

CAHILL GORDON & REINDEL LLP

SUITE 950

1990 K STREET, N.W.

WASHINGTON, D.C. 20006-1181

EIGHTY PINE STREET
NEW YORK, N.Y. 10005-1702
(212) 701-3000
FAX: (212) 269-5420

TELEPHONE (202) 862-8900
FACSIMILE (202) 862-8958

AUGUSTINE HOUSE
6A AUSTIN FRIARS
LONDON, ENGLAND EC2N 2HA
(011) 44.20.7920.9800
FAX: (011) 44.20.7920.9825

ANGELA F. COLLINS | 202-862-8930 | acollins@cahill.com

March 12, 2013

Via Electronic Filing

Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
Capitol Building, First Floor
500 East Capitol Ave.
Pierre, SD 57501

**Re: UPDATED LETTER
Ionex Communications North, Inc. d/b/a Birch Communications and
Covista, Inc. - Notification of Transfer of Customers and Assets**

Dear Ms. Van Gerpen:

Ionex Communications North, Inc. d/b/a Birch Communications (“Ionex” or “Purchaser”) and Covista, Inc. (“Covista” or “Seller”) (Purchaser and Seller collectively, the “Parties”), hereby respectfully provide additional information regarding the pending transaction pursuant to which Covista will transfer substantially all of its telecommunications assets and South Dakota customer base to Ionex (the “Transaction”). This letter should replace the previous letter filed with the South Dakota Public Utilities Commission (“Commission”) on February 1, 2013.

It is the Parties’ understanding that no prior Commission approval is required to consummate the Transaction described herein. The Parties therefore submit this notice for the Commission’s information.

I. PARTIES

A. Ionex Communications North, Inc. d/b/a 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 Birch Communications, Inc. (“BCI”), a Georgia corporation with headquarters located at 3060 Peachtree Road NW, Suite 1065, Atlanta, Georgia 30305. BCI and

¹ Docket No. TC97-032.

its subsidiaries provide telecommunications services to both business and residential customers in 38 states.

B. Covista, Inc.

Covista is a New Jersey corporation with headquarters at 225 East 8th Street, Suite 400, Chattanooga, TN, 37402. Covista was authorized to provide telecommunications services in South Dakota in TC04-113.

II. DESIGNATED CONTACTS

Correspondence concerning this matter should be directed to:

For Covista, Inc.	For Ionex Communications North, Inc. d/b/a Birch Communications
Norman Klugman, Acting President Covista, Inc. 225 East 8th Street, Suite 400 Chattanooga, TN 37402 423-648-9610 (telephone) 423-648-9705 (facsimile) nklugman@covista.com	Angela F. Collins Cahill Gordon & Reindel LLP 1990 K Street, NW, Suite 950 Washington, DC 20006 202-862-8930 (telephone) 866-814-6582 (facsimile) acollins@cahill.com

III. DESCRIPTION OF THE TRANSACTION AND PUBLIC INTEREST STATEMENT

On November 30, 2012, Ionex’s parent company, BCI (on behalf of itself and its subsidiaries, including Ionex), entered into an Asset Purchase Agreement (“Agreement”) with Covista to purchase certain assets and customers of Covista, including certain customer accounts and receivables, certain customer agreements and contracts, certain vendor agreements and contracts, certain equipment, and certain intellectual property. BCI and its subsidiaries (including Ionex), however, will not assume any of Covista’s pre-closing liabilities or obligations.

As the certificated entity in South Dakota, Ionex will serve the South Dakota customers to be acquired from Covista. While the Agreement is between BCI and Covista, the Agreement allows BCI to assign all or part of its rights under the Agreement to one or more of its affiliates, including Ionex. BCI will not provide any services in South Dakota as a result of the Transaction.

Ionex will make any necessary revisions to its rates, terms, and conditions to incorporate Covista’s current services and rates so that affected customers will continue to receive the same services that they currently receive without any immediate changes to their service offerings or rates. The ownership structure of BCI and Ionex will not be affected by the Transaction. Upon

consummation of the Transaction and after completion of the customer transfer, Ionex will provide Covista's customers with the same service quality they have come to expect and all billing will be handled under Ionex's dba name of "Birch."

The proposed transfer will affect all of Covista's current South Dakota customers, none of whom will experience any material change to the terms and conditions of their services as a result of this transfer. The transfer is scheduled to take place approximately March 25, 2013. The Parties have provided notice to affected customers in accordance with state requirements and the rules and regulations of the Federal Communications Commission. A draft customer notice letter is attached as **Exhibit A**.

Upon completion of the Transaction and the migration of customers to Ionex, Covista will no longer offer telecommunications services in South Dakota. After Covista determines that it no longer needs its South Dakota authorization for operational or billing purposes, Covista will surrender its authorization in a separate filing.

The proposed Transaction serves the public interest, and will ensure that affected customers enjoy continuity of high-quality telecommunications service. Covista's current customers will be given prior written notice of the transfer of their account to Ionex, in compliance with state and federal customer notice rules. Following the Transaction, the affected customers will receive high-quality service supported by Ionex's experienced and well-qualified management team. Consequently, the proposed Transaction will be transparent to customers and will not have a negative impact on the public interest, service to South Dakota customers, or competition.

If you have any questions concerning this matter, please contact the undersigned.

Respectfully submitted,



Angela F. Collins

Counsel for Ionex Communications North,
Inc. d/b/a Birch Communications

Attachment

Exhibit A

Draft Customer Notice



IMPORTANT NOTICE
REGARDING A CHANGE IN YOUR TELECOMMUNICATIONS SERVICES

Dear _____

Birch Communications ("Birch") and Covista are pleased to announce that Birch is acquiring Covista's local telephone and long distance telephone customers, as well as certain other customers receiving additional types of services from Covista. Subject to approval by the Federal Communications Commission and State regulators as necessary, Birch will replace Covista as your current telecommunications service provider on or after **[30 DAYS AFTER LETTER DATE]** (the "Transfer Date"). As a result of this transaction, Birch will assume responsibility for all services previously provided to you by Covista. Birch is excited about the opportunity to provide your telecommunications service(s) and looks forward to a long and mutually rewarding business relationship.

Please rest assured, the transition will have little or no impact on your current services, nor will there be any interruption of your service. The agreement between Birch and Covista has been structured so that the transfer of service will be virtually seamless, other than the possibility of a minor change to your voice mail service for which you will receive additional information.¹ There, however, may be other changes to your service plan based on Birch's unique billing systems (e.g., customers currently utilizing a message or measured local service plan may be switched to a flat rate plan). In those cases, Birch will transition you in a neutral manner **with no increase to your regular monthly recurring charges**. You will retain all other service rates, features, terms, and conditions of service and your telephone number. Birch will not impose any charges for the transfer of your services to Birch and **no action is required from you to continue your telecommunications service(s) with Birch**. You will receive your first billing statement from Birch starting with your March 2013 or April 2013 bill. As in the past, you are responsible for paying all bills rendered to you by Covista during the transition of service.²

¹ It will be necessary for you to reset your password and re-record your message greeting(s). Additionally, saved messages at the time of the transfer will no longer be retained. Birch will provide further details in a follow-up letter.

² Those customers interested in setting up online payments will be pleased to know Birch offers online payments and account updates.

You do have the right to select a different carrier for your telecommunications service(s). If you choose to switch to an alternate carrier for services, you may incur a fee from that alternate carrier for the transfer of services to that alternate carrier. If you select a local telephone service provider other than Birch, you should also contact your current long distance provider to ensure that your current long distance plan is not changed. Please note that if you are a customer of Covista on the Transfer Date as set forth above, your account will automatically be transferred to Birch. In addition, should you have a term commitment with Covista and you disconnect or transfer services to another carrier prior to the end of that term, you will be liable to Birch for any applicable early termination charges, subject to applicable law. Please note that when your service is transferred to Birch, any preferred carrier "freeze" you have placed on your existing telephone lines to prevent unauthorized transfer of your services to another carrier will be over-ridden for purposes of this transaction and will need to be reinstated by you by contacting Birch after the transfer is complete.

If you have any questions regarding this transaction or questions about your service or billing prior to the Transfer Date set forth above, you should contact Covista at **866-454-7727**.

If you have any questions regarding this transaction, or questions about your service or billing after the Transfer Date set forth above, you should contact Birch at **888-772-4724**.³

Covista thanks you for your business and Birch looks forward to providing you with quality service for many years to come.

Sincerely,

Covista and
Birch Communications

³ **About Birch Communications** - Headquartered in Atlanta, Georgia, Birch Communications is one of the largest competitive local exchange carriers in its 38-state southeast, southwest, midwest and northeast regions serving residential and business customers. Birch was the first in its class to deploy its own private IP network utilizing soft switch technology to deliver innovative, high quality, affordable voice and broadband communications services to small- and medium-sized business customers.