



# PUBLIC NOTICE

**Federal Communications Commission  
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**DA 09-2111  
Released: September 24, 2009**

## **DOMESTIC SECTION 214 APPLICATIONS FILED FOR THE TRANSFER OF CONTROL OF THE SUBSIDIARIES OF ITC^DELTACOM, INC.**

### **STREAMLINED PLEADING CYCLE ESTABLISHED**

**WC Docket No. 09-164**

**Comments Due: October 8, 2009  
Reply Comments Due: October 15, 2009**

On August 27, 2009, DeltaCom, Inc. (DeltaCom), Interstate FiberNet, Inc. (IFN), and Business Telecom, Inc. (BTI), subsidiaries of ITC^DeltaCom, Inc. (ITCD) (together, Applicants) filed applications, pursuant to section 63.03 of the Commission's rules, to transfer control of DeltaCom, IFN, and BTI from The Welsh, Carson, Anderson & Stowe group (WCAS) to ITCD.<sup>1</sup> ITCD, a publicly traded Delaware corporation, is a telecommunications holding company that does not directly provide telecommunications services. IFN, a Delaware corporation and wholly owned subsidiary of ITCD, provides wholesale transmission services to carriers and is certified as an interexchange carrier in multiple states.<sup>2</sup> DeltaCom, an Alabama corporation and wholly owned subsidiary of IFN, is authorized to provide interexchange services in 50 states and the District of Columbia. It also provides competitive local exchange services in several states.<sup>3</sup> BTI, a North Carolina corporation and wholly owned subsidiary of ITCD, is authorized to provide interexchange services in 50 states and the District of Columbia. It also provides competitive local exchange services in multiple states.<sup>4</sup>

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<sup>1</sup> 47 C.F.R § 63.03; *see* 47 U.S.C. § 214. Applicants are also filing applications for a transfer of control associated with authorization for international services. Any action on these domestic section 214 applications is without prejudice to Commission action on other related, pending applications. Applicants filed a supplement to their domestic section 214 application on September 23, 2009.

<sup>2</sup> IFN's geographic service area is Alabama, Florida, Georgia, Louisiana, Mississippi, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, and Virginia. It is certified as an interexchange carrier in Alabama, Florida, Georgia, Louisiana, Mississippi, New York, South Carolina, and Texas.

<sup>3</sup> DeltaCom provides competitive local exchange services in Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee.

<sup>4</sup> BTI provides competitive local exchange service in Alabama, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, New Jersey, New York, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, and West Virginia. It is also certificated, but does not provide, competitive local exchange service in Arkansas, Kansas, and Oklahoma.

Currently, WCAS, a U.S.-based private investment entity,<sup>5</sup> holds approximately 50.4 percent of the outstanding voting shares of ITCD common stock. Tennenbaum Capital Partners LLC, (Tennenbaum) a U.S.-based private investment entity,<sup>6</sup> is the investment advisor to several funds that hold approximately 15.6 percent of common stock of ITCD.<sup>7</sup> Applicants state that they anticipate that, in November 2009, WCAS's voting interest will drop below 50 percent to approximately 49.8 percent as a result of dilution caused by the issuance and vesting of equity based compensation awarded to various ITCD employees pursuant to ITCD's stock incentive plans. Tennenbaum, as an investment advisor, will have the power to vote and dispose of ITCD common stock representing approximately 15.5 percent of the outstanding voting power of ITCD, following the proposed transfer of control. Applicants assert that the proposed transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(i) of the Commission's rules and that a grant of the application will serve the public interest, convenience, and necessity.<sup>8</sup>

Domestic Section 214 Application Filed for the Transfer of Control of the Subsidiaries of ITC^DeltaCom, Inc., WC Docket No. 09-164 (filed Aug. 27, 2009).

### **GENERAL INFORMATION**

The Wireline Competition Bureau finds, upon initial review, that the transfer of control identified herein is acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to section 63.03(a) of the Commission's rules, 47 C.F.R. § 63.03(a), interested parties may file comments **on or before October 8, 2009**, and reply comments **on or before October 15, 2009**. Unless otherwise notified by the Commission, the Applicants may transfer control on the 31<sup>st</sup> day after the date of this notice.<sup>9</sup> Comments must be filed electronically using (1) the Commission's Electronic Comment Filing System (ECFS) or (2) the Federal Government's e-Rulemaking Portal. See 47 C.F.R. § 63.03(a) ("All comments on streamlined applications shall be filed electronically . . ."); *Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Comments may be filed electronically using the Internet by accessing the ECFS, <http://www.fcc.gov/cgb/ecfs/>, or the Federal e-Rulemaking Portal, <http://www.regulations.gov>. Filers should follow the instructions provided on the website for submitting comments.

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<sup>5</sup> Applicants state that the WCAS group consists of Welsh, Carson, Anderson & Stowe VIII, L.P., WCAS Capital Partners III, L.P., and individual WCAS general partners. They state that no person or entity directly or indirectly owns through the WCAS group 10 percent or more of the equity of ITCD. They further state that the sole general partner of Welsh, Carson, Anderson & Stowe VIII, L.P. is WCAS VIII Associates, L.L.C., and the sole general partner of WCAS Capital Partners III, L.P. is WCAS CP III Associates, L.L.C. Each general partner is a Delaware entity.

<sup>6</sup> Tennenbaum is the investment advisor to the following Delaware based entities: Special Value Absolute Return Fund, LLC, Special Value Continuation Partners, LP, and Tennenbaum Opportunities Partners V, L.P., which hold ITCD common stock. As an investment advisor, Tennenbaum has the power to vote and dispose of common stock of ITCD held by these funds. Applicants state that no person or entity directly or indirectly owns through Tennenbaum 10 percent or more of the equity of ITCD.

<sup>7</sup> WCAS and Tennenbaum have identified ownership interests in several telecommunications entities and state that the ITCD subsidiaries do not provide local exchange services in the territories of those entities.

<sup>8</sup> 47 C.F.R. § 63.03(b)(2)(i).

<sup>9</sup> Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to [ecfs@fcc.gov](mailto:ecfs@fcc.gov) and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.

**In addition, e-mail one copy of each pleading to each of the following:**

- 1) The Commission's duplicating contractor, Best Copy and Printing, Inc., [fcc@bcpiweb.com](mailto:fcc@bcpiweb.com); phone: (202) 488-5300; fax: (202) 488-5563;
- 2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, [tracey.wilson-parker@fcc.gov](mailto:tracey.wilson-parker@fcc.gov);
- 3) Jodie May, Competition Policy Division, Wireline Competition Bureau, [jodie.may@fcc.gov](mailto:jodie.may@fcc.gov);
- 4) David Krech, Policy Division, International Bureau, [david.krech@fcc.gov](mailto:david.krech@fcc.gov); and
- 5) Jim Bird, Office of General Counsel, [jim.bird@fcc.gov](mailto:jim.bird@fcc.gov).

Filings and comments are available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; telephone: (202) 488-5300; fax: (202) 488-5563; e-mail: [fcc@bcpiweb.com](mailto:fcc@bcpiweb.com); url: [www.bcpiweb.com](http://www.bcpiweb.com).

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For further information, please contact Tracey Wilson-Parker at (202) 418-1394 or Jodie May at (202) 418-0913.

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