

REQUEST TO ESTABLISH DOCKET
(PLEASE TYPE)

Date: April 1, 1998

Docket No. 980475-TI

1. Division Name/Staff Name: Communications/T.Williams

2. OPR: T.Williams

3. OCR: _____

4. Suggested Docket Title: Request for merger of PSP Marketing Group, Inc. d/b/a The IT Group (IXC Certificate No. 3170) with ~~ITC-DeltaCom Communications, Inc. d/b/a ITC-DeltaCom (IXC Certificate No. 2297) and cancelling IXC Certificate No. 3170 (PSP Marketing Group, Inc. d/b/a The IT Group).~~

approval of
holder of
holder of
cancellation of
DeltaCom, Inc. dba DeltaCom Long Distance Services, Inc.

5. Suggested Docket Mailing List (attach separate sheet if necessary)

- A. Provide NAMES ONLY for regulated companies or ACRONYMS ONLY regulated industries, as shown in Rule 25-22.104, F.A.C.
- B. Provide COMPLETE name and address for all others. (Match representatives to clients.)

1. Parties and their representatives (if any)

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

2. Interested Persons and their representatives (if any)

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

6. Check one:

- Documentation is attached.
- Documentation will be provided with the recommendation.



RECEIVED

MAR 24 1998

CMU

March 23, 1998

Florida Public Service Commission
Attention: Mr. Tom Williams
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Notification of PSP Marketing Group, Inc., d/b/a I.T. Group Communications Company of Purchase of Its Assets by ITC^ΔDeltaCom Communications, Inc.

Dear Mr. Williams:

This letter is to inform the Commission of an Asset Purchase Agreement between Interstate FiberNet, Inc. ("IFN"), the parent company of ITC^ΔDeltaCom Communications, Inc. ("ITC^ΔD") and PSP Marketing Group, Inc. ("PSP") d/b/a I.T. Group Communications Company dated March 18, 1998. It is our understanding, based upon the applicable statutes and regulations, that this transaction does not require prior Commission approval. Accordingly, absent written notice to the contrary within thirty (30) days, the parties will proceed to consummate the transaction in a timely fashion.

ITC^ΔD proposes to acquire specified assets direct from PSP, including customer accounts, of PSP, and then transfer the customer accounts, to begin to provide telecommunications service to the customers of PSP under ITC^ΔD's present operating authority. The proposed transaction will result in cost savings because of discounts on quantity ordering of materials and services and will streamline the level of service for all involved customers. ITC^ΔD will possess a greater customer account base as the result of the proposed purchase of assets, and will thus be a stronger carrier to provide high quality service to all customers presently serviced by both ITC^ΔD and PSP.

ITC^ΔD is a second tier wholly-owned subsidiary of ITC^ΔDeltaCom, Inc., a Delaware corporation publicly traded on the NASDAQ National Market, whose principal offices are located at 1241 O.G. Skinner Drive in West Point, Georgia 31833. ITC^ΔD is a non-dominant facilities-based carrier providing domestic and international telecommunications services pursuant to the FCC's *Competitive Carrier* policies. ITC^ΔD is authorized by the FCC to offer domestic interstate and international services in all fifty (50) states and the District of Columbia as a non-dominant carrier. ITC^ΔD currently originates interstate traffic in fifty (50) states, and provides intrastate service, pursuant to certification, registration or tariff requirements, or on an unregulated basis, in forty-seven (47) states. ITC^ΔD is an authorized carrier in the State of Florida to provide telecommunications services pursuant to authority granted in Docket No. 893065-TI, effective June 28, 1989.

PSP is a privately held Mississippi corporation whose principal offices are located at 2829 Lakeland Drive, Suite 1110 Jackson, Mississippi 39208. PSP is a non-dominant carrier that resells domestic and international long distance service from various facilities-based carriers pursuant to the FCC's *Competitive Carrier* policies. PSP is a certificated carrier in the State of Florida to provide telecommunications services pursuant to authority granted in Docket No. 930123-TI, effective May 21, 1993.

ITC^ΔD intends to consolidate the customer accounts of PSP with ITC^ΔD's own customer accounts to realize significant economic, marketing and administrative efficiencies. As a company providing intrastate telecommunications service directly in forty-seven (47) states, with annual operating revenues of approximately eighty-four million dollars (\$84,000,000), ITC^ΔD is well-qualified to consummate the transaction which is the subject of this letter.

Pursuant to the transaction which is the subject of this letter, ITC^ΔD will acquire, for consideration, certain of the assets of PSP, including the customer accounts of PSP which will be transferred to ITC^ΔD. Following the consummation of this transaction, PSP intends to withdraw its authority to do business and its present certification in the State of Florida.

◆ Clearly, The Better Solution.

State of Florida
March 23, 1998
.....page 2

Critical to the proposed transaction and consolidation of customer accounts is the need to ensure the continuation of high quality service to all customers currently served by both ITC^ΔD and PSP. The technical, managerial and financial personnel of ITC^ΔD will remain the same after the transaction, and will serve both the existing ITC^ΔD customers and the transferred PSP customers with the high level of expertise which now collectively operates ITC^ΔD. In addition, this transaction contemplates the technical, management and sales personnel of PSP will join the ITC^ΔD organization upon closing this transaction providing a continuity of customer relationships with former PSP customers.

Additionally, the proposed transaction will serve the public interest for several reasons. First, the transaction will enable ITC^ΔD to provide a streamlined level of service for all involved customers by creating a single, more expansive operation to provide telecommunication service to the customers in this state as well as other states. The transaction will enhance the operating efficiencies, including market efficiencies, of ITC^ΔD. Second, it will increase the appeal to present and potential customers because of ITC^ΔD's larger size and greater variety of service offerings. Finally, it will result in cost savings because of discounts on quantity ordering of materials and services.

Accordingly, the requested transaction and consolidation will serve to create a heightened level of operating efficiency which generally will serve to enhance the overall capacity of ITC^ΔD to compete in the marketplace and to provide telecommunication services for a greater number of customers in your state at competitive rates.

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, we will proceed on our understanding that no approval or other formal action is required by the Commission prior to consummation of the proposed asset purchase transaction.

Enclosed with the original are two (2) copies of this letter. Please return a file-stamped copy of this letter in the enclosed, self-addressed envelope provided for your convenience. If you require any further information or have any questions regarding the matters discussed herein, please do not hesitate to contact me at 1-601-932-5558 or Rodney N. Hyatt, Assistant General Counsel for ITC^ΔD, at 1-205-650-3846.

Thank you for your assistance in this matter.

Respectfully submitted,



Ted Parsons
President and Chief Operating Officer
PSP Marketing Group, Inc. d/b/a
I.T. Group Communications Company

TP/bb

cc: Rodney N. Hyatt, ITC^ΔDeltaCom Communications, Inc.

COMPANY INFORMATION

AS OF 04/01/1998

The IT Group (PSP Marketing Group, Inc. d/b/a) (T1133)

Location address

The IT Group
National Registered Agents, Inc.
526 East Park Avenue
Tallahassee, FL 32301-2525

Company liaison(s)

Ronald E. Parsons, Jr., President, (601) 932-5558

FAX number(s)

(601) 932-5344

Regulation date

05/21/1993

Certificate(s)

3170

Corporate type

Not Available

Services provided

SWR