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Monica Borne Haab
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September 10, 2004

BY OVERNIGHT DELIVERY

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

DISTRIBUTION CENTER
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0400006-RU

RE: Notice of Transfer of Control

Dear Sir or Madam:

ITC^DeltaCom, Inc. ("ITCD"), Southern Digital Network, Inc. d/b/a FDN Communications ("FDN") and Network Telephone Corporation ("NT"), hereby jointly notify the Commission of the transfer of control of FDN and NT to ITCD (the "FDN-NT Transactions").¹ FDN and NT both hold certificates of public convenience and necessity to provide intrastate competitive local exchange services and long distance services in this state.

Additionally, in connection with the FDN-NT Transactions, ITCD will issue new common stock resulting in a reduction of the ownership interest of ITCD's current majority shareholders, Welsh, Carson, Anderson & Stowe VIII, L.P., WCAS Capital Partners III, L.P., and WCAS Information Partners, L.P. (together, "Welsh Carson") to below fifty percent (50%), which, in turn, will result in a transfer of control of ITCD and its three operating subsidiaries - Interstate FiberNet, Inc. ("IFN"), Business Telecom, Inc. ("BTI"), and ITC^DeltaCom Communications, Inc. d/b/a ITC^DeltaCom and d/b/a Grapevine ("DeltaCom") - from Welsh Carson to the shareholders of ITCD (the "Indirect Transfer"). IFN, DeltaCom and BTI hereby notify the Commission of this Indirect Transfer.

Additionally, as part of the FDN-NT Transactions, FDN and NT will each act as a guarantor under the existing ITCD credit facility agreements in the same manner as DeltaCom, IFN, and BTI do today (the "Guarantees"). FDN and NT hereby notify the Commission of their intent to issue and execute their respective Guarantees.

¹The transfer of control of NT to ITCD will not occur until and unless the transfer of control of FDN to ITCD is

- CMP _____
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Finally, as part of the various transactions described herein, the organizational structure of ITCD will change (the "Reorganization"). Currently, DeltaCom's immediate parent is IFN, and, therefore, DeltaCom is an indirect, second-tier subsidiary of ITCD. After consummation of the transactions described herein, DeltaCom will become a direct, first-tier subsidiary of ITCD and not an indirect subsidiary. ITCD and DeltaCom hereby notify the Commission of the Reorganization.

None of the transactions described herein involve a transfer of operating authority or operating certificates for any of the companies involved and there will be no transfer of customers. NT, FDN, and the operating entities of ITCD (IFN, BTI and DeltaCom) will continue to provide competitive telecommunications services to their existing customers pursuant to their existing certifications following consummation of the transactions contemplated herein.² The proposed transfer will be seamless and transparent to consumers. Each of DeltaCom, FDN and NT's customers will continue to receive high-quality service. The consolidated companies will continue to honor all terms and conditions related to service agreements with customers.

ITCD is a holding company and has no certificates of authority. DeltaCom received its authority to provide long distance telecommunications services in this state in Docket No. 890364-TI dated 7/17/89 and competitive local telecommunications services in Docket No. 961038-TX dated 12/12/96. 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. BTI is a North Carolina corporation that is authorized to provide long distance and competitive local exchange service in this State pursuant to Docket No. 910902-TI, Order No. 25802 as of 9/25/92 and Docket No. 970486-TX, Order No. PSC-97-0879-FOF-TX as of 7/23/97.

FDN provides local, interexchange and high-speed Internet access services pursuant to the authority granted by this Commission in Docket No. 990451-TI as of 6/8/99 and Docket No. 980862-TX as of 10/12/98. FDN is a Delaware corporation. FDN, together with its affiliates, provides local, interexchange and high-speed Internet access services to more than 55,000 business locations with more than 225,000 business and Internet lines.

approved by the Commission and is subsequently consummated.

² IFN provides no retail services, only wholesale services to other carriers.

NT is a Florida corporation that is authorized to provide competitive local exchange and long distance services in this State pursuant to Docket No. 98-0547-TI, Order NO. PSC 98-1016-FOF-TI dated 7/27/98 and Docket No. 98-0134-TX, Order No. PSC 98-0435 dated 3/27/98. NT provides small business customers with phone and Internet services including local, long distance, high speed internet, Web hosting, data backup, Virtual Private Networking (VPN) service, and conferencing services. Currently, NT provides service to 17,000 small business customers.

It is our understanding that no approval is required to conclude the transactions described above. However, in an abundance of caution, the parties are forwarding this letter to the Commission for informational purposes, to be included in the appropriate files. Absent receipt of written notification to the contrary within thirty (30) days of the date of this letter, we will proceed under the understanding that no approval or other formal action is required by the Commission prior to consummation of the proposed transactions.

Enclosed please find the original plus six (6) copies of this filing. Please date stamp and return the enclosed extra copy of this letter in the envelope provided as evidence of filing. Do not hesitate to contact me should you have any questions regarding this notice or if you require additional information.

Sincerely,



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CC : Nanette Edwards
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