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**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

INLAND TELEPHONE COMPANY,

Respondent.

DOCKET NO. UT-050606

DECLARATION OF JOHN P. COONAN

I, John P. Coonan, hereby declare under penalty of perjury under the laws of the State of Washington that the following statements are true and correct.

1. I am the Treasurer of Inland Telephone Company and make this Declaration in that capacity.

2. As an officer of Inland Telephone Company, I have been actively involved in the negotiations with Suncadia, LLC concerning service to the Suncadia Resort. Assuming that the Commission denies Inland's tariff filing in this matter, I see no basis upon which Inland and Suncadia, LLC would return to the bargaining table as hypothesized by Commission Staff.

DECLARATION OF JOHN P. COONAN - 1

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1           3.       The only service that Inland Telephone Company provides to the Suncadia Resort  
2 today are limited business services to Suncadia, LLC. Inland is precluded from providing service to  
3 residential customers and other businesses located within the Suncadia Resort because it does not  
4 have physical access to those customers. Those customers do not have a choice of receiving  
5 Inland's service today and will not have that choice in the future, even if the tariff filing of Inland  
6 Telephone Company in this docket is turned down.

7           4.       Inland Telephone Company receives universal support service for service in the  
8 Roslyn exchange (which at the present time includes Suncadia Resort) based upon its average cost  
9 of service. The Suncadia Resort presents a relatively more dense area for service than the  
10 remainder of Inland's service territory. This means the average cost to serve the Suncadia Resort  
11 should be lower on a per-line basis than service to other areas served by Inland Telephone  
12 Company. Under the current rules of the Federal Communications Commission, if another carrier  
13 is designated to receive universal service support for the Roslyn exchange and only or primarily  
14 serves the Suncadia Resort area, that carrier will receive support based upon Inland's cost of service  
15 on an average basis. This means that the carrier would, in theory, be receiving more support than is  
16 necessary to provide service to the Suncadia Resort. In this case, ICS has made it clear that they  
17 intend to serve the Suncadia Resort and that their business plan calls for receipt of federal universal  
18 service support.

19           5.       Suncadia, LLC was never involved in the discussions leading up to Inland filing the  
20 tariff filing that is the subject of this docket. Inland made that decision entirely based upon its own  
21 determination of what is appropriate. Only after the tariff filing was made did Suncadia indicate  
22 that it wanted to be involved in the tariff filing and had some concerns about how those few services  
23 that were then being provided to Suncadia, LLC would continue to be provided. As a result of  
24 those concerns, Suncadia, LLC and Inland Telephone Company entered into a contract which has  
25


26 DECLARATION OF JOHN P. COONAN - 2

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1 been filed with the Commission. At no time was Suncadia involved in the determination to make  
2 the instant filing.

3 6. Commission Staff's Motion for Summary Determination includes within it elements  
4 of the pre-filed testimony that they have submitted. It is Inland's intent to respond to these  
5 testimonial issues in Inland's Rebuttal Testimony. These issues include such things as whether  
6 Staff's position imposes additional costs on Inland (which we believe it does), the nature of those  
7 costs, the extent to which concerns over eligible telecommunications carrier designations are or are  
8 not appropriate, the extent to which denial of Inland's tariff filing will encourage further  
9 negotiations with Suncadia, LLC, the availability (lack thereof) of Inland's services to customers  
10 residing within Suncadia Resort, the opportunity for profit contained in Inland's tariff filing (which  
11 there is none) and other issues raised by Commission Staff.

12 Dated this 6<sup>TH</sup> day of January, 2006.

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17 JOHN P. COONAN  
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DECLARATION OF JOHN P. COONAN - 3

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