

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-4675
of Ionex Communications North,)
Inc., d/b/a Birch)
Communications, Atlanta,) GRANTED
Georgia, seeking approval of)
financing transactions.)
) Entered: June 10, 2014

BY THE COMMISSION:

On April 22, 2014, an application was filed by Ionex Communications North, Inc., d/b/a Birch Communications, Atlanta, Georgia, seeking approval to guarantee and pledge its assets in connection with financing transactions entered into by Ionex's parent company, Birch Communications, Inc. ("Birch"). Notice of the application was published in The Daily Record, Omaha, Nebraska, on April 25, 2014. 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 headquarters located in Atlanta, Georgia. Ionex is authorized to provide local exchange and interexchange telecommunications services in Nebraska under and by virtue of authority granted by this Commission.¹

Birch Communications, Inc. ("Birch") is a Georgia corporation with headquarters in Atlanta, Georgia. Birch and its subsidiaries provide local exchange and interexchange telecommunications service to both businesses and residential customers in 50 states and the District of Columbia.

In April 2011, Birch entered into a commitment letter with Bank of America N.A. ("Bank of America") for Bank of America to act as the sole administrative agent for Birch to obtain senior secured credit facilities from various financial institutions. The Commission approved those financing arrangements in May 2011 in Docket C-4348, and approved modifications to those arrangements in July 2012 in Docket C-4081.1. Since 2012, the Commission has approved various modifications to Birch's financing arrangements with Bank of America, including a request to increase the total amount of available senior secured credit facilities.²

¹ See Docket C-2270 (May 31, 2000).

² See Docket C-4648 (January 2014)

Ionex now seeks approval for Birch to enter into a new financing arrangement with PNC Bank, National Association ("PNC") for PNC to act as the sole administrative agent for Birch to obtain senior secured credit facilities from various financial institutions. The specific terms of the financing arrangement was filed under seal with the application.

Birch intends to use a portion of the proceeds of the Senior Credit Facilities to pay-off its existing credit facilities with Bank of America. The remaining portion of the Senior Credit Facilities will be used by Birch for planned acquisitions and other lawful corporate purposes.

According to the Applicant, approval of this financing transaction is in the public interest. The financing will allow Ionex to strengthen its ability to compete in the market for telecommunications services in Nebraska by giving Ionex and Birch access to greater financial resources at lower interest rates.

Applicants seek 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 debt financing agreement 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-4675 be, and is hereby granted.

MADE AND ENTERED at Lincoln, Nebraska, this 10th day of June, 2014.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

Application No. C-4675

Page 3

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-4675 be, and is hereby granted.

MADE AND ENTERED at Lincoln, Nebraska, this 10th day of June, 2014.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Tim Schram

Frank E. Landis
Chairman

ATTEST:

Red [Signature]

//s//Frank E. Landis

Steve Meradith
Executive Director