

**Remarks of Commissioner Deborah Taylor Tate
To Cox Senior Executives
Atlanta, GA
March 7, 2008**

Good Afternoon. Thank you all for inviting me. I was asked to give you an overview of the current priorities of the FCC, and discuss a little about my philosophy as a regulator. I also hope that you will share with me some of Cox's priorities and initiatives. As a company that has been in business for more than a century, and has managed to transform your own businesses nimbly into the digital age, you have great insight to offer as we step into a period of drastic technological change and innovation.

I. My Philosophy as a Regulator

As I look in amazement at the new technologies being developed every day, as well as the new ways we make use of existing technologies, I am humbled by the awesome power of the human spirit to innovate, create, and improve our lives. Nowhere is this more evident than in telecommunications. From telemedicine to mobile banking, from the use of a cell phone in rural America to place an emergency call for help, to the use of a cell phone in rural China to help poor farmers get the best prices — advances in telecommunications make us healthier, wealthier, safer, and more productive. The benefits are seemingly endless.

As I consider the proper role of regulatory policy in such an innovative world, I am reminded of a simple fact. We will not know – and cannot know – where the market will take us next. And when they try to predict the future, the experts often get it wrong. A generation ago, who would have expected that today we would have devices the size of

a pack of playing cards that can hold more processing capability than the Apollo spacecraft, that these device could be taken almost anywhere, and that they could provide mobile telephony, Internet access, and even television? It was one of the great leaders in cinema, Harry Warner of Warner Brothers, who famously greeted the end of the silent movies era with the comment, “Who wants to see actors talk?” Probably more than one expert was equally skeptical about building the first camera into a cell phone. Yet today, Nokia, the world’s largest mobile phone manufacturer, is also the world’s largest camera maker.

We should welcome these advances in technology and changes in the market. They are reminders that, in today’s world, change is the only constant. This often means that old technologies and old regulatory regimes get left behind. It is in the face of such an ever-changing and always-innovating world that I have developed my regulatory philosophy, which calls for, first and foremost, regulatory humility. This is something I have tried to practice, both as a state regulator and now a federal one. I encourage the industry to develop market-based solutions whenever possible. I recognize that most of the consumer benefits we see in the communications sector are directly related to significant levels of competition, and to our deregulatory policies that have encouraged investment and innovation.

Of course, I also understand the need for regulation, if and when there is a clear market failure. Such market failure is probably less common in communications markets than other sectors. At the same time, we should not assume there will not be “government

failure,” such as when we adopt rules and regulations that we intend and expect will benefit consumers but, in the long run, do not do so. Though you will rarely hear it admitted in D.C., policymakers, like businesspeople in the market, make mistakes. This is partly because we have imperfect information-- another reason why your input is so very important in this policymaking arena. So, let’s talk about some of the topics before the FCC today that impact not only COX, but also all of us as consumers.

II. DTV Transition

There is no doubt that one of the top priorities of the FCC is, and will continue to be, the DTV Transition, set to take place February 17, 2009. Congress, the NTIA, local and state governments, and of course the FCC are expending an enormous amount of time and energy to be sure that no American is left in the dark when broadcasters switch from analog to digital. Industries are contributing to the outreach and education efforts as well, with the broadcasters pledging \$697 million and the cable industry pledging \$200 million for consumer education and PSAs. The FCC continues to hold workshops targeting specific segments of the population that are most at-risk, from seniors to persons with disabilities, to non-English-speakers. The FCC has translated educational materials into eleven languages, large print, and Braille, and will soon have a video for the hearing impaired. I noticed that Cox has an “Understanding the DTV Transition” link at the top of its website. Thank you for all you are doing to partner with us!

III. Spectrum

The DTV Transition is not just about providing Americans with incredibly brilliant video, increased pixels and surround-sound fidelity. When the transition is complete, spectrum will be available for a variety of new uses— such as mobile video, additional platforms for broadband deployment, and most importantly, finally attaining true interoperability between our public safety officials in times of crisis. The FCC is in the process of auctioning 62 MHz of the valuable 700 MHz band. Because of its excellent propagation characteristics, some have referred to this as “beachfront” property, and with preliminary winning bids at about \$19.5 billion, it is obviously quite valuable. The 700 MHz band will make 100 MHz of spectrum available for consumers and public safety.

IV. Broadband deployment

Another top priority of the FCC is the continued deployment of broadband to every corner of America. I want to thank Cox for being at the forefront of this effort, and applaud you for your 4th Readers’ Choice award for high-speed Internet service! In the U.S., we have opted for a platform-neutral, “light regulatory touch” for broadband service, whether provided across cable systems, telephone lines, power lines, or wireless platforms. This helps ensure a level playing field among competing providers, no matter the technology or business model. A light regulatory touch promotes vigorous competition, and led to a 61% increase in the number of broadband connections by all competing providers in 2006. That’s a total of 82.5 million lines.

In 2007, spending on broadband networks was estimated to be \$15 billion, and the Telecommunications Industry Association (TIA) estimates this figure will rise

dramatically, to \$23 billion, in 2010. This huge increase in broadband investment will include additional fiber deployment by cable companies as they expand into HDTV and video-on-demand, deployment by telcos as they expand into advanced broadband and video services such as FiOS, deployment of mobile broadband, and deployment of exciting new fixed wireless services such as WiMax.

V. Net Neutrality

This is a subject that has garnered much attention at the FCC since the allegations against Comcast for delaying the transmission of large data files. What some call “network management,” others call a First Amendment violation. Last week, as you know, the Commission held a hearing at Harvard University where we heard from professors, network experts, federal and state government leaders, and corporate representatives. While Comcast testified that they do not “block” content, they do manage their networks and “shape traffic” so as to promote the best possible user experience. Unfortunately, this is not an issue that is going to go away, and I encourage you to continue to monitor the debate, and offer your own insight in this public policy debate. As the “Children’s Commissioner,” I hope this debate will bring to light the volume of illegal material that is being transferred online—from pirated movies and music to child pornography. Earlier this week I spoke to Ernie Allen, head of the National Center for Missing and Exploited Children, about this issue, and I am hopeful that they will be part of the discussion going forward.

VI. Media Ownership/Localism

Finally, an issue those of you in the newspaper industry are acutely aware of, the media ownership rules. The Commission completed our media ownership biennial review December. We retained all of the media ownership rules, except for the newspaper-broadcast cross-ownership ban, which was lifted in the top 20 markets. Grandfathered combinations which existed before the 1975 ban, such as those owned by Cox, remain intact.

In conjunction with our media ownership review, we also completed a localism proceeding which began in August 2003 and included a series of six public hearings all across the country. In December, we adopted a Notice of Proposed Rulemaking, seeking comment on proposals including: whether to require broadcasters to man their stations 24 hours a day, whether to require the main studio to be located within the city of license, and whether to require the establishment of Community Advisory Boards, among many others.

As I said in my statement when we adopted this Notice, the broadcasters I know are already committed to localism. I believe it is important for local news outlets to establish processes that work best in their own communities, rather than being forced to implement an edict from Washington, DC. I encourage broadcasters to provide your insights as to what works best in your communities.

VII. My Personal Priorities

In closing, I want to thank Cox for the contributions you have made not just in the media, newspaper and telecom industries, but also in the communities you serve. Many of you know that most of my professional life has been spent in public service and especially

on issues that affect children and families. I have continued that focus at the FCC from our Task Force on childhood obesity, to urging media companies to provide more family-friendly, positive programming, and the emerging concerns surrounding child online safety. I enjoyed participating in your annual Cox Teen Summit on Internet Safety in D.C. and applaud you for engaging students in this dialogue by partnering with Miss America, Lauren Nelson. I also want to thank you for being a founding member of Cable in the Classroom, which provides commercial-free programming and online resources to 81,000 schools, and for the “Take Charge!” parental controls education program. Cox continues its legacy of consumer-driven innovations, with the roll-out of switched digital, answering viewer’s calls for more HD channels.

I want to solicit your help on another of my top priorities- piracy. Piracy and copyright infringement are costing this nation billions of dollars and thousands of jobs. As a long-time resident of Nashville, Tennessee, I have seen the effects first-hand. In Tennessee alone, we’ve suffered \$203 million in lost earnings and nationally, the U.S. Chamber has put the pricetag for piracy at \$12.5 billion. I continue to solicit input from all sectors of the media industry.

Thank you again for having me, and I look forward to your questions and comments.