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February 1, 2013

**VIA ELECTRONIC FILING**

Dave Danner  
Executive Director/Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
1300 S. Evergreen Park Dr., S.W.  
Olympia, WA 98504-7250

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

Dear Mr. Danner:

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 notify the Washington Utilities and Transportation Commission (“Commission”) of a pending transaction between Seller and Ionex pursuant to which Seller will transfer substantially all of its telecommunications assets and Washington customer base to Ionex (the “Transaction”).

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. dba Birch Communications**

Ionex is a South Dakota corporation with headquarters located at 3060 Peachtree Road NW, Suite 1065, Atlanta, Georgia 30305. Ionex is authorized by the Commission to provide local exchange and interexchange telecommunications services in Washington.<sup>1</sup> 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

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<sup>1</sup> Docket No. UT-101335 (Sept. 2, 2010).

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 is authorized to provide telecommunications services in Washington.

**II. DESIGNATED CONTACTS**

Correspondence concerning this matter should be directed to:

<b>For Covista, Inc.</b>	<b>For Ionex Communications North, Inc. d/b/a Birch Communications</b>
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, BCI and Covista entered into an Asset Purchase Agreement (“Agreement”) pursuant to which BCI will purchase certain assets and customers of Covista. Pursuant to the Agreement, BCI will purchase the following assets from Covista: certain customer accounts and receivables, certain customer agreements and contracts, certain vendor agreements and contracts, certain equipment, and certain intellectual property. BCI, however, will not assume any of Covista’s pre-closing liabilities or obligations.

Ionex will make any necessary revisions to its rates, terms, and conditions to incorporate Seller’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 Seller’s customers with the same service quality they have come to expect and all billing will be handled under the Birch name.

The proposed transfer will affect all of Seller’s current Washington 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 on or before March 4, 2013. The

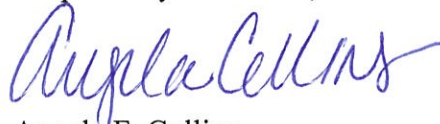
Parties will provide notice to affected customers in accordance with state requirements and the rules and regulations of the Federal Communications Commission. Draft customer notice letters are attached as **Exhibit A**.

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

The proposed Transaction serves the public interest, and will ensure that affected customers enjoy continuity of high-quality telecommunications service. Seller'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 Washington 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

Attachments

STATE OF  
COUNTY OF

Tennessee )  
Hamilton )

**VERIFICATION**

I, Norman Klugman, Acting President of Covista, Inc., have reviewed and am familiar with the foregoing document. The statements in the foregoing document are true of my own knowledge, except as to matters which are herein stated on information and belief, and as to those matters, I believe them to be true.

12/13/2012  
Date

*Norman Klugman*  
Name: Norman Klugman  
Title: Acting President  
Covista, Inc.

Subscribed and sworn to before me this 13<sup>th</sup> day of December



*Tami Eustice*  
Notary Public

STATE OF GEORGIA )  
 )  
COUNTY OF BIBB )

**VERIFICATION**

I, Vincent M. Oddo, President/CEO of Birch Communications, Inc., have reviewed and am familiar with the foregoing document. The statements in the foregoing document are true of my own knowledge, except as to matters which are herein stated on information and belief, and as to those matters, I believe them to be true.

12/12/12  
Date

*Vincent M. Oddo*  
Name: Vincent M. Oddo

Title: President/CEO  
Birch Communications, Inc.

Subscribed and sworn to before me this 12<sup>th</sup> day of Dec 2012

*Sharyl D. Fowler*  
Notary Public



**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.<sup>1</sup> 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.<sup>2</sup>

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<sup>1</sup> 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.

<sup>2</sup> 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**.<sup>3</sup>

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

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<sup>3</sup> **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.