

# An Innovation Agenda: **Modernize Michigan's Telecommunications Act**

Six years ago, the Michigan Legislature took an important step and updated parts of the law governing landline telecommunications companies (Michigan Telecommunications Act – MTA). Lawmakers recognized that updates were long overdue and desperately needed. Their work made Michigan's law one of the country's most progressive and led to large capital investment in Michigan.

Six years later, our neighboring states have caught up and passed us by. **Remaining red tape in the MTA still reflects a rotary phone mentality in a Smartphone, Wi-Fi world.**

## Modernizing the MTA will:

### Reform and Refocus State Government

- ❖ At his inauguration, Gov. Snyder said it well: "We can only achieve extraordinary things if we aspire beyond traditional thinking."
- ❖ Regulations from the era of monopolies no longer serve Michigan consumers in an era of competition, technology and innovation. And doing things just because it's the way it's always been done won't make Michigan more competitive.

### Better Serve Consumers

- ❖ Current regulations force companies to make non-productive investments to comply with out-dated regulations that divert resources away from activities and investments customers want and benefit from.
- ❖ Where regulatory modernization has taken place – including here in Michigan – increased choice, competition, investment and innovation have benefited consumers and made them the real winners.

A January 2011 survey by EPIC MRA of Michigan residents showed **86 percent** now use a wireless phone in addition to their traditional home phone.

### Attract Investment and Innovation

- ❖ The last time Michigan updated our telecom laws, investment grew and innovation followed.
- ❖ AT&T alone **invested more than \$2 billion in our Michigan networks between 2006-2010** to meet the growing demand of our wireline, wireless and video customers. Now, it's happening in our neighboring states.

### Keep Michigan Competitive

- ❖ Michigan is in a race for jobs and investment. Recent telecom updates in Illinois and Ohio have helped those states catch up to Michigan; reforms made in Indiana have passed Michigan by.
- ❖ Reform and reinvention mean making Michigan competitive again. It means putting up a sign that says we are a state that gets it and will welcome and not restrain innovation.

***20th century regulations stand in the way of 21st century technology. Now is the opportunity to clear these roadblocks to investment and innovation.***