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FOR IMMEDIATE RELEASE

Deltacom Applies for Federal Stimulus Grant to Enable Broadband Services in Underserved Markets

Huntsville, Ala., August 31, 2009 – ITC^DeltaCom, Inc. (OTC: ITCD.OB), a leading provider of integrated communications services to customers in the southeastern United States, today announced it has applied for federal stimulus funding to expand its broadband network access under the American Recovery and Reinvestment Act (ARRA) through the Broadband Technology Opportunity Program (BTOP). The application requests \$9.4 million in grant funding with Deltacom to match an additional \$2.3 million to create new access points to Deltacom's network across several underserved markets.

"Deltacom is focused on providing competitive communications services, currently serving customers in a number of rural markets," said Jerry Watts, Deltacom's Vice President of Government and Industry Affairs. "If Deltacom is awarded a grant through the BTOP selection process, our proposal would deliver access to last mile providers for their broadband initiatives and would be a natural extension of the Deltacom network."

Through its wholesale group Interstate FiberNet, Deltacom has also participated with last mile providers in several other grant applications, including approximately \$47 million in construction and broadband access elements. For more information on Deltacom's broadband stimulus program visit http://www.deltacom.com/our_network.asp.

"Deltacom's extensive network presence across the Southeast, including our existing reach into tier two and tier three markets, is synergistic with the broadband initiatives of many last mile service providers, educational institutions and government agencies," said Tom Schroeder, Deltacom's Senior Vice President of Carrier Sales. "We continue to identify partnership opportunities for second and third round BTOP grant applications to address un-served and underserved markets in our home states."

According to reports from the National Telecommunications and Information Administration and Rural Utilities Service, nearly 2,200 stimulus applications were received in round one of the grant process, totaling approximately \$27.6 billion in funding, seven times more than the earmarked available funds.

ABOUT ITC^DELTACOM, INC.

ITC^DeltaCom, Inc., headquartered in Huntsville, Alabama, provides, through its operating subsidiaries, integrated telecommunications and technology services to businesses and other communications providers in the southeastern United States. ITC^DeltaCom has a fiber optic network spanning approximately 15,965 route miles, including more than 12,020 route miles of owned fiber, and offers a comprehensive suite of voice and data communications services, including local, long distance, broadband data, Internet connectivity, wireless voice and data services, and

customer premise equipment. ITC^DeltaCom is one of the largest competitive telecommunications providers in its primary eight-state region. For more information, visit ITC^DeltaCom's web site at www.deltacom.com.

FORWARD-LOOKING STATEMENTS

Except for the historical and present factual information contained herein, this release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. When used in this release, the words "anticipate," "believe," "estimate," "expect," "intend," "plan" and similar expressions as they relate to ITC^DeltaCom, Inc. or its management are intended to identify these forward-looking statements. All statements by the Company regarding its expected financial position, revenues, liquidity, cash flow and other operating results, balance sheet improvement, business strategy, financing plans, forecasted trends related to the markets in which it operates, legal proceedings and similar matters are forward-looking statements. The Company's actual results could be materially different from its expectations because of various risks. These risks, some of which are discussed under the caption "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2008, and in the Company's subsequent SEC reports, include the Company's dependence on new product development, rapid technological and market changes, the Company's dependence upon rights of way and other third-party agreements, debt service and other cash requirements, liquidity constraints and risks related to future growth and rapid expansion. Other important risk factors that could cause actual events or results to differ from those contained or implied in the forward-looking statements include, without limitation, customer attrition, delays or difficulties in deployment and implementation of colocation arrangements and facilities, appeals of or failures by third parties to comply with rulings of governmental entities, inability to meet installation schedules, general economic and business conditions, failure to maintain underlying service/vendor arrangements, competition, adverse changes in the regulatory or legislative environment, and various other factors beyond the Company's control. ITC^DeltaCom disclaims any responsibility to update these forward-looking statements, whether as a result of new information, future developments or otherwise.

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