

January 3, 2013

E-file

David Danner
Executive Director, Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Dr. SW
Olympia, WA 98504-7250

Re: Notification by Integra Telecom, Inc., and Searchlight Capital, L.P.,
Searchlight Capital PV, L.P., Searchlight Capital (FC) AIV, L.P., and
Searchlight/SIP Holdco SPV III (BLZ), L.P. of Sale of Stock

Dear Mr. Danner:

Integra Telecom, Inc.¹ ("Integra") and Searchlight Capital, L.P., Searchlight Capital PV, L.P., Searchlight Capital (FC) AIV, L.P., and Searchlight/SIP Holdco SPV III (BLZ), L.P. (collectively, "Searchlight") hereby advise the Commission of a transaction (the "Transaction") whereby Searchlight has acquired 36.31 percent of the issued and outstanding common stock of Integra previously owned by Goldman, Sachs & Co. ("Goldman Sachs"). The Transaction closed December 7, 2012.

Integra and Searchlight understand that prior Commission approval was not required to undertake the Transaction described below. This letter is intended as a courtesy to advise the Commission of the Transaction and to ensure the continuing accuracy of the Commission's records.

I. Description of the Parties

A. Integra

Integra is the ultimate parent company of the following competitive telecommunications providers, authorized by the Commission to operate in the State of Washington: Integra Telecom of Washington, Inc., Electric Lightwave, LLC, Eschelon Telecom of Washington, Inc., Advanced TelCom, Inc. Shared Communications Services, Inc., Oregon Telecom, Inc. dba Washington Telecom, and United Communications, Inc. dba UNICOM. Integra is an Oregon corporation with headquarters at 1201 NE Lloyd Boulevard, Suite 500, Portland, OR 97232.

¹ Integra Telecom, Inc. is the ultimate parent company to the following Washington State operating affiliates: Integra Telecom of Washington, Inc., Electric Lightwave, LLC, Eschelon Telecom of Washington, Inc., Advanced TelCom, Inc. Shared Communications Services, Inc., Oregon Telecom, Inc. dba Washington Telecom, and United Communications, Inc. dba UNICOM.

B. Searchlight

Searchlight Capital, L.P., Searchlight Capital PV, L.P., Searchlight Capital (FC) AIV, L.P., and Searchlight/SIP Holdco SPV III (BLZ), L.P. (each a "Searchlight Fund") are Delaware limited partnerships. The general partner of each Searchlight Fund is Searchlight Capital Partners GP, L.P., a Delaware limited partnership, and each Searchlight Fund is managed by Searchlight Capital Partners, L.P., a Delaware limited partnership ("Searchlight Capital"). Searchlight Capital is a private investment firm and maintains offices at 745 Fifth Avenue, 32nd Floor, New York, NY 10151; its principals have significant expertise in a wide range of transaction types, including many forms of recapitalizations and investments throughout a company's capital structure, with particular emphasis in the communications and technology sectors.

II. Description of the Transaction

The Transaction involved the sale of all of the stock of Integra previously owned by Goldman Sachs, which represents a 36.31 percent voting stock interest in Integra.² Goldman Sachs is a registered broker-dealer with offices at 200 West Street, New York, NY 10282. The Goldman Sachs Group, Inc. ("GSG") is the sole limited partner of Goldman Sachs. The general partner of Goldman Sachs is The Goldman, Sachs & Co., LLC, of which GSG is the sole member. GSG is a widely held Delaware corporation that is publicly-traded on the New York Stock Exchange. GSG provides investment banking, securities, and investment management services primarily to corporations, financial institutions, governments, and high-net-worth individuals worldwide.

On October 9, 2012, Goldman Sachs entered into a Securities Purchase Agreement (the "Agreement") with Searchlight Capital, L.P., Searchlight Capital PV, L.P., Searchlight Capital (FC) AIV, L.P. and Searchlight/SIP Holdco SPV III (BLZ), L.P., pursuant to which each of the foregoing Searchlight Funds agreed to acquire upon the consummation of the Transaction the 36.31 percent of the issued and outstanding Integra common stock owned by Goldman Sachs.

The Transaction will allow Integra to advance its strategic business plan by giving the company and its operating subsidiaries the benefit of the broad experience of Searchlight Capital, which has significant expertise working with communications companies. The principals of Searchlight Capital are seasoned investment professionals who have initiated and led investments in a range of communications and technology companies, and their broad background in the industry renders them highly qualified to advise Integra's management on important operational matters as well as financial decisions.

² The transaction also involved the sale of Series A Warrants of Integra to the Searchlight Funds (as defined herein), which, if exercised, would equal 4.06 percent of the issued and outstanding common stock of Integra (assuming the full exercise and conversion of all Series A Warrants of Integra).

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The Transaction has been executed in a manner that has been transparent to customers of Integra's Washington operating subsidiaries. It has not resulted in a change of carrier for end user customers in Washington or in an assignment of any of the subsidiaries' certificate of authority to operate in Washington.

Enclosed is this original notice letter; an electronic version has been submitted via email to the Commission's Record Center. Please do not hesitate to contact me if you have any questions or need additional information regarding this Transaction.

Sincerely,



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