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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IONEX)	
COMMUNICATIONS NORTH, INC.'S)	CASE NO. INX-T-13-01
APPLICATION FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY TO)	COMMENTS OF THE
PROVIDE LOCAL EXCHANGE)	COMMISSION STAFF
TELECOMMUNICATIONS SERVICES.)	
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The Staff of the Idaho Public Utilities Commission comments as follows on Ionex Communications North, Inc. dba Birch Communications' Application.

BACKGROUND

On January 9, 2013, Ionex Communications North, Inc. dba Birch Communications (the "Company") applied to the Commission for a Certificate of Public Convenience and Necessity ("CPCN") authorizing the Company to provide resold local exchange and interexchange telecommunications service to residential and business customers in Idaho. The Company filed an Amended Application on April 9, 2013, and an amended Application Exhibit E (proposed price list) on April 12, 2013.

The Company says it is a South Dakota corporation that is authorized to do business in Idaho. It is headquartered in Kansas City, MO, and is a wholly owned subsidiary of the Georgia

corporation, Birch Communications Inc. (“BCI”). Amended Application at 2.¹ The Company says BCI and its subsidiaries provide telecommunications services to business and residential customers in 38 states. *Id.*

The Company says that BCI is buying assets and customer accounts from Covista, Inc., an authorized local exchange carrier in Idaho. *Id.* at 1. The Company plans to serve customers currently served by Covista. It would provide service in the territories of, and compete with, incumbent local exchange carriers (“ILECs”) Qwest Corporation dba CenturyLink QC and Frontier Communications Northwest Inc. It also would compete with competitive local exchange carriers like XO, TW Telecom, and Level 3. *Id.* at 3.

STAFF REVIEW

The Company proposes to provide telecommunications service in Idaho as a facilities-based provider, a reseller, or some combination thereof. *Id.* at 1, 3. It has no plans to place facilities or switches in Idaho, but rather will serve Idaho customers using its facilities and switches in other parts of its service territory. *Id.* The Company says it also will buy unbundled network elements (“UNEs”) or UNE-replacement services from carrier ILECs like Qwest Corporation dba CenturyLink QC and Frontier Communications Northwest Inc. The Company plans to use a mix of its own facilities and services purchased from ILECs to provide local exchange and interexchange services in Idaho. *Id.*

The Company says it has adequate financial resources to provide the proposed services. *Id.* at 4. Further, it has an existing interconnection agreement with Qwest Corporation dba CenturyLink QC and Frontier Communications Northwest Inc., or their affiliates, and it will seek to add Idaho to those agreements or enter into new agreements with those ILECs as necessary. *Id.* The Company says it will begin serving Covista customers as soon as it receives the necessary regulatory approvals. *Id.* at 3. The Company says it has reviewed and will comply with Commission rules. *Id.* at 4.

¹ The Company says it is owned 100% by Birch Telecom, Inc., that BCI owns 100% of Birch Telecom, Inc., and that Birch Communications Holdings, Inc. owns a 100% voting and equity interest in BCI. Birch Holdings is a Georgia corporation whose principal business is telecommunications holdings. *Id.* at 2.

STAFF RECOMMENDATION

Staff has reviewed the Company's amended Application and price list and believes the Company understands and agrees to comply with the Commission's rules and requirements. Based on this review, Staff also believes that the Company possess the requisite financial, managerial, and technical qualifications necessary to provide telecommunications services. Staff also believes that the price list, as filed with the amended Application, comports with all Commission Rules and Idaho Law. Therefore, Staff recommends that the Commission issue a CPCN to Ionex Communications North, Inc. dba Birch Communications, subject to the following conditions:

1. The Company must comply with all number pooling and reporting requirements of the North American Number Plan Administrator. See Commission Order No. 30425;
2. The Company must comply with all reporting and contribution requirements as prescribed by the Idaho Universal Service Fund, Idaho Telecommunications Relay System, Idaho Telecommunications Service Assistance Program;
3. The Company must comply with all future reporting requirements deemed appropriate by the Commission for competitive telecommunications providers; and
4. The Company will relinquish its CPCN and all telephone numbers if it is not providing service within one year of its certificate issuance.

Respectfully submitted this 15th day of May 2013



Karl T. Klein
Deputy Attorney General

Technical Staff: Carolee Hall

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 15TH DAY OF MAY 2013, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. INX-T-13-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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