

March 15, 2005

Beth O'Donnell, Executive Director
KY Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

RECEIVED
MAR 17 2005
REGULATORY

RE: Notice of Cancellation of Proposed Transaction

Dear Beth:

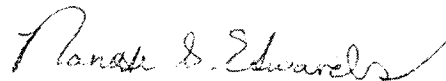
On or about August 24, 2004 ITC^DeltaCom, Inc., ("ITCD"), Southern Digital Network, Inc. d/b/a FDN Communications, Inc., ("FDN") and Florida Digital Network, Inc., d/b/a FDN Communications, and Network Telephone Corporation ("NT") provided notice of the proposed merger with FDN and NT (the "FDN-NT Transactions") by ITCD and notice of the reorganization of ITCD such that ITC^DeltaCom Communications, Inc., would become a first tier subsidiary of ITCD.

Please accept this letter on behalf of ITCD, FDN and Network Telephone as notice of the mutual termination of the merger agreements. The transactions have been terminated.

However, ITCD intends to complete the internal reorganization such that ITC^DeltaCom Communications, Inc. becomes a first tier subsidiary of ITCD.

Should you have any questions or require additional information, please contact me at (256) 382-3856.

Very truly yours,



Nanette S. Edwards
Director - Regulatory
ITC^DeltaCom

cc: Matt Feil, General Counsel, FDN
Margaret Ring, VP Regulatory, Network Telephone