



DEPARTMENT OF THE TREASURY OFFICE OF PUBLIC AFFAIRS

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OPENING STATEMENT OF PAUL B. JONES FOR THE HEARING ON CONFIRMATION OF HIS NOMINATION TO THE IRS OVERSIGHT BOARD

BEFORE THE SENATE FINANCE COMMITTEE

Chairman Grassley, Ranking Member Baucus, Members of the Senate Finance Committee, thank you for holding this hearing today. I am honored to appear before this committee today as you consider my nomination to become a member of the IRS Oversight Board. I thank the President for nominating me and the Secretary of the Treasury for choosing me as a candidate.

I am pleased to have my wife, Ruth, seated behind me and she joins me in thanking you for convening this hearing today.

I am a graduate of Yale College, class of 1968, and a graduate of the Yale Law School, class of 1971. In private law practice early in my career, I represented large corporate clients engaged in private international business transactions. Working with the Coudert Freres Paris office, I was engaged in corporate and tax structuring transactions largely for multi-national business. Moving back to New York in 1973, I remained with Coudert Brothers and focused on developing skill as a defense trial lawyer representing the three major broadcast networks. During that period, the CBS 60 Minutes program became my principal client, under their Lloyds of London insurance coverage and our representation of CBS as defense counsel designated by Lloyds.

Press coverage of the issues raised in one of my 60 Minutes cases brought my name to the attention of the Federal Communications Commission in 1976 when I was invited to serve as a co-director of a task force charged with exploring the economics of video program production and distribution. The ultimate goal of that task force was to recommend regulatory change required to incentivize the expansion of program choice for the American public beyond the three commercial broadcast networks. I accepted and also served as Assistant General Counsel for the FCC. That was my first foray into public service, and based on that experience, I vowed that again later in my career, I would hope to serve the public, sharing experience gained in the

private sector. And happily, I am before you today seeking confirmation so that I may serve on the IRS Oversight Board.

In the years following that FCC experience, I have served as Vice President for Strategy and Business Development for CBS, as General Counsel for Warner Communications Cable business, as Senior Vice President Corporate Development for Time Warner Cable Ventures, and, serving as Senior Vice President, General Counsel and Regulatory Policy for Time Warner Telecom, I am part of a management team that has grown Time Warner Telecom from an idea to a publicly traded company with annual revenues that are now approaching one billion dollars. This company is 41% owned by Time Warner, Inc. but traded separately on NASDAQ.

During the growth of Time Warner Telecom, I have participated in decision making around the company's computer systems development, process re-engineering, software vendor selection, and in many other operating areas creating greater efficiencies as we have scaled the business. Creating and executing on the strategy or vision for the company is the principal responsibility of our Senior Management Team and our Board of Directors which, as Secretary for the Company, I also serve.

I now find myself in the position where the knowledge and experience I've gained through my corporate experience can be put to good use in the service of the public. I am honored and privileged to be nominated to give something back to my country. I believe that by serving as a member of the IRS Oversight Board, I can apply the good governance principles I have learned in the private sector to a public sector institution that affects virtually every American.

In recommending the creation of the IRS Oversight Board, the National Commission on Restructuring the Internal Revenue Service issued its report in 1997 stating, as Chairman Grassley well knows, that the IRS Oversight Board should be focused on providing strategic direction to the IRS. If confirmed, I will embrace that mission, steered in the conviction that the interests of American taxpayers are served where improved and modernized business processes and systems support both service and enforcement, by improved and simplified processes both for filing and administration, and by awareness programs that help both taxpayers and tax professionals understand that, as a country, we are far better off with core values that support, rather than avoid, the payment of our taxes.

Thank you again Chairman Grassley, Ranking Member Baucus, and Members of the Senate Finance Committee for the honor of appearing before you today.