

**From: Cox Communications**  
**To: Virginia Department of Housing and Community Development (DHCD)**  
**RE: Letter of Intent (LOI) to participate in the State of Virginia BEAD Program**

October 16, 2024

To whom it may concern,

Cox Communications is pleased to submit our Letter of Intent (LOI) to participate in the Virginia Department of Housing and Community Development (DHCD) BEAD program.

As of 2024, in Virginia, Cox directly employs more than 1,600 people, generating \$120 million in wages and salaries and \$41 million in economic activity throughout the Hampton Roads, Roanoke and Northern Virginia markets. Cox serves nearly 575,000 residential customers and nearly 60,000 business via 24,000 miles of fiber optic and coaxial cable in the Old Dominion.

Cox has extensive experience with the Virginia Telecommunications Initiative (VATI) grant process, having collaborated with localities on every grant cycle since the program's inception. Notably, Cox was involved in one of the first VATI awards in 2016, partnering with Gloucester County to deliver last-mile broadband service to over 100 homes and businesses in an underserved area. In recent years, Cox has successfully secured three additional VATI grants: the Chesapeake projects from 2021 and 2022 have both been completed, while the Roanoke project from 2022 is currently in progress, with an estimated completion date of April 2025.

As the largest private broadband company in America, we proudly serve seven million homes and businesses across 18 states. Cox Communications is nearly 60 years old and remains a wholly owned subsidiary of Cox Enterprises, a privately held, family-owned corporation with nearly \$20 billion in annual revenues (2020). In 2023, CEI had the distinction of being ranked #13 on Forbes list of America's largest private companies. In addition to Cox, CEI's other major operating subsidiary is Cox Automotive, a leading global provider of vehicle remarketing services and digital marketing and software solutions for automotive dealers and consumers.

With Cox Communications backed by Cox Enterprises, we have the resources and commitment to the community that Virginia should look for in a partner. Cox remains focused on keeping its investment grade rating while having sufficient liquidity to meet all its obligations. In all the company does, it is committed to investing in growth opportunities while operating more efficiently and delivering healthy cash flows. Cox has invested nearly \$12B in network upgrades over the past 10 years (2014-2023) to deliver some of the most powerful communications and entertainment services and will continue making multibillion-dollar annual infrastructure investments over the next several years. Building broadband networks in un- and underserved areas is quite costly, but Cox can contribute a good portion of the estimated cost and would seek the remainder from Virginia in federal grants. Once the network is finished, Cox expects to be able to generate enough revenue from the newly served area to not only sustain its operations, but to invest when needed in the future to meet ongoing needs.

As a previous recipient of government funding in other states, Cox utilizes internal controls to ensure that funding is being utilized effectively and efficiently, funds are being safeguarded properly, reporting is accurate and timely, and resources are being utilized in compliance with appropriate laws and regulations. Cox has a dedicated internal controls governance (ICG) team that coordinates with other risk related groups to ensure the confidentiality, integrity, and

availability of financial systems and compliance with regulatory requirements. These internal control activities include comprehensive documented processes and policies including applicable training, as well as ongoing and periodic monitoring to ensure compliance with laws and regulations. To fulfill our commitment to invest hundreds of millions of our own dollars and partner with governments to help fund buildout to un- and underserved communities, Cox stood up a Market Expansion team (“MET”) dedicated to this work. Cox’s MET is made up of seasoned professionals and is dedicated to all aspects of Cox’s unserved expansion areas, including our compliance work.

Cox will leverage its expertise in building, operating, and upgrading networks to ensure that any funding awarded is used efficiently and within the requirements of any grant program. Cox spends billions of dollars per year on materials and services with third party suppliers. To leverage our scale, maximize purchasing power, control costs, and mitigate risk, we rely on Strategic Sourcing and Procurement (SS&P) to plan for third party purchases, competitively source materials and services, negotiate with suppliers, and execute and maintain third party contracts. Direct oversight of the project will be conducted by dedicated resources, both at the project management and field installation supervisory levels throughout the duration of deployment.

Cox Communications has thoroughly analyzed and has full intent to comply with all requirements of the BEAD program in the state of Virginia.

We look forward to supporting the broadband goals of the State of Virginia.

Sincerely,

Signed by:  
  
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John Hays

VP, Strategic Solutions Market Expansion