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August 25, 2010

Via Electronic Filing

Ms. Patty Van Gerpen
Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501-5070

**Re: Ionex Communications North, Inc. dba Birch Communications
Notification of *Pro Forma* Internal Reorganization**

Dear Ms. Van Gerpen:

Ionex Communications North, Inc. dba Birch Communications (“Ionex”) and Birch Communications Holdings, Inc. (“Birch Holdings”) (collectively, the “Parties”), by their attorneys, respectfully notify the South Dakota Public Utilities Commission (“Commission”) of a *pro forma* internal corporate reorganization whereby all shares in Ionex’s parent company, Birch Communications, Inc. (“BCI”), will be transferred to Birch Holdings. As a result, Birch Holdings will become the sole shareholder of BCI, and the ultimate owner of Ionex. The change in control is *pro forma* in nature because the current shareholders of BCI will become the shareholders of Birch Holdings and will hold shares in the same percentage as currently held in BCI.

It is the Parties’ understanding that no prior Commission approval is required to consummate the *pro forma* internal corporate reorganization described herein. The Parties therefore submit this notice for the Commission’s information.

I. PARTIES

A. Ionex Communications North, Inc. dba Birch Communications

Ionex is a South Dakota corporation with headquarters located at 3060 Peachtree Road NW, Suite 1065, Atlanta, GA 30305. Ionex is authorized by the Commission to provide local

exchange and interexchange telecommunications services in South Dakota.¹ Ionex is a wholly owned subsidiary of BCI, a Georgia corporation with headquarters located at 3060 Peachtree Road NW, Suite 1065, Atlanta, Georgia 30305. BCI and its subsidiaries provide telecommunications services to both business and residential customers in 32 states.

B. Birch Communications Holdings, Inc.

Birch Holdings is a Georgia corporation with headquarters located at 3060 Peachtree Road NW, Suite 1065, Atlanta, GA 30305. As a result of this transaction, Birch Holdings will become the sole shareholder of BCI. Birch Holdings will conduct no business other than holding the equity of BCI and any activities reasonably related thereto.

II. DESIGNATED CONTACTS

Correspondence concerning this matter should be directed to:

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III. DESCRIPTION OF THE TRANSACTION

As part of this corporate restructuring, each current BCI shareholder will transfer its shares to Birch Holdings, as a contribution to the capital of Birch Holdings. In exchange, Birch Holdings will issue to each shareholder a like number of shares in Birch Holdings. As a result of the reorganization, Birch Holdings will become the sole shareholder of BCI, and the current shareholders of BCI will become the shareholders of Birch Holdings. There will be no change in the ultimate ownership of BCI or Ionex, as the same owners of BCI will continue to own Birch Holdings after consummation of the transaction.

IV. PUBLIC INTEREST CONSIDERATIONS

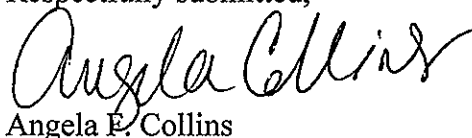
The *pro forma* internal reorganization is in the public interest. The reorganization will allow the Parties to realize significant financial and operational benefits, which will strengthen the ability of Ionex to compete in the market for telecommunications services in South Dakota. Immediately following the *pro forma* internal reorganization, Ionex will continue to provide

¹ Ionex was granted authority to operate as a competitive local exchange carrier by order issued in Docket No. TC97-032 on June 25, 1997, as amended by orders issued in Docket No. TC98-203 on September 14, 1999 and Docket No. TC-05-067 on June 30, 2005. Ionex was granted authority to operate as a resell and facilities-based local exchange carrier by order issued in Docket TC96-083 on October 22, 2009.

high-quality service to customers under the same name, with no change in their rates, terms, or conditions of service. There will be no changes to the operating authority or tariffs of Ionex in South Dakota. Further, the *pro forma* internal reorganization will not result in a change in Ionex's management or operations. As a result, the proposed transaction will be seamless and transparent to customers in South Dakota.

If you have any questions regarding this filing, please contact the undersigned.

Respectfully submitted,

A handwritten signature in black ink that reads "Angela Collins". The signature is written in a cursive, flowing style.

Angela F. Collins

Counsel for Ionex Communications North,
Inc. dba Birch Communications and
Birch Communications Holdings, Inc.