February 12, 2015

VIA ECFS
Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Ex Parte of Cox Communications, Inc.; Protecting and Promoting the Open Internet, GN Docket No. 14-28; Framework for Broadband Internet Service, GN Docket No. 10-127

Dear Ms. Dortch:

On February 10, 2015, on behalf of Cox Communications, Inc., the undersigned and Jennifer Prime of Cox Enterprises, Inc. (collectively “Cox”), together with Matthew Brill of Latham & Watkins LLP, met with separately the following Commission personnel regarding the above-captioned proceedings: Amy Bender, Legal Advisor to Commissioner O’Rielly; Rebekah Goodheart, Legal Advisor to Commissioner Clyburn; and Nick Degani, Legal Advisor to Commissioner Pai.

In each meeting, we discussed Cox’s deep concerns about pending proposals to reclassify broadband Internet access under Title II of the Communications Act, noting the adverse impact such a ruling could have on investment decisions. We noted that Cox has been an industry leader in preparing to deliver blazing-fast, gigabit-level speeds to customers across its 18-state footprint. We explained that Cox Enterprises has a diverse array of businesses across a wide variety of industry sectors and considers the pressures of undue regulatory constraints as it decides how best to allocate its available capital resources. Finally, while Cox does not oppose Commission efforts to impose tailored Open Internet rules, the proposal to extend a multitude of Title II regulations to broadband services seems significantly far afield from the core purpose of this proceeding and wholly unrelated to the mission of Net Neutrality.

In light of such concerns, we argued that any reclassification decision should be accompanied by broad and immediate forbearance from Title II obligations and restrictions. In particular, we emphasized that, to fulfill the repeated promises by the President, Chairman Wheeler, and others that any reclassification decision will not lead to rate regulation, the
Commission at a minimum must forbear from its oversight of just and reasonable charges under Section 201(b). As has been previously explained, the Commission has sought comment on invoking Title II for the sole purpose of supporting the adoption of open Internet rules; it has not sought comment on the potential imposition of additional common carrier regulatory mandates (especially rate regulation) on broadband service providers, much less proposed to extend such requirements. Nor is there any sound policy reason to saddle broadband Internet access services with new economic regulation or other mandates under Title II. To the contrary, as the Commission has repeatedly recognized in the past, imposing Title II obligations on broadband Internet access services (other than light-touch open Internet rules) would entail unjustified burdens and would therefore deter the investments needed to fulfill the broadband deployment goals embodied in Section 706 and in the Commission’s National Broadband Plan.

We also reiterated Cox’s opposition to supplanting the market-based regime governing the exchange of Internet traffic with new regulation, and we argued that the NPRM in this proceeding does not provide any notice of the prospect that such arrangements might be subject to regulation under Title II. We further argued that, in the event the Commission does decide to assert jurisdiction over Internet traffic-exchange arrangements, any new rules or complaint process should apply evenhandedly to both sides of any peering or transit relationship. Subjecting only broadband Internet access providers—and not their commercial counterparties—to regulatory oversight would introduce significant competitive distortions, arbitrage opportunities, and other harms. Indeed, for a mid-sized provider like Cox, which

---


2 See, e.g., Federal-State Joint Board on Universal Service, Report to Congress, 13 FCC Rcd 11501,¶ 46 (1998) (noting that classifying information service providers as telecommunications carriers under Title II “could seriously curtail the regulatory freedom that ... [is] important to the healthy and competitive development of the enhanced-services industry”); Inquiry Concerning High-Speed Access to the Internet over Cable and Other Facilities, Declaratory Ruling and Notice of Proposed Rulemaking, 17 FCC Rcd 4798, ¶ 95 (2002) (tentatively concluding that cable modem service should be subject to blanket forbearance from Title II in the event it was classified as a telecommunications service), aff’d sub. nom. NCTA v. Brand X, 545 U.S. 967 (2005); Petition for a Writ of Certiorari by U.S. Dept. of Justice and FCC, FCC v. Brand X Internet Servs., No. 04-281, at 24, 26 (Aug. 27, 2004) (explaining that imposing Title II on cable broadband services would threaten to undermine “one of the central objectives of federal communications policy since 1996”—“[e]ncouraging the deployment of broadband services throughout the Nation,” and warning that “[t]he effect of the increased regulatory burdens” resulting from Title II regulation “could lead cable operators to raise their prices and postpone or forego plans to deploy new broadband infrastructure, particularly in rural or other underserved areas”), available at http://transition.fcc.gov/ogc/documents/filings/2004/BrandX.pet.final.pdf. See also Federal Communications Commission, Connecting America: The National Broadband Plan, at xi, 5 (2010) (setting forth the Commission’s goal of ensuring that “every American has access to broadband capability,” and finding that widespread broadband deployment has been “[f]ueled primarily by private sector investment and innovation” with “limited government oversight” (internal quotation marks and citations omitted)).
often exchanges traffic with far larger entities, it would be particularly unjustified to become subject to one-sided regulatory mandates. We explained that any network operator (such as a transit provider or content delivery network) that exchanges Internet traffic with ISPs must transmit information by wire or radio (thus falling within the subject matter jurisdiction of the Act); moreover, if the Commission deems the traffic-exchange functions performed by ISPs to constitute a telecommunications service under Title II, then so too (as a matter of both law and policy) must the equivalent functions performed by other network operators be subject to the same classification and regulatory treatment.3

Finally, we argued that the Commission should ensure that any reclassification decision will not result in increased pole attachment fees or other regulatory charges or taxes. We noted that Commission action causing such cost increases would run directly counter to the congressional directives set forth in Section 706 of the 1996 Act, and we therefore urged the Commission to take regulatory action as necessary (whether in the pole attachment context or more broadly) to prevent broadband providers from bearing increased costs.

This letter is being filed electronically pursuant to section 1.1206 of the Commission’s rules

Sincerely,

_____________________________
Barry Ohlson
Vice President, Regulatory Affairs
Cox Enterprises, Inc.

cc:
Amy Bender
Nick Degani
Rebekah Goodheart

3 Notably, Cogent submitted an ex parte letter on February 11 stating that it would not object to the Commission’s subjecting transit providers’ “interconnection practices ... to the same standards as mass market broadband Internet access providers.” Letter of Robert M. Cooper, Counsel for Cogent Communications, Inc., to Marlene H. Dortch, Secretary, FCC, GN Docket Nos. 14-28 & 10-127 (filed Feb. 11, 2015). Cox welcomes Cogent’s recognition of the appropriateness of regulatory parity. But it is not sufficient to subject transit providers such as Cogent to comparable open Internet “standards.” Rather, to the extent that Title II is imposed on ISPs, it should likewise be imposed to transit providers and other parties involved in the exchange of Internet traffic.