



**Opening Statement of John Keib,
former Executive Vice President and Chief Operating Officer, Residential Services,
Time Warner Cable Inc.
Hearing before the U.S. Senate Permanent Subcommittee on Investigations
“Customer Service and Billing Practices in the Cable and Satellite Television Industry”
June 23, 2016**

Chairman Portman, Ranking Member McCaskill, other members of the Subcommittee, good morning. My name is John Keib, and I am here today to testify on behalf of legacy Time Warner Cable Inc. Thank you for the opportunity to participate in this hearing.

As you know, Time Warner Cable recently merged with Charter Communications and Bright House Networks to form a new company. My role at Time Warner Cable ended when the parties completed these transactions; I am no longer employed by Time Warner Cable or Charter. As such, I am testifying today as a former Time Warner Cable executive, but also as a private citizen.

My most recent position at Time Warner Cable was Executive Vice President and Chief Operating Officer for Residential Services. In this role, I led the service delivery, customer care, marketing, and sales operations for the company’s residential services business. I am here today to discuss legacy Time Warner Cable’s business prior to its merger with Charter. Hence, to the extent that questions arise relating to the future of Time Warner Cable or Charter, I will defer to Charter’s witness, Kip Mayo.

Legacy Time Warner Cable serves approximately 15 million customers receiving video, Internet, or telephone services in 29 states ranging from Ohio to Maine to Nebraska. We employ thousands of customer service representatives and field technicians whom we train, first and foremost, to serve our customers.

Let me begin by acknowledging that we are well aware of some of the issues that will be discussed by the Subcommittee today. Those of you who live in Time Warner Cable areas have probably seen our most recent ad campaign in which we acknowledge – indeed highlight – prior service challenges before explaining the steps we are taking as a company to address those historical shortcomings.

That campaign is the culmination of efforts made, during my tenure at Time Warner Cable, to improve our customer service performance in order to provide the best possible experience to our customers. Time Warner Cable, like other MVPDs, has struggled with its customer service rankings in the past. Beginning in 2013, under an internal strategy we called “Winning on Service,” Time Warner Cable embarked on an aggressive plan to improve its customer service and took several steps toward that goal. We invested heavily in our network and made several technology augmentations for broadband and video. We also initiated an ambitious plan to reshape our customer service performance by investing in our greatest asset, our employees. Our goal was to make service the differentiator and to become the best service provider not just within the telecom space, but in any industry. We believe that investing in

service and delivering a best in class service experience is the most important factor in driving long term customer growth.

We also have worked hard to minimize billing errors. Three years ago, we implemented an automated, industry-leading process designed to detect and fix billing errors whether or not they are identified by customers. Each month, we search for and identify equipment-related overcharges and undercharges. And when we find an error, we fix it going forward and provide the customer with a credit for the remainder of the billing cycle from the time the fix has been recorded. We do not charge customers back for underbills, regardless of their size. It is important to keep in mind that we have 37 million pieces of equipment in service at any given time, and we are constantly upgrading that equipment with newer devices. Given the volumes of equipment we deal with, we are pretty proud of the fact that today, our equipment billing error rate for video subscribers is a very small .07% and for internet subscribers, .03%.

At the same time, for other types of overcharges where we can identify exactly when they first occurred, we credit customers back to the origin of the error. While such errors in billing for services are unusual, when they occur we generally have been able to provide retrospective refunds to affected customers without any need for the customers to request such refunds. In contrast to overcharges for equipment, which typically involve highly individualized factual circumstances that can be difficult to ascertain from our billing system, it is generally much easier to identify the cause and duration of a service overcharge.

Overcharges represent a very small part of our interactions with our customers. Overall, in an average year, Time Warner Cable fields more than 100 million calls from its customers. Some of these customers seek to purchase video, Internet, or telephone services for their homes; others ask questions about their bills or seek technical support. Still others want to change their service. Regardless of the reason for the call, our goal is to keep our customers, and we accomplish that goal by keeping them happy.

To do this, we train our customer service representatives to provide excellent care to our customers. Our customer service agents specialize in one or more core functions, including sales, retention, service and billing. Upon hiring, our representatives receive 11 weeks of hands-on training, as well as weekly ongoing training and coaching sessions with supervisors. These coaching sessions allow our representatives to learn from actual calls they handle. Our focus on customer service has made a difference, as more than four in five customers report that they are satisfied with their interaction with Time Warner Cable. And our surveys suggest that customers are becoming increasingly satisfied.

We also have made great strides in addressing customer issues more quickly and efficiently. We have done this by improving our phone service levels through enhanced training and better staffing, improving our product and service performance, and introducing appointment-based call backs, which allow customers to schedule call backs from Time Warner Cable at times that work for them. As a result of these efforts, our total call volume is down – over the past three years, the number of calls fielded by our customer service representatives decreased by 12 million, which is a testament to better and more efficient customer service. One measure of this improved customer service is known as “one touch resolution” – or the

percentage of customer calls that are managed by a single agent. Recent internal reports show that we achieve one touch resolution in nearly 94% of the calls we handle.

In addition, Time Warner Cable began offering one-hour service and install windows and, in the first quarter of this year, our technicians were on time for approximately 99% of these appointments. We also significantly reduced the need to send Time Warner Cable technicians to our customers' homes to handle a repair. At the time of our merger, approximately 90% of repairs could be handled over the phone, up from approximately 82% in 2013. This improvement has resulted in a reduction of over one million service truck rolls in the last two years.

Are we there yet? No. Making such changes at a company our size is no small feat and the desired changes cannot all happen at once. Still, the evidence suggests that our efforts are paying off. In the latest American Customer Satisfaction Report, Time Warner Cable's Customer Satisfaction Ratings have increased by 8% year over year for both its television and Internet customers. We were recently ranked the 4th best Internet provider in this survey up significantly year over year. Although we did not have enough time to fully execute our plan, I am proud of the early results just as I am proud of all our technicians and customer service agents who are together pursuing a single mission of winning on service. Moreover, I am very confident that our employees and customers who have transitioned to Charter are in great hands. I am confident that Charter holds the same core tenets about prioritizing customer service and will continue to take the service experience to new levels.

I look forward to answering any questions you may have about Time Warner Cable.