



Brennan, Leone: OC a test bed for Cox

Longtime Cox Leader to Vegas; Hello Duffy

By ALETA WALTHER

There's been a changing of the guard at Cox Communications Inc., operator of the largest cable TV system here.

Leo Brennan, who has driven Atlanta-based Cox's expansion here for the past decade, recently left as vice president and general manager of the company's Orange County operation. He's now heading Cox's Las Vegas operation.

Replacing Brennan is Thomas "Duffy" Leone, a 25-year Cox veteran, most recently from San Diego.

Leone takes over an operation with 247,000 subscribers in South County. Cox runs the largest cable system here by subscribers, ahead of Adelphia Communications Corp., which serves North County and is set to be bought by Time Warner Inc. and Comcast Corp.

Cox counts 750 local workers, most at its regional hub in Rancho Santa Margarita. The company also runs Cox Business Services, which provides phone and networking services to businesses. The unit recently came out with "Hot Spot," which allows companies to provide free wireless

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networking to customers.

Under Brennan, Cox made OC a test bed for phone, Internet, high-definition TV and other services. The company recently opened a store in Irvine's Quail Hill to show off its high-definition TV service.

Leone, who goes by the nickname "Duffy," said he doesn't foresee any major changes.

"Orange County's demographics have proved to be a good match for Cox and we will continue to look at Orange County as a place to launch new products," he said. "It's a Cox philosophy to launch new products where the early adopters live, and that's southern Orange County."

Leone got his start with Cox in 1980, working as a door-to-door salesman in Hartford, Conn. He was the youngest general manager in the Cox network when he was tapped to handle the day-to-day operations of the Cedar Rapids, Iowa, unit in 1987.

In 1989, he came to California to manage Cox's Santa Barbara operation. Most recently, Leone was vice president of operations for the San Diego market, where he helped push subscribers past the half million mark in 1999.

"I have certainly worn a lot of hats at Cox," Leone said. "Marketing, operations, finance, human resources, engineering—I have managed it all. But I knew some day I would go back to the GM chair. When Leo went off to Las Vegas this great opportunity opened for me."

It's a big chair to fill. Brennan made a **name for himself locally and in the industry** as head of the OC operation.

"Cox is very good at serving its cus-

tomers," said Gerry Kaufold, a cable industry analyst with the In-Stat Group of Scottsdale. "What a lot of people don't know is that Cox regularly gets the highest rating in the J.D. Powers and Associates satisfaction surveys. In fact, Cox Orange County has the highest satisfaction rating of any telecommunications provider in their service area."

Brennan is credited with starting the industry's first bundled package of high-speed Internet, video and telephone services in 1997. He also used OC to launch products for Cox, such as high-definition TV and video-on-demand.

Brennan, 55, served as chairman for the California Cable Telecommunications Association and served a term as president of the Southern California Cable and Telecommunications Association.

In 2000, the National Cable and Telecommunications Association gave Brennan its Vanguard Award for Cable Operations Management.

Active Locally

Locally, Brennan was active in the South Orange County Regional Chambers of Commerce, the Saddleback College Foundation, the Bell Tower Foundation and the Orange County Chapter of the American Red Cross.

Brennan's challenge now is to bring Las Vegas up to speed. The market counts more subscribers than OC but lags in services offered.

The first task is to start telephone over Internet service, as Brennan did in South County. Cox has some 130,000 digital phone customers in South County.

More than 65% of Cox's OC cable subscribers have two or more Cox products, according to the company. About 60% have digital cable, 52% have phone service

and 65% have high-speed Internet access.

More than 35% subscribe to all three.

"It made sense for Leo to go to Las Vegas," said Leone, who has been on the job in OC for about a month. "It's a great opportunity for him and for Cox to have someone of his expertise in that marketplace."

Leone has his own challenges.

Cox doesn't face competition from other cable operators in South County but is seeing a push by phone companies and satellite TV operators to grab a piece of its business.

The primary threat comes from SBC Communications Inc. and Verizon Communications Inc., which compete with Cox for phone service and Internet access. SBC also has started offering satellite TV with EchoStar Communications Corp.

Leone said he and other Cox executives are focused on long-term growth since going private late last year. Atlanta-based media company Cox Enterprises Inc. had owned about 60% of Cox Communications and bought the rest for \$8.5 billion.

"Cox was a private company from 1985 to 1995," Leone said. "And, historically, Cox's private years have proven to be groundbreaking in terms of innovation."

Leone sits on the board of the California Cable and Telecommunications Association and is the chairman of the association's Industry Affairs Committee. He also is chairman of The California Channel, a nonprofit public affairs cable network.

Leone's plans for OC include launching a sort of infomercial on demand service, where viewers can watch advertising videos of their choice and request more details via their TV.

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