



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

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DATE: September 23, 2008
TO: Michigan Economic Growth Authority
FROM: Val Hoag, Director *VH*
Portfolio Management & Packaging

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SUBJECT: Briefing Memo – SBC Internet Services, Inc.
d/b/a AT&T Internet Services
Standard MEGA Credit

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COMPANY NAME:

SBC Internet Services, Inc. d/b/a AT&T Internet Services
2623 Camino Ramon
San Ramon, California 94583

HISTORY OF COMPANY:

SBC Internet Services is a subsidiary of the new AT&T, Inc., which has roots going back to Alexander Graham Bell. SBC Internet Services was organized in 1995 under the name Pacific Bell Internet Services. In 2004, the name changed to SBC Internet Services, Inc. The company is currently operating under the d/b/a name of AT&T Internet Services where applicable.

SBC Internet Services provides internet service to customers. In addition to providing internet service, the company provides technical support and customer service to better serve the needs of the high-speed internet customers.

Currently, SBC Internet Services does not have any employees in the Michigan.

PROJECT DESCRIPTION:

The proposed project will result in a high-technology call center that will take in-bound calls for DSL customers in need of assistance with their internet service. The call center will be located at an existing facility currently operated by another AT&T entity in the City of Detroit, Wayne County.

The proposed project will result in the creation of 300 new jobs. The newly created jobs will pay an average weekly wage of \$445. The company will also offer healthcare benefits and pay a portion of the benefit costs.

The total capital investment for this project is expected to be \$1.7 million.

BENEFIT TO STATE:

According to the economic analysis done by the Michigan Economic Development Corporation utilizing Regional Economic Models, Inc. software, it is estimated that this facility will generate a total of 410 jobs in the state by the year 2013. Total state government revenues through the year 2013, net of MEGA costs and adjusted for inflation, would be increased by \$3.8 million (2008 dollars) due to the presence of this expansion.

BUSINESS CASE:

The company looked at several other locations where AT&T currently has operations across the country. The cost of build out for a facility in Michigan is greater than in many of the other locations. The cost to provide furniture, network connectivity, and sufficient workspace is also greater in Michigan.

OTHER STATE AND LOCAL ASSISTANCE:

The City of Detroit plans to support this project with training assistance from the Detroit Workforce Development Department.

RECOMMENDATION:

Based on the factors described above, the Michigan Economic Development Corporation Recommends a 60 percent standard employment tax credit for five years, for up to 300 new jobs.