

UT-100208

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Philip R. Adams, Jr.

February 1, 2010

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STANDARD TIME
COMMUNICATIONS

VIA OVERNIGHT DELIVERY

Executive Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive, S.W.
Olympia, WA 98504

Re: Notice of Guarantee of Indebtedness

Dear Sir or Madam:

This letter is filed on behalf of DeltaCom, Inc. ("DeltaCom") and Business Telecom, Inc. d/b/a BTI ("BTI") (collectively, the "Companies"). The ultimate parent company of the Companies is ITC^DeltaCom, Inc. ("ITCD"). The purpose of the letter is to inform the Commission of a proposed transaction whereby ITCD and its operating subsidiaries will incur indebtedness of up to \$430 million through a combination of forms. The contemplated transaction will include the issuance of notes (the "Notes") to investors in a private placement offering exempt from registration pursuant to Rule 144a under the federal Securities Act in an amount not to exceed \$350 million inclusive of the transaction fees and expenses related to the origination of the Notes, a revolving credit facility (the "Revolver") in an amount not to exceed \$30 million and incur other general debt, such as capital leases and the issuance of letters of credit, in an amount up to \$50 million. The proceeds of the Notes will be used to satisfy the existing first and second secured lien credit facilities of ITCD and its operating subsidiaries. The remainder of the Notes' proceeds, if any, will be used to fund the transaction fees and expenses related to the origination of the Notes and to provide for working capital needs and general corporate purposes. The Revolver will initially be undrawn other than as support for approximately \$1 million in letters of credit. The Notes and Revolver will be secured by the assets and guarantees of Deltacom, BTI and Interstate FiberNet, Inc. ("IFN"), a wholly owned subsidiary of ITCD. ITCD will serve as the primary obligor of the Notes and Revolver while DeltaCom, BTI and IFN will serve as guarantors. The general debt of up to \$50 million will provide the parent and the operating companies flexibility to enter into capital leases, letters of credit and the like.

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 to Docket No. UT-940516 dated 4/27/94.

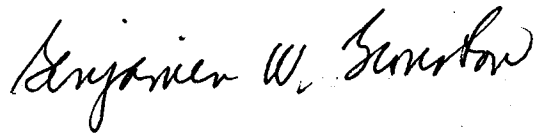
BTI is wholly owned subsidiary of ITCD and is headquartered at 7037 Old Madison Pike, Huntsville, Alabama 35806. BTI is incorporated under the laws of the state of North Carolina and is qualified to transact business in this state as a foreign corporation received its authority to provide long distance telecommunications services in this state pursuant to Docket No. UT-920932 dated 9/23/92 and Docket No. UT-980656 dated 10/14/98.

The subject transaction will not result in a change of control of any entity. The transaction will enable the Companies to achieve better liquidity and capitalization, which in turn, will enhance their ability to provide quality services to customers of this State at competitive prices, thereby serving the public interest.

This letter is filed for informational purposes to keep the Commission abreast of the financial activities of these certificated Companies. It is our understanding that no action by the Commission is necessary.

Enclosed are an original and three (3) copies of this letter. Please return one (1) of the copies file-stamped in the envelope provided. Please do not hesitate to contact us if you have any questions.

Sincerely,



Benjamin W. Bronston