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090000-01

A Professional Limited Liability Company

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Philip R. Adams, Jr.

2009 OCT 26 PM 3:24

DIVISION OF  
REGULATORY COMPLIANCE

OCTOBER 21, 2009

VIA OVERNIGHT DELIVERY

Florida Public Service Commission  
Executive Secretary  
2540 Shumard Oak Drive  
Tallahassee, FL 32399

RECEIVED-FPSC  
09 OCT 27 PM 2:37  
COMMISSION  
CLERK

Re: Notification for Commission's Records Regarding Business Telecom, Inc.,  
DeltaCom, Inc., and Interstate FiberNet, Inc.

Dear Sir or Madam:

Business Telecom, Inc. d/b/a BTI ("BTI"), Interstate FiberNet, Inc. ("IFN") and DeltaCom, Inc. ("DeltaCom") (collectively, the "Companies") hereby respectfully provide this notification for Commission's records regarding the Companies. In November, 2009, the common stock of the Companies' parent company, ITC^DeltaCom, Inc. ("ITCD"), will be diluted due to the vesting of shares issued to employees and independent directors of ITCD pursuant to the Companies' existing Stock Incentive Plan. Specifically, the issuance of stock pursuant to the Stock Incentive Plan will result in an increase in the number of outstanding shares of ITCD's voting stock, thereby causing the percentage ownership of ITCD's voting stock held by ITCD's largest shareholder, Welsh, Carson, Anderson & Stowe VIII, L.P. and its affiliates (collectively, "WCAS"), to decrease from 50.4% to 49.8%. This dilution will occur without any action on the part of WCAS.

IFN is wholly-owned subsidiary of ITCD and is headquartered at 7037 Old Madison Pike, Huntsville, Alabama 35806. IFN is a provider of wholesale fiber optic transmission or commonly known as a carrier's carrier. IFN obtained a certificate in this state in Docket No. 951231-TI, dated 4/15/96.

DeltaCom is a wholly-owned subsidiary of IFN which, in turn, is wholly owned by ITCD and is headquartered at 7037 Old Madison Pike, Huntsville, Alabama 35806. DeltaCom is incorporated under the laws of the state of Alabama and is qualified to transact business in this state as a foreign corporation. DeltaCom received its authority to provide long distance telecommunications services in this state pursuant Docket No. 890364-TI dated 7/17/89 and competitive local telecommunications services in this state pursuant Docket No. 961038-TX dated 12/12/96.

BTI is wholly owned subsidiary of ITCD and is headquartered at 7037 Old Madison Pike, Huntsville, Alabama 35806. BTI is incorporated under the laws of the state of North Carolina and is qualified to transact business in this state as a foreign corporation. BTI received

- COM \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
- RCP \_\_\_\_\_
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- SGA \_\_\_\_\_
- ADM \_\_\_\_\_
- CLK \_\_\_\_\_

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FPSC-COMMISSION CLERK

its authority to provide long distance telecommunications services in this state pursuant Docket No. 910902-TI dated 2/25/92 and competitive local telecommunications services in this state pursuant Docket No. 970486-TX dated 7/23/97.

The transactions described herein will serve the public interest by enabling the Companies to offer competitive compensation packages that align the interests of key individuals with that of the Companies. The Stock Incentive Plan enhances the Companies' ability to attract and retain highly qualified directors, officers and key employees, and to motivate such individuals to expend maximum effort to improve the business results and earnings of the Companies by providing an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Companies.

The beneficial ownership and control of the Companies will remain essentially unchanged. For example, ITC's four largest shareholders will still remain the four largest shareholders of ITC after issuance of shares pursuant to the Stock Incentive Plan. In addition, three of ITC's nine-member board of directors are members of, or are affiliated with members of, WCAS. Most importantly, there are no planned changes in management or boards of directors of ITC or the Companies that would convey *de facto* or *de jure* control to a new party whose qualifications have not already been passed on by the Commission.

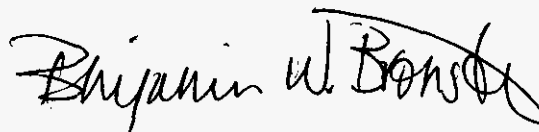
Further, the services provided to the customers of the Companies will not change as a result of the issuance of stock pursuant to the Stock Incentive Plan. Thus, because the Companies will remain under the control of its largest shareholders and management, the increase in the number of outstanding shares of the Company's voting stock does not convey *de facto* or *de jure* control to a new party whose qualifications have not already been passed on by the Commission.

The Companies will continue to provide services under the same name, tariffs and operating authorizations. The transactions described herein will not affect the ability of the Companies to continue to serve the public interest by: (a) promoting competition among telecommunications service providers; and (b) ensuring the highest quality of service to customers.

This letter is filed for informational purposes to be included in the appropriate files. The Companies will proceed under the understanding that no action by the Commission is necessary.

Kindly date-stamp the additional copy of this letter and please contact the undersigned if you have any questions about this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Benjamin W. Bronston". The signature is written in a cursive style with a large, sweeping initial "B".

Benjamin W. Bronston  
(713) 778-1000