

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application     )     Application No.   C-4348  
of Ionex Communications North,         )  
Inc., Atlanta, Georgia, seeking     )     GRANTED  
authority for financing                )  
approval.                                )     Entered: May 17, 2011

BY THE COMMISSION:

On April 5, 2011, an application was filed by Ionex Communications North, Inc. ("Ionex" or "Applicant") of Atlanta, Georgia, seeking approval to guarantee and pledge its assets in connection with financing transactions entered into by its parent company, Birch Communications, Inc. ("Birch"), Atlanta, Georgia. Notice of the application was published in The Daily Record, Omaha, Nebraska, on April 8, 2011. No protests were filed; therefore, this application is processed pursuant to the Commission's rule of modified procedure.

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

Ionex is a South Dakota corporation with its principal office in Atlanta, Georgia. Ionex has been certified by the Commission to operate in Nebraska as a local exchange and interexchange carrier.

Birch is a Georgia corporation with its principal office located in Atlanta, Georgia. Birch and its subsidiaries provide local exchange and interexchange telecommunications services in 34 states.

On December 7, 2011, the Commission issued an order approving Ionex's request to guarantee and pledge its stock and substantially all of its assets to secure senior credit facilities for Birch. Ionex now seeks to amend that financial agreement by modifying the structure of the transaction and the applicable interest rates. The amendment will lessen the aggregate amount of the financing previously approved. Bank of America will act as the sole administrative agent for Birch to secure the senior credit facilities from lenders, and the per annum interest rate will be substantially similar to the per annum interest rate previously approved and is expected to be consistent with market conditions for similar financing transactions as of closing.

Additionally, Ionex seeks approval of a second financial agreement under which Ionex would obtain senior subordinated unsecured notes. Ionex states that the per annum interest rate

is expected to be consistent with market conditions for similar financing transactions as of closing.

Ionex states that the proceeds will be used by Birch for several purposes, including, but not limited to, capital expenditures, future acquisitions and general working capital purposes. Additionally, Ionex states that the transaction will not result in any changes in rates, services, or operations in Nebraska.

Ionex seeks approval from the Commission pursuant to Neb. Rev. Stat. § 75-148, which states in pertinent part,

A common carrier may issue stock, bonds, notes, or other evidence of indebtedness, payable at periods of more than twelve months after the date thereof, when necessary for the acquisition of property, the construction, completion, extension or improvement of facilities, the improvement or maintenance of its service, or the discharge or lawful refunding of its obligations if the common carrier first secures from the Commission an order authorizing such issue and the amount thereof and stating that in the opinion of the Commission the use of the capital to be secured by the issue of such stock, bonds, notes, or other evidence of indebtedness is reasonably required for the purposes of the carrier.

Upon review of the evidence, the Commission finds that the application filed herein is in compliance with the applicable Nebraska statutes and that the financial transaction is reasonably required for the aforementioned purpose. The application is fair, reasonable, and 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-4348 be, and is hereby granted.

MADE AND ENTERED at Lincoln, Nebraska, this 17<sup>th</sup> day of May,  
2011.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

Application No. C-4348

Page 3

MADE AND ENTERED at Lincoln, Nebraska, this 17<sup>th</sup> day of May, 2011.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Anne Boyle*

*Rod Janssen*

*Gerald F. Vay*

//s//Tim Schram

*Tim Schram*  
Chairman

ATTEST:

*Michelle D.*  
Executive Director