

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of) Application No. C-1175
Inacom Communications, Inc., of)
Omaha, Nebraska seeking authority to) GRANTED
operate as a resale carrier of intra-)
state interLATA and intraLATA tele-)
communication services in Nebraska.) Entered: June 20, 1995

APPEARANCES:

For the Applicant

Gary Ferguson
Director of Finance
10810 Farnam Drive
Omaha, Nebraska 68154

For the Communications Department

Deonne Niemack, Staff Counsel
300 The Atrium, 1200 N Street
P.O. Box 94927
Lincoln, Nebraska 68509

PRELIMINARY MATTERS

Inacom Communications, Inc. (hereinafter referred to as Inacom) of Omaha, Nebraska filed an application with the Commission on April 17, 1995. The company seeks authority to conduct business as an intrastate telecommunications common carrier offering resold intraLATA and interLATA long distance service. The applicant's business address is noted above. Notice of the application appeared in the Omaha Daily Record, April 19, 1995. Inacom appeared before the Commission for a hearing, chaired by Commissioner Landis, June 13, 1995 in the Commission Hearing Room, Lincoln, Nebraska.

BY THE COMMISSION

O P I N I O N A N D F I N D I N G S

Upon consideration of the application, the governing statutes and rules, the evidence adduced at the hearing, and being fully informed, the Commission is of the opinion and finds:

Nebraska was divided into three Local Access Transport Areas ("LATAs") as a result of the terms of the Modification of

¹ Interexchange resellers applications are governed by Neb. Rev. Stats. 75-604 and 86-805 (1990 and 1987 Reissues, respectively) and Title 291 Neb. Admin. Regs. Ch. 5, Rule 003.12.

Application No. C-1175

PAGE TWO

Final Judgement (the "MFJ") issued in the AT&T divestiture case. United States v. American Telephone & Telegraph Co., F.Supp. 131 (D.D.C. 1982), aff'd sub nom., California v. United States, 460 U.S. 1001 (1983) and United States v. American Telephone & Telegraph Co., 569 F.Supp. 990 (D.D.C. 1983) aff'd sub nom., California v. United States, 460 U.S. 1001 (1983).

While Neb. Rev. Stat. 75-604, by its language, refers to local exchange service, the Nebraska Supreme Court in Northwestern Bell Telephone v. Consolidated Telephone Co., 180 Neb. 268, 142 N.W.2d 324 (1966) held that long distance service is also subject to the provisions of the statute. This was recognized by the Legislature in LB 835 (LAWS 1986) because interexchange services (which include resellers) in Sec. 86-805 (part of LB 835) are referenced to in Sec. 75-604. For this reason, the Commission distinguishes between intraLATA and interLATA resale when deciding reseller applications.

Gary Ferguson, director of finance for Inacom Communications, testified. Mr. Ferguson stated, and the pleadings reflect, the applicant seeks interLATA and intraLATA authority. The filed application does not seek authority to provide AOS.

Inacom Communications is a wholly-owned subsidiary of Inacom Corporation, a publicly traded company. Inacom Corporation is involved in the sale of telecommunications equipment, principally AT&T equipment to small to medium sized businesses.

The applicant is certified in approximately 27 states and intends to become certified nationwide. No state has denied Inacom a certificate and no formal complaints have been filed against the company. Inacom intends to offer intrastate services throughout Nebraska. Specifically, the applicant proposes to provide 1+ and 800 services using facilities leased from AT&T. Calling cards will also be offered.

The applicant will market its services to businesses through independent sales agents and direct sales offices. Independent agents are paid on a commission basis and signed letters of agency are encouraged. If signed letters of agency are not obtained, a verbal verification is necessary. Further, the company sends a welcome letter to all new subscribers, thereby notifying them of the change in service.

For questions regarding customer service, the company provides a toll-free 800 number. Inacom provides customer

Application No. C-1175

PAGE THREE

service during normal business hours. Billing will be done by AT&T and the bills display an AT&T 800 number for billing questions and concerns.

The requisite financial information was provided to the Commission in the application and the statements reflect the company is adequately financed.

The proposed tariff, which is part of the application, is in accordance with the Commission's Rules and Regulations. The tariff appears reasonable in light of the proposed service.

In conclusion, Mr. Ferguson testified that Inacom Communications could offer a unique aspect of service to business customers, as they not only provide long distance service, but also telecommunications equipment. He stated businesses would greatly benefit from this type of package.

Based on the testimony, the exhibits, and the proposed tariff, the applicant has provided the requisite information, possesses adequate financial resources, and is technically competent to provide service. The application is fair and reasonable, is in the public interest, and should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-1175 be, and it is hereby, granted and Inacom Communications, Inc. of Omaha, Nebraska is hereby authorized to operate as a resale carrier of intrastate interexchange interLATA and intraLATA telecommunications services within the state of Nebraska.

IT IS FURTHER ORDERED that the applicant shall file, in accordance with the applicable statutes, an annual report with this Commission consisting of (a) a copy of any report filed with the Federal Communications Commission, (b) the annual report to stockholders, and (c) for the State of Nebraska on a combined interstate-intrastate basis, the investment in telephone plant and equipment located within the state, accumulated depreciation thereon, operating revenues, operating expenses, and taxes.

IT IS FURTHER ORDERED that applicant file an updated tariff prior to offering service pursuant to the certificate granted in this order.

IT IS FINALLY ORDERED that this order be, and it is hereby made the Commission's official certificate of authority to furnish the service authorized herein as a common carrier.

Application No. C-1175

PAGE FOUR

MADE AND ENTERED at Lincoln, Nebraska this 20th day of June, 1995.

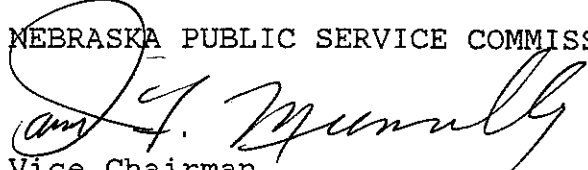
COMMISSIONERS CONCURRING:



//s//Rod Johnson

//s//James F. Munnelly

NEBRASKA PUBLIC SERVICE COMMISSION


Vice Chairman

ATTEST:



Deputy Director