Michigan Internet & Telecommunications Alliance
Serving Michigan homes and businesses for over 15 years

Michigan Internet & Telecommunications Alliance | Economic Policy Perspective

The Michigan Internet & Telecommunications Alliance is a collective of the Michigan Communications Carriers Association, Internet Service Providers, Web hosting facilities, software programmers and engineers, united to support a fast, robust communications infrastructure in Michigan.

Mark Iannuzzi, President

Clear Rate Communications
Birmingham, MI

COMLINK
East Lansing, MI

DayStarr Communcations
Owosso, MI

JAS Networks
Grand Rapids, MI

TC3
Adrian, MI

TelNet Worldwide
Troy, MI

Telecom Competition Benefits Michigan

The telecommunications industry in Michigan is a complex mix of technology and services provided by more than 100 companies to the state's residents and businesses. Competitive Local Exchange Carriers (CLECs) are licensed by the Michigan Public Service Commission (MPSC) to deliver voice grade telephone service throughout the state. These CLECs are not the cell phone companies or the cable companies. Instead, they provide their telecom service over new fiber optic lines as well as the existing copper infrastructure built by Ma Bell. When the CLECs use the Ma Bell network, they pay Ma Bell a rate as set by the MPSC.

Recent estimates place CLEC investment in new technology in the state at more than $100M dollars. Used to deploy innovative new services, this investment directly increases the number of high-tech jobs and workers that Michigan seeks to attract and retain. According to the MPSC's most recent Annual Report, "... as of the end of 2011, CLECs were providing service to 30.7 percent of the wirelines provided to customers in Michigan. This represents an increase from last year and continues the trend of increasing CLEC market share over the last three years." The Commission concluded that **"this investment by the CLECs represents important economic activity that benefits Michigan and points toward further stabilization of Michigan's competitive telecommunications market."**

The competitive framework set out by the Michigan legislature encouraged competition by allowing companies to introduce new services over existing copper lines. This resulted in quick-to-market deployment of new technologies across the state. For example, in many areas of the state, it is the CLEC that would be first to bring high-speed Internet DSL service to an area. As small businesses with nimble new service, they would provide these new technologies at lower prices. **Schools, hospitals, municipal governments, small businesses and homeowners have all benefited from this competition.**

As the legislature reviews telecommunications policy, it is important to note that this level of success could not be achieved without a strong moderator, the Michigan Public Service Commission. Each company's network must connect to the larger telecom network, otherwise the consumer could not place phone calls to someone else residing on another provider's network. The Commission in its role as overseer of both federal and state telecom laws arbitrates and resolves various complaints and interconnection disputes between companies. **Any weakening of this oversight authority would bring chaos to the industry, and risk destabilization of the Michigan competitive telecommunications market, in contravention to the goals of the Michigan Telecommunications Act.** ■

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TelNet Worldwide

TelNet Worldwide is a premier provider of essential voice, Internet, unified communications and contact center services. Anchored in metro Detroit, TelNet empowers small to mid-size businesses as well as larger enterprises across virtually all industries in Michigan.

Founded in 1998, TelNet continues to invest in infrastructure, technology, and people in Michigan, with the company's growth plans including expanding its network and data center services, and cloud-based offerings. In 2012, TelNet doubled their employees in Marquette, Michigan to support the contact center services.

These investments, together with an innovative copper and wireless broadband network, enable TelNet's continued growth in providing Michigan businesses with competitive options.

CMC Telecom

Founded in 1989, CMC Telecom, Inc. is a privately held, full service provider of telecommunication services. Headquartered in Wixom and forged in lockstep with Michigan's changing auto industry, CMC Telecom stood behind their manufacturing customers in good times, and hard ones, too.

Providing workable telecom solutions along legacy copper lines, sometimes born of necessity during tough times in our state, proved CMC Telecom a big asset to renewed manufacturing and innovation in Michigan.

"CMC has not only saved us money, but it has also made our lives easier by giving us comprehensive information that lets us see our usage pattern at a glance."
Shirley Lewis, Controller, Lochmoor Chrysler Division

DayStarr Communications

This Michigan-owned phone and Internet provider has built their business on providing specialized telecommunication strategies for rural education and rural health care. They focus on affordable and reliable high-speed service to businesses and homes in areas where few national carriers provide access.

By providing service to major rural institutions such as Baker College and Memorial Healthcare, DayStarr is able to use existing copper to support both large scale communication to rural communities as well as the residential services that urban and suburban areas enjoy.

"Baker College of Owosso has worked with DayStarr Communications on many information technology projects over the last five years. It is great to have local contact and support for our internet service!"
Pete Karsten, Campus President, Baker College, Owosso

"Competitive providers continue to serve about a third of their lines via their own facilities. This continues to represent an investment in Michigan's competitive telecom infrastructure, and serves as an indication that the provider has the intent of remaining in the marketplace in the long term."

Michigan Public Service Commission's Report
Status of Telecommunications Competition in Michigan
June 1, 2012

Economic Policy Perspective

Dr. Gary Wolfram, President of the Hillsdale Policy Group and the William Simon Professor of Economics and Public Policy at Hillsdale College explains why some regulation is still needed in the telecommunications industry in order for there to be a competitive market where consumers see lower prices and better service:

"Federal regulations have created an incentive with unintended consequences. If the copper is removed, the CLEC's access to the customer premises is severely limited. This is economically inefficient for two reasons.

First, the removal of the copper line creates a physical barrier to entry for the CLECs, thus reducing competition in the retail market.

Second, advances in technology have greatly increased the carrying capacity of the copper lines. At this point broadband can be provided at speeds up to 100 Mbps, so the copper infrastructure has significant economic value. Any incentive to remove economically efficient copper infrastructure should be limited by the MPSC."

For more infromation on this research, visit: www.mita1.org

COMLINK

Headquartered in East Lasning, Michigan, with more than 9,500 miles of fiber that extends through Ohio, Indiana, Wisconsin and Illinois, COMLINK hosts clients in more than 100 countries. Dedicated, virtual private servers and collocations over a SONET and Ethernet backbone helps COMLINK provide premier global telecommunication services.

Seeking to fill positions for 80 additional employees throughout 2013, COMLINK is finalizing construction on two data centers in Michigan: Grand Rapids (Spring 2013) and Holt (Fall 2013). With a hybrid of copper and fiber optic connectivity, COMLINK is growing high tech jobs in Michigan, and changing the way Michigan houses data and provides cloud services to the world.

TC3

Adrian-based TC3 Telecom is a next-generation telephone company committed to delivering a new standard of telecommunication services in Lenawee and Monroe counties.

TC3 has been an integral part of The REACH Michigan Middle Mile Collaborative (REACH-3MC) project, building 2,287 miles of open-access, advanced fiber-optic network through rural and underserved communities in Michigan's Lower and Upper Peninsulas. With this backbone in place, TC3 is now connecting this fiber to homes and businesses in their community, using a hybrid of fiber optic and copper lines.

JAS Networks

JAS features Just Awesome Speed high-speed, dedicated Internet service throughout West Michigan. With headquarters and a state-of-the-art facility located in Grand Rapids, this company provides a full array of digital voice communications, high-speed Internet service and a web hosting and data center. Active in the local Chambers of Commerce, JAS Networks is an integral part of the West Michigan community.

Clear Rate Communications

Based in Birmingham, Michigan, Clear Rate is working on multiple investment projects around the state. They are building fiber in the city of Grand Blanc to deliver advanced voice and data services to area small businesses, and invested several hundred thousand dollars into communication technology in downtown Battle Creek.

For both public and private sector, Clear Rate helps businesses leverage innovative technology on copper and fiber lines to increase productivity. From school districts, police and fire departments, to hospitals, banks and Tier 1 automotive suppliers, Clear Rate strives to provide customized telecommunications services that are reliable, innovative and competitively-priced. ■

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