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June 28, 2010

Via Federal Express

Ms. Sharla Dillon
Docket Room Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

**Re: Docket 10-00124 – Response to Data Request No. 1
Application of Birch Telecom of the South, Inc. and Birch Communications,
Inc. for Approval of a *Pro Forma* Internal Reorganization**

Dear Ms. Dillon:

Birch Telecom of the South, Inc. (“Birch Telecom”), Birch Communications, Inc. (“Birch”), and Birch Communications Holdings, Inc. (“Birch Holdings”) (collectively, the “Applicants”), by their attorneys, respectfully submit the following response to Data Request No. 1 regarding the Application for Approval of a *Pro Forma* Internal Reorganization (“*Joint Application*”) filed with the Tennessee Regulatory Authority (“Authority”) on June 17, 2010.

Data Request No. 1 - Please discuss the implications of the transaction described in the *Joint Application* on the public interest of Tennessee consumers.

The *pro forma* internal reorganization will have no implications on Tennessee consumers. As explained in the *Joint Application*, the proposed reorganization will be transparent to Tennessee consumers. Following the proposed reorganization, Tennessee customers will continue to receive the same high-quality service under the same rates, terms, and conditions by the same entity. There will be no changes to the operating authority or tariffs of Birch or Birch Telecom, and the *pro forma* internal reorganization will not result in a change in the management or operations of either Birch or Birch Telecom.

The reorganization will allow the Applicants to benefit from increased economies of scale that will permit them to operate more efficiently, realize substantial financial synergies, and enhance their financial position. The reorganization ultimately serves the public interest because it will strengthen Applicants’ ability to both compete in the market for telecommunications services in Tennessee and to introduce innovative products and services to consumers.

Please date stamp the extra copy of this letter and return it in the enclosed envelope. If you have any questions concerning this matter, please contact the undersigned.

Respectfully submitted,

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

Angela F. Collins

Counsel for Birch Telecom of the South,
Inc. and Birch Communications, Inc.

cc: Jerry Kettles (via electronic mail)
Carlos Black (via electronic mail)
Christopher Bunce, Birch