

PRESS RELEASE

FOR INTEGRA TELECOM



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Integra Telecom, Inc. Closes Eschelon Telecom, Inc. Acquisition

PORTLAND, Ore. - Aug. 31, 2007 - Effective today, Eschelon Telecom, Inc. (NASDAQ: ESCH) is a wholly owned subsidiary of Integra Telecom, Inc. and will continue its operations doing business as an Integra company.

The combined company is one of the largest competitive local exchange carriers (CLECs) in the nation enjoying pro-forma 2007 revenues of more than \$700 million and more than \$240 million in pro-forma 2007 EBITDA, including anticipated synergies.

"We're excited to bring together two well run companies which will create a substantial, well positioned, customer focused alternative to the large monopoly carriers," said Dudley Slater, CEO of Integra Telecom. "I want to formally welcome the employees and customers of Eschelon to Integra. Eschelon customers can look forward to Integra investing in additional local service professionals and products, enhancing their service experience."

Integra attributes its high customer loyalty and customer satisfaction ratings to its highly responsive, decentralized business model which positions senior leadership, customer service centers and technicians in the heart of their customers' communities. The combined company will offer an expanded product set, including: local and long-distance calling, high-speed Internet, DSL, voice messaging, and toll-free services, available on Integra's 4,700-mile high-speed long haul network.

"Both companies have an excellent reputation of meeting the needs of their customers," added Richard A. Smith, former president and CEO for Eschelon. "The market position and financial strength resulting from this combination well positions the customers and employees of both companies for the future." Richard Smith has agreed to join Integra Telecom's board of directors.

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Integra and Eschelon derive over 80 percent of their revenues from overlapping service areas making the business combination compelling and straight forward. Much of Eschelon's traffic, which was previously routed over leased facilities from other carriers, will now be routed over Integra's extensive metropolitan area and intercity fiber networks.

The combined company will be headquartered in Portland, Ore.

About Integra Telecom Inc.

Integra Telecom Inc. provides voice, data and Internet communications to thousands of business and carrier customers in 11 Western states, including: Arizona, California, Colorado, Idaho, Minnesota, Montana, Nevada, North Dakota, Oregon, Utah and Washington. The company owns and operates a best-in-class fiber-optic network composed of metropolitan access networks, a nationally acclaimed tier one Internet and data network, and a 4,700-mile high-speed long haul network. The company has earned some of the highest customer loyalty and customer satisfaction ratings in the telecommunications industry. Primary equity investors in the company include Warburg Pincus, Banc of America Capital Investors and Boston Ventures. Integra Telecom and Electric Lightwave, Eschelon Telecom, Unicom and OneEighty Communications are registered trademarks of Integra Telecom Inc. For more information, visit www.integratelecom.com.

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