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October 12, 2010

RECEIVED

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**PUBLIC SERVICE
COMMISSION**

Via Federal Express

Jeff R. Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40602

Re: Birch Telecom of the South, Inc. dba Birch Communications of the Southeast, CloseCall America, Inc., and American Fiber Network, Inc. - Notification of Transfer of Assets and Customers

Dear Mr. Derouen:

American Fiber Network, Inc. ("AFN"), CloseCall America, Inc. ("CCA") (collectively, "Sellers"), and Birch Telecom of the South, Inc. dba Birch Communications of the Southeast ("Birch" or "Purchaser") (CCA, AFN, and Birch collectively, the "Parties"), hereby notify the Kentucky Public Service Commission ("Commission") of a pending transaction between Sellers and Birch pursuant to which CCA and AFN will transfer substantially all of their telecommunications assets and Kentucky customer base to Birch (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. Birch Telecom of the South, Inc. dba Birch Communications of the Southeast

Birch is a Delaware corporation with headquarters located at 3060 Peachtree Road NW, Suite 1065, Atlanta, Georgia 30305. Birch is authorized by the Commission to provide local exchange and interexchange telecommunications services in Kentucky.¹ Birch 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 is also authorized by the Commission to provide local exchange and interexchange

¹ Utility ID Nos. 5153300 and 22251533.

telecommunications services in Kentucky.² BCI and its subsidiaries provide telecommunications services to both business and residential customers in 33 states.

B. American Fiber Network, Inc.

AFN is a Delaware corporation with offices located at 9401 Indian Creek Parkway, Suite 280, Overland Park, Kansas 66210. AFN is authorized by the Commission to provide local exchange and interexchange telecommunications services in Kentucky.³

C. CloseCall America, Inc.

CCA is a Delaware corporation with offices located at 101A Log Canoe Circle, Stevensville, MD 21666. CCA is authorized by the Commission to provide local exchange telecommunications services in Kentucky.⁴

II. DESIGNATED CONTACTS

Correspondence concerning this matter should be directed to:

**For Birch Telecom of the South, Inc. dba
Birch Communications of the Southeast**

Angela F. Collins
Cahill Gordon & Reindel LLP
1990 K Street, NW, Suite 950
Washington, DC 20006
202-862-8930 (telephone)
202-862-8958 (facsimile)
acollins@cgrdc.com

**For American Fiber Network, Inc. and CloseCall
America, Inc.**

Douglas C. Bethell
American Fiber Network, Inc./CloseCall America, Inc.
9401 Indian Creek Parkway, Suite 280
Overland Park, KS 66210
913-338-2658 (telephone)
913-338-5285 (facsimile)
doug.bethel@afnltd.com

III. DESCRIPTION OF THE TRANSACTION

On September 3, 2010, BCI agreed to purchase Sellers' assets and customer base. The assets to be purchased include customer accounts, accounts receivable, customer agreements and contracts, vendor agreements and contracts, and intellectual property. Following approval of the proposed Transaction, Birch will file any necessary revisions to its tariffs to incorporate Sellers' current services and rates so that the affected customers will continue to receive the same services that they currently receive without any immediate changes to the service offerings, rates, or terms and conditions. The ownership structure of BCI and Birch will not be affected by the Transaction. Upon consummation of the Transaction and after completion of the customer transfer, Birch will provide CCA and AFN customers with the same service quality they have

² Utility ID Nos. 5011600 and 22250116.

³ Utility ID Nos. 5051380 and 22205138.

⁴ Utility ID No. 5054980.

come to expect and all billing will be handled by Birch. Consummation of the Transaction is contingent on, among other things, receipt of all necessary regulatory approvals.

The proposed transfer will affect all of Sellers' current Kentucky customers, none of whom will experience any material change to the terms and conditions of their services as a result of the proposed transfer. The transfer is scheduled to take place on or after December 1, 2010. The Parties will provide 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 Birch, Sellers will no longer offer telecommunications services in Kentucky. After CCA and AFN determine that they no longer need their authorizations for operational or billing purposes, they will surrender their authorizations and cancel their tariffs in a separate filing.

Approval of the proposed Transaction serves the public interest. The proposed Transaction will ensure that the affected customers enjoy continuity of high-quality telecommunications service. Current AFN and CCA customers will be given prior written notice of the transfer of their account to Birch, in compliance with state and federal customer notice rules. Following the Transaction, the affected customers will receive high-quality service supported by Birch'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, services to Kentucky customers, or competition.

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

Respectfully submitted,



Angela F. Collins

Counsel for Birch Telecom of the South,
Inc. dba Birch Communications of
the Southeast

Attachment

EXHIBIT A

Draft Customer Notice Letters



IMPORTANT NOTICE
REGARDING A CHANGE IN YOUR TELECOMMUNICATIONS SERVICES

Dear _____

Birch Communications ("Birch") and CloseCall America, Inc. ("CCA") are pleased to announce that Birch will acquire CCA's local and long distance telephone customers. Subject to approval by the Federal Communications Commission and state regulators, Birch will replace CCA as your current telecommunications service provider on or after **[30 DAYS]** (the "Transfer Date"). As a result of this transaction, Birch will assume responsibility for all services previously provided to you by CCA. Birch is excited about the opportunity to provide your telecommunications service(s) and looks forward to a long and successful 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 AFN 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 may be instances, however, where there are service or rate structure dissimilarities that Birch cannot accommodate with its existing systems (e.g., customers currently utilizing a message or measured local service plan). In those cases, Birch will transition you in a neutral manner and **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 phone number. You will not incur any charges for the transfer of 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 **[INSERT MONTH]** or **[INSERT MONTH]** bill. As in the past, you are responsible for paying all bills rendered to you by CCA during the transition of service.

You do have the right to select a different carrier for the telecommunications service(s) at issue. If you choose to switch to an alternate carrier for services, you may incur a fee for the transfer of services to that alternate carrier. In addition, should you have a term commitment with CCA and you disconnect services or transfer to another carrier prior to the end of that term, you will be liable for any early termination charges.

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.

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 CCA on the Transfer Date, your account will automatically be transferred to Birch. Please note that 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 your local exchange carrier after the transfer is complete.

If you have any questions about this transaction or your service or billing prior to the actual Transfer Date, you should contact CCA at **877-81-CLOSE (25673)**.

If you have any questions regarding this transaction or your service or billing after the actual Transfer Date, you should contact Birch at **888-275-0777**.

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 business customers.

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

Sincerely,

CloseCall America, Inc. and
Birch Communications



IMPORTANT NOTICE
REGARDING A CHANGE IN YOUR TELECOMMUNICATIONS SERVICES

Dear _____

Birch Communications ("Birch") and American Fiber Network, Inc. ("AFN") are pleased to announce that Birch will acquire AFN's local and long distance telephone customers. Subject to approval by the Federal Communications Commission and state regulators, Birch will replace AFN as your current telecommunications service provider on or after **[30 DAYS]** (the "Transfer Date"). As a result of this transaction, Birch will assume responsibility for all services previously provided to you by AFN. Birch is excited about the opportunity to provide your telecommunications service(s) and looks forward to a long and successful business relationship.

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You do have the right to select a different carrier for the telecommunications service(s) at issue. If you choose to switch to an alternate carrier for services, you may incur a fee for the transfer of services to that alternate carrier. In addition, should you have a term commitment with AFN and you disconnect services or transfer to another carrier prior to the end of that term, you will be liable for any early termination charges.

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.

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If you have any questions about this transaction or your service or billing prior to the actual Transfer Date, you should contact AFN at **800-864-0583**.

If you have any questions regarding this transaction or your service or billing after the actual Transfer Date, you should contact Birch at **888-275-0777**.

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

Sincerely,

American Fiber Network, Inc. and
Birch Communications