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December 10, 2010

VIA FEDEX OVERNIGHT DELIVERY

Office of the Secretary
Federal Communications Commission
445 12th Street SW, Room TW-A325
Washington, DC 20554
Attn: Competitive Policy Division, Wireline Competition Bureau

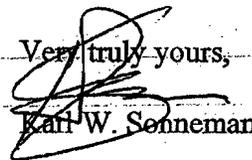
Dear Sir or Madam:

Please find enclosed and filed on behalf of Digital Telecommunications Inc., the Application of Digital Telecommunications Inc., for Authority Pursuant to Section 63.71 of the Commission's Rules, 47 C.F.R. §63.71, to Discontinue All Telecommunications Services to All Customers. DTI operates in the states of Iowa and Minnesota. Although the notices reference the state of Washington, DTI has no authority to operate or customers in that state.

DTI is subject to a bankruptcy proceeding in the United States Bankruptcy Court for the District of Minnesota, Docket BKY no. 10-36001 (Chapter 11). The Bankruptcy Court has set a deadline of January 14, 2011, for DTI to cease operations. DTI requests the Commission to give this matter expeditious handling and to issue a public notice as soon as possible.

Please date-stamp the enclosed extra copy of this filing and return it in the envelope provided. Please contact the undersigned attorney for applicant with any questions or concerns.

Very truly yours,



Karl W. Sonneman

m

Enclosure

Cc: Tom Siewert
Douglas W. Kassebaum
Attached service list

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

2010 DEC 20 12:37

SECTION 63.71 APPLICATION

In the Matter of

Section 63.71 Application of

Digital Telecommunications
Inc., for Authority Pursuant to
Section 63.71 of the Commission's
Rules, 47 C.F.R. §63.71, to Discontinue
All Telecommunications Services
to All Customers

Docket No.

Pursuant to Section 214 of the Communications Act of 1934, and 47 C.F.R. § 63.71, Digital Telecommunications Inc. ("DTI") applies to the Commission to discontinue all services to all of its customers, sever and cease its interconnections with other carriers, and relinquish its certificates and authorities to operate as a telecommunications carrier. Pursuant to an order of the United States Bankruptcy Court for the District of Minnesota, dated November 18, 2010, DTI plans to discontinue all services on January 13, 2011. Notice of discontinuance has been sent to customers and others as required by law (see description below).

I. DESCRIPTION OF APPLICANT

A. Digital Telecommunications Inc.

Digital Telecommunications Inc. is a Minnesota corporation with its principal offices at 111 Riverfront, Suite 305, Winona, Minnesota 55987. DTI's FRN is

0007768922. DTI operates as a competitive local exchange carrier ("CLEC") and provides local exchange and interexchange services to customers in several exchanges in the states of Iowa and Minnesota. It has provided a variety of telecommunications services since 1998. DTI is a non-dominant carrier in all areas where it provides services. DTI does not believe that it owes any monies to the FCC.

II. DESIGNATED CONTACTS

For the purposes of this Application, mailings, service, inquires and copies of any pleadings, correspondence, orders or other materials should be directed as follows:

Digital Telecommunications Inc.
Tom Siewert
Vice President and Chief Financial Officer
Digital Telecommunications Inc.
111 Riverfront, Suite 305
Winona, MN 55987

With a copy to counsel for Applicant, as follows:

Karl W. Sonneman
Attorney at Law
111 Riverfront, Suite 202
Winona, MN 55987
(regulatory counsel)

Douglas W. Kassebaum
Fredrikson & Byron PA
200 South Sixth Street, Suite 4000
Minneapolis, MN 55402
(bankruptcy counsel)

III. BANKRUPTCY

On August 17, 2010, DTI filed a petition for reorganization under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Minnesota.

Since that date, DTI has operated under the rules and protection of the Bankruptcy Court. It operated for the first 90 days under a positive budget; but at the end of that period faced the difficulty of extending the budget and having cash and receivables available to support continued operations.

DTI has entered into negotiations with its principal secured creditor, Winona National Bank, and its largest operations creditor and unsecured creditor, Qwest Communications, to use cash and collected accounts receivables to fund operations during a wind-up period. It has entered into a stipulation with these entities that will allow a wind-up period through January 14, 2010. DTI has agreed that by that date, it will have completed an orderly disconnection of its end-user customers and will cease operations. The stipulation was presented to the Bankruptcy Court for approval on November 15, 2010. (A copy is attached as Exhibit A) The stipulation was adopted by order entered by the Court on November 18, 2010. (A copy is attached as Exhibit B)

IV. DESCRIPTION REQUIRED BY SECTION 63.71

A. Date of Planned Service Disconnection.

DTI will disconnect its end-user customers; disconnect its interconnections with other carriers; cease operations; and cancel its certificates. By direction of the Bankruptcy Court, disconnection of all operations must be completed by January 14, 2010. Applicable state commission rules state that a carrier may not disconnect service to a customer on a Friday, Saturday, Sunday or holiday. See Minn. Rule 7810.2100. Since January 14, 2011, is a Friday, DTI has given notice of the disconnection date for Thursday, January 13. DTI would have no services after this date.

B. Points of Geographic Areas of Service Affected.

DTI provides local exchange and interexchange telecommunications services to customers found in the states of Iowa and Minnesota. All DTI customers in these states would be affected by the discontinuance of services.

C. Brief Description of Type of Services Affected.

DTI serves both business and residential customers. Its services include facility-based local and long distance, high speed data connectivity such as DSL, T1, and Ethernet, and other telecommunications-related products. It also resells similar telecommunications services purchased from other carriers.

The discontinuance of the above services will not adversely affect the public convenience and necessity because consumers of these services have in the exchanges and states served by DTI a wide range of alternative voice and data local exchange and interexchange services from which to choose. As discussed below, DTI's winding up of business process is intended to allow customers to have a reasonable opportunity to transition to such alternative service providers.

D. Regulatory Classification of DTI.

DTI is classified as a non-dominant carrier with respect to all services to be discontinued in its entire operating area.

E. Brief Description of the Dates and Methods of Notice to all Affected Customers.

Applicant has provided a notice of discontinuance of operations to DTI's customers at least thirty days (30) prior to the end of service. A sample of the customer notice letter sent to customers in Iowa and Minnesota, respectively, is provided in Exhibit

C and D. The notice contains the statement required by sub-section 63.71(a)(5)(i) applicable to non-dominant carriers. At the request of the respective state commissions, the notice identifies possible alternative service providers or, for Minnesota customers, the web-address of the state maintained list by exchange of such alternative service providers. DTI sent written notice on December 9, 2010, by United States Mail, First Class, postage prepaid, to all customers in DTI's billing records on that date.

DTI anticipates that end-user customers will be able to contact alternative service providers and arrange for new service within the time period of the notice. DTI knows that service order processing can take several days to complete a transfer, but has anticipated this in planning for an orderly disconnection. DTI will allow customers to withdraw from contracts with DTI without penalty at the time the customer notifies DTI that it has arranged for a new service provider to render service and without regard to the length of time left in the notice period. DTI anticipates that customers will be able to transfer their telephone numbers to the new service provider. DTI cannot guarantee customers will receive identical service to that provided by DTI or that customers can receive services at the same rates, charges, terms or conditions as offered by DTI.

At the direction of the Minnesota Public Utilities Commission, DTI will file a report with the Minnesota Commission on or about January 6, 2011, listing the then remaining customers and information to allow contact with those customers. DTI intends to contact directly the customers on that list in order to assure that the customer has received the notice and understands the consequences of the notice and to assist the customer with any transition issues. DTI also contact remaining Iowa customers in a similar manner.

In addition to mail notice to end-user customers and interconnecting carriers, DTI also published a copy of the customer notices on its website at www.pickDTI.com, beginning on December 9, 2010. DTI has sent notice of this application to the Office of the Governor of each state in which it operates and to the United States Secretary of Defense. DTI has mailed a copy of its Minnesota Commission Application to Disconnect to administrators for the North American numbering plan, the Universal Service Administrative Company, and the NANPA Polling Administrator. DTI has met state requirements for notice to the state 911 coordinators.

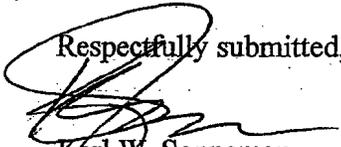
DTI is operating under the protection of the bankruptcy court and is not able financially to continue operations. It has proposed a means of orderly disconnection of its customers. DTI submits that discontinuance of its operations, including disconnection of its customers, is consistent with the public convenience and necessity.

V. CONCLUSION

For the reasons stated above, DTI request that the Commission approve this Application allowing it to discontinue all services.

Dated: December 10, 2010

Respectfully submitted,



Karl W. Sonneman
Attorney at Law
111 Riverfront, Suite 202
Winona, MN 55987
MN Attorney Reg. no. 103421
Telephone: 507-454-8885
Fax: 507-454-8887
karl17@hbc.com

Counsel for Digital
Telecommunication Inc.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Digital Telecommunications, Inc.,

Debtor.

BKY. No. 10-36001
Chapter 11

**FIRST AMENDED AND RESTATED STIPULATION FOR USE OF CASH
COLLATERAL AND ADEQUATE PROTECTION**

This First Amended and Restated Stipulation for Use of Cash Collateral and Adequate Protection (“**Amended Stipulation**”), dated November 15, 2010, is made by and among Digital Telecommunications, Inc. (the “**Debtor**”), and Winona National Bank, a national banking association (the “**Lender**”).

RECITALS

A. **The Case.** On August 16, 2010 (the “**Petition Date**”), the Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “**Bankruptcy Code**”), with the United States Bankruptcy Court for the District of Minnesota (the “**Court**”), thereby commencing the above-captioned case (the “**Case**”). The Debtor currently is operating its business as debtor in possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code. No trustee has been appointed in the Case.

B. **Loan Documents.** The Lender and the Debtor are parties to certain agreements pursuant to which, among other things, the Debtor became indebted to the Lender prior to the Petition Date. The Debtor is indebted to the Lender pursuant to at least the following documents:

- (1) a Promissory Note (Loan Number 71168) by and between the Debtor and

the Lender dated July 3, 2009, in the original principal amount of \$1,000,000 (as amended, restated, extended, renewed or otherwise modified, the "71168 Note");

(2) a Promissory Note (Loan Number 71151) by and between the Debtor and the Lender dated July 14, 2006, in the original principal amount of \$756,243.33 (as amended, restated, extended, renewed or otherwise modified, the "71151 Note");

(3) a Promissory Note (Loan Number 71393) by and between the Debtor and the Lender dated September 5, 2007, in the original principal amount of \$749,636.27 (as amended, restated, extended, renewed or otherwise modified, the "71393 Note"); and

(4) an Irrevocable Standby Letter of Credit (Number 71713) issued by the Lender for the benefit of Qwest Corporation for the account of the Debtor dated September 15, 2009, in the original principal amount of \$600,000, and that expires on September 15, 2010 (as amended, restated, extended, renewed or otherwise modified, the "Letter of Credit") (together with the 71168 Note, the 71151 Note, the 71393 Note and all of the documents in favor of the Lender evidencing or connected to any obligation of the Debtor to the Lender, the "Loan Documents").

C. Indebtedness. As of the Petition Date, the Debtor was indebted to the Lender under the Loan Documents in the total principal amount of \$1,464,975.27 in outstanding loans, plus up to \$600,000 in principal amount for the Debtor's outstanding obligation to reimburse the Lender in the event the Letter of Credit is drawn upon, plus total accrued and unpaid interest in the amount of \$2,390.21, late charges and other charges (including costs, fees and attorneys' fees allowable under 11 U.S.C. § 506(b)) (collectively, the "Indebtedness"). As of the Petition Date, the Debtor was indebted to the Lender under the individual Loan Documents as follows:

(1) principal, interest, and late fees, if any, in an aggregate amount of

\$951,794.44 was due and owing on the 71168 Note;

(2) principal, interest, and late fees, if any, in an aggregate amount of \$166,785.74 was due and owing on the 71151 Note;

(3) principal, interest, and late fees, if any, in an aggregate amount of \$353,413.67 was due and owing on the 71393 Note; and

(4) principal in an aggregate amount of up to \$600,000.00 that will be due and owing in the event of one or more draws on the Letter of Credit. The Letter of Credit was drawn upon and honored by the Lender in the principal amount of \$500,000.00 on September 13, 2010, which principal amount, together with associated interest and other charges (including costs, fees and attorneys' fees allowable under 11 U.S.C. § 506(b)), arising under the Loan Documents are due and owing as of the date of this Amended Stipulation and constitute a part of the Indebtedness.

D. Pre-Petition Collateral. Pursuant to the Loan Documents and as security for the Indebtedness, the Debtor granted the Lender a security interest in all "accounts and other rights to payment, inventory, equipment, instruments and chattel paper, general intangibles, documents, farm products and supplies, government payments and program, investment property and deposit accounts" whether then owned or thereafter acquired as well as the products and proceeds thereof (the "Pre-Petition Collateral").

E. Perfection. The Lender properly perfected its security interests in the Pre-Petition Collateral by, among other things, filing with the Minnesota Secretary of State:

(1) a UCC Financing Statement on July 6, 1999, as document number 2144628;

(2) a UCC Financing Continuation Statement on January 14, 2004, as

document number 20041018893;

(3) a UCC Financing Statement Amendment on July 16, 2007, as document number 20071752566; and

(4) a UCC Financing Continuation Statement on January 28, 2009, as document number 20091475578.

F. Guaranties. As additional security for the payment and performance under the Loan Documents and the Indebtedness, the Lender required the execution and delivery of the following guaranties:

- (1) Guaranty from David H. Arnold relating to the Letter of Credit;
- (2) Guaranty from Christopher L. Arnold relating to the Letter of Credit;
- (3) Guaranty from Daniel H. Arnold relating to the Letter of Credit;
- (4) Guaranty from David A. Watkins relating to the Letter of Credit;
- (5) Guaranty from Thomas F. Siewert relating to the Letter of Credit;
- (6) Guaranty from Brandon D. Tabor relating to the Letter of Credit;
- (7) Guaranty from David H. Arnold relating to the 71168 Note
- (8) Guaranty from Christopher L. Arnold relating to the 71168 Note;
- (9) Guaranty from Daniel H. Arnold relating to the 71168 Note;
- (10) Guaranty from David A. Watkins relating to the 71168 Note;
- (11) Guaranty from Thomas F. Siewert relating to the 71168 Note; and
- (12) Guaranty from Brandon D. Tabor relating to the 71168 Note.

G. By order entered on August 25, 2010 (the "Interim Order"), the Court approved the interim use of Cash Collateral (as defined below) by the Debtor pursuant to the terms of the

Interim Stipulation for Use of Cash Collateral and Adequate Protection entered into by the Debtor and the Lender (the "Interim Stipulation").

H. By order entered on September 20, 2010 (the "Final Order"), the Court approved the use of Cash Collateral by the Debtor pursuant to the terms of the Stipulation for Use of Cash Collateral and Adequate Protection entered into by the Debtor and the Lender on September 16, 2010 (the "Stipulation").

I. Pursuant to the terms of the Interim Stipulation and the Interim Order and the Stipulation and the Final Order, the Debtor granted to the Lender perfected, first-priority replacement liens and security interests in certain post-petition assets of the Debtor (together with the Pre-Petition Collateral, the "Collateral").

J. Under the Stipulation and the Final Order, the Debtor was authorized to use Cash Collateral in accordance with the terms of the Stipulation through November 12, 2010, unless such authority was terminated earlier pursuant to the terms of the Stipulation.

K. The Debtor has determined that the best interests of its creditors and its estate will be served by conducting an orderly wind down and closure of its business. The Debtor has requested authority to use Cash Collateral strictly in accordance with the terms of this Amended Stipulation and the Amended Budget (as defined below) in order to accomplish such wind down and closure of its business.

AGREEMENT

NOW, THEREFORE, in consideration of the terms, condition and covenants in this Amended Stipulation, the parties agree as follows:

1. Recitals. The Recitals set forth in this Amended Stipulation are true and correct statements that are incorporated into this Amended Stipulation.

2. Defined Terms. Unless otherwise defined in this Amended Stipulation, all capitalized terms used in this Amended Stipulation shall have the meanings ascribed to them in the Loan Documents, to the extent defined therein. Unless otherwise defined in this Amended Stipulation or the Loan Documents, all terms used in this Amended Stipulation shall have the meanings ascribed to them in the Bankruptcy Code or the applicable Uniform Commercial Code, to the extent defined therein.

3. Acknowledgment of Indebtedness and Priority. The Debtor acknowledges that (a) it is in default of its obligations to the Lender under the Loan Documents, (b) as of the Petition Date, the principal and interest portion of the Indebtedness in the aggregate amount of \$1,467,365.48 in outstanding loans, plus up to \$600,000.00 in principal amount for the Debtor's outstanding obligation to reimburse the Lender in the event the Letter of Credit is drawn upon which Letter of Credit was drawn upon and honored by the Lender in the principal amount of \$600,000.00 on September 13, 2010, is absolutely and unconditionally due and payable, without defense, offset or counterclaim, and the Debtor waives any right to object to the allowance of a claim in such amount filed by the Lender in this Case, and (c) the Lender has valid, first-priority, perfected liens and security interests in the Collateral.

4. Waiver by Parties in Interest. Unless a party in interest, other than the Debtor, files a written objection or complaint with the Court properly objecting to the validity, priority or perfection of any lien or security interest in favor of the Lender within 75 days after the entry of the Interim Order, the validity, priority and due and proper perfection of all such liens and security interests shall be deemed admitted and approved for all purposes in this Case, except for the rights of a duly appointed trustee in this Case or any converted Chapter 7 case to challenge any admissions of the Debtor set forth in paragraph 3 of this Amended Stipulation.

Notwithstanding any objection or complaint by any other party in interest, the Debtor shall be deemed to have waived and released any right to object to the validity, priority and due and proper perfection of any of such liens and security interests.

5. Use of Cash Collateral; Adequate Protection. The Debtor acknowledges that all cash in the possession of the Debtor as of the Petition Date or generated by the Collateral, whether before or after the Petition Date, is Collateral and is the Lender's cash collateral (as such term is defined by 11 U.S.C. § 363(a)) (the "Cash Collateral"). As adequate protection of the Lender's interests in the Collateral and the Cash Collateral, the Debtor and the Lender agree that the Debtor may use a portion of the Cash Collateral, as set forth below, in the ordinary course of its business until January 14, 2011, subject to the rights and remedies of the Lender as set forth in paragraph 11 of this Amended Stipulation if an Event of Default occurs as defined in paragraph 10 of this Amended Stipulation. All Cash Collateral shall be segregated, paid over and accounted for as follows:

(a) The Debtor shall segregate and maintain all Cash Collateral solely for the benefit of the Lender, and may only use Cash Collateral pursuant to the amended budget marked as Exhibit A (the "Amended Budget") and attached to this Amended Stipulation. The cumulative expenditures of the Debtor for any line item during any four-week period may exceed the cumulative amount budgeted for the same four-week period for that line item by a factor of no more than ten percent (10%) of the cumulative budgeted amount.

(b) The Debtor shall establish and maintain a separate, non-interest-bearing checking account with the Lender (the "Cash Collateral Account"). The Lender shall have a lien and security interest in the Cash Collateral Account and all amounts deposited in the Cash Collateral Account, which lien and security interest will secure the Debtor's obligations to repay

the Indebtedness. The Debtor shall deposit or cause to be deposited into the Cash Collateral Account all Cash Collateral in its possession and any Cash Collateral generated by the post-petition operations of the Debtor. The Debtor may use Cash Collateral and funds on deposit in the Cash Collateral Account only for the following purposes:

(i) The Debtor shall use funds deposited in the Cash Collateral Account to pay those items specifically identified in the Amended Budget, including pass-through amounts from Universal Service to the extent actually collected by the Debtor;

(ii) The Debtor may use funds deposited in the Cash Collateral Account for nonbudgeted expenditures only upon the prior written consent of the Lender, or pursuant to order of the Court;

(iii) The Debtor shall make all expenditures for the maintenance, protection and repair of the Collateral, out of the funds on deposit in the Cash Collateral Account, that the Lender reasonably requests;

(iv) The Debtor shall pay to the Lender on the first day of each month all interest and fees accruing on the Indebtedness in the prior month, together with all attorneys' fees and other expenses as provided in paragraph 18 of this Amended Stipulation paid by the Lender during the prior month;

(c) Within thirty (30) days after the end of each month, the Debtor shall provide the Lender a detailed cash flow statement, income statement and balance sheet for such month;

(d) By 5:00 p.m. (Central Time) on Friday of each week, the Debtor shall provide the Lender a report comparing on a line item basis the budgeted amounts, as itemized in the Amended Budget, to the actual amounts disbursed during the preceding week and on a

cumulative basis;

(e) In consideration of the Debtor's use of Cash Collateral and in view of the effect of such use, no allowance shall be made to the bankruptcy estate for any insurance, preservation, repair, improvement or other costs with respect to the Collateral, whether under Section 506(c) of the Bankruptcy Code or otherwise, except (i) as otherwise agreed in writing by the Lender, or (ii) except to the extent reasonably necessary for a trustee in the Case or a converted Chapter 7 case to preserve the Collateral for the sole benefit of the Lender as permitted by order of the Court;

(f) Other than sales of voice and data telecommunication services in the ordinary course of business, the Debtor shall not sell, assign, encumber or transfer any Collateral without the written consent of the Lender and will keep the Collateral properly insured and maintained.

6. Replacement Lien: Adequate Protection. In consideration of the right to use Cash Collateral as set forth in this Amended Stipulation; to secure the Indebtedness to the extent of the Cash Collateral used since the commencement of and during this Case, and to provide the Lender with adequate protection of its interest in the Collateral, the Debtor grants to the Lender replacement liens on, and security interests in, the Debtor's post-petition assets of the same types as are subject to any pre-petition lien or security interest (including avoidance actions under 11 U.S.C. § 549, but excluding avoidance actions under 11 U.S.C. §§ 544, 545, 547, 548 and 553(b)) wherever located (the "Replacement Liens"). The Replacement Liens shall have the same dignity, priority, and effect as the liens and security interests held by the Lender prior to the commencement of the Case and shall be first-priority, perfected security interests and liens in all such assets; *provided, however*, that the Lender shall have a superpriority claim in the Case to the

maximum extent allowed by Section 507(b) of the Bankruptcy Code in the event that the Cash Collateral, Collateral and the Replacement Liens granted to the Lender pursuant to this paragraph 6 do not result in payment in full to the Lender of the lesser of (i) the Indebtedness, or (ii) the value of the Collateral as of the Petition Date, as a result of a decline in the value of the Cash Collateral and Collateral post-petition. The Debtor agrees to execute such financing statements, security agreements and other documents which Lender may require to evidence the Replacement Liens established by this Amended Stipulation; it being understood, however, that no such other documents are required to create or perfect such Replacement Liens. Notwithstanding any termination or expiration of this Amended Stipulation, the rights and obligations of the Debtor, and the rights, claims, security interests, liens and priorities of the Lender shall remain unimpaired and unaffected by any such termination or expiration and shall survive any such termination or expiration. The Debtor further agrees to perform all of its obligations under the Loan Documents.

7. Reports and Inspection. In addition to the statements, reports and copies required by subparagraphs (5)(c) and (d) above, the Debtor shall comply with the reporting requirements set forth in the Loan Documents, provide Lender with copies of all pleadings and reports filed with the Court or the United States Trustee, and any other financial reports or projections which the Lender may reasonably request from time to time. The Debtor agrees to allow the Lender's officers, employees or agents to make reasonable inspections of the Collateral and all books and records related to the Collateral during regular business hours or at such times as are mutually convenient.

8. The Debtor will provide notice to its end user customers that it will cease offering service to them effective January 13, 2011. Such notice shall be in compliance with the Debtor's

obligations under 47 C.F.R §63.71 as well as applicable state regulatory law and rules. The Debtor will share with Qwest its proposed notice for review and input on or before November 15, 2010. Debtor will file an Application to Discontinue Service with the Minnesota Public Utilities Commission and the Iowa Utilities Board on or before November 16, 2010. If the Debtor learns that the Minnesota Public Utilities Commission or the Iowa Utilities Board will not act on its request to shorten notice timeframes (including without limitation, if the Minnesota Commission Meeting Agenda for its December 2, 2010 meeting does not include Debtor's request), the Debtor will provide notice of discontinuance in compliance with 47 C.F.R. 63.71 to all of its end user customers within two days of learning such information and will take such actions as are necessary before the state commissions to comply with the agreed upon deadline for cessation of operations

9. Representations and Warranties. The Debtor represents and warrants to the Lender as follows:

(a) The Debtor has no deposit or other accounts into which any of the Cash Collateral is being deposited other than the Cash Collateral Account;

(b) The Debtor will not open any deposit or other accounts into which any of the Cash Collateral will be deposited without the express written consent of the Lender; and

(c) Since the commencement of this Case, the Debtor has not failed to comply with any of its obligations under the Interim Stipulation, the Interim Order, the Stipulation, or the Final Order.

10. Events of Default. Each of the following shall constitute an "Event of Default" under this Amended Stipulation:

(a) Failure by the Debtor to abide by any term or condition of this Amended

Stipulation, including the nonperformance of any obligation imposed by this Amended Stipulation or the Order approving this Amended Stipulation;

(b) Termination of the automatic stay by any other party permitting that party to proceed against any or all of the Collateral, specifically excluding the modification of the automatic stay in favor of Qwest Corporation approved by the Court on or about August 24, 2010;

(c) Qwest Corporation is authorized by any governmental entity to cease or discontinue providing all services or products to the Debtor and Qwest Corporation or any affiliate thereof actually ceases or discontinues providing such services in connection with such authorization prior to January 17, 2011;

(d) The Debtor fails to make payments to Qwest Corporation and Qwest Communications Company, LLC in accordance with the Amended Budget;

(e) The Debtor assumes or rejects any executory contract or unexpired lease which the Lender determines in its sole discretion to have an adverse impact on the Debtor's business or the bankruptcy estate;

(f) Any of the Collateral is converted by the Debtor, is lost or stolen in any material amount, or is not accounted for by the Debtor;

(g) Any order entered by the Court approving the terms of this Amended Stipulation, or any paragraph or subparagraph of this Amended Stipulation, is vacated, reversed or modified;

(h) The Debtor fails to comply with any of its obligations under the Bankruptcy Code or other applicable law;

(i) The Debtor fails to timely deliver any reports required under this

Amended Stipulation;

(j) The Debtor fails to deliver the executed Acknowledgement and Agreement of Guarantors attached to this Amended Stipulation by each of the Guarantors identified therein, on or before November 16, 2010;

(k) The Debtor's actual cumulative disbursements for any four-week period, on a line item basis, are more than ten percent (10%) in excess of the cumulative budgeted amount for the same four-week period;

(l) The voluntary conversion of this Case by the Debtor to a case under Chapter 7 of the Bankruptcy Code or the entry of an order converting this Case to a case under Chapter 7 of the Bankruptcy Code;

(m) The entry of an order appointing a trustee or examiner with expanded powers under § 1104 of the Bankruptcy Code; or

(n) The entry of an order dismissing this Case.

11. Remedies. Upon the occurrence of an Event of Default, the Debtor's authority to use Cash Collateral under this Amended Stipulation and any order approving this Amended Stipulation shall immediately terminate without notice to the Debtor or other action by the Lender. Upon the occurrence of an Event of Default, the Debtor consents to a hearing on a motion by the Lender for termination of the stay five (5) days after the filing of an affidavit with the Court by the Lender, or one of its attorneys, with service upon counsel for the Debtor, setting forth the nature of the default; *provided, however,* that upon the occurrence of an Event of Default under subparagraph 10(l) or subparagraph 10(m) of this Amended Stipulation, the Lender must give notice of the Event of Default to the trustee or examiner and request a hearing for relief from the stay based on such Event of Default. The Debtor, or any trustee or examiner,

shall have no defense to any motion for relief from the stay by the Lender based upon an Event of Default, other than showing that the alleged Event of Default has not occurred. Upon the entry of an order granting the Lender relief from the stay, the Lender may exercise any or all of its rights and remedies under the Loan Documents, the Interim Stipulation, the Interim Order, the Stipulation, the Final Order, this Amended Stipulation, or any order approving this Amended Stipulation, or applicable law.

12. Reservation of Rights. Except as otherwise expressly set forth in this Amended Stipulation, the Lender reserves and retains all rights it may have as to its claim for the Indebtedness, and against any Collateral and against any third parties, including any guarantor of the Indebtedness. Except as otherwise expressly set forth in this Amended Stipulation, the Debtor reserves and retains all rights it may have as to the eventual terms of any plan of reorganization or liquidation. The Lender reserves its rights to seek relief from the stay, to seek dismissal or conversion of the Case, and to take or not take such other actions as the Lender may deem appropriate in this Case or any converted Chapter 7 case.

13. General Release. The Debtor waives, releases and discharges the Lender, together with its affiliates, directors, officers, employees, agents, and attorneys, from any and all claims and causes of action arising on or before the Petition Date out of, based upon or related to, in whole or in part, any of the Loan Documents, any aspect of the pre-petition relationship between the Lender and the Debtor, or any other acts or omissions by the Lender in connection with any of the Indebtedness or its relationship with the Debtor.

14. Specific Release. The Debtor waives, releases and discharges the Lender, together with its affiliates, directors, officers, employees, agents, and attorneys, from any and all claims and causes of action arising on or after the Petition Date out of, based upon or related to,

in whole or in part, any of the Debtor's checks dated on or before the Petition Date, but honored by the Lender on or after the Petition Date.

15. Modification of Agreement. This Amended Stipulation sets forth the complete agreement of the parties and may not be modified, waived or changed, except by a writing signed by the party to be bound thereby.

16. Binding Effect of Amended Stipulation. This Amended Stipulation is binding upon the parties and their respective successors and assigns, including any successor entity under any plan of reorganization or liquidation. Any trustee or examiner with expanded powers appointed in this Case or any converted Chapter 7 case shall be bound by this Amended Stipulation without prejudice, however, to such trustee's or examiner's rights to challenge the Debtor's acknowledgements and waivers set forth in paragraph 3 of this Amended Stipulation. The expiration or termination of this Amended Stipulation shall not affect the Replacement Liens granted under this Amended Stipulation to the extent of the Cash Collateral used while this Amended Stipulation is in effect. No subsequent stay, modification, termination, failure to extend the term or vacation of any order approving this Amended Stipulation shall affect, limit or modify the validity, priority or enforceability of any liability of the Debtor under this Amended Stipulation, any Replacement Lien granted to the Lender under this Amended Stipulation, or any administrative expense claim granted to the Lender under this Amended Stipulation.

17. Counterparts. This Amended Stipulation may be executed in one or more counterparts each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

18. Expenses. The Indebtedness shall include the reasonable pre-petition and post-petition costs and expenses of the Lender, including all legal fees, consultant fees, appraisal fees,

financial advisor fees, and other similar fees, and all such fees and expenses incurred in connection with the pre-petition negotiations with the Debtor, the negotiation and preparation of this Amended Stipulation, the Stipulation and the Interim Stipulation, and in the handling of all matters in this Case and any converted Chapter 7 case, including the attorneys' fees in any way arising from or in connection with any action taken by the Lender to monitor, advise, enforce or collect the Loan Documents or the Indebtedness, or any other document or agreement arising from or relating to the relationship between the Debtor and the Lender. The Debtor shall reimburse the Lender for all such reasonable pre-petition and post-petition costs and expenses described above.

19. Notices. All notices to be given and payments to be made under the terms of this Amended Stipulation shall be made as follows:

If to Lender, to:

David L. Vaselaar
Senior Vice President/Chief Credit Officer
Winona National Bank
1491 West Broadway
Winona, MN 55987
Phone: (507) 454-9252
Email: davidv@winonanationalbank.com

With a copy to:

Gray Plant Mooty Mooty & Bennett, P.A.
Attention: Phillip Bohl and Jessica A. Mitchell
500 IDS Center
80 South 8th Street
Minneapolis, MN 55402
Phone: (612) 632-3019
Email: phillip.bohl@gpmlaw.com and jessica.mitchell@gpmlaw.com

If to the Debtor, to:

Thomas Siewert
Chief Financial Officer

DTI Telecommunications, Inc.
111 Riverfront, Suite 305
Winona, MN 55987

With a copy to:

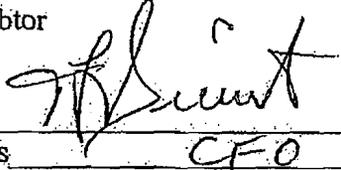
Fredrikson & Byron, P.A.
Attention: Clinton E. Cutler and Douglas W. Kassebaum
200 South Sixth Street, Suite 4000
Minneapolis, MN 55402
Phone: (612) 492-7000
Email: ccutler@fredlaw.com and dkassebaum@fredlaw.com

20. Amended Stipulation Subject to Order. This Amended Stipulation is subject to, and shall be effective only upon, entry of an order by the Court substantially in the form attached to this Amended Stipulation as Exhibit B, which order the parties agree may be entered.

Dated: November 15, 2010

DIGITAL TELECOMMUNICATIONS, INC.

Debtor

By 

Its CFO

Dated: November __, 2010

WINONA NATIONAL BANK

Lender

By _____

Its _____

With a copy to:

Fredrikson & Byron, P.A.
Attention: Clinton E. Cutler and Douglas W. Kassebaum
200 South Sixth Street, Suite 4000
Minneapolis, MN 55402
Phone: (612) 492-7000
Email: ccutler@fredlaw.com and dkassebaum@fredlaw.com

20. Amended Stipulation Subject to Order. This Amended Stipulation is subject to, and shall be effective only upon, entry of an order by the Court substantially in the form attached to this Amended Stipulation as Exhibit B, which order the parties agree may be entered.

Dated: November __, 2010

DIGITAL TELECOMMUNICATIONS, INC.
Debtor

By _____
Its _____

Dated: November 15, 2010

WINONA NATIONAL BANK
Lender

By 
Its SUP/CCO

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTOR

The undersigned guarantors (the "Guarantors"), each a guarantor of the indebtedness of Digital Telecommunications Inc. (the "Debtor"), to Winona National Bank, a national banking association (the "Lender"), hereby: (i) acknowledge receipt of the foregoing Amended Stipulation; (ii) consent to the terms and execution thereof; (iii) acknowledge that the Debtor is in default of its obligations under the Loan Documents (as defined in the Amended Stipulation); (iv) acknowledge that, as of the Petition Date, the principal and interest portion of the Indebtedness in the aggregate amount of \$1,467,365.48, plus principal in an aggregate amount of up to \$600,000.00 that will be due and owing in the event of one or more draws on the Letter of Credit (as defined in the Amended Stipulation) for which the Debtor is obligated to reimburse the Lender, which Letter of Credit was drawn upon and honored by the Lender in the principal amount of \$600,000.00 on September 13, 2010, is absolutely and unconditionally due and payable, without defense, offset or counterclaim; (v) acknowledge that the Lender has valid, perfected liens and security interests in the Collateral (as defined in the Amended Stipulation); (vi) reaffirm each of their respective obligations under all relevant guaranties in respect of indebtedness of the Debtor to the Lender; and (vii) acknowledge that the Lender may amend, restate, extend, renew or otherwise modify the Loan Documents, or enter into any agreement or extend additional or other credit accommodations, without notifying or obtaining the consent of the Guarantors and without impairing the liability of the Guarantors under all relevant guaranties in respect of the Debtor's present and future indebtedness to the Lender.

IN WITNESS WHEREOF, the undersigned each has caused this Acknowledgment and Agreement of Guarantor to be duly executed effective as of November 15, 2010.

Dated: November __, 2010

GUARANTOR

By _____
David H. Arnold

Dated: November __, 2010

GUARANTOR

By _____
Christopher L. Arnold

Dated: November __, 2010

GUARANTOR

By _____
Daniel H. Arnold

Dated: November __, 2010

GUARANTOR

By _____
Brandon D. Taber

Dated: November __, 2010

GUARANTOR

By _____
Thomas F. Siewert

Dated: November __, 2010

GUARANTOR

By _____
David A. Watkins

EXHIBIT A
[Amended Budget]

BANKRUPTCY CASH FLOW #5
TFS 11/12/10

(IN THOUSANDS)

WEEK ENDING >>>>>	PROJ. 11/05/10	ACTUAL 11/05/10	PROJ. 11/12/10	ACTUAL 11/12/10	PROJ. 11/19/10	ACTUAL 11/19/10	PROJ. 11/26/10	ACTUAL 11/26/10	PROJ. 12/03/10	ACTUAL 12/03/10	PROJ. 12/10/10
BEGIN CASH	68	68365.91	59	78724.96	68	66239.14	48	66239.14	15	0	29
CASH RECEIPTS	125	116790.25	120	73793.44	115	116790.25	120	116790.25	110	116790.25	120
CASH RECEIPTS-CC & ACH		18487.48		4543.83							
Equip. Sales											
DISBURSMENTS											
Customer Refunds		-137.75		-606.09							
Payrolls	-23	-17338.27	-8	-6026.97	-8	-17338.27	-8	-17338.27	-8	-17338.27	-8
Payroll Taxes/WH	-10	-10002.24	-4	-5564.64	-3	-10002.24	-3	-10002.24	-3	-10002.24	-3
Sales Taxes	-15	-15500	-5								-13
Excise Taxes			-4	-3640.55			-4				-3
Universal Service Fees			-6	-5655.8							
Clearing A/C USAC											
Cost of Sales	-25	-18518.41	-25	-15936.57	-40	-18518.41	-30	-18518.41	-25	-18518.41	-20
Cost of Sales-Qwest	-35	-42273.28	-50	-52214.89	-60	-42273.28	-30	-42273.28	-35	-42273.28	-40
Cost of Sales-Enventis							-60				
Expenses Vendors	-4	-925.09	-5	-1177.58	-7	-925.09	-7	-925.09	-8	-925.09	-7
Expense-Rent									-7		
Attorney Fees					-5				-5		-4
Trustee Fee											
Bankruptcy Atty	-16	-15677.64									-15
Bank Interest Pmts							-9				
Corp. Insur. Policy	-5	-4546									
Switch Maint. Exp.											
Bank Princ. Pmts.					-10						-10
Misc. Provlslon	-1		-4		-2		-2		-5		-2
ENDING CASH	59	78724.96	68	66239.14	48	66239.14	15	66239.14	0	29	24
Plus Receipts from Universal Service to be paid out to Schools, Libraires											
Accounts Receivable Balance	560000	540223	540000		530000		530000		530000		520000
Fixed Assets -NBV	890000	890000	890000		890000		890000		835000		835000
Bank Debt Total	2032000	2032000	2032000		2020000		2020000		2020000		2010000
Vendor Short Pay-Cumulative							20000		40000		75000

BANKRUPTCY CASH FLOW
TFS 11/12/10

WEEK ENDING >>>>	ACTUAL	PROJ. 12/17/10	ACTUAL	PROJ. 12/24/10	ACTUAL	PROJ. 12/31/10	ACTUAL	PROJ. 01/07/11	ACTUAL	PROJ. 01/14/11	ACTUAL
BEGIN CASH		24		6		10		1		7	
CASH RECEIPTS		105		100		90		90		75	
CASH RECEIPTS-CC & ACH											
Equip. Sales		20		20				20			
DISBURSMENTS											
Customer Refunds											
Payrolls		-6		-6		-4		-4		-4	
Payroll Taxes/WH		-2		-2		-1		-1		-1	
Sales Taxes		-3						-10		-6	
Excise Taxes				-3				-3		-3	
Universal Service Fees											
Clearing A/C USAC											
Cost of Sales		-25		-20		-10		-5		-4	
Cost of Sales-Qwest		-40		-30		-40		-20		-25	
Cost of Sales-Enventls				-20							
Expenses Vendors		-5		-4		-4		-5		-4	
Expense-Rent						-5					
Attorney Fees										-5	
Trustee Fee						-5				-2	
Bankruptcy Atty								-10		-5	
Bank Interest Pmts				-9							
Corp. Insur. Policy											
Switch Maint. Exp.											
Bank Princ. Pmts.		-60		-20		-30		-40			
Misc. Provision		-2		-2				-6		-5	
ENDING CASH		6		10	0	1		7		18	
Plus Receipts from Universal Ser											
Accounts Receivable Balance		480000		480000		450000		430000		350000	
Fixed Assets -NBV		835000		835000		835000		780000		780000	
Bank Debt Total		1950000		1930000		1900000		1860000		1860000	
Vendor Short Pay-Cumulative		110000		140000		150000		190000		190000	

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Digital Telecommunications, Inc.,

BKY. No. 10-36001

Chapter 11

Debtor.

**ORDER APPROVING FIRST AMENDED AND RESTATED STIPULATION FOR USE
OF CASH COLLATERAL AND ADEQUATE PROTECTION**

This matter came before the Court in the above-entitled case for an order approving the First Amended and Restated Stipulation for Use of Cash Collateral and Adequate Protection, dated November 10, 2010 (the "**Amended Stipulation**"), between the Debtor and Winona National Bank (the "**Lender**"). Appearances, if any, were as noted on the record.

This Court having determined that the notice given was adequate, and the Debtor and the Lender having agreed that this Order may be entered pursuant to the terms of the Amended Stipulation;

IT IS HEREBY ORDERED THAT:

1. The Debtor is authorized and directed to enter into and perform all of its obligations under the Amended Stipulation, the provisions of the Amended Stipulation being approved and incorporated herein by reference.
2. The Debtor is authorized and directed to make the payments authorized and required by the Amended Stipulation.
3. Upon the occurrence of an Event of Default as defined in the Amended Stipulation, the Lender shall have the rights and remedies provided in the Amended Stipulation, including paragraph 11 of the Amended Stipulation.

4. The Debtor, Qwest Corporation ("QC") and Qwest Communications Company, LLC ("QCC") (together, QC and QCC, "Qwest") are authorized to request and/or obtain any approval(s) or other relief from any applicable regulatory authority to effectuate the terms of the Amended Stipulation and/or the wind down and closure of the Debtor's operations including, but not limited to, requesting and/or obtaining any approval(s) or other relief in connection with the suspension, termination and/or disconnection of telecommunications and related services provided by Qwest to the Debtor ("Telecommunications Services") and the provision of notice to the Debtor's end user customers of such suspension, termination and/or disconnection. To the extent necessary, the automatic stay of 11 U.S.C. § 362 is modified to permit the Debtor, QC, and QCC, as described more fully in the foregoing sentence and without limitation, to (i) request and/or obtain any approval(s) or other relief from any applicable regulatory authority to effectuate the terms of the Amended Stipulation and/or the wind down and closure of the Debtor's operations; or (ii) provide notice to the Debtor's end user customers. To the extent necessary, the automatic stay of 11 U.S.C. § 362 is modified to permit such regulatory authorities to consider and act on such requests for approval or other relief.

5. Upon the migration of any of the Debtor's end user customers to another provider of telecommunications services and/or the disconnection of any services provided by the Debtor to any of the Debtor's end user customers, the new provider or the Debtor, as applicable, will submit to Qwest timely ASRs, LSRs and/or written requests, as appropriate, for the migration of end user customers and/or the termination and/or disconnection of the Telecommunications Services associated with such end user customers. Qwest will discontinue billing the Debtor for such Telecommunication Services as of the date of the migration of such end user customers

and/or the termination or disconnection of the Telecommunications Services associated with such end user customers.

6. To the extent that the new provider or the Debtor, as applicable, does not submit to Qwest appropriate ASRs, LSRs, and/or written requests, as appropriate, for the migration of end user customers and/or the termination and/or disconnection of any Telecommunications Services by January 14, 2011, Qwest will be authorized to take any and all steps necessary or appropriate to terminate and/or disconnect any and all live Telecommunications Services beginning on January 17, 2011 or as soon thereafter as all applicable regulatory requirements have been satisfied.

7. As of the later of January 14, 2011 or the date that all live Telecommunications Services are actually terminated and/or disconnected in accordance with the terms of this Order and applicable law, all executory contracts and agreements for any and all services, including, but not limited to, Telecommunications Services, currently provided by either of QC or QCC to the Debtor will be deemed rejected pursuant to 11 U.S.C. § 365 and Qwest will be entitled to terminate any or all such contracts and/or agreements.

8. Nothing in the Amended Stipulation, this Order, or otherwise, will be construed as or deemed to be a limitation, waiver or relinquishment of any of Qwest's rights, remedies, claims or defenses, including, but not limited to, Qwest's right to assert administrative expense claims for unpaid post-petition amounts owed by the Debtor to Qwest, or of any other party in interest, including the Debtor and any successor trustee to the Debtor, to contest and defend against all such rights, remedies, claims or defenses asserted by Qwest.

DATED: November 18, 2010

/e/ Dennis D. O'Brien
UNITED STATES BANKRUPTCY JUDGE

IMPORTANT INFORMATION ABOUT YOUR SERVICE NOTICE OF DISCONNECTION

Dear Digital Telecommunications, Inc. Customer,

On January 13, 2011, Digital Telecommunications, Inc (DTI) will stop providing telecommunications service.

DTI filed a petition to reorganize under the Bankruptcy Code in the United States Bankruptcy Court for the District of Minnesota. Unfortunately, DTI is not able to reorganize and will cease operations. Effective January 13, 2011, **DTI will no longer provide telecommunications services in Minnesota, Iowa and Washington.**

Disconnection Date: January 13, 2011

Services Affected: All Telecommunications Services, including Local, Interexchange, Intrastate, Interstate, International, Data, Contract, Private Line

What do I need to do?

You must transfer your services to another telecommunications service provider before the Disconnection Date. DTI will make best efforts to provide services until you are transferred to a new service provider.

Telephone providers authorized to serve your community include: Paetec Communications; Qwest Communications; Windstream.

Please contact your new telephone company to transfer your service.

Can I keep my telephone number/s?

Yes, when you contact your new telephone company, you may ask to transfer your number/s.

What if I don't transfer to a new telephone company before the Disconnection Date?

All of your DTI services will be disconnected on the Disconnection Date. If this happens, you may not be able to keep your telephone number/s.

Will I have the same services and rates?

Each telephone company has its own service and rate plans. Your new telephone company's services and rates may be similar to or different from your current services with DTI. DTI cannot guarantee that new services or rates for new service will be the same as DTI's services or rates.

If you have a preferred carrier freeze through DTI, with respect to any service, this freeze will be removed when you change to your new telephone service provider. You must ask your new provider to reinstate the freeze.

-OVER-

Will there be any charges to transfer my service?

Your new telephone company may charge for installation or other "start up" costs. Unfortunately, DTI cannot pay any charges associated with the transfer of your account.

What happens to my DTI bill?

DTI will continue to bill you for services up to the date you transfer your service. You must pay DTI for any services provided and billed up to that date.

What happens to my DTI contract?

DTI will release you from your contract on the date you transfer your service.

What if I have questions about my DTI service and billing or this notice?

Until the earlier of the Disconnection Date or when you arrange for and are transferred to another provide, DTI will continue to be responsible for all customer service inquires, complaints, billing issues and service questions. Please contact DTI customer service at:

E-mail: customers@pickdti.com
Telephone: 507-452-2598 or 1-877-742-5384

You may also contact the Iowa Utilities Board:

E-mail: iubcustomer@iub.state.ia.us
Telephone: 877-565-4450

Legal Requirements for Disconnection of Service

This disconnection requires the approval of the Federal Communications Commission (FCC) and the Minnesota Public Utilities Commission.

The FCC will normally authorize this proposed discontinuance of service unless it is shown that customers would be unable to receive service or a reasonable substitute from another carrier or that the public convenience and necessity is otherwise adversely affected. If you wish to object, you should file your comments as soon as possible, but no later than 15 days after the Commission releases public notice of the proposed discontinuance. Address them to the Federal Communications Commission, Wireline Competition Bureau, Competition Policy Division, Washington DC 20554, and include in your comments a reference to the Sec. 63.71 application of Digital Telecommunications Inc. Comments should include specific information about the impact of this proposed discontinuance upon you or your company, including any inability to acquire reasonable substitute service.

Either federal or state regulators may extend the Disconnection Date.

DTI thanks you for your business and sincerely regrets the inconvenience caused by this action.

Digital Telecommunications Inc.
111 Riverfront, Suite 305
Winona, Minnesota 55987
1-507-452-2598
1-877-742-5384
customers@pickdti.com
<http://www.pickdti.com/>

**Back page
See front for important notice**

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Disconnection Date: January 13, 2011

Services Affected: All Telecommunications Services, including Local, Interexchange, Intrastate, Interstate, International, Data, Contract, Private Line

What do I need to do?

You must transfer your services to another telecommunications service provider before the Disconnection Date. DTI will make best efforts to provide services until you are transferred to a new service provider.

You can find a list of telephone providers authorized to serve your community at:

- Web: www.commerce.state.mn.us, click "Find Telephone Companies" on the left side
- Telephone: 651-296-0406 or 1-800-657-3782, Option 2

Please contact your new telephone company to transfer your service.

Can I keep my telephone number/s?

Yes, when you contact your new telephone company, you may ask to transfer your number/s.

What if I don't transfer to a new telephone company before the Disconnection Date?

All of your DTI services will be disconnected on the Disconnection Date. If this happens, you may not be able to keep your telephone number/s.

Will I have the same services and rates?

Each telephone company has its own service and rate plans. Your new telephone company's services and rates may be similar to or different from your current services with DTI.

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-OVER-

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DTI will continue to bill you for services up to the date you transfer your service. You are responsible for paying DTI for services provided and billed up to that date.

What happens to my DTI contract?

DTI will release you from your contract on the date you transfer your service.

What if I have questions about my DTI service and billing or this notice?

Please contact DTI customer service for inquiries, complaints, billing issues, and service questions up until the date you transfer your service or the Disconnection Date, whichever is first:

E-mail: customers@pickdti.com
Telephone: 507-452-2598 or 1-877-742-5384

You may also contact the Minnesota Public Utilities Commission:

E-mail: consumer.puc@state.mn.us
Telephone: 651-296-0406 or 1-800-657-3782

Legal Requirements for Disconnection of Service

This disconnection requires the approval of the Federal Communications Commission (FCC) and the Minnesota Public Utilities Commission.

The FCC will normally authorize this proposed discontinuance of service unless it is shown that customers would be unable to receive service or a reasonable substitute from another carrier or that the public convenience and necessity is otherwise adversely affected. If you wish to object, you should file your comments as soon as possible, but no later than 15 days after the Commission releases public notice of the proposed discontinuance. Address them to the Federal Communications Commission, Wireline Competition Bureau, Competition Policy Division, Washington, DC 20554, and include in your comments a reference to the Sec. 63.71 application of Digital Telecommunications Inc. Comments should include specific information about the impact of this proposed discontinuance upon you or your company, including any inability to acquire reasonable substitute service.

Either federal or state regulators may extend the Disconnection Date.

DTI thanks you for your business and sincerely regrets the inconvenience caused by this action.

Digital Telecommunications Inc.

111 Riverfront, Suite 305

Winona, Minnesota 55987

507-452-2598

1-877-742-5384

customers@pickdti.com

www.pickdti.com

In re Application of Digital Telecommunications
Inc. for Authority Pursuant to Section 63.71
to Discontinue All Telecommunications
Services to All Customers

WIRELINE COMPETITION BUR.

2010 DEC 20 P 12:37

CERTIFICATE OF SERVICE

RECEIVED

I, Karl W. Sonneman, certify that on December 10, 2010, I served copies of the **Application of Digital Telecommunications Inc. for Authority Pursuant to Section 63.71 of the Commission's Rules, 47 C.F.R. §63.71, to Discontinue All Telecommunications Services to All Customers** by delivery through United States Mail, First Class, postage prepaid, to the parties or attorneys listed below.

Secretary of Defense
ATTN: Special Assistant for Telecommunications
Pentagon
Washington, DC 20301

Wireline Competition Bureau
445 12th Street SW
Washington, DC 20554

Governor Timothy Pawlenty
Office of the Governor
130 State Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Governor Chet Culver
State Capitol
1007 East Grand Ave.
Des Moines, Iowa 50319

Burl Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
Saint Paul, MN 55101-2147

Diane Dietz
Minnesota Department of Commerce
Telecommunications Division
85 7th Place East, Suite 500
St. Paul, MN 55101-2198

In re Application of Digital Telecommunications
Inc. for Authority Pursuant to Section 63.71
to Discontinue All Telecommunications
Services to All Customers

Robert B. Berntsen
Chair
Iowa Utilities Board
350 Maple Street
Des Moines, Iowa 50319-0069

David Vaselaar
Senior Vice President
Winona National Bank
1491 West Broadway
Winona, MN 55987

Philip Bohl
Gray Plant Mooty
500 IDS Center
80 South Eight Street
Minneapolis, MN 55402

Jason D. Topp
Qwest Corporation
200 South Fifth Street, Room 2200
Minneapolis, MN 55402



Karl W. Sonneman