

**IN THE MATTER OF THE PETITION OF  
INTELLIGENT COMMUNITY SERVICES, INC.  
FOR DESIGNATION AS ELIGIBLE  
TELECOMMUNICATIONS CARRIER UNDER  
47 U.S.C. §214(e)(2)**

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**DOCKET NO. UT-053041**

**DIRECT TESTIMONY  
OF JOHN P. COONAN  
ON BEHALF OF INLAND TELEPHONE COMPANY**

**July 18, 2008**

1           **Q:   PLEASE STATE YOUR NAME AND GIVE YOUR BUSINESS**  
2           **ADDRESS FOR THE RECORD.**

3           A.     John P. Coonan. My business address is PO Box 649, Roslyn, WA 98941.

4           **Q.   BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5           A.     I run my own business.

6           **Q.   ARE YOU CURRENTLY EMPLOYED BY INLAND TELEPHONE**  
7           **COMPANY (“INLAND”)?**

8           A.     No. I am no longer an employee or officer of Inland. I retired from Inland at  
9           the end of 2007.

10          **Q.   PLEASE PROVIDE US WITH A SHORT SUMMARY OF YOUR**  
11          **BACKGROUND IN TELECOMMUNICATIONS.**

12          A.     In January of 1979, upon graduation from the University of Puget Sound, I  
13          began my career at Ernst & Ernst (later “Ernst & Whinney” and now “Ernst &  
14          Young”). While at Ernst & Ernst I obtained my license as a CPA and my primary client  
15          responsibilities consisted of providing tax, audit and consultation services to small rural  
16          telephone companies. A few years later, I left Ernst & Whinney and started my own  
17          accounting firm Coonan & Hanson, CPA’s (a partnership). Although Coonan &  
18          Hanson performed services for a variety of clients, our primary focus was with rural  
19          telephone companies. Within a few years, we grew our practice to the point that help  
20          was needed. It was then that Coonan & Hanson merged with Johnson, Deaton, Stone &  
21          Pagano (now known as “JSP”), a strategic merger with a group of former Ernst & Ernst  
22          employees.

23

1 A few years later, I left JSP and became employed by Inland Telephone Company and  
2 subsequently Inland Cellular, an affiliate, where I spent the balance of my career in the  
3 telecommunications industry until I retired at the end of 2007. I currently provide  
4 consultation services for Inland Telephone Company and Inland Cellular Telephone  
5 Company on a part time basis. As you can see, my involvement with the  
6 telecommunications industry has spanned almost 30 years.

7 **WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

8 A. The purpose of my testimony is to provide some of the history between Inland  
9 and Suncadia Resort. I was very actively involved in that situation.

10 **Q. WHAT IS THE HISTORY OF INLAND'S RELATIONSHIP WITH THE**  
11 **OWNERS OF THE SUNCADIA RESORT?**

12 A. Perhaps the easiest way to provide that information is to incorporate my Direct  
13 Testimony and supporting exhibits from Docket No. UT-050606. Those documents are  
14 attached as Exhibit No. \_\_\_\_\_ (JPC-2).

15 **Q. PLEASE SUMMARIZE THE HISTORY BETWEEN INLAND AND THE**  
16 **OWNERS OF THE SUNCADIA RESORT.**

17 A. Inland made several efforts to negotiate with the prior and current owners of the  
18 Suncadia Resort in order to provide telecommunications service to the Suncadia Resort  
19 area. The Suncadia Resort presented a wonderful opportunity for Inland to provide  
20 service and expand its customer base. However, it was not to be.

21 **Q. HAS INLAND EXPLORED WAYS TO PROVIDE SERVICE TO THE**  
22 **SUNCADIA RESORT?**

1 A. As we made a major point of discussion in Docket UT-050606, Inland had  
2 stated in writing to the Suncadia Resort owners that Inland was willing to discuss  
3 providing service in the Suncadia Resort area with them. See letter of February 15,  
4 2005, attached as Exhibit No. \_\_\_\_\_ (JPC-3). However, as I pointed out in that prior  
5 case, Inland never heard back from Suncadia since Inland's last offer to negotiate in  
6 February of 2005.

7 **Q. DID YOU HEAR FROM THE OWNERS OF SUNCADIA RESORT**  
8 **AFTER THE CLOSE OF DOCKET UT-050606?**

9 A. Of course, I cannot speak for the period of time after I left Inland at the end of  
10 2007. But certainly prior to that time, we never received a response to our offer. In  
11 fact, up until I saw Mr. Eisenberg's Testimony in this docket dated May 23, 2008, I  
12 assumed that the Suncadia Resort owners did not want to talk with Inland. That  
13 assumption is based upon the fact that Inland had made an offer to the Suncadia Resort  
14 owners to discuss the provision of service, and Inland emphasized the fact that Inland  
15 made that offer several times during the course of UT-050606 and Inland still never  
16 heard from Suncadia.

17 **Q. DID INLAND LOOK AT OTHER WAYS TO TRY AND OFFER**  
18 **SERVICE TO SUNCADIA RESORT AREA?**

19 A. Yes. Inland explored wireless technologies that might be available. Without  
20 access to the Suncadia Resort telecommunications infrastructure or the ability to place  
21 Inland's own infrastructure within the Suncadia Resort, there was no feasible way to  
22 provide wireline service. In exploring the wireless options, Inland did not find one that  
23 provided a suitable answer.

1           **Q.    DOES INLAND DESIRE TO SERVE THE SUNCADIA RESORT AREA**  
2           **TODAY?**

3           A.    Since I am no longer with Inland, you should address that question to Mr.  
4           Brooks.

5           **Q.    ICS STATES THAT AN AFFILIATE OF INLAND’S HAS BEEN**  
6           **DESIGNATED AS AN ETC. ARE YOU AWARE OF THIS?**

7           A.    Yes. Inland Cellular has been designated as an ETC in Inland Cellular’s  
8           licensed service areas in Washington. I must point out that those areas do not include  
9           the Roslyn exchange.

10                   Inland Cellular opposed the designation of wireless carriers as ETCs when RCC  
11           Minnesota, also known as Cellular One, and United States Cellular Corporation sought  
12           ETC status. At that time, Inland Cellular informed the Commission that if RCC  
13           Minnesota and United States Cellular Corporation were designated as ETCs, Inland  
14           Cellular would have no choice but to seek designation as well in order to stay on the  
15           same footing as its competitors in the wireless industry. When the Commission  
16           designated RCC Minnesota and United States Cellular Corporation as ETCs, Inland  
17           Cellular filed for ETC status and was subsequently granted ETC designation.

18           **Q.    DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?**

19           A.    For the present, it does.