

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-4537
of Ionex Communications North,)
Inc., Atlanta, Georgia, seeking) GRANTED
financing approval.)
) Entered: January 8, 2013

BY THE COMMISSION:

On November 14, 2012, 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 November 19, 2012. 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.

In April 2011, Birch entered into a Commitment Letter with Bank of America, N.A. for Bank of America to act as the sole administrative agent for Birch to obtain Senior Credit Facilities from various financial institutions. At the same time, Birch entered into a second financing arrangement to obtain Senior Subordinated Notes. Those financing arrangements were approved by the Commission on May 17, 2011 in Docket C-4348.

In May 2012, Birch entered a Second Commitment Letter with Bank of America to refinance outstanding loans and commitments under its Senior Credit Facilities and to increase such Senior Credit Facilities. A portion of the proceeds of the Increased Senior Credit Facilities were used to pay down Birch's Senior Subordinated Notes. The Second Commitment Letter contained an "Accordion" provision permitting Birch, from time to time, to increase the Total Senior Credit Facilities in the aggregate amount up to a certain limit subject to the satisfaction of

certain conditions. The per annum interest rates are expected to be the same as those applicable to the Increased Senior Credit Facilities.

Birch now seeks authority to avail itself of the Accordion as it deems necessary in the future. Exercise of the Accordion provision would not affect Birch's Senior Subordinated Notes.

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-4537 be, and is hereby granted.

MADE AND ENTERED at Lincoln, Nebraska, this 8th day of
January, 2013.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Deputy Director

Application No. C-4537

Page 3

MADE AND ENTERED at Lincoln, Nebraska, this 8th day of
January, 2013.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Tim Schram

Chairman

Rod Johnson

ATTEST:

Aune Boyle

John Burrows

Deputy Director

Gerald L. Voss

//s// Frank E. Landis

//s// Rod Johnson