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IDAHO PUBLIC
UTILITIES COMMISSION

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF QWEST CORPORATION FOR PRICE) CASE NO. QWE-T-02-25
DEREGULATION OF BASIC LOCAL)
EXCHANGE SERVICES)

DIRECT TESTIMONY OF

Dennis McManamon

on behalf of

Intervenors Meierotto, et al

March 6, 16, 2003

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I. INTRODUCTION

Q. Please state your name, address and background.

My name is Dennis McManamon and I reside at 3741 Cayuga Place, Boise, Idaho

I have been involved in sales or management of small businesses for the last 20 years.

From 1993 - 1995 I was a salesman of telephone systems for The Telephone Exchange in Boise. For three years thereafter I worked primarily for Mountain States Communications selling radio and wireless telephone systems in Southwestern Idaho. From 1998 to 2000 I sold wireless, primarily cell phones, including Nextel and Sprint, for Cellular Technology, which went out of business in 2000. Because of instability in the phone industry I opted to change, and since 2001 I have been manager of Awnings Unlimited in Meridian where I supervise the office and engage in the sale and supervision of awning installation throughout the Treasure Valley.

In connection with my phone system/wireless employment I was present at many presentations and instructional meetings regarding the products and equipment I have described. Most of them were for ½ day or so. In 1995 I attended a 3 day training program in Seattle dealing with the Toshiba America Telephone System. I attended a 3 day course in Boise sponsored by Nextel in 1999 that was required by them in order to sell their products.

While employed at the Telephone Exchange I sold and helped supervise in 1995 the installation of a Toshiba phone system that connected every classroom in the Mountain Home School District.

Because of my background in telephone systems and cell phone technology, I keep up to date on new developments and pay special attention to our telephone needs.

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II PHONE COMMUNICATIONS AT AWNINGS UNLIMITED

Q. What is the nature and extent of phone communications at your present employer, Awnings Unlimited?

A. Awnings Unlimited has a three land line phone system, a fax line and a DSL dedicated line for communication with our Salt Lake City headquarters. We have four phone locations at our business. We also have a Nextel package of 4 cell phones which are distributed to each of the 4 employes at our Meridian office. These cell phones have a two way radio feature.

Q. When do you and your employes use these communication devices?

A. Employes are encouraged to use the land line phone as much as possible when on the premises. We encourage them to use the two way radio feature when they are away from the office, and to use the cell phone if the radio cannot be used.

Q. Why do you have these policies?

A. Cost concerns. We have found that cell phones are the most expensive calling device because the minute use is monitored and there can be unforeseen charges when our people are out in the field contacting customers regarding estimates or doing installations. The two way radio feature keeps the cell phone bills down.

II CELL PHONE EQUIVALENCY

Q. Why don't you just substitute cell phones for your land line system?

A. Our land line system is part of a phone system which has 4 locations in the office. For office work we need a system that can receive and transfer calls; put callers on hold and allow another person to answer; rollover phone calls so that an incoming call can be answered by another person if the receptionist is busy; and perform other functions. There is no cell phone system available on the market that could substitute for our land line telephone

1 system at Awnings Unlimited. Cell Phone technology has not developed such that any
2 combination of cell phones could allow all lines to be included in one phone and in all
3 extension phones. In fact no extension phones are available for cell phones. A common
4 receptionist would simply not work. Others in the office could not access all the telephone
5 lines, and answering the phone and directing calls would not be possible.

6 **Q. Does your land line system have a rollover feature and is that**
7 **important?**

8 A. A rollover network is essential for my office because if line 1 is in use, the
9 receptionist or other personnel can answer or use the phone on line 2 or three. Cell phones
10 have individual numbers, which cannot roll over to another number.

11 Cell phones do have a call forwarding feature, but this cannot replace a rollover phone
12 system because of access issues. If two cell phones were substituted for two land lines, the
13 cell phones could be in different locations, so that answering them would be inconvenient for
14 anyone except the person in proximity to the cell phone. . If both cell phones were answered
15 at the same location, then hand delivery of the unit would be required if the phone call was
16 for someone else in the office.

17 Further, a receptionist cannot put a call on hold, and allow another person at a
18 different location to pick up the call.

19 **Q. Are there any other reasons why you need to have the land line phone system**
20 **you have described?**

21 A. Yes. A facsimile machine is essential for my office and we use this inexpensive
22 device so much that we have a dedicated line for it. A cell phone cannot be used to operate
23 the fax machine.

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1 **Q. While employed in cell phone sales, did you ever try to sell cell phones to**
2 **small business customers as a replacement for their land line system?**

3 A. Yes, and I was unsuccessful. The technology is simply not here yet to enable most
4 serious small businesses to operate without a land line system. Certainly, I occasionally sold
5 cell phones to someone who worked part time out of the home or did a little consulting. But
6 small business even today, two years later, has to have a land line phone system for the
7 reasons I have described. In addition, many credit card/debit card machines need a land line
8 to operate. Ours at Awnings Unlimited operates that way. And there is our DSL service.

9 **Q. Do you believe that the public interest would be served by deregulating local**
10 **service line charges?**

11 A. No, because cell phones can't compete, as I have described, so prices would just
12 go up.

13 **Q. Qwest is asking to deregulate local service line charges in order to better**
14 **compete with cell phones. Do you believe there is presently anything that regulators**
15 **or the government can do that would promote fairer competition if deregulation of the**
16 **line charges is inappropriate?**

17 A. Yes. Land lines pay much more in taxes and fees than cell phones, yet they both
18 are involved in communications. I think residential pays around \$8.50 in addition to the
19 \$17.50 land line and business pays around \$11 in addition to the \$32 land line charge. I think
20 wireless pays a dollar or two. However, adjusting the tax and fee issue will only be of help
21 in the residential area, because you simply can't use the cell phone for the small business
22 office. But a revenue neutral approach that reduces the land line charges, and increases cell
23 phone charges accordingly would make land line residential use generally more attractive.

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