite complaints or inquiries.
4. **Q. Are there any alternative providers in my area?**
 - A. If you are inquiring as to what other video/cable providers may be in your area, you should contact your local franchise entity directly. The franchise entity is the local unit of government in which a provider offers video services through a franchise. In most cases, the franchise entity is the township, village, or city that you live in. Since satellite providers do not have franchise agreements, you must contact the satellite providers directly.

5. Q. I would like to have cable service, but the cable company is requiring me to pay a large construction fee to bring the service to my house/business. Are cable companies allowed to require such a fee?

- A. Yes. Per Section 76.309(i) of the Federal Communication Commission's (FCC) cable rules: Standard installations will be performed within seven (7) business days after an order has been placed. "Standard" installations are those that are located up to 125 feet from the existing distribution system.

Therefore, a company can charge a customer a construction fee for any distance extending beyond 125 feet in order to bring the service to a customer's home.

6. Q. I returned equipment and boxes to my cable company and now I have a collection notice for unreturned equipment. What can I do?

- A. First, immediately contact your provider. Explain to the provider that you have returned the equipment, and provide them with copies of your return receipts. If you are not able to resolve your complaint, you may submit a complaint to the MPSC for assistance. It is helpful if you know the date and location of where you returned the equipment, and if you still have your receipt that you received when you returned the equipment.

7. Q. My cable company damaged my property. What can I do?

- A. As quickly as possible, you should first contact your cable provider and inform the company of the damage and attempt to resolve the issue with them. If you are not able to obtain a resolution, you may submit a complaint to the MPSC. However, Staff will only be able to assist you with your complaint. The MPSC does not make awards for damage claims. You may also consider filing suit in small claims court or filing a claim with your homeowners insurance.

8. Q. I have a cable line that is either on the ground or hanging very low, causing a public hazard. How do I have the cable line either hung properly or buried?

- A. You should contact your provider and make them aware of the situation. If the problem is not quickly resolved, you may contact the MPSC and Staff will assist you with your complaint. We consider public hazards serious issues and will expedite the issue as quickly as possible.

9. **Q. I am losing some channels and my cable company's solution is to rent a digital box through them. I thought I didn't need a box for the national digital transition in June (2009)?**

A. The national digital transition in June (2009) pertains only to over-the-air broadcasting channels (i.e. NBC, CBS, ABC, etc.). If you subscribe to cable or satellite, you should not be impacted by the digital transition.

However, some cable providers are currently undergoing an internal migration to their system, where they are shifting analog cable specific channels to the digital tier. This move requires customers to obtain a digital box specifically through the company in order to receive those channels. This channel migration is completely separate from the June 12, 2009 national digital transition.

Video/Cable Providers Operating in Michigan

as of 1/10/2013

Note: If corrections need to be made to this list, please contact Janet Schafer at: Schaferja2@michigan.gov

Company Name and Address	Contact Information
Ace Communications Group 5351 N. M-37, PO Box 69 Mesick, MI 49668	Customer Service: 800-361-8178 Fax: 231-885-9915 Email: miinfo@acegroup.cc Website: www.acegroup.cc
Allendale Telephone d/b/a Ace Communications 6568 Lake Michigan Drive Allendale, MI 49401	Customer Service: 800-356-5261 Fax: 616-895-9932 Email: mosborne@acecomgroup.com Website: www.acegroup.cc
Blanchard Cable, Inc. 425 Main Street, PO Box 67 Blanchard, MI 49310	Customer Service: 989-561-2002 Fax: 989-561-9933 Email: customerservice@blanchardtel.com Website: www.blanchardtel.com
Bloomington Communications, Inc. 101 W. Kalamazoo St., PO Box 187 Bloomington, MI 49026	Customer Service: 800-377-3130 Fax: 269-521-7373 Email: staff@bloomingtoncom.net Website: www.bloomingtoncom.net
Brighthouse Networks 14525 Farmington Road Livonia, MI 48154	Customer Service: 866-898-9101 Fax: 734-422-2239 Email: N/A Website: www.brighthouse.com
Buckeye Cablevision, Inc. 5555 Airport Highway, Ste. 110 Toledo, OH 43615	Customer Service: 866-402-1468 Fax: 419-724-7074 Email: askus@cablesystem.com Website: www.buckeyecablesystem.com
Cable America Michigan, LLC 7822 E. Gray Road Scottsdale, AZ 85260	Customer Service: 866-871-4492 Fax: 480-964-4267 Email: helpdesk@cablemo.net Website: www.cableamerica.com
Carr Communications/Carr Telephone Company 4325 S. Masten Branch, MI 49402	Customer Service: 800-431-1213 Fax: 231-898-3900 Email: billing@carrinter.net Website: www.carrinter.net

Video/Cable Providers Operating in Michigan

as of 1/10/2013

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Company Name and Address	Contact Information
Caspian Community TV Corporation 129 E. First Street, PO Box 240 Caspian, MI 49915	Customer Service: 906-265-4747 Fax: 906-265-4747 Email: N/A Website: N/A
Charter Communications 4670 Fulton Street E., Ste. 102 Ada, MI 49301	Customer Service: 888-438-2427 Fax: N/A Email: N/A Website: www.charter.com
City of Crystal Falls 401 Superior Ave. Crystal Falls, MI 49920	Customer Service: 906-875-3212 Fax: 906-875-3767 Email: cfclerk@up.net Website: www.crystalfalls.org
City of Negaunee 600 Cherry Street, PO Box 70 Negaunee, MI 49866	Customer Service: 906-475-9993 Fax: 906-475-9994 Email: N/A Website: www.cityofnegaunee.com
City of Norway 915 Main Street, PO Box 99 Norway, MI 49870	Customer Service: 906-563-9961 Fax: 906-563-7502 Email: catv@norwaymi.com Website: www.norwaymi.com
Climax Telephone Company 13800 E. Michigan Avenue Galesburg, MI 49053	Customer Service: 800-627-5287 Fax: 268-746-9914 Email: customerservice@ctsmail.net Website: www.ctstelecom.com
Coldwater Telecommunications Utility 1 Grand Street Coldwater, MI 49036	Customer Service: 517-279-9531 Fax: 517-278-0805 Email: N/A Website: www.coldwater.org
Comcast Cable 41112 Concept Drive Plymouth, MI 48170	Customer Service: 800-266-2278 Fax: N/A Email: N/A Website: www.comcast.com

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as of 1/10/2013

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Company Name and Address	Contact Information
D & P Cable, Inc. 4200 Teal Rd. Petersburg, MI 49270	Customer Service: 800-311-7340 Fax: 734-279-2640 Email: dftc_csr@dftc.com Website: www.d-pcommunications.com
Drenthe Telephone 684 68th Avenue Zeeland, MI 49464	Customer Service: 800-361-8178 Fax: 616-895-9932 Email: miinfo@acecomgroup.com Website: www.acegroup.cc
Iron River Coop TV and Ant. 316 N. 2nd Ave. Iron River, MI 49935	Customer Service: 906-265-3810 Fax: 906-265-3020 Email: ircable@ironriver.tv Website: www.ironriver.tv
Lewiston Communications 2 E. Main Street Fremont, MI 49412	Customer Service: 989-607-9041 Fax: N/A Email: lewiston@lewistoncomm.com Website: N/A
Lighthouse Computers 2972 W. 8th Street Sault Sainte Marie, MI 49783	Customer Service: 888-883-3393 Fax: 906-632-3049 Email: manager@lighthouse.net Website: www.lighthouse.net
Martell Cable Service, Inc. 1597 Chownings Glen Drive Wixom, MI 48393	Customer Service: 888-642-0056 Fax: N/A Email: N/A Website: N/A
Mediacom Indiana, LLC 100 Crystal Run Road Middletown, NY 10941	Customer Service: 888-847-6228 Fax: N/A Email: N/A Website: www.mediacomcable.com
MediaGate Digital 122 W. Lake Street Crystal, MI 48818	Customer Service: 989-235-3948 Fax: 866-890-2133 Email: service@crystalcable.tv Website: www.crystalcable.tv

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Company Name and Address	Contact Information
Michigan Bell Telephone Co. d/b/a AT&T Michigan 221 N. Washington Square, Ground Floor Lansing, MI 48933	Customer Service: 800-288-2020 Fax: N/A Email: N/A Website: www.att.com
Michigan Cable Partners Inc. (MCom) 8800 Ferry Street Montague, MI 49437	Customer Service: 888-873-3353 Fax: 231-894-4960 Email: cjones@micomcable.com Website: www.micomcable.com
Mutual Data Services 319 N. Clinton Avenue St. Johns, MI 48879	Customer Service: 989-224-6839 Fax: 989-579-5904 Email: admin@mutualdata.com Website: www.mutualdata.com
Northside TV Corporation 521 Vulcan Street Iron Mountain, MI 49801	Customer Service: 906-774-1351 Fax: 906-774-1351 Email: steve@upnorthcable.com Website: www.upnorthcable.com
Packerland Broadband/CCI Systems, Inc. 105 Kent Street Iron Mountain, MI 49801	Customer Service: 800-236-8434 Fax: 906-774-6638 Email: N/A Website: www.packerlandbroadband.com
Parish Communications 803 W. Midland Road, PO Box 10 Auburn, MI 48611	Customer Service: 800-466-6444 Fax: 989-662-2685 Email: info@parishonline.net Website: www.parishonline.net
Sister Lakes Cable TV 517 Petrie Ave St Joseph, MI 49085	Customer Service: 269-424-5737 Fax: N/A Email: cs@sisterlakescable.com Website: www.sisterlakescable.com
Southwest MI Comm., Inc. 101 W. Kalamazoo St., PO Box 187 Bloomington, MI 49026	Customer Service: 800-377-3130 Fax: 269-521-7373 Email: staff@bloomingtondalecom.net Website: www.bloomingtondalecom.net

Video/Cable Providers Operating in Michigan

as of 1/10/2013

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Company Name and Address	Contact Information
Spectrum Broadband 230 North Washington Square, Suite 200 Lansing, MI 48933	Customer Service: 517-492-9000 Fax: 517-492-1391 Email: N/A Website: www.mispectrum.com
Springcom, Inc. 400 E. Main Street Springport, MI 49284	Customer Service: 517-857-3500 Fax: 517-857-3329 Email: janet@springcom.com Website: www.springcom.com
STAR VIDEO 9462 Osmo Street, PO Box 006 Kaleva, MI 49645	Customer Service: 231-362-3111 Fax: 231-362-2002 Email: kaltelco@kaltelnet.net Website: www.kaltelnet.net
Summit Digital 100 N. Roland, Suite B, PO Box 87 McBain, MI 49657	Customer Service: 888-600-5040 Fax: 231-825-8008 Email: info@summitdigital.us Website: www.summitdigital.us
Sunrise Communications, LLC 20938 Washington Ave., PO Box 733 Onaway, MI 49765	Customer Service: 877-733-8101 Fax: 989-733-8155 Email: info@src-mi.com Website: www.src-mi.com
T2 Communications 259 Hoover Blvd., Ste. 160 Holland, MI 49423	Customer Service: 616-355-2201 Fax: 616-355-2248 Email: info@t2comm.net Website: www.t2comm.net
Time Warner Entertainment Company, LP 1320 N. Dr. Martin Luther King Drive Milwaukee, WI 53212	Customer Service: 800-627-2288 Fax: N/A Email: N/A Website: www.timewarnercable.com
Town & Country Cable PO Box 100 Montague, MI 49437	Customer Service: 888-873-3353 Fax: 231-894-4960 Email: cjones@micomcable.com Website: www.micomcable.com

Video/Cable Providers Operating in Michigan

as of 1/10/2013

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Company Name and Address	Contact Information
TVC Inc. PO Box 369 Lennon, MI 48449	Customer Service: 810-621-3363 Fax: 810-621-9600 Email: customerserv@lentel.com Website: www.lentel.com
Upper Peninsula Communications Inc. US Hwy 41, PO Box 86 Carney, MI 49812	Customer Service: 866-639-2194 Fax: 906-639-9936 Email: louisd@alphacomm.net Website: N/A
Vogtmann Engineering 6625 Maple Ridge Rd. Alger, MI 48610	Customer Service: 989-836-8848 Fax: N/A Email: moreinfo@algercable.com Website: www.veionline.com
Waldron Communication Company 115 S. Main Street Waldron, MI 49288	Customer Service: 888-792-7958 Fax: 517-286-6219 Email: info@wcomco.net Website: www.wcomco.net
Westphalia Broadband, Inc. 13750 S. Sedona Parkway Lansing, MI 48906	Customer Service: 989-587-5000 Fax: 517-277-8205 Email: customerservice@4wbi.net Website: www.4wbi.net
Wide Open West Michigan, LLC 32650 N. Avis Madison Heights, MI 48071	Customer Service: 866-496-9669 Fax: 248-677-9021 Email: N/A Website: www.wowway.com
Wide Open West Mid-Michigan 2512 Lansing Road Charlotte, MI 48813	Customer Service: 1-800-444-6997 Fax: N/A Email: N/A Website: www.wowway.com
Wyandotte Municipal Services 3200 Biddle Avenue, Ste. 200 Wyandotte, MI 48192	Customer Service: 734-324-7190 Fax: 734-324-7151 Email: talk2wms@wyan.org Website: www.wyan.org

[close print view](#)

consumer inquiries

If you have an inquiry for MPSC staff or need assistance regarding a video/cable issue, you should contact the MPSC by using one of the following methods:

Mall

Michigan Public Service Commission
Attn: Video Franchising
P.O. Box 30221
Lansing, Michigan 48909

Telephone

(800) 292-9555 or (517) 241-6911

Fax

(517) 241-2400



[close print view](#)

satellite customer inquiries

If you have an inquiry or complaint regarding your satellite provider, you should contact your satellite provider directly. If you are unable to receive a satisfactory response from your satellite provider, you should then contact the Federal Trade Commission (FTC) regarding your complaint or inquiry by calling: **1-877-382-4357**. The MPSC is not responsible for satellite provider issues.



[close print view](#)

provider and franchise entity inquiries

If you have an inquiry for MPSC staff or need assistance regarding a video/cable issue, you should contact the MPSC by using one of the following methods:

Mall

Michigan Public Service Commission
Attn: Video Franchising
P.O. Box 30221
Lansing, Michigan 48909

Telephone

(800) 292-9555 or (517) 241-6911

Fax

(517) 241-2400



Michigan Public Service Commission

Formal Video/Cable Complaint

General complaint form for video/cable customers

I Want to File a Formal Complaint

First, you must attempt to resolve your complaint directly with the company in question. Document your experience with the company including dates and contact names.

If you are unable to resolve the complaint with the company you may seek assistance from Michigan Public Service Commission (MPSC) Staff pursuant to section 10 of the Uniform Video Services Local Franchise Act, Public Act 480 of 2006, as amended (the Act). The Commission can provide guidance and assistance in resolving your complaint.

How to Contact the Public Service Commission

Phone: 1-800-292-9555 (in Michigan)
(517) 241-6911 (outside of Michigan)

Fax: (517) 241-2400

Web: michigan.gov/mpsc

Mail: Michigan Public Service Commission
Attn: Video Franchising
P.O. Box 30221
Lansing, MI 48909

Formal Complaint Process

If you have been unable to resolve your complaint after seeking assistance with MPSC Staff (informal complaint process) you may then file a formal complaint. A copy of the statute is included in this package. If a formal hearing is scheduled, both you and the company can still choose to negotiate a settlement rather than go to a formal hearing. If you and the company agree to settle, the complainant must notify the Commission as soon as possible in writing that you no longer want to pursue your complaint.

ATTENTION: If the customer is a business or an organization that is **incorporated or a partnership**, such an entity **must** be represented by an attorney at the formal hearing before the Commission. An individual has the right to either represent themselves or hire an attorney to assist in the formal hearing.

If your complaint involves \$5,000 or less, you and the other party must attempt to settle or mediate your dispute. If after the period of time as noted in section 10(5)(b) of the Act has elapsed and an agreement cannot be reached, then the dispute may go to a formal hearing.

If you file a formal complaint the Commission will follow the hearing process described in the “Rules of Practice and Procedure before the Commission.” See http://www7.dleg.state.mi.us/orr/Files/AdminCode/934_2009-046LR_AdminCode.pdf

What to Expect

After a formal complaint has been filed an attorney from the Commission will review the complaint and any attachments to determine whether the information states facts that permit the Commission to grant the requested relief. The submitted information is evaluated pursuant to the necessary requirements. If your complaint is approved to proceed to a hearing (referred to as “prima facie”), the Commission shall appoint a mediator. If the complaint is found to not be “prima facie” a letter of explanation will be mailed to you and no hearing will be scheduled.

Hearings are held before an Administrative Law Judge (ALJ) at the Commission’s office in Lansing. The formal hearing is similar to a court hearing. A court reporter will record what is said during the hearing. The ALJ will consider the testimony and evidence presented. Complainants have the burden to prove the merits of their complaint. The ALJ will make a decision based upon the evidence presented. If a complainant does not agree with the ALJ’s final determination, you may object by filing exceptions. Thereafter, the Commission will review the evidence and arguments and make a decision.

Complainants must present the evidence to support your complaint and your requested relief. Remember -- all documentation that you intend to rely upon at the hearing must be filed with the complaint.

Also, you and the video/cable company can choose to negotiate a settlement for your complaint so that you do not have to go to the hearing.

Finally, please be aware that if the Commission finds that a party’s complaint or defense filed under this section is frivolous, the Commission may award to the prevailing party costs, including reasonable attorney fees, against the non-prevailing party and their attorney.

Formal Complaint Form

Describe your complaint in as much detail as possible using the attached Formal Video/Cable Complaint form or by letter – whichever is most convenient. State what unlawful and/or unreasonable acts (or failure to act) occurred. This can be a simple chronology or a list of events and your contacts with the video/cable company in question. State which rule or statute you believe was violated. Include the relief or

resolution you are requesting. Please be specific. The Commission does not have the authority to award compensation for pain and suffering, inconvenience, and/or irritation. Provide details of your complaint and the requested relief or resolution.

Attach documents, photos, letters, notices and other materials to support your case. Include additional sheets if necessary. Anything you intend to use at the formal hearing must be included in your complaint.

Sign and date your formal complaint form/letter. Please make **7 copies** for submission to the Commission and return this form/letter (with the 7 copies) to:

***Michigan Public Service Commission
Executive Secretary
P.O. Box 30221
4300 W. Saginaw Highway
Lansing, MI 48909***

NOTE: For your further information, copies of the following documents can be downloaded from the MPSC website. To access them go to michigan.gov/mpsc then click on the Video/Cable button on the left hand side of the screen to find these documents:

- **Uniform Video Services Local Franchise Act – PA 480 of 2006**
- **Uniform Video Services Dispute Resolution Process – PA 4 of 2009**
- **Amended Uniform Video Services Local Franchise Agreement**

Click on the Telecommunications link on the left hand side of the screen and click on the “MI Telecom Act” link under the Telecom Links on the right side to access:

- **Michigan Telecommunications Act**

**STATE OF MICHIGAN
Michigan Public Service Commission
4300 W. Saginaw Highway -- P.O. Box 30221
Lansing, Michigan 48909**

In the matter of the complaint of _____

Case Number: _____
(Leave Blank)

(Complainant's name)

against _____
(Company name)

FORMAL COMPLAINT

I, _____,
(State your name and if a business or organization, state your position)

bring this Formal Complaint against:

(State the Company Name, Street Address, City, State, Zip Code)

for violation of the Uniform Video Services Local Franchise Act. I request that a
contested case be conducted against this party, including a hearing before an
administrative law judge.

Please provide a detailed description of your video/cable (not satellite or internet)
complaint. Also include your contacts with the company and their response or resolution
to the complaint. *Attach any needed documents and/or extra sheets to this complaint
form.* This information can be typed or neatly handwritten.

[illegible]

REQUESTED RELIEF

Please state below what you are requesting as a resolution for your complaint. Include information describing the role you want the Commission to take in obtaining the desired resolution. This information can be typed or neatly handwritten.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.

The Act provides the Commission with the ability to impose fines for violations of the Act. As provided in Section 14(1) of Act 480, if after notice and hearing the Commission finds that a person has violated this Act; the Commission shall order remedies and penalties to protect and make whole persons who have suffered damages as a result of the

violation. The Act gives the Commission certain discretion to set the amount of any fine leveled against the provider between the specified statutory parameters. Check the appropriate box below.

- ☐ I am not requesting the Commission to impose any fine.
- ☐ I am requesting the Commission to impose a fine.

I attest that the facts stated in this complaint are true to the best of my knowledge.

Your Signature

Date

Address

City**State****Zip**

Day Time Phone number

Fax Number

E-mail address

NOTE: You must attach to this complaint copies of all documents or other evidence that you intend to rely upon at hearing. Failure to do so will subject your complaint to delay or dismissal. See, Section 203 of PA 179 of 1991 as amended.

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how do i file a complaint

Consumers should **first** contact their video/cable provider to discuss their complaint. If a resolution cannot be reached, contact the MPSC for help in dealing with the video/cable provider.

[Consumer Alert - Filing a Video/Cable Television Complaint \(http://www.michigan.gov/documents/mpsc/mpsc-ca_videocomplaint_275049_7.pdf\)](http://www.michigan.gov/documents/mpsc/mpsc-ca_videocomplaint_275049_7.pdf)

Call the Commission to File an Informal Complaint

MPSC staff are available to assist with your inquiry or informal complaint Monday through Friday, excluding State holidays, by calling 1-800-292-9555 or 517-241-6911. We encourage you first to contact your video/cable provider with your question before calling us. At times, call volumes may be high and staff are busy assisting other customers. In this situation, you will be put into a voicemail. If you are connected to the Video Franchise voicemail, please leave a detailed message including your full name, call back number, billing address, and the nature of your complaint. Staff will respond to your complaint as soon as possible. You can also contact us by submitting your inquiry or complaint in writing to us at the following address:

Michigan Public Service Commission
Attn: Video Franchising
P.O. Box 30221
Lansing, Michigan 48909

Submit your complaint via fax: (517) 241-2400.

Submit your complaint online: [Video/Cable Complaint Online Form \(http://www.michigan.gov/mpsc/0,1607,7-159-16368_16415--_00.html\)](http://www.michigan.gov/mpsc/0,1607,7-159-16368_16415--_00.html)

File a Formal Complaint

If you are not satisfied with the results of an informal complaint investigation by Commission staff, you may pursue a formal complaint with the Commission. Because the Commission's authority is limited to that provided by statute, a formal complaint can only involve issues that the Commission is responsible for.

[Formal Video/Cable Complaint Form](#)

Uniform Video Services Dispute Resolution Process

Please click on the following link to view the Uniform Video Services Dispute Resolution Process as set forth in 2009 PA 4:

[Uniform Video Services Dispute Resolution Process](#)



[close print view](#)

filing a formal complaint

PLEASE NOTE: Pursuant to PA 480 of 2006, the Michigan Public Service Commission (Commission) **does not regulate** video/cable television providers as public utilities. In addition, the Commission **does not regulate** satellite television providers or internet service providers. Some of the issues may be regulated by the [Federal Trade Commission](http://www.ftc.gov/) (<http://www.ftc.gov/>) (FTC).

An **informal video/cable television complaint** can be sent to the Commission by completing [the form on the Commission's website](http://www.dleg.state.mi.us/mpsc/video/videocomp.html) (<http://www.dleg.state.mi.us/mpsc/video/videocomp.html>), calling the Commission's Video Franchise toll-free number (1-800-292-9555), faxing the complaint to 517-241-2400 or mailing a letter to the Commission.

If you are not satisfied with the results of an **informal complaint** investigation by Commission staff, you may pursue a **formal complaint** with the Commission. Because the Commission's authority is limited to that provided by statute, a formal complaint can only involve issues that the Commission regulates. The formal complaint involves a formal, trial-like proceeding before an administrative law judge. As a contested case before the Commission, a formal complaint hearing is conducted under administrative hearing rules. You may represent yourself (except in the case of an incorporated business), hire a lawyer, or bring anyone you would like to assist you. A lawyer or lawyers will always represent the company. As the complaining party, you must present information to prove or justify your case at a formal hearing.

Pursuant to PA 480 of 2006, customers will need to first proceed with filing an informal complaint with the Commission Staff before a formal complaint can be filed.

- [Formal Video/Cable Complaint Form](#)



[close print view](#)

consumer inquiries

If you have an inquiry for MPSC staff or need assistance regarding a video/cable issue, you should contact the MPSC by using one of the following methods:

Mall

Michigan Public Service Commission
Attn: Video Franchising
P.O. Box 30221
Lansing, Michigan 48909

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(800) 292-9555 or (517) 241-6911

Fax

(517) 241-2400



Filing a Video/Cable Complaint

spotlight

The MPSC's role in handling video/cable television complaints

On December 21, 2006, Governor Granholm signed legislation to promote competition for video services in the state of Michigan. Public Act 480 of 2006, or as it is more commonly known, the "Uniform Video Services Local Franchise Act" charges the Michigan Public Service Commission (MPSC) with implementing the Act. The MPSC now has the responsibility to handle cable inquiries and complaints.

Are you having a problem with your video/cable television provider?

If you are experiencing problems with your provider, you should first contact your provider and attempt to resolve your dispute with them.

Not satisfied? File an informal complaint with the MPSC

If you are dissatisfied with the provider's response, or the dispute is not resolved to your satisfaction, you may file an informal complaint with the MPSC.

How does the informal complaint process work?

- A customer contacts the MPSC with a video/cable television complaint.
- MPSC Staff forwards the complaint to the provider & informally mediates (if necessary) between the provider and the customer.
- The provider is allowed up to 10 business days (under normal circumstances) to respond and provide a detailed resolution to both the customer and the MPSC.

Still not satisfied? File a formal complaint and request a hearing

If you remain dissatisfied even after the Staff has completed the informal complaint process, you may file a Formal Complaint.

A customer will be permitted to file a formal complaint **only after**:

- the informal complaint process has been completed; and
- a satisfactory resolution has not been reached between the provider and the customer.

To request a formal hearing, prepare a letter of complaint explaining the problem. Send the original and seven (7) copies of the letter/complaint to the MPSC at the following address:

**Executive Secretary
MPSC
P.O. Box 30221
Lansing, MI 48909**

The written complaint must contain the following information:

- customer name, address, telephone number, and signature;
- the name and address of the provider with whom there is a disagreement;
- the location/address of the disputed action;
- the time and dates of the disputed actions;
- a description of exactly what happened – include all details, the names and addresses of any persons involved, disputed charges and costs.

Identify the specific section(s) of the Video Act that are alleged to have been violated and state sufficient facts to support the alleged violation(s).

Next Action

MPSC Staff will review the formal complaint, and if the disputed amount is under \$5,000 and all required information is included, the Commission shall appoint a mediator within seven (7) business days of the date the complaint is filed. Mediation may include a review of the complaint and discussions with the customer and company. If through this process the customer and company are still unable to agree, the mediator will issue a recommended solution within 30 days from the date of appointment. The customer and company have 10 days to either accept or reject the recommendation. If the customer or company rejects the solution, the complaint proceeds to a formal hearing. If the dispute involves an amount over \$5,000, it proceeds directly to a contested case hearing with no prior mediation.

Formal Complaint Hearing Process

A formal complaint hearing is a trial-like proceeding. This means that the customer, the cable company, and MPSC Staff will come before an administrative law judge. A formal complaint proceeding is separate from any informal proceeding related to the problem that may have taken place. Lawyers represent the cable company. Customers may hire a lawyer, represent themselves (excluding some businesses), or bring someone to assist them. The customer must present information and witnesses, to prove or justify his/her position. The MPSC cannot provide a lawyer or pay any legal fees. After the hearing, the judge will issue a proposed decision. However, the MPSC will make the final decision, and will issue its decision in a MPSC order. During this process the customer and the company may continue to try to settle the problem. However, the MPSC must approve any agreement that is reached.

Required Costs

If the customer or company rejects the mediator's decision and is found by MPSC order to be at fault, that party will be responsible for the legal costs of the other party. If both the customer and the company reject the mediator's decision, each party pays their own legal costs.

For more information:

For more information about filing a complaint, PA 480, or the dispute resolution process, go to the MPSC website at: michigan.gov/mpsc. Click on the video/cable button.

You may also contact the MPSC at:

Service Quality Division
Attn: Video Franchising
P.O. Box 30221
Lansing, MI 48909

Phone: (800) 292-9555

Fax: (517) 241-2400

Filing Satellite Complaints

The Federal Trade Commission (FTC) at: (877) 382-4357 or ftc.gov handles satellite complaints/inquiries.

Act No. 480
Public Acts of 2006
Approved by the Governor
December 21, 2006
Filed with the Secretary of State
December 21, 2006
EFFECTIVE DATE: January 1, 2007

STATE OF MICHIGAN
93RD LEGISLATURE
REGULAR SESSION OF 2006

Introduced by Reps. Nofs, Proos, Accavitti, Garfield and Hoogendyk

ENROLLED HOUSE BILL No. 6456

AN ACT to provide for uniform video service local franchises; to promote competition in providing video services in this state; to ensure local control of rights-of-way; to provide for fees payable to local units of government; to provide for local programming; to prescribe the powers and duties of certain state and local agencies and officials; and to provide for penalties.

The People of the State of Michigan enact:

Sec. 1. (1) This act shall be known and may be cited as the “uniform video services local franchise act”.

(2) As used in this act:

(a) “Cable operator” means that term as defined in 47 USC 522(5).

(b) “Cable service” means that term as defined in 47 USC 522(6).

(c) “Cable system” means that term as defined in 47 USC 522(7).

(d) “Commission” means the Michigan public service commission.

(e) “Franchising entity” means the local unit of government in which a provider offers video services through a franchise.

(f) “Household” means a house, an apartment, a mobile home, or any other structure or part of a structure intended for residential occupancy as separate living quarters.

(g) “Incumbent video provider” means a cable operator serving cable subscribers or a telecommunication provider providing video services through the provider’s existing telephone exchange boundaries in a particular franchise area within a local unit of government on the effective date of this act.

(h) “IPTV” means internet protocol television.

(i) “Local unit of government” means a city, village, or township.

(j) “Low-income household” means a household with an average annual household income of less than \$35,000.00 as determined by the most recent decennial census.

(k) “Open video system” or “OVS” means that term as defined in 47 USC 573.

(l) “Person” means an individual, corporation, association, partnership, governmental entity, or any other legal entity.

(m) “Public rights-of-way” means the area on, below, or above a public roadway, highway, street, public sidewalk, alley, waterway, or utility easements dedicated for compatible uses.

(n) "Uniform video service local franchise agreement" or "franchise agreement" means the franchise agreement required under this act to be the operating agreement between each franchising entity and video provider in this state.

(o) "Video programming" means that term as defined in 47 USC 522(20).

(p) "Video service" means video programming, cable services, IPTV, or OVS provided through facilities located at least in part in the public rights-of-way without regard to delivery technology, including internet protocol technology. This definition does not include any video programming provided by a commercial mobile service provider defined in 47 USC 332(d) or provided solely as part of, and via, a service that enables users to access content, information, electronic mail, or other services offered over the public internet.

(q) "Video service provider" or "provider" means a person authorized under this act to provide video service.

(r) "Video service provider fee" means the amount paid by a video service provider or incumbent video provider under section 6.

Sec. 2. (1) No later than 30 days from the effective date of this act, the commission shall issue an order establishing the standardized form for the uniform video service local franchise agreement to be used by each franchising entity in this state.

(2) Except as otherwise provided by this act, a person shall not provide video services in any local unit of government without first obtaining a uniform video service local franchise as provided under section 3.

(3) The uniform video service local franchise agreement created under subsection (1) shall include all of the following provisions:

(a) The name of the provider.

(b) The address and telephone number of the provider's principal place of business.

(c) The name of the provider's principal executive officers and any persons authorized to represent the provider before the franchising entity and the commission.

(d) If the provider is not an incumbent video provider, the date on which the provider expects to provide video services in the area identified under subdivision (e).

(e) An exact description of the video service area footprint to be served, as identified by a geographic information system digital boundary meeting or exceeding national map accuracy standards. For providers with 1,000,000 or more access lines in this state using telecommunication facilities to provide video services, the footprint shall be identified in terms of entire wire centers or exchanges. An incumbent video provider satisfies this requirement by allowing a franchising entity to seek right-of-way related information comparable to that required by a permit under the metropolitan extension telecommunications rights-of-way oversight act, 2002 PA 48, MCL 484.3101 to 484.3120, as set forth in its last cable franchise or consent agreement from the franchising entity entered before the effective date of this act.

(f) A requirement that the provider pay the video service provider fees required under section 6.

(g) A requirement that the provider file in a timely manner with the federal communications commission all forms required by that agency in advance of offering video service in this state.

(h) A requirement that the provider agrees to comply with all valid and enforceable federal and state statutes and regulations.

(i) A requirement that the provider agrees to comply with all valid and enforceable local regulations regarding the use and occupation of public rights-of-way in the delivery of the video service, including the police powers of the franchising entity.

(j) A requirement that the provider comply with all federal communications commission requirements involving the distribution and notification of federal, state, and local emergency messages over the emergency alert system applicable to cable operators.

(k) A requirement that the provider comply with the public, education, and government programming requirements of section 4.

(l) A requirement that the provider comply with all customer service rules of the federal communications commission under 47 CFR 76.309(c) applicable to cable operators and applicable provisions of the Michigan consumers protection act, 1976 PA 331, MCL 445.901 to 445.922.

(m) A requirement that the provider comply with the consumer privacy requirements of 47 USC 551 applicable to cable operators.

(n) A requirement that the provider comply with in-home wiring and consumer premises wiring rules of the federal communications commission applicable to cable operators.

(o) A requirement that an incumbent video provider comply with the terms which provide insurance for right-of-way related activities that are contained in its last cable franchise or consent agreement from the franchising entity entered before the effective date of this act.

(p) A grant of authority by the franchising entity to provide video service in the video service area footprint as described under subdivision (e).

(q) A grant of authority by the franchising entity to use and occupy the public rights-of-way in the delivery of the video service, subject to the laws of this state and the police powers of the franchising entity.

(r) A requirement that the parties to the agreement are subject to the provisions of this act.

(s) The penalties provided for under section 14.

Sec. 3. (1) Before offering video services within the boundaries of a local unit of government the video provider shall enter into or possess a franchise agreement with the local unit of government as required by this act.

(2) A franchising entity shall notify the provider as to whether the submitted franchise agreement is complete as required by this act within 15 business days after the date that the franchise agreement is filed. If the franchise agreement is not complete, the franchising entity shall state in its notice the reasons the franchise agreement is incomplete.

(3) A franchising entity shall have 30 days after the submission date of a complete franchise agreement to approve the agreement. If the franchising entity does not notify the provider regarding the completeness of the franchise agreement or approve the franchise agreement within the time periods required under this subsection, the franchise agreement shall be considered complete and the franchise agreement approved.

(4) The uniform video service local franchise agreement issued by a franchising entity or an existing franchise of an incumbent video service provider is fully transferable to any successor in interest to the provider to which it is initially granted. A notice of transfer shall be filed with the franchising entity within 15 days of the completion of the transfer.

(5) The uniform video service local franchise agreement issued by a franchising entity may be terminated or the video service area footprint may be modified, except as provided under section 9, by the provider by submitting notice to the franchising entity.

(6) If any of the information contained in the franchise agreement changes, the provider shall timely notify the franchising entity.

(7) The uniform video service local franchise shall be for a period of 10 years from the date it is issued. Before the expiration of the initial franchise agreement or any subsequent renewals, the provider may apply for an additional 10-year renewal under this section.

(8) As a condition to obtaining or holding a franchise, a franchising entity shall not require a video service provider to obtain any other franchise, assess any other fee or charge, or impose any other franchise requirement than is allowed under this act. For purposes of this subsection, a franchise requirement includes, but is not limited to, a provision regulating rates charged by video service providers, requiring the video service providers to satisfy any build-out requirements, or a requirement for the deployment of any facilities or equipment.

Sec. 4. (1) A video service provider shall designate a sufficient amount of capacity on its network to provide for the same number of public, education, and government access channels that are in actual use on the incumbent video provider system on the effective date of this act or as provided under subsection (14).

(2) Any public, education, or government channel provided under this section that is not utilized by the franchising entity for at least 8 hours per day for 3 consecutive months may no longer be made available to the franchising entity and may be programmed at the provider's discretion. At such time as the franchising entity can certify a schedule for at least 8 hours of daily programming for a period of 3 consecutive months, the provider shall restore the previously reallocated channel.

(3) The franchising entity shall ensure that all transmissions, content, or programming to be retransmitted by a video service provider is provided in a manner or form that is capable of being accepted and retransmitted by a provider, without requirement for additional alteration or change in the content by the provider, over the particular network of the provider, which is compatible with the technology or protocol utilized by the provider to deliver services.

(4) A video service provider may request that an incumbent video provider interconnect with its video system for the sole purpose of providing access to video programming that is being provided over public, education, and government channels for a franchising entity that is served by both providers. Where technically feasible, interconnection shall be allowed under an agreement of the parties. The video service provider and incumbent video provider shall negotiate in good faith and may not unreasonably withhold interconnection. Interconnection may be accomplished by any reasonable method as agreed to by the providers. The requesting video service provider shall pay the construction, operation, maintenance, and other costs arising out of the interconnection, including the reasonable costs incurred by the incumbent provider.

(5) The person producing the broadcasts is solely responsible for all content provided over designated public, education, or government channels. A video service provider shall not exercise any editorial control over any programming on any channel designed for public, education, or government use.

(6) A video service provider is not subject to any civil or criminal liability for any program carried on any channel designated for public, education, or government use.

(7) Except as otherwise provided in subsection (8), a provider shall provide subscribers access to the signals of the local broadcast television station licensed by the federal communications commission to serve those subscribers over the air. This section does not apply to a low-power station unless the station is a qualified low-power station as defined under 47 USC 534(h)(2). A provider is required to only carry digital broadcast signals to the extent that a broadcast television station has the right under federal law or regulation to demand carriage of the digital broadcast signals by a cable operator on a cable system.

(8) To facilitate access by subscribers of a video service provider to the signals of local broadcast stations under this section, a station either shall be granted mandatory carriage or may request retransmission consent with the provider.

(9) A provider shall transmit, without degradation, the signals a local broadcast station delivers to the provider. A provider is not required to provide a television station valuable consideration in exchange for carriage.

(10) A provider shall not do either of the following:

(a) Discriminate among or between broadcast stations and programming providers with respect to transmission of their signals, taking into account any consideration afforded the provider by the programming provider or broadcast station. In no event shall the signal quality as retransmitted by the provider be required to be superior to the signal quality of the broadcast stations as received by the provider from the broadcast television station.

(b) Delete, change, or alter a copyright identification transmitted as part of a broadcast station's signal.

(11) A provider shall not be required to utilize the same or similar reception technology as the broadcast stations or programming providers.

(12) A public, education, or government channel shall only be used for noncommercial purposes.

(13) Subsections (7) to (11) apply only to a video service provider that delivers video programming in a video service area where the provider is not regulated as a cable operator under federal law.

(14) If a franchising entity seeks to utilize capacity designated under subsection (1) or an agreement under section 13 to provide access to video programming over 1 or more public, governmental, and education channels, the franchising entity shall give the provider a written request specifying the number of channels in actual use on the incumbent video provider's system or specified in the agreement entered into under section 13. The video service provider shall have 90 days to begin providing access as requested by the franchising entity.

Sec. 5. (1) As of the effective date of this act, no existing franchise agreement with a franchising entity shall be renewed or extended upon the expiration date of the agreement.

(2) The incumbent video provider, at its option, may continue to provide video services to the franchising entity by electing to do 1 of the following:

(a) Terminate the existing franchise agreement before the expiration date of the agreement and enter into a new franchise under a uniform video service local franchise agreement.

(b) Continue under the existing franchise agreement amended to include only those provisions required under a uniform video service local franchise.

(c) Continue to operate under the terms of an expired franchise until a uniform video service local franchise agreement takes effect. An incumbent video provider has 120 days after the effective date of this act to file for a uniform video service local franchise agreement.

(3) On the effective date of this act, any provisions of an existing franchise that are inconsistent with or in addition to the provisions of a uniform video service local franchise agreement are unreasonable and unenforceable by the franchising entity.

(4) If a franchising entity authorizes 2 or more video service providers through an existing franchise, a uniform video service local franchise agreement, or an agreement under section 13, the franchising entity shall not enforce any term, condition, or requirement of any franchise agreement that is more burdensome than the terms, conditions, or requirements contained in another franchise agreement.

Sec. 6. (1) A video service provider shall calculate and pay an annual video service provider fee to the franchising entity. The fee shall be 1 of the following:

(a) If there is an existing franchise agreement, an amount equal to the percentage of gross revenues paid to the franchising entity by the incumbent video provider with the largest number of subscribers in the franchising entity.

(b) At the expiration of an existing franchise agreement or if there is no existing franchise agreement, an amount equal to the percentage of gross revenues as established by the franchising entity not to exceed 5% and shall be applicable to all providers.

(2) The fee due under subsection (1) shall be due on a quarterly basis and paid within 45 days after the close of the quarter. Each payment shall include a statement explaining the basis for the calculation of the fee.

(3) The franchising entity shall not demand any additional fees or charges from a provider and shall not demand the use of any other calculation method other than allowed under this act.

(4) For purposes of this section, "gross revenues" means all consideration of any kind or nature, including, without limitation, cash, credits, property, and in-kind contributions received by the provider from subscribers for the provision of video service by the video service provider within the jurisdiction of the franchising entity. Gross revenues shall include all of the following:

(a) All charges and fees paid by subscribers for the provision of video service, including equipment rental, late fees, insufficient funds fees, fees attributable to video service when sold individually or as part of a package or bundle, or functionally integrated, with services other than video service.

(b) Any franchise fee imposed on the provider that is passed on to subscribers.

(c) Compensation received by the provider for promotion or exhibition of any products or services over the video service.

(d) Revenue received by the provider as compensation for carriage of video programming on that provider's video service.

(e) All revenue derived from compensation arrangements for advertising attributable to the local franchise area.

(f) Any advertising commissions paid to an affiliated third party for video service advertising.

(5) Gross revenues do not include any of the following:

(a) Any revenue not actually received, even if billed, such as bad debt net of any recoveries of bad debt.

(b) Refunds, rebates, credits, or discounts to subscribers or a municipality to the extent not already offset by subdivision (a) and to the extent the refund, rebate, credit, or discount is attributable to the video service.

(c) Any revenues received by the provider or its affiliates from the provision of services or capabilities other than video service, including telecommunications services, information services, and services, capabilities, and applications that may be sold as part of a package or bundle, or functionally integrated, with video service.

(d) Any revenues received by the provider or its affiliates for the provision of directory or internet advertising, including yellow pages, white pages, banner advertisement, and electronic publishing.

(e) Any amounts attributable to the provision of video service to customers at no charge, including the provision of such service to public institutions without charge.

(f) Any tax, fee, or assessment of general applicability imposed on the customer or the transaction by a federal, state, or local government or any other governmental entity, collected by the provider, and required to be remitted to the taxing entity, including sales and use taxes.

(g) Any forgone revenue from the provision of video service at no charge to any person, except that any forgone revenue exchanged for trades, barter, services, or other items of value shall be included in gross revenue.

(h) Sales of capital assets or surplus equipment.

(i) Reimbursement by programmers of marketing costs actually incurred by the provider for the introduction of new programming.

(j) The sale of video service for resale to the extent the purchaser certifies in writing that it will resell the service and pay a franchise fee with respect to the service.

(6) In the case of a video service that is bundled or integrated functionally with other services, capabilities, or applications, the portion of the video provider's revenue attributable to the other services, capabilities, or applications shall be included in gross revenue unless the provider can reasonably identify the division or exclusion of the revenue from its books and records that are kept in the regular course of business.

(7) Revenue of an affiliate shall be included in the calculation of gross revenues to the extent the treatment of the revenue as revenue of the affiliate has the effect of evading the payment of franchise fees which would otherwise be paid for video service.

(8) In addition to the fee required under subsection (1), a video service provider shall pay to the franchising entity as support for the cost of public, education, and government access facilities and services an annual fee equal to 1 of the following:

(a) If there is an existing franchise on the effective date of this act, the fee paid to the franchising entity by the incumbent video provider with the largest number of cable service subscribers in the franchising entity as determined by the existing franchise agreement.

(b) At the expiration of the existing franchise agreement, the amount required under subdivision (a) not to exceed 2% of gross revenues.

(c) If there is no existing franchise agreement, a percentage of gross revenues as established by the franchising entity not to exceed 2% to be determined by a community need assessment.

(d) An amount agreed to by the franchising entity and the video service provider.

(9) The fee required under subsection (8) shall be applicable to all providers.

(10) The fee due under subsection (8) shall be due on a quarterly basis and paid within 45 days after the close of the quarter. Each payment shall include a statement explaining the basis for the calculation of the fee.

(11) A video service provider is entitled to a credit applied toward the fees due under subsection (1) for all funds allocated to the franchising entity from annual maintenance fees paid by the provider for use of public rights-of-way, minus any property tax credit allowed under section 8 of the metropolitan extension telecommunications rights-of-way oversight act, 2002 PA 48, MCL 484.3108. The credits shall be applied on a monthly pro rata basis beginning in the first month of each calendar year in which the franchising entity receives its allocation of funds. The credit allowed under this subsection shall be calculated by multiplying the number of linear feet occupied by the provider in the public rights-of-way of the franchising entity by the lesser of 5 cents or the amount assessed under the metropolitan extension telecommunications rights-of-way oversight act, 2002 PA 48, MCL 484.3101 to 484.3120. A video service provider is not eligible for a credit under this subsection unless the provider has taken all property tax credits allowed under the metropolitan extension telecommunications rights-of-way oversight act, 2002 PA 48, MCL 484.3101 to 484.3120.

(12) All determinations and computations made under this section shall be pursuant to generally accepted accounting principles.

(13) The commission within 30 days after the enactment into law of any appropriation to it shall ascertain the amount of the appropriation attributable to the actual costs to the commission in exercising its duties under this act and shall be assessed against each video service provider doing business in this state. Each provider shall pay a portion of the total assessment in the same proportion that its number of subscribers for the preceding calendar year bears to the total number of video service subscribers in the state. The first assessment made under this act shall be based on the commission's estimated number of subscribers for each provider in the year that the appropriation is made. The total assessment under this subsection shall not exceed \$1,000,000.00 annually. This subsection does not apply after December 31, 2009.

Sec. 7. (1) No more than every 24 months, a franchising entity may perform reasonable audits of the video service provider's calculation of the fees paid under section 6 to the franchising entity during the preceding 24-month period only. All records reasonably necessary for the audits shall be made available by the provider at the location where the records are kept in the ordinary course of business. The franchising entity and the video service provider shall each be responsible for their respective costs of the audit. Any additional amount due verified by the franchising entity shall be paid by the provider within 30 days of the franchising entity's submission of an invoice for the sum. If the sum exceeds 5% of the total fees which the audit determines should have been paid for the 24-month period, the provider shall pay the franchising entity's reasonable costs of the audit.

(2) Any claims by a franchising entity that fees have not been paid as required under section 6, and any claims for refunds or other corrections to the remittance of the provider, shall be made within 3 years from the date the compensation is remitted.

(3) Any video service provider may identify and collect as a separate line item on the regular monthly bill of each subscriber an amount equal to the percentage established under section 6(1) applied against the amount of the subscriber's monthly bill.

(4) A video service provider may identify and collect as a separate line item on the regular monthly bill of each subscriber an amount equal to the percentage established under section 6(8) applied against the amount of the subscriber's monthly bill.

Sec. 8. (1) A franchising entity shall allow a video service provider to install, construct, and maintain a video service or communications network within a public right-of-way and shall provide the provider with open, comparable, nondiscriminatory, and competitively neutral access to the public right-of-way.

(2) A franchising entity may not discriminate against a video service provider to provide video service for any of the following:

(a) The authorization or placement of a video service or communications network in public rights-of-way.

(b) Access to a building owned by a governmental entity.

(c) A municipal utility pole attachment.

(3) A franchising entity may impose on a video service provider a permit fee only to the extent it imposes such a fee on incumbent video providers, and any fee shall not exceed the actual, direct costs incurred by the franchising entity for issuing the relevant permit. A fee under this section shall not be levied if the video service provider already has paid a permit fee of any kind in connection with the same activity that would otherwise be covered by the permit fee under

this section or is otherwise authorized by law or contract to place the facilities used by the video service provider in the public rights-of-way or for general revenue purposes.

Sec. 9. (1) A video service provider shall not deny access to service to any group of potential residential subscribers because of the race or income of the residents in the local area in which the group resides.

(2) It is a defense to an alleged violation of subsection (1) if the provider has met either of the following conditions:

(a) Within 3 years of the date it began providing video service under this act, at least 25% of households with access to the provider's video service are low-income households.

(b) Within 5 years of the date it began providing video service under this act and from that point forward, at least 30% of the households with access to the provider's video service are low-income households.

(3) If a video service provider is using telecommunication facilities to provide video services and has more than 1,000,000 telecommunication access lines in this state, the provider shall provide access to its video service to a number of households equal to at least 25% of the households in the provider's telecommunication service area in the state within 3 years of the date it began providing video service under this act and to a number not less than 50% of these households within 6 years. A video service provider is not required to meet the 50% requirement in this subsection until 2 years after at least 30% of the households with access to the provider's video service subscribe to the service for 6 consecutive months.

(4) Each provider shall file an annual report with the franchising entity and the commission regarding the progress that has been made toward compliance with subsections (2) and (3).

(5) Except for satellite service, a video service provider may satisfy the requirements of this section through the use of alternative technology that offers service, functionality, and content, which is demonstrably similar to that provided through the provider's video service system and may include a technology that does not require the use of any public right-of-way. The technology utilized to comply with the requirements of this section shall include local public, education, and government channels and messages over the emergency alert system as required under section 4.

(6) A video service provider may apply to the franchising entity, and, in the case of subsection (3), the commission, for a waiver of or for an extension of time to meet the requirements of this section if 1 or more of the following apply:

(a) The inability to obtain access to public and private rights-of-way under reasonable terms and conditions.

(b) Developments or buildings not being subject to competition because of existing exclusive service arrangements.

(c) Developments or buildings being inaccessible using reasonable technical solutions under commercial reasonable terms and conditions.

(d) Natural disasters.

(e) Factors beyond the control of the provider.

(7) The franchising entity or commission may grant the waiver or extension only if the provider has made substantial and continuous effort to meet the requirements of this section. If an extension is granted, the franchising entity or commission shall establish a new compliance deadline. If a waiver is granted, the franchising entity or commission shall specify the requirement or requirements waived.

(8) Notwithstanding any other provision of this act, a video service provider using telephone facilities to provide video service is not obligated to provide such service outside the provider's existing telephone exchange boundaries.

(9) Notwithstanding any other provision of this act, a video service provider shall not be required to comply with, and a franchising entity may not impose or enforce, any mandatory build-out or deployment provisions, schedules, or requirements except as required by this section.

Sec. 10. (1) A video service provider shall not do in connection with the providing of video services to its subscribers and the commission may enforce compliance with any of the following to the extent that the activities are not covered by section 2(3)(l):

(a) Make a statement or representation, including the omission of material information, regarding the rates, terms, or conditions of providing video service that is false, misleading, or deceptive. As used in this subdivision, "material information" includes, but is not limited to, all applicable fees, taxes, and charges that will be billed to the subscriber, regardless of whether the fees, taxes, or charges are authorized by state or federal law.

(b) Charge a customer for a subscribed service for which the customer did not make an initial affirmative order. Failure to refuse an offered or proposed subscribed service is not an affirmative order for the service.

(c) If a customer has canceled a service, charge the customer for service provided after the effective date the service was canceled.

(d) Cause a probability of confusion or a misunderstanding as to the legal rights, obligations, or remedies of a party to a transaction by making a false, deceptive, or misleading statement or by failing to inform the customer of a material fact, the omission of which is deceptive or misleading.

(e) Represent or imply that the subject of a transaction will be provided promptly, or at a specified time, or within a reasonable time, if the provider knows or has reason to know that it will not be so provided.

(f) Cause coercion and duress as a result of the time and nature of a sales presentation.

(2) Each video service provider shall establish a dispute resolution process for its customers. Each provider shall maintain a local or toll-free telephone number for customer service contact.

(3) The commission shall submit to the legislature no later than June 1, 2007 a proposed process to be added to this act that would allow the commission to review disputes which are not resolved under subsection (2), disputes between a provider and a franchising entity, and disputes between providers.

(4) Each provider shall notify its customers of the dispute resolution process created under this section.

Sec. 11. (1) Except under the terms of a mandatory protective order, trade secrets and commercial or financial information submitted under this act to the franchising entity or commission are exempt from the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(2) If information is disclosed under a mandatory protective order, then the franchising entity or commission may use the information for the purpose for which it is required, but the information shall remain confidential.

(3) There is a rebuttable presumption that costs studies, customer usage data, marketing studies and plans, and contracts are trade secrets or commercial or financial information protected under subsection (1). The burden of removing the presumption under this subsection is with the party seeking to have the information disclosed.

Sec. 12. (1) The commission's authority to administer this act is limited to the powers and duties explicitly provided for under this act, and the commission shall not have the authority to regulate or control a provider under this act as a public utility.

(2) 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.

Sec. 13. This act does not prohibit a local unit of government and a video service provider from entering into a voluntary franchise agreement that includes terms and conditions different than those required under this act, including, but not limited to, a reduction in the franchise fee in return for the video service provider making available to the franchising entity services, equipment, capabilities, or other valuable consideration. This section does not apply unless for each provider servicing the franchise entity it is technically feasible and commercially practicable to comply with similar terms and conditions in the franchise agreement and it is offered to the other provider.

Sec. 14. (1) After notice and hearing, if the commission finds that a person has violated this act, the commission shall order remedies and penalties to protect and make whole persons who have suffered damages as a result of the violation, including, but not limited to, 1 or more of the following:

(a) Except as otherwise provided under subdivision (b), order the person to pay a fine for the first offense of not less than \$1,000.00 or more than \$20,000.00. For a second and any subsequent offense, the commission shall order the person to pay a fine of not less than \$2,000.00 or more than \$40,000.00.

(b) If the video service provider has less than 250,000 telecommunication access lines in this state, order the person to pay a fine for the first offense of not less than \$200.00 or more than \$500.00. For a second and any subsequent offense, the commission shall order the person to pay a fine of not less than \$500.00 or more than \$1,000.00.

(c) If the person has received a uniform video service local franchise, revoke the franchise.

(d) Issue cease and desist orders.

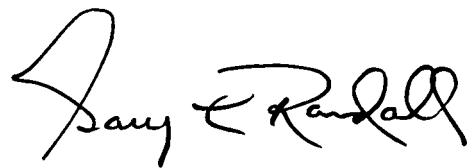
(2) Notwithstanding subsection (1), a fine shall not be imposed for a violation of this act if the provider has otherwise fully complied with this act and shows that the violation was an unintentional and bona fide error notwithstanding the maintenance of procedures reasonably adopted to avoid the error. Examples of a bona fide error include clerical, calculation, computer malfunction, programming, or printing errors. An error in legal judgment with respect to a person's obligations under this act is not a bona fide error. The burden of proving that a violation was an unintentional and bona fide error is on the provider.

(3) If the commission finds that a party's complaint or defense filed under this section is frivolous, the commission shall award to the prevailing party costs, including reasonable attorney fees, against the nonprevailing party and their attorney.

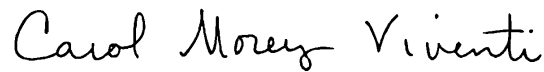
(4) Any party of interest shall have the same rights to appeal and review an order or finding of the commission under this act as provided under the Michigan telecommunications act, 1991 PA 179, MCL 484.2101 to 484.2604.

Enacting section 1. This act takes effect January 1, 2007.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor

Act No. 191
Public Acts of 2009
Approved by the Governor
December 21, 2009
Filed with the Secretary of State
December 22, 2009
EFFECTIVE DATE: December 22, 2009

**STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009**

Introduced by Reps. Geiss, Mayes, Scripps, Melton and Horn

ENROLLED HOUSE BILL No. 5574

AN ACT to amend 2006 PA 480, entitled "An act to provide for uniform video service local franchises; to promote competition in providing video services in this state; to ensure local control of rights-of-way; to provide for fees payable to local units of government; to provide for local programming; to prescribe the powers and duties of certain state and local agencies and officials; and to provide for penalties," (MCL 484.3301 to 484.3314) by adding section 15.

The People of the State of Michigan enact:

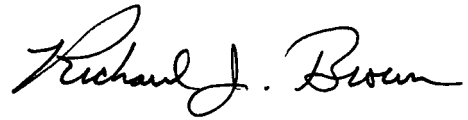
Sec. 15. (1) Effective January 1, 2010, the commission within 30 days after the enactment into law of any appropriation to it shall ascertain the amount of the appropriation attributable to the actual costs to the commission in exercising its duties under this act and that amount shall be assessed against each video service provider doing business in this state. Each provider shall pay a portion of the total assessment in the same proportion that its number of subscribers for the preceding calendar year bears to the total number of video service subscribers in the state. The total assessment under this section shall not exceed \$1,000,000.00 annually.

(2) For the state fiscal year commencing October 1, 2009 and annually thereafter, there shall be deducted from any amount to be assessed under subsection (1) an amount equal to the difference by which the actual expenditures of the commission attributable to exercising its duties under this act for the previous fiscal year are less than the amount assessed against each video service provider in the previous fiscal year. The deductions shall be made in the same proportion as the original assessment in subsection (1).


(3) All money paid into the state treasury by a video service provider under subsection (1) shall be credited to a special account, to be utilized solely to finance the cost to the commission of exercising its duties under this act.

(4) This section does not apply after December 31, 2015.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor

Act No. 4
Public Acts of 2009
Approved by the Governor
April 2, 2009
Filed with the Secretary of State
April 2, 2009
EFFECTIVE DATE: April 2, 2009

**STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009**

Introduced by Senator Thomas

ENROLLED SENATE BILL No. 190

AN ACT to amend 2006 PA 480, entitled "An act to provide for uniform video service local franchises; to promote competition in providing video services in this state; to ensure local control of rights-of-way; to provide for fees payable to local units of government; to provide for local programming; to prescribe the powers and duties of certain state and local agencies and officials; and to provide for penalties," by amending section 10 (MCL 484.3310).

The People of the State of Michigan enact:

Sec. 10. (1) A video service provider shall not do in connection with the providing of video services to its subscribers and the commission may enforce compliance with any of the following to the extent that the activities are not covered by section 2(3)(l):

(a) Make a statement or representation, including the omission of material information, regarding the rates, terms, or conditions of providing video service that is false, misleading, or deceptive. As used in this subdivision, "material information" includes, but is not limited to, all applicable fees, taxes, and charges that will be billed to the subscriber, regardless of whether the fees, taxes, or charges are authorized by state or federal law.

(b) Charge a customer for a subscribed service for which the customer did not make an initial affirmative order. Failure to refuse an offered or proposed subscribed service is not an affirmative order for the service.

(c) If a customer has canceled a service, charge the customer for service provided after the effective date the service was canceled.

(d) Cause a probability of confusion or a misunderstanding as to the legal rights, obligations, or remedies of a party to a transaction by making a false, deceptive, or misleading statement or by failing to inform the customer of a material fact, the omission of which is deceptive or misleading.

(e) Represent or imply that the subject of a transaction will be provided promptly, or at a specified time, or within a reasonable time, if the provider knows or has reason to know that it will not be so provided.

(f) Cause coercion and duress as a result of the time and nature of a sales presentation.

(2) Each video service provider shall establish a dispute resolution process for its customers. Each provider shall maintain a local or toll-free telephone number for customer service contact.

(3) Each provider shall notify its customers not less than annually of the dispute resolution process created under this section. Each provider shall include the dispute resolution process on its website.

(4) Before a customer can file a complaint with the commission under subsection (5), the customer shall first attempt to resolve the dispute through the dispute resolution process established by the provider under subsection (2). If the dispute cannot be resolved by the provider's dispute resolution process, the customer may file a complaint with the commission under subsection (5). The provider shall provide the customer with the commission's toll-free customer service number and website address.

(5) A complaint filed under this section involving a dispute between a customer and a provider shall be handled by the commission in the following manner:

(a) An attempt to resolve the dispute shall first be made through an informal resolution process. Upon receiving a complaint, the commission shall forward the complaint to the provider and attempt to informally mediate a resolution.

The provider shall have 10 business days to respond and offer a resolution. If the dispute cannot be resolved through the informal process, the customer can file a formal complaint under subdivision (b).

(b) A formal complaint filed under this subdivision shall be in writing and shall state the section or sections of this act that the customer alleges the provider has violated, sufficient facts to support the allegations, and the exact relief sought from the provider. The formal complaint shall comply with the same requirements of a written complaint filed under section 203 of the Michigan telecommunications act, 1991 PA 179, MCL 484.2203. The complaint shall be resolved by 1 of the following:

(i) If the dispute involves an amount of \$5,000.00 or less, the commission shall appoint a mediator within 7 business days of the date the complaint is filed. The mediator shall make recommendations for resolution within 30 days from the date of appointment. Within 10 days of the date of the mediator's recommendations, any named party in the complaint may request a contested case as provided under subparagraph (ii).

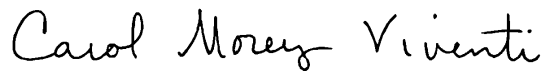
(ii) If the dispute involves an amount greater than \$5,000.00, a contested case hearing in the same manner as provided under section 203 of the Michigan telecommunications act, 1991 PA 179, MCL 484.2203.

(6) If the dispute is between a provider and a franchising entity or between 2 or more providers, the dispute will be resolved in the following manner:

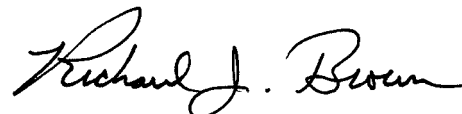
(a) An attempt to resolve the dispute shall first be made through an informal resolution process. If a provider or franchising entity believes that a violation of this act or the franchising agreement has occurred, the provider or franchising entity may begin an informal complaint process with the commission. The provider or the franchising entity shall file with the commission a written notice of dispute identifying the nature of the dispute, request an informal dispute resolution, and serve the notice of dispute on the other party. Commission staff will conduct an informal mediation in an attempt to resolve the dispute. If a satisfactory resolution to the dispute is not achieved, any named party in the complaint may file a formal complaint under subdivision (b).

(b) A formal complaint to the commission filed under this subdivision shall be in writing and shall state the section or sections of this act or parts of the franchising agreement that the party alleges have been violated, sufficient facts to support the allegations, the relief requested, and shall further contain all information, testimony, exhibits, or other documents and information within the moving party's possession on which the party intends to rely to support the complaint. For a period of 60 days after the date the complaint is filed, the parties shall attempt alternative means of resolving the complaint. If the parties cannot agree on the alternative means within 10 days after the date the complaint is filed, the commission shall order mediation. Within 60 days from the date mediation is ordered, the mediator shall issue a recommended settlement. Within 7 days after the date the recommended settlement is issued, each party shall file with the commission a written acceptance or rejection of the recommended settlement. If the parties accept the recommendation, then the recommendation shall become the final order in the contested case. If a party rejects or fails to respond within 7 days to the recommended settlement, then the complaint shall proceed to a contested case hearing in the same manner as provided under section 203 of the Michigan telecommunications act, 1991 PA 179, MCL 484.2203. A party that rejects the recommended settlement shall pay the opposing party's actual costs of proceeding to a contested case hearing, including a reasonable, nonexcessive attorney fee, unless the final order of the commission is more favorable to the rejecting party than the recommended settlement. A final order is considered more favorable if it differs by 10% or more from the recommended settlement in favor of the rejecting party. If the recommendation is not accepted, the individual commissioners shall not be informed of the recommended settlement until they have issued their final order.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved

.....
Governor

Reports and Studies

MPSC Reports on the Status of Competition for Video Services in Michigan

- Based on available data gathered by the Commission through its surveys over the last five years:
- Of the 1,991 existing franchise agreements, 1,401 are now using the Uniform Video Service Local Franchise Agreement. This is an increase of 119 compared to 2011 data.
- In 2012, Michigan had 2,316,197 video/cable customers – an increase of 2,116 customers from 2011. This does not include customers of satellite providers which are not required to have franchise agreements with municipalities.
- Prior to the Act, 53 municipalities reported having two or more video/cable providers offering service. Since the Act took effect that number has almost doubled to 105.
- One new provider began offering video/cable services to Michigan residents in 2012. Since January 1, 2007, fifteen video/cable providers began to offer video/cable service in Michigan.
- The three providers with the largest number of video/cable subscribers in Michigan are Comcast, Charter Communications, and AT&T Michigan (U-verse).
- Providers reported investing \$380 million in the video/cable market in Michigan in 2012.

STATUS OF COMPETITION FOR VIDEO SERVICES IN MICHIGAN

**John D. Quackenbush, Chairman
Orjiakor N. Isiogu, Commissioner
Greg R. White, Commissioner**

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

February 1, 2013



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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 sixth year, the Commission has gathered 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) throughout the 2012 calendar year. This report also includes information relating to recommendations for legislative changes and the Commission’s conclusion on the status of video/cable competition for 2012.

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 2012 calendar year. These responsibilities and activities have been divided into the following categories: Statutory Responsibilities, Outreach and Complaint Handling.

A. Statutory Responsibilities

The 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 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 to requirements in Section 9 of the Act (deployment of services) and monitor the providers' adherence to its progress for compliance through annual reports. To date, the Commission has not received any such waiver requests.

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

Lastly, the Commission has the authority to order remedies and penalties for violations of the Act. The Commission did not have cause to exercise authority to order remedies and penalties for violations of the Act in 2012.

B. Outreach

In May 2012, the Commission's Service Quality Division (SQD) developed a new constituent outreach initiative. Members of SQD staff attended 40 events throughout the state of Michigan. Video Franchise staff provided video/cable consumer information to be available at these events. SQD staff estimates that over 4,500 Michigan constituents attended outreach events and that the video/cable Consumer Tips was distributed to more than 2,800 constituents. Video Franchise staff also distributed video/cable Consumer Tips to over 1,700 Michigan municipalities regarding the video/cable complaint resolution process.² The Commission continues to alert subscribers with relevant and timely consumer education tips through its SQD listserv.³ Through the new outreach initiative, the listserv has increased subscribership from 787 to 1,567 in 2012.

Updates and enhancements are continually being made to the Commission's video franchise webpage.⁴ For example, any interested party can go to the video franchise webpage and click on "Video Cable Providers Offering Service in Michigan" and view an updated list of all the video/cable providers offering service as well as the contact information for each provider. When Video Franchise staff becomes aware of a new provider the list is updated accordingly. In addition, there is a link on the video franchise webpage to Michigan's

² The Consumer Tips was sent with the Annual Survey notification letter on October 30, 2012 to every municipality in Michigan.

³ SQD implemented an email listserv where constituents can subscribe to automatically receive important consumer alerts and information.

⁴ <http://www.michigan.gov/mpsc/0,1607,7-159-49641---,00.html>

Interactive Broadband Map.⁵ 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.⁶

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), an online complaint form, contact information for Video Franchise, and an archive containing the Video Competition Reports.

C. Complaint/Inquiry Handling

Complaints and inquiries are received by calling the Commission's toll-free and general telephone lines, fax, mail, online complaint form, and customers who walk into one of the Commission's offices. The video/cable franchising section also receives referrals from the Governor's office, legislative staff, the Department Director's office and other state agencies with video/cable complaints and inquiries.

When contacting the Commission through the toll-free telephone line, a customer is prompted to select the appropriate industry of concern and calls are then answered live by a Video Franchising Complaint Specialist. A customer record is created for each customer complaint and/or inquiry. These records allow staff to track the history and progress of the customer's concern to completion and accumulate data used to analyze complaint and inquiry trends. A Video Franchising Complaint Specialist responds directly to the customer's inquiry or complaint, and when appropriate the complaint is forwarded to a provider complaint

⁵ <http://connectmi.org/>

⁶ 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.

representative for resolution. The Commission follows the dispute resolution process as set forth in Public Act 4 of 2009.

1. Informal/Formal Customer Complaints

Overall, the number of customer complaints and inquiries increased from 2011. The Commission continues to assist customers on a variety of issues regarding billing problems, service outages, customer service, missed appointments, delayed service, rates/fees, channel line-up concerns, video/cable competition, equipment/cable line problems, and Public, Education, and Government (PEG) programming complaints. The Commission has been able to informally resolve such problems with the provider. When informal resolution is unsuccessful, the customer is allowed to file a formal complaint with the Commission pursuant to the Act. There were no formal customer complaints filed in 2012.

The Commission received 880 video/cable customer complaints and inquiries from January 1, 2012 to December 31, 2012. Figure 1 below shows the number of complaints and inquiries filed at the Commission (2007 – 2012):

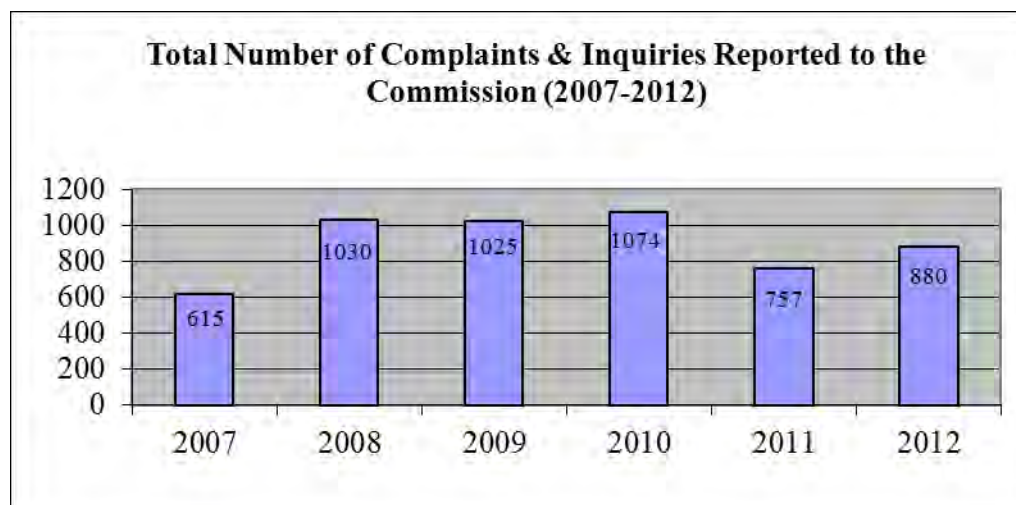


Figure 1
Source: MPSC Complaint Data

The 880 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.

As previously stated, the Commission assisted video/cable customers with a number of issues. Figure 2 provides a listing of the most common types of video/cable complaints filed with the Commission in 2012:

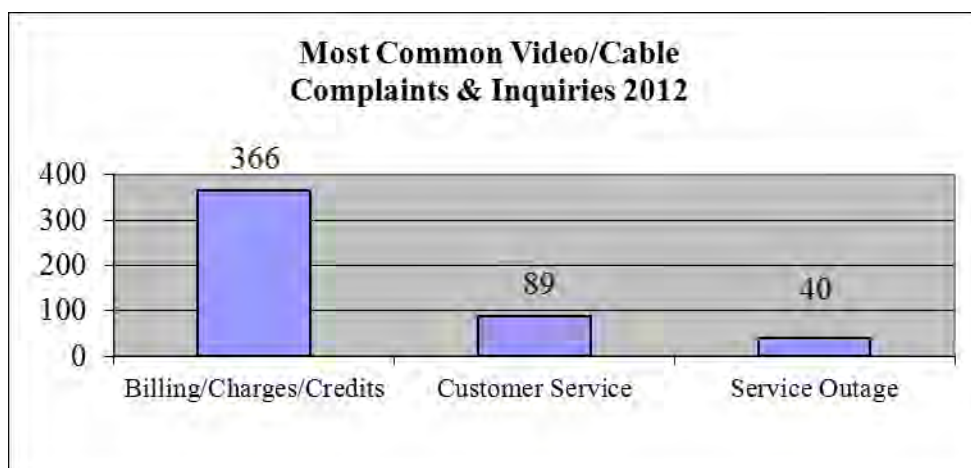


Figure 2
Source: MPSC Complaint Data

The most frequent complaint categories are Billing/Charges/Credits, Customer Service, and Service Outage.

The Commission received video/cable complaints from customers of 14 different cable providers. The three providers with the most complaints and inquiries filed with the Commission were Comcast (51 percent), AT&T Michigan (15 percent), and Charter (14 percent)

– the three companies with the highest subscribership in Michigan. The total number of complaints compared to the overall number of video/cable subscribers in Michigan remains low.⁷

2. Informal/Formal Franchise Entity vs. Video/Cable Provider Complaints

This past year the Commission received 13 informal complaints between franchise entities and video/cable providers, of which 12 were franchise entity vs. video/cable provider complaints, and one was a video/cable provider vs. video/cable provider complaint. Eleven informal complaints were successfully mediated by Commission Staff, one is still pending, and one progressed to a formal complaint which was filed with the Commission and subsequently settled between the parties involved. Issues disputed in these complaints involved PEG/franchise fees, interconnect issues, removal of existing equipment, and franchise agreements.

II. 2012 Commission Survey to Franchise Entities and Providers

As in the past, the Commission developed an electronic survey to be completed by franchise entities, as well as a separate survey to be completed by 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 November 1 – November 30, 2012.

Although the franchise entity survey is not mandatory and not required by the Act, the Commission believes it is important to continue to collect information from municipalities from across Michigan regarding the video/cable environment in their communities. Notification letters were sent to over 1,700 municipalities throughout Michigan making them aware of the

⁷ In 2012, there were 2,316,197 video/cable subscribers reported in Michigan. This number does not include satellite subscribers.

location and availability of the survey, and encouraging the communities to respond. The Commission also included its Video Franchise Consumer Tips that describes the dispute process for customers to file a video/cable complaint.

Of the more than 1,700 municipalities that the survey notification letters were sent to, 379 communities responded. This is an increase of 101 communities when compared to 2011. The information provides useful insight as to what is occurring in some communities throughout Michigan regarding video/cable service and competition. 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. Two hundred twenty eight of the municipalities that responded requested to be placed on the Commission's listserv.

1. Provider Information

Franchise entities provided information regarding the number of providers that existed in their communities prior to the Act taking effect (January 1, 2007), as well as the number of providers currently offering video/cable service in their communities since the Act took effect:⁸

	Prior to 01/01/2007	As of 12/31/2012
Number of Providers	Number of Communities	Number of Communities
0	25	21
1	292	247
2	50	81
3	3	24
4	0	0

Figure 3
Source: MPSC Franchise Entity Survey

⁸ It is important to note that not all franchise entities complete every question on the survey.

In 2012, municipalities indicated an increase (since the Act took effect) in the number of communities where two or more providers currently offer cable service.⁹ While communities with zero to one provider have gone down, numbers representing municipalities with two and three providers has gone up significantly. Prior to the Act taking effect, only 53 communities reported two or more providers offering service. As of December 31, 2012, that number almost doubled as 105 communities reported two or more video/cable providers offering service in 2012. With the number of providers in municipalities increasing since the Act took effect, the mix of communities with a greater number of video/cable providers shows that competitive choices for consumers continues to rise. It is important to note that satellite providers do not have franchise agreements and providers such as DirecTV and Dish Network are available options for video/cable customers in the state of Michigan.

2. Complaints

Of those municipalities that responded to the survey regarding customer complaints, 77 percent indicated they no longer record video/cable complaints. Even though the Commission has informed municipalities of Public Act 4 of 2009, only 49 percent of the respondents were specifically aware of Public Act 4 of 2009 by title. However, 72 percent of responding municipalities are aware the Commission can assist customers, franchise entities, and providers who have video/cable inquiries and/or complaints.

The most frequent complaints received by municipalities are as follows (from most to least):

⁹ It is important to note that the communities who responded this year are not necessarily the same communities who responded in previous years. Therefore, it is difficult to do a year-to-year comparison when inconsistencies exist among the municipality responses. This response rate represents approximately 22 percent of all of Michigan's municipalities.

1. Service Equipment Issues/Outages
2. Rates¹⁰
3. Customer Service
4. Billing Issues
5. Other¹¹

In 2012, 97 percent of respondents indicated they have not had any form of dispute with a provider regarding a franchise agreement.

3. 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, PEG Fee Payments, and Video/Cable Complaints. Figure 4 displays community responses relative to the four categories since the Act became effective.

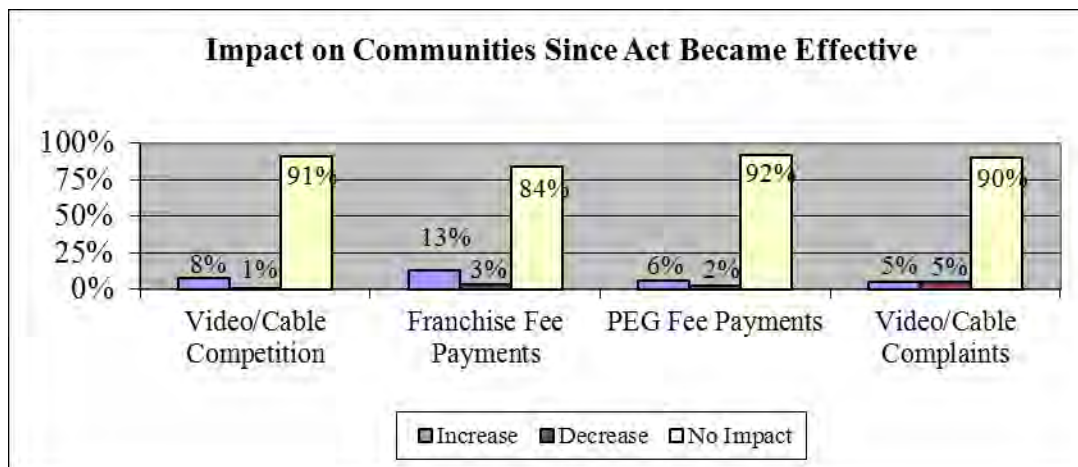


Figure 4
Source: MPSC Franchise Entity Survey

¹⁰ 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.

¹¹ The complaints that were combined in the “Other” category were less frequent, but nonetheless, still reported. Some of those complaints include: Availability/No Service, Channel line-up/Programming, Lack of Competition/Monopoly, Unburied Cable, PEG issues, Maintenance Issue, and No Local Facility.

Similar to previous years, a high percentage of responding communities reported no impact in each of the four categories.¹² Only one percent of responding municipalities reported a decrease in Video/Cable Competition compared to eight percent reporting an increase.

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

The Commission again asked the municipalities to report on the changes they perceive are occurring throughout their communities during 2012 regarding Customer Service Quality, PEG Studio and Equipment, Service Offered by the Provider, and the Number of Customer Service Centers. Figure 5 reflects those responses from the municipalities.

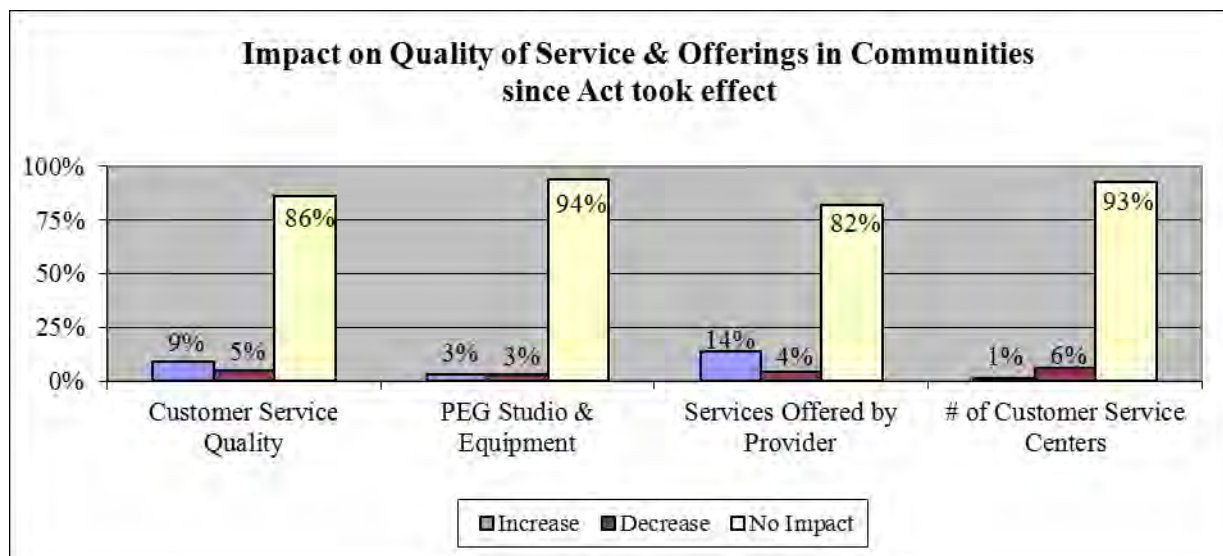


Figure 5
Source: MPSC Franchise Entity Survey

Overall, a large percentage of municipalities reported “no impact” in each of the four categories since the Act took effect. Fourteen percent of communities that responded reported that since the Act took effect there has been an increase in services offered by the provider.

¹² 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 between the two and make the assumption that this is what is happening throughout the entire state.

Municipalities also provided feedback regarding whether a PEG channel is available. Based on the responses, 45 percent of municipalities indicated their community has a designated PEG channel.¹³

5. Franchise Entities' Suggestions or Comments

Franchise entities were provided the opportunity to offer any comments, recommendations, and/or suggestions.¹⁴ One topic more noteworthy this year is the Build Out/Expansion category. Several of the municipalities surveyed indicated concerns regarding expansion of video/cable services to rural areas within their respective township. The franchise entities' comments are categorized in Appendix A attached to this report.

B. Providers' Responses to the Commission Survey

In 2012, the Commission continued to use its electronic survey as the way to gather responses from providers. The survey notification letter was sent on November 28, 2012 to providers of video/cable service in Michigan. A total of 47 providers were sent the notification letter which represents an increase of one provider¹⁵ when compared to 2011. All 47 providers responded to the survey.

1. Video/Cable Subscribers

During 2012, 2,316,197¹⁶ video/cable customers were reported for Michigan. This is an increase of 2,116 customers compared to the total of video/cable customers reported in 2011 (2,314,081). Figure 6 shows the changes in video/cable subscribership:

¹³ Since a small percentage of municipalities responded to the survey, it should not be implied that the 45 percent is reflective of the entire state.

¹⁴ These recommendations and suggestions are the sole opinion of some of the franchise entities and do not necessarily reflect the views of the Commission.

¹⁵ Vogtmann Engineering.

¹⁶ 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.

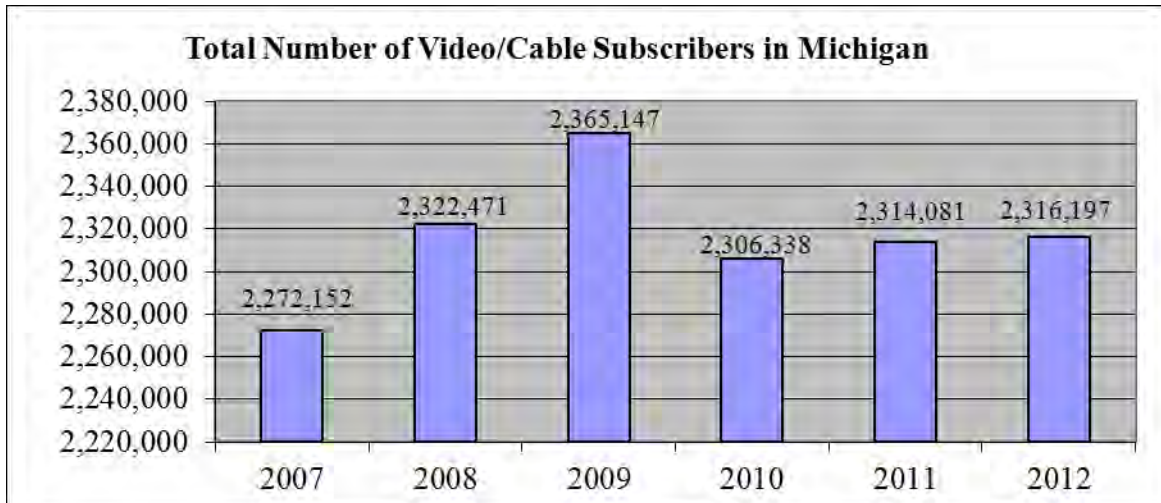


Figure 6
Source: MPSC Provider Survey

The three providers with the largest number of video/cable subscribers in Michigan are Comcast, Charter Communications, and AT&T Michigan (U-verse). Since the Act took effect on January 1, 2007, a total of 15 new video/cable providers¹⁷ have emerged to offer services in Michigan's market.

Even though there was an increase of video/cable customers in Michigan, compared to 2011, several providers reported an overall decrease in their customer base. The Commission sees this as a sign of competition in the industry, due to more providers offering service in Michigan and more municipalities that have two or more providers of video/cable service.

Figure 7 shows the trends in providers' customer bases in 2012.

¹⁷ Ace Telephone Company of Michigan Inc., Bloomingdale Communications, Inc., Drenthe Telephone, Martell Cable Service Inc., Mediagate Digital, Michigan Bell Telephone Company (AT&T Michigan), Michigan Cable Partners (MICOM Cable), Packerland Broadband, Sister Lakes Cable TV, Southwest Michigan Communications Inc., Spectrum Broadband, Summit Digital, Sunrise Communications LLC, Vogtmann Engineering, and Waldron Communication Company.

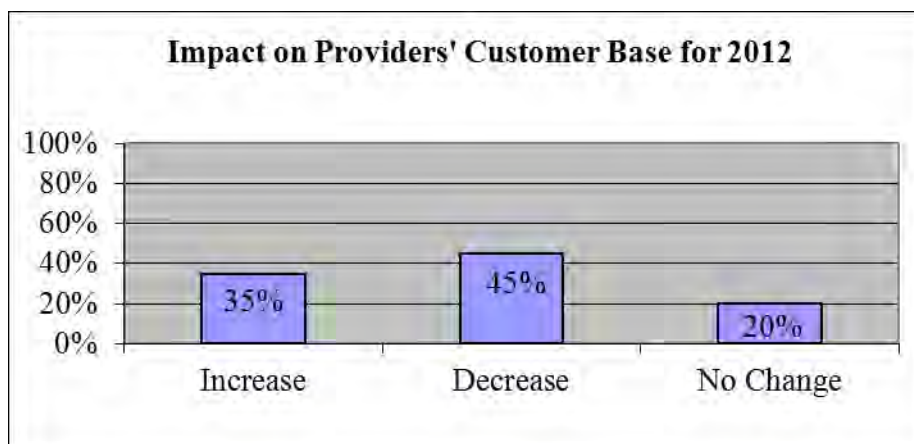


Figure 7
Source: MPSC Provider Survey

2. Video/Cable Competition

Overall, there are currently 1,991 franchise agreements in existence in Michigan (both individual franchise agreements that were 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 2011, this represents a net increase of 31 total franchise agreements. Of the 1,991 existing franchise agreements, 1,401 are classified as the Uniform Video Service Local Franchise Agreement, an increase of 119 from the previous year.

Consistent with previous years, the Commission asked providers to submit information regarding the competition they are encountering in their franchise areas. Providers submitted information on the number of competing providers they encountered in their specific franchise areas before the Act took effect and since the Act took effect. Similar to previous years, providers have reported a continued increase in competitors entering their franchise areas.

Figure 8 shows this comparison:

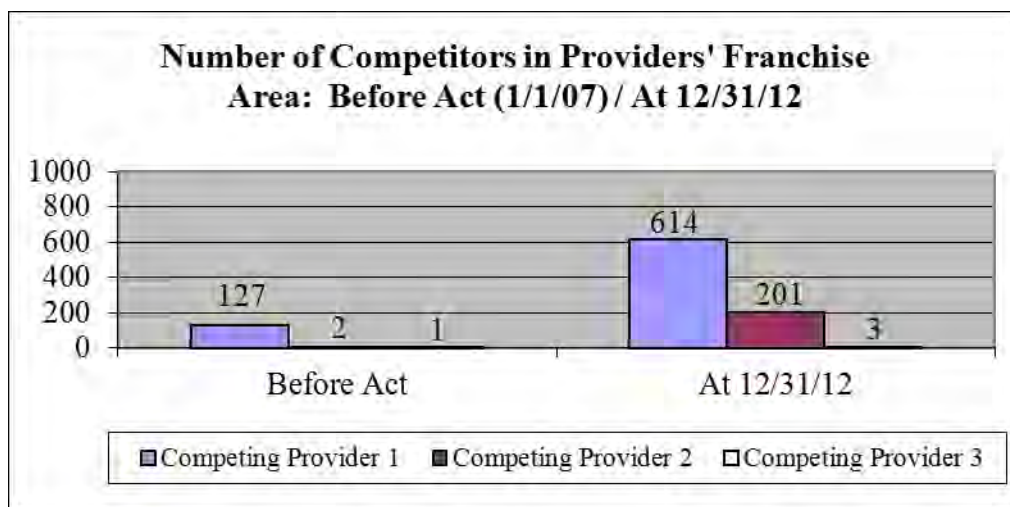


Figure 8
Source: MPSC Provider Survey

3. Disputes

Only two providers reported having an informal or formal dispute with a franchise entity regarding an Agreement. The disputes involved Franchise Fees and PEG.

4. Investment in Michigan

Similar to previous years, the Commission requested information from providers regarding how much funding they have invested in Michigan. Thirty four of the 47 video/cable providers responded with a monetary amount of what they invested in the Michigan video/cable market during 2012. The 34 providers reported investing a total of \$380,064,130.

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 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 providers and municipalities to provide timely and accurate year-end information to the Commission. The year-end data must be collected, analyzed and

summarized in this report in 30 days. Extending the reporting date would allow municipalities and providers additional time to provide more detailed responses to the surveys.

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 with 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 total number of complaints received by the Commission is higher compared to last year, but still below the number of complaints received in 2008, 2009, and 2010. As new and existing providers continue to build-out their systems and competition increases, the possibility of customer complaints also increases. 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.

Increases in subscribers as well as the emergence of another video/cable provider are positive signs for the video services industry in the state of Michigan. Both franchise entities and providers have continued to report that video/cable competition is continuing to grow. Growth in competition has been observed each year since the Commission began issuing this report. Figure 8 shows a noted increase in the number of competitive providers in franchise areas since 2007 when the Act took effect. In addition to the increase in competitive providers, companies continued to invest hundreds of millions of dollars into the Michigan video/cable market in 2012.

As the Act enters its seventh year of existence, signs of progress and competition continue to be evident. It appears that both franchise entities and providers perceive that providers are offering more services to customers. In addition, more areas throughout Michigan are beginning to have a choice of video/cable service providers. The Commission will continue to monitor video/cable service competition as it develops and take appropriate action as provided by the Act.

Franchise Entities' Suggestions or Comments

- **PEG**
 - Allow PEG fees to be spent on personnel costs
 - Move PEG channels to an actual channel, not an application
- **Build Out/Expansion**
 - Build out needed for residents in rural communities with sparse population
 - Residents question when cable service will be available in their area
 - Cable provider not interested in expanding south of I-94 (too expensive)
 - Unable to access top quality service due to lack of expansion in more rural areas
 - Expand cable service into the outlying areas of rural townships
 - Have had a franchise for 6 years and still no expansion
- **Requirements for Providers**
 - System updates not completed as promised. Large numbers have gone to satellite
 - Upgrades needed to allow for better reception and channel selection
- **Competition**
 - There are two providers in our area, yet little increase in competition
 - Two providers offer service, but neither extended services to meet customer requests
 - Cost to extend service to reach potential customers affects competition
 - Additional providers = competition = good
 - Cable provider left when switch from analog to digital, stating not enough customers to afford the change-over. Now only satellite is available
- **The Act**

Amend PA 480:

 - Fulfill promise to keep Local Franchising Authority (LFA) whole
 - Permit LFA's to require 2% PEG fee based on LFA's determination of need
 - Reflect federal court ruling in *Dearborn vs. Comcast* (2008) preempting PEG portion of PA 480
 - Reflect federal court ruling in *Detroit vs. Comcast* (7/10/12) that:
 - Pre-2007 franchises are unchanged by PA 480
 - As MI Attorney General agreed, LFA's can reject uniform franchise under federal law (no automatic approval)
 - LFA's can enforce federal customer service standards
 - PA 480 has increased competition for some residents, but not all, while having no effect on cost and decreasing customer service
 - Since PA 480:
 - Franchise revenue remains flat
 - Lost in-kind and other services from the incumbent provider
 - Cable rates continue to increase

- Zero value added and has eroded local control of franchising
- Customers have a choice now, but rates are still higher
- Providers simply poach competitor's customers as evidenced by flat franchise revenue - as one increases the other decreases commensurately
- This statute has proven to accomplish literally nothing for municipalities and only serves to benefit providers
- The Act did nothing to improve service
- Subscribers pay higher rates for cable services since PA 480 took effective
- PA 480 was supposed to increase our services, but no apparent results – we have been trying to increase service for 8 years to no avail
- **Rates and Service Offerings**
 - No broadband/high speed internet service in many townships
 - No phone, cable service available
 - The State has totally failed bringing affordable internet service to this community, and has prevented our township government from providing the needed services
 - There are some issues of service not being available from cable provider in certain areas, as promised prior to bankruptcy of Broadstripe
 - Continual increase in cost for cable service is outrageous – no alternatives
 - Need affordable cable options to all citizens, not just those in high density areas
 - Lack of cable service availability in rural townships
- **Misc.**
 - Only METRO agreements, no actual franchise agreements
 - Island community – options are limited
 - No way to report consumer complaints – all deal directly with their provider
 - No franchise for cable or video in the township
 - Township is pleased to know the survey exists and pleased someone cares about the status of video/cable services
 - Fewer complaints, but cannot conclude that means better customer service
 - Small township – not aware of problems with quality of service or impact on the community