

Cox Communications and Hurricane Katrina

Overview

- **Cox and its services.** Cox provides telecommunications services, cable television and high speed Internet in the Greater New Orleans Area, the Greater Baton Rouge Area, Lafayette, New Iberia, Breaux Bridge, Franklin, Patterson, Crowley and Rayne, Louisiana. Cox has been designated as an Eligible Telecommunications Carrier (ETC) by the Louisiana Public Service Commission.
 - Cox's hybrid/fiber coaxial broadband network passes more than 1 Million homes in New Orleans, Baton Rouge, and Lafayette.
 - Pre-Katrina, Cox provided both residential and commercial telephone services to more than 130,000 customers within its service area, making Cox the largest facilities-based CLEC in the state.
 - Cox provides service to many entities critical to public safety, including the police departments in New Orleans, Gretna and St. Bernard Parish; the fire departments in New Orleans, Jefferson Parish and Harahan; and Tulane, East Jefferson, Touro and Memorial hospitals. Cox also provides carrier's carrier services to a dozen interexchange and wireless providers in New Orleans.
 - Cox is a major provider of high-speed Internet and telecommunications services to the New Orleans, St. Bernard Parish and Jefferson Parish school systems.
 - More than 1 million households chose Cox's cable programming prior to Katrina.
- **The impact of Katrina on Cox.**
 - In the immediate aftermath of the hurricane, most of Cox's services were temporarily interrupted. But, as commercial electric power was restored street by street, Cox services were restored home by home. The Greater Baton Rouge and Lafayette areas were the quickest to recover because the physical network damage was less there than New Orleans. Baton Rouge and Lafayette returned to near normal in less than two weeks. Damage in New Orleans was drastic. Even so, Cox was able to restore service to 40% of its customers in 4 weeks; 60% of its customers in 8 weeks; and 99% of its customers in 12 weeks. Cox anticipates that it will need to rebuild the vast majority of its facilities serving New Orleans area schools, and that significant reconstruction also will be necessary to restore service to many of its commercial customers, including other carriers. Today, Cox has restored total communications services to 99% of the habitable homes in the Greater New Orleans Area.
 - As part of its longstanding disaster plan, Cox staged key personnel in Baton Rouge before the storm and began working with the state Office of Emergency Preparedness and Cox sister companies immediately after the storm had passed. Cox established a priority for restoration of services to Touro and East Jefferson hospitals, several municipal entities and many of its carrier customers, and to all telephone customers outside New Orleans. Cox also installed new service at five FEMA sites.
- **Cox's response to Katrina.** Cox continues its commitment to those who have been displaced by Hurricane Katrina.
 - Cox provided voice, data and video service at no charge to most Red Cross shelters in the Baton Rouge area, serving more than 10,000 evacuees. Cox worked directly with the Louisiana Office of Emergency Preparedness to provide expanded communications services to first responders based in Baton Rouge and with the Louisiana Public Service Commission to provide services to businesses displaced by the hurricane, many of them relocating to Baton Rouge.
 - The Cox Employee Disaster Relief Fund created a pool of \$1.3 million to assist 652 New Orleans employees to recover from the storm.
 - Cox made specific commitments to the relief and rebuilding process, including ensuring that there was no lapse in pay for its employees, rebuilding its broadband facilities in the New Orleans area, and making a \$10,000,000 gift of cash and in-kind support from the Cox family of businesses to support programs and services are helping affected communities.

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A History of Service

In 2005, Cox Communications celebrated its 25th year of service in New Orleans and surrounding communities as a premiere provider of telecommunications and broadband services, including consumer and business telephony service, carrier's carrier services, digital video and advanced video services and high speed Internet. Its robust fiber optic and coaxial network of more than 4,000 route miles directly passes more than 500,000 homes and businesses in a four-parish area (St. Charles, Jefferson, Orleans, and St. Bernard). Elsewhere in Louisiana, Cox Communications serves Greater Baton Rouge and Greater Lafayette areas, adding another half-million homes where its broadband services are available.

Cox has a strong history of superior service to all of its customers. Cox's telephone operations have received the J.D. Power award for Local Residential Telephone Customer Satisfaction in the Western region – the only region where Cox has enough customers to qualify - for the last three years in a row. Cox also just won the J.D. Power national award for customer satisfaction for high speed Internet service.

Cox's affiliate company, Cox Louisiana Telcom, L.L.C, was certificated by the State of Louisiana in 1998 and began to offer circuit switched telephone services to the greater New Orleans business community in the same year. Residential telephone services were added in 2001. In 2004, the Cox Baton Rouge and Lafayette systems launched broadband telephone services to both residential and commercial customers. Prior to Hurricane Katrina, Cox provided more than 130,000 access lines throughout the state, with approximately 92,000 access lines in Greater New Orleans. Cox is the largest facilities-based CLEC in Louisiana. As a result of the devastating storm's effects on Cox's network, 90,000 telephone customers were without service after the hurricane passed, the vast majority of them in greater New Orleans.

Cox as an ETC

Cox has a proven reputation as an effective and successful facilities-based CLEC and a carrier's carrier in New Orleans. In 2003, the Louisiana Public Service Commission designated Cox Louisiana Telcom, L.L.C. an Eligible Telecommunications Carrier (ETC) in New Orleans and Lifeline and Linkup programs are now offered to qualified residents. Among CLECs in Louisiana, Cox is the largest facilities-based competitor serving both residential and commercial customers with local exchange and long distance services.

Cox provides telecommunications services to essential businesses and governmental agencies in the New Orleans area using a Class 5 circuit switch and its hybrid/fiber coaxial network. Examples of these key commercial customers include:

- *Voice and Data Services for Police and Fire:* New Orleans Police and Fire Departments; City of Gretna Police and Fire Departments; Jefferson Parish Fire Departments; Harahan Police and Fire Departments; St. Bernard Police and Fire Departments
- *Voice and Data Services for Hospitals:* East Jefferson General Hospital; Touro Infirmary Hospital; Memorial Medical Hospital; Tulane University Hospital
- *Carrier's Carrier Services:* ATT Long Distance; Sprint Communications; Sprint Wireless Communications; WilTel Communications; MCI Communications; Level 3 Communications; Broadwing Communications; Cingular Communications; IP Broadband, PetroCom Communications; AccessCom; Qwest Communications

Cox as an Educational Partner in the Greater New Orleans Area

Cox provides telecommunications and high speed Internet services to three of the four parish school districts in the Greater New Orleans area.

- *New Orleans Public Schools (NOPS):* Optical fiber-based GIG-E network connecting 136 schools with four dedicated fibers per school location. This network is designed to carry Internet, data, video, and voice traffic throughout the Metro New Orleans area at the highest possible speeds with redundancy and maximum security. Approximately 25,000 teachers and administrators and 65,000 students benefit from this state-of-the-art network. The network connects with several higher education institutions in New Orleans, affording quality distance learning, advanced studies, and student-based curriculum exceeding most school systems in the U.S. Because of lack of access to facilities, Cox has not yet evaluated the damage to the NOPS network, but it is likely that most or all of network will have to be rebuilt.
- *St. Bernard Parish School District:* Optical fiber-based GIG-E network connecting 36 schools with redundancy and maximum security. This network carries Internet, data, voice, and video traffic through the parish and is connected, like NOPS, to several institutions of higher learning to facilitate distance learning, advanced studies, and student-based curricula. The network also interfaces with a state-of-the-art production studio co-sponsored by Cox and St. Bernard Parish, providing both production and education in the video applications business. St. Bernard Parish was totally consumed by flooding following Hurricane Katrina. Although Cox personnel have been unable to inspect network facilities to date, there is little doubt that the GIG-E network will have to be rebuilt.
- *Jefferson Parish Schools:* These schools turn to Cox for high speed Internet and telecommunications transport services. The network combines the highest possible speed with the highest level of redundancy to more than 16,000 teachers and administrators and 64 schools throughout Jefferson Parish. Preliminary inspections indicate that portions of this network may be salvaged. However, interconnectivity of all schools and the performance of the network have not yet been evaluated because the area has only recently been opened to Cox's technical personnel.

Cox's Red Team – First Responders

Cox's longstanding disaster plan for New Orleans included the capability to manage and operate its network remotely from Baton Rouge in the event of an emergency. A team of more than 100 key personnel from Cox's New Orleans operation was staged at Cox's Baton Rouge system to be ready to reenter the disaster area immediately after the passage of the storm. Working in tandem with the Baton Rouge team, Cox representatives coordinated recovery operations with local, state, and federal disaster relief teams at the Louisiana Office of Emergency Preparedness. In addition, Cox corporate engineers and technicians from sister companies in the Southeast joined forces to assure adequate supplies of fuel and specialized equipment were available to assess damage and begin recovery operations. Despite significant obstacles, Cox restored broadband services to over 90 percent of its customer locations in St. Charles Parish and approximately 35 percent of customer locations in Jefferson Parish within 20 days of the storm, focusing on restoration of critical public service and communication facilities. Some of the key efforts included the following:

- Cox rerouted optical fibers in record time to restore carrier services for Cingular Wireless to four primary transport companies.
- Cox employees, escorted by armed guards, restored services to Touro Hospital in the first two weeks of recovery. Touro is located in the heart of New Orleans.
- East Jefferson Hospital services were rerouted and personnel dispatched to restore services in a high flood area.
- Gretna City Hall services were restored by dispatching personnel and reinitiating services as power systems were being restored.

- Kenner Police Department services were restored within 24 hours of notification of loss of service.
- Kenner Fire Department services were restored by Cox personnel in the early hours after the storm.
- Multiple carriers transport circuits were restored to MCI, WiTel, PetroCom, AccessCom, and other carriers.
- Cox personnel prioritized installation of new services to five FEMA sites between Friday September 16 and Tuesday September 20.

To date, Cox has been able to restore service to 99 percent of the habitable homes in the New Orleans area. The ravages of high water and the lack of commercial power in parts of Jefferson Parish, most of Orleans Parish, and all of St. Bernard Parish continue to provide logistical challenges to restoring Cox's network and telecommunications equipment. As restoration of service continues, Cox is developing a plan for the relocation of some of its hubs and other equipment critical to the maintenance of telecommunications services for public health, safety, and governmental use.

Cox's Response to Hurricane Katrina in Louisiana

- **Cox Worked Directly with Local Relief Agencies**

Thousands of New Orleans residents were in Baton Rouge shelters because of the devastation of Hurricane Katrina. After evacuation, those residents had no means of communicating with loved ones or applying for relief funds. Cox Communications has provided voice, data and video services at no charge to most Red Cross designated shelters in the Baton Rouge area. The services provided evacuees with much-needed access to news updates, contact with loved ones by telephone, and the ability to apply for federal relief via the Internet. Cox served more than 10,000 victims and the Red Cross for these critical services.

- **Cox Met Additional Telecommunications Demands**

Cox worked daily with the Louisiana Office of Emergency Preparedness to coordinate restoration of the communications network in the disaster area and to provide expanded communications to first responders staged in facilities in the Baton Rouge area. Voice, video, and data services were provided to local, federal, and state agencies as relief and planning facilities were established to assist displaced victims and first responders. In addition, at the request of the Louisiana Public Service Commission, Cox Baton Rouge, as part of its **Operation Rebound** initiative, expanded its bandwidth capability and provided telecommunications services to businesses relocating from New Orleans to the Baton Rouge area. Supporting these companies by establishing telecommunications services has helped preserve thousands of jobs that might otherwise have been lost during the long period of recovery of utilities and housing expected in New Orleans.

- **Cox Addressed the Needs of Its Displaced Mass Market Customers**

Following the storm, Cox's New Orleans call center immediately shifted its operational base to Baton Rouge, where public service announcements and other advertising advised Cox customers that all billing for Cox-delivered services ceased as of August 29. Cox waived all September bills for telephone, high speed Internet and cable services for customers in Greater New Orleans whose services were affected by Hurricane Katrina. Through various media, Cox advised customers that they did not need to contact Cox to disconnect or suspend services because they will not be billed until service has been restored.

Cox also provided services to consumers displaced by Katrina through its telephone operations in Baton Rouge and elsewhere. Among other steps, Cox requested (and received) assignments of additional telephone numbers in Baton Rouge to meet the unusually high demand for new service.

Cox's Commitments to Relief and Rebuilding Efforts

First, ensuring the safety and well-being of our employees has always been Cox's primary focus. The outpouring of support and generosity from fellow employees has been tremendous. Cox Enterprises, Cox Communications' parent company, established the Cox Employee Disaster Relief Fund, and to date \$1.3 million has been contributed by employees, vendors, and programmers. All employee gifts were matched dollar for dollar by Cox Enterprises, and all of the funds have gone directly to employees and their families as they rebuild their lives.

Second, Cox committed that there would be no lapse in pay to employees in the Greater New Orleans area, and employees were put back to work as quickly as possible. To date, only 153 of the 850 New Orleans employees decided not to return to their jobs in the Crescent City.

Third, Cox will rebuild its broadband facilities in New Orleans. As the premiere provider of broadband services, including telephone, video and high speed Internet, Cox is a vital community partner in the New Orleans area. In addition to restoring its own facilities, the company and its employees will work with local officials to contribute to the restoration and revitalization of the City of New Orleans.

Finally, to help strengthen this effort and to reach out to all affected by Hurricane Katrina, Cox has announced a \$10,000,000 gift of cash and in-kind support from the Cox family of businesses for the following programs and services that will assist in the relief, recovery and rebuilding of affected communities:

- A **\$1,000,000 gift to the American Red Cross** to provide immediate relief for those in need.
- A **\$750,000 gift to the United Way** for the affected areas. This contribution will be used for programs to support the recovery efforts of communities impacted by this disaster.
- A **\$150,000 gift to Habitat for Humanity** to help communities ravaged by the hurricane begin to rebuild.
- A **\$100,000 gift to Boys & Girls Clubs** for support of programming and continuing education for the children in devastated areas.
- An **\$8,000,000 media commitment from Cox businesses** in donated PSA (public service announcement) air time or space from Cox Communications, Cox Newspapers, Cox Television and Cox Radio. These donations will be used to help encourage viewers and readers to continue their support for long-term needs.