

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request, due to Chapter 11 reorganization plan by U.S. Bankruptcy Court for District of Delaware, for approval of transfer of control of ITC^DeltaCom, Inc., parent company of Interstate FiberNet, Inc. (holder of IXC Certificate No. 4392) and ITC^DeltaCom Communications, Inc. d/b/a ITC^DeltaCom (holder of ALEC Certificate No. 4764 and IXC Certificate No. 2297), from current stockholders to a revised ownership structure including Appaloosa Investment Limited Partnership and Palomino Fund Ltd.

DOCKET NO. 020900-TP
ORDER NO. PSC-02-1389-PAA-TP
ISSUED: October 8, 2002

The following Commissioners participated in the disposition of this matter:

LILA A. JABER, Chairman
J. TERRY DEASON
BRAULIO L. BAEZ
MICHAEL A. PALECKI
RUDOLPH "RUDY" BRADLEY

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING TRANSFER OF CONTROL

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

DOCUMENT NUMBER

10879 OCT-8 2002

FPSC-COMMISSION CLERK

Section 364.33, Florida Statutes, provides that a person may not acquire ownership or control of any telecommunications facility, or any extension thereof for the purpose of providing telecommunications services to the public, including the acquisition, transfer, or assignment of majority organizational control or controlling stock ownership, without prior approval from this Commission.

By letter dated August 15, 2002, ITC^DeltaCom Communications, Inc. d/b/a ITC^DeltaCom (ITC^DeltaCom) and its direct parent company, Interstate Fibernet, Inc. (Interstate Fibernet) filed with this Commission an application for approval of transfer of control. The transfer of control of ITC^DeltaCom and Interstate Fibernet from current stockholders of their parent holding company, ITC^DeltaCom, Inc. to a revised ownership structure including Apaloosa Investment Limited Partnership and Palomino Fund Ltd. would take place as part of a reorganization plan filed under Chapter 11 of the U.S. Bankruptcy Code. ITC^DeltaCom is the holder of Alternative Local Exchange Telecommunications Certificate No. 4764 and Interexchange Telecommunications Certificate No. 2297. Interstate Fibernet is the holder of Interexchange Telecommunications Certificate No. 4392. ITC^DeltaCom has stated that the transaction will be virtually transparent to its customers in Florida and it will not affect the services being provided. ITC^DeltaCom has stated that it will continue to operate under its existing certificated name and tariff on file with this Commission.

In accordance with our authority under Section 364.33, Florida Statutes, to approve the acquisition or transfer of majority organizational control or controlling stock ownership of a telecommunications company providing service in Florida, we have reviewed the Petition of ITC^DeltaCom Communications and Interstate Fibernet, and find it appropriate to approve it. We have based our review and decision upon an analysis of the public's interest in efficient, reliable telecommunications service. We are vested with jurisdiction over this matter pursuant to Section 364.33, Florida Statutes.

Based on the foregoing, it is,

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ORDERED by the Florida Public Service Commission that ITC^DeltaCom Communications, Inc. and Interstate Fibernet, Inc.'s request for approval of transfer of control from the current stockholders of ITC^DeltaCom, Inc. to a revised ownership structure including Apaloosa Investment Limited Partnership and Palomino Fund Ltd. is hereby approved. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 8th Day of October, 2002.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records and Hearing
Services

(S E A L)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on October 29, 2002.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.