



House Commerce and Economic Development Committee
Coleen Jennison
Director of Government Affairs
February 15, 2013

Thank you Mr. Chairman and members of the Committee, I am Coleen Jennison, Director of Government Affairs for Cox Communications.

Cox appears today as a proponent of HB 2326. There have been some additional changes that have been discussed and we believe those changes strengthen the existing language.

Just to give this committee a snapshot of Cox in Kansas – we are the largest cable telecommunications provider in Kansas serving 85 communities. Every one of those 85 communities has state-of-the-art, broadband fiber technology. Cox employs more than 1,140 Kansans and pays more than \$69 million in Kansas payroll taxes and employee wages annually. Additionally, Cox pays more than \$76 million to Kansas contractors and vendors annually.

Because our philosophy is to make a difference in the communities we serve and in which we live, Cox is proud to donate more than \$1.2 million through cash and in-kind donations annually to community organizations focused on youth, technology and education.

Cox Communications was created with private capital in an entrepreneurial spirit that is familiar to many Kansas companies. Competing for market share is a core business practice we embrace. Our experience with competition has taught us that regulation only for regulations' sake eventually impacts market conditions and can create less demand for a meaningful product.

In 2005, I was asked to present Cox's thoughts on competition to the House Utilities Committee. Cox had only been providing telephone service in Kansas for two years. At that time we believed the notion that competition had worked in Kansas was slightly premature. Much has changed in the years since. Our significant facilities-based investment in Kansas has not changed. Cox continues to invest \$25 million annually to upgrade and maintain our infrastructure. We are committed to protecting that investment, because ultimately it benefits the consumer by ensuring continued robust competition in the telecommunications marketplace.

The House passed just Friday HB 2201 which would continue down the path of deregulation. Cox agrees that the notion of competition in that market is no longer premature. But there was still one area where we believe protection was necessary. The component of that bill that was

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significant for Cox was that of interconnection. Interconnection is specifically defined (47 C.F.R. 51.5) as "the linking of two networks for the mutual exchange of traffic."

Cox required the same protections in this bill and was able to work with other members of the industry to accomplish that outcome.

Cox firmly believes that in this highly competitive marketplace, a light regulatory touch will allow for the continued investment in advanced technology in Kansas. The National Cable Telecommunications Association stated in their comments on the National Broadband Plan Public Notice #25 and Cox agrees "that within this market-based transition to IP networks, there is still an important role for continued targeted government involvement. In particular, federal and state regulators must ensure that the transition of legacy services to IP-based networks does not jeopardize the interconnection arrangements through which voice service providers are connected today."

The marketplace continues to change at a rapid pace and the investment is being made right here in Kansas. Cox believes that the language in HB 2326 will foster that investment while at the same time protecting our customer's ability to connect with friends and family regardless of provider.

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