



The Michigan Chapter
National Association of
Telecommunications Officers and Advisors



The Michigan Chapter
Alliance for Community Media

NEWS RELEASE

For Immediate Release

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Michigan's Cable Competition Still Stagnant

Lansing, Michigan April 14, 2011 -- Local regulation must be restored if Michigan's cable customers are to be rescued from rapidly-rising rates and poor customer service according to the Michigan Chapter of the National Association of Telecommunications Officers and Advisors (MI-NATOA) and the Michigan Chapter of the Alliance for Community Media (MI-ACM). The call for renewed regulation of the cable industry followed a recent report issued by the Michigan Public Service Commission; the MPSC's report concluded, for the fourth straight year, that "competition in the video services market is still increasing."

Cable was deregulated in Michigan in 2006 at the urging of phone and cable companies. Lawmakers who favored the elimination of regulation argued that widespread competition would soon follow, together with lower cable rates and better customer service. Michigan's residents, however, are still waiting. For instance, Comcast's rates for lifeline basic service increased more than 18% over just the last two years, and other prices increased by more than three times the pace of inflation. According to the American Customer Satisfaction Index, Comcast and Charter, Michigan's two dominant cable companies, continue to post the lowest customer satisfaction scores of all major video providers in the country. Cable complaints were up by more than 4 ½% percent over 2009, according to the Michigan Public Service Commission. Finally, the number of cable customers showed a statewide increase in 2009, and was viewed by the MPSC as a sign that cable competition was still developing. In 2010, however, cable's statewide customer count declined by 2.5%. If consistently applied by the Michigan Public Service Commission, the recent decrease in customers indicates that cable competition in Michigan has stalled.

"No matter how you look at it, seventy percent of Michigan's communities still have only one cable provider four years after deregulation," said Deborah Guthrie, President of MI-NATOA. "Even in the places where two providers offer service, if serious competition existed prices wouldn't run up several times faster than inflation and customer service wouldn't be so poor." Curiously, Michigan Public Service Commission reports don't track the pace of cable's price increases or the level of cable's customer satisfaction compared to other competitive industries.

According to MI-NATOA, local regulation must be restored until meaningful cable competition develops. Guthrie concluded, "It's been four years and deregulation hasn't led to lower cable prices or better service. State lawmakers have the chance to rethink this, and those who care about cable competition in the communities they serve should."

Readers can visit [http://www.mi-natoa.org/pdfs/The Ten Disappointments of Cable.pdf](http://www.mi-natoa.org/pdfs/The_Ten_Disappointments_of_Cable.pdf) for information about the problems that cable deregulation has created for Michigan's residents.

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