

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of the Joint Application of:	)	
	)	
<b>Saturn Telecommunication Services, Inc.</b>	)	
<b>dba STS Telecom</b>	)	
<b>and STS Telecom, LLC,</b>	)	
Transferors,	)	File No. ITC-T/C _____
	)	
and	)	
	)	WC Docket No. _____
<b>DeltaCom, Inc.,</b>	)	
Transferee,	)	
	)	
For Authority to Transfer Control of Domestic and	)	
International Section 214 Authorizations	)	
	)	

**JOINT APPLICATION**

Pursuant to Section 214 of the Communications Act of 1934, as amended (the “Act”), and Sections 63.03, 63.04 and 63.24 of the Commission’s Rules, 47 C.F.R. §§ 63.03, 63.04 and 63.24, Saturn Telecommunication Services, Inc. dba STS Telecom (“Saturn”) and STS Telecom, LLC (“STS”, and collectively with Saturn, “Transferors”) and DeltaCom, Inc. (“DeltaCom” or “Tranferee”) (Transferors and Transferee together, “Applicants”), respectfully request Federal Communications Commission (“Commission”) approval or such authority as may be necessary or required for the transfer of control of the domestic and international 214 authorizations held by STS and Saturn. The transfer of control will result from the acquisition by DeltaCom of 100% of Transferors’ shareholders’ equity interests. Services will continue to be provided to Transferors’ existing customers pursuant to their authorizations and under the same rates, terms

and conditions and, therefore, the transaction will have no immediate effect on the rates, terms and conditions of services to customers of the Transferors.

In **Section V** of this Application, the Applicants provide the information required by Sections 63.18 and 63.24 of the Commission's Rules, 47 C.F.R. §§ 63.18, 63.24, for transfer of control. As specified by Section 63.04(b) of the Commission's Rules, the additional information required for the domestic component of this Application is provided in **Section VI**.

**I. REQUEST FOR STREAMLINED PROCESSING**

Applicants respectfully request streamlined treatment of this Application pursuant to Sections 63.03 and 63.12 of the Commission's Rules, 47 C.F.R. §§ 63.03, 63.12. As demonstrated below, both the domestic and international components of this Application qualify for streamlined processing.

With respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following consummation of the transaction: (1) Transferee (and its affiliates, as defined by Section 3(1) of the Act) will have a market share in the interstate, interexchange market of less than ten percent (10%); (2) the Transferee (and its affiliates) will provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction; and (3) none of the Applicants (or their affiliates) are dominant with respect to any service.

With respect to international authority, the Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.12(a) and (b) because: (1) neither of the Applicants (nor their affiliates) is affiliated with a foreign carrier in any destination market; and (2) neither of the Applicants (nor their affiliates) is affiliated with any

dominant U.S. carrier whose services Applicants seek authority to resell. Accordingly, this Application qualifies for streamlined processing pursuant to Section 63.12 of the Commission's Rules.

## **II. DESCRIPTION OF THE APPLICANTS**

### **A. Saturn Telecommunication Services, Inc. and STS Telecom, LLC – Transferors**

Saturn Telecommunication Services, Inc.: Saturn is a privately-held corporation incorporated in Florida. Saturn is a full-service telecommunications company, providing retail voice, data and Internet services to predominantly small to medium-sized business customers in Florida and Georgia and predominantly interstate long distance services to customers in other locations.

STS Telecom, LLC: STS is a limited liability corporation organized in Florida. STS provides retail voice, data and Internet services to predominantly small to medium sized business customers in Florida.

Saturn and STS are commonly owned by four individual shareholders: Keith Kramer, Mark Amarant, Gil Cohen and Andrew Silber.

### **B. DeltaCom, Inc. – Transferee**

DeltaCom is a privately held corporation incorporated in Alabama. DeltaCom is a wholly-owned subsidiary of Interstate FiberNet, Inc. ("IFN"), a privately held Delaware corporation, which is a wholly-owned subsidiary of ITC^DeltaCom, Inc ("ITC"), a privately held Delaware corporation. ITC is, in turn, a wholly-owned subsidiary of EarthLink, Inc. ("EarthLink"), a publicly traded Delaware corporation (NASDAQ: ELNK).<sup>1</sup>

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<sup>1</sup> EarthLink's regulated operating subsidiaries include DeltaCom, IFN, Business Telecom, Inc., Business Telecom of Virginia, Inc., New Edge Network, Inc., and New Edge Networks of Virginia, Inc. (continued...)

DeltaCom provides competitive local exchange, exchange access and interexchange services primarily to business customers in Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee. In combination with its affiliates, IFN and Business Telecom, Inc. (“BTI”), DeltaCom provides voice, data and resold mobile telecommunications services on a retail basis to primarily business customers in the southeastern United States and regional communications transmission services over its network on a wholesale basis to other communications companies. In addition, New Edge Network, Inc. (“New Edge”), a wholly-owned subsidiary of EarthLink, provides telecommunications service throughout the United States. DeltaCom, its operating affiliates, and New Edge each hold a blanket domestic Section 214 authorization and the international Section 214 authorizations as described below.

### **III. DESCRIPTION OF THE TRANSACTION**

On December 17, 2010, ITC and the shareholders of Saturn and STS executed and entered into a purchase agreement whereby ITC proposes to purchase all of the shareholders’ equity interests in Saturn and STS in return for a cash payment. On January 10, 2011, ITC assigned and DeltaCom assumed ITC’s right and obligations under the purchase agreement, including the right to purchase all of the Saturn and STS equity interests. As a result of the proposed transaction, Saturn and STS will be wholly-owned and directly controlled by

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(collectively, the “EarthLink Licensees”). Through the EarthLink Licensees, EarthLink provides traditional and Internet Protocol voice and data services in all 50 states plus the District of Columbia. In addition, pending before the FCC is an application for authority to transfer control of the licenses of One Communications Corp. to EarthLink. *See In the Matter of Joint Application of One Communications Corp., Transferor, and EarthLink, Inc., Transferee, For Grant of Authority Pursuant to Section 214 of the Communications Act of 1934, as amended, and Sections 63.04 and 63.24 of the Commission’s Rules to Complete a Transfer of Indirect Control of the ONE Licensees to EarthLink, Inc.*, WC Dkt. 11-1 (filed Dec. 21, 2010). A pre-transaction corporate structure chart for EarthLink is provided as part of Exhibit A. Additional information regarding EarthLink, including its most recent SEC Form 10-Q, as filed with the Securities and Exchange Commission, is available at <http://www.earthlink.net/about/investor/>.

DeltaCom and indirectly controlled by ITC and DeltaCom's ultimate parent company, EarthLink. Diagrams depicting the pre- and post-transaction corporate structures of the companies are attached hereto as Exhibit A.

The proposed transaction does not involve the transfer of any customers between the Transferors and any of the operating affiliates of DeltaCom. Immediately following the consummation of the transaction, Transferors will continue to provide service to Saturn's and STS's existing customers, who will continue to enjoy the same services as they do prior to closing. Accordingly, the proposed transfer of control will be transparent to Saturn and STS customers in terms of the services they receive.

Consummation of the transaction is contingent upon receipt of certain regulatory approvals and satisfaction of customary closing conditions. The transaction is expected to be completed in the first quarter of 2011, subject to all regulatory approvals.

#### **IV. PUBLIC INTEREST STATEMENT**

The proposed transaction will serve the public interest by ensuring that Saturn's and STS's customers enjoy continued high-quality telecommunications service from a financially and managerial sound company, DeltaCom, with a long-standing track record as a provider of high-quality telecommunications services. The complementary strengths, product sets, and geographic footprints of DeltaCom and the Transferors should position DeltaCom to realize cost savings and achieve synergies that are expected to strengthen its ability to enhance service offerings and provide more advanced communications services to a broader customer base. Moreover, DeltaCom's ultimate parent, EarthLink, brings considerable financial, managerial and technical resources that will further enhance the ability of Saturn and STS to continue to effectively compete in the telecommunications industry.

Although DeltaCom's acquisition of the Transferors will result in a change in the ultimate ownership and control of Saturn and STS, no direct transfer of Section 214 authorization, assets, or customers will occur as a result of the transfer of control. Immediately following consummation of the merger, Transferors will continue to provide service to customers of STS and Saturn pursuant to their existing authorizations. The transfer of control will be transparent to Saturn's and STS's customers in terms of the services they currently receive.

In sum, the acquisition by DeltaCom of Saturn and STS is expected to create substantial opportunities for customers of both companies and will ultimately enhance the quality and variety of telecommunications products and services offered. Grant of this Application will therefore serve the public interest.

**V. INFORMATION REQUIRED BY SECTION 63.24 OF THE COMMISSION'S RULES**

In accordance with Section 63.24(e) of the Commission's Rules, the Applicants submit the following information required under paragraphs (a) through (d) and (h) through (p) of Section 63.18 in support of this Application:

**63.18(a): Name, address and telephone number**

Transferors:

Saturn Telecommunication Services, Inc.  
and  
STS Telecom, LLC  
12399 SW 53rd Street, Suite 102  
Cooper City, FL 33330  
Telephone: 954-252-1000  
Facsimile: 954-680-2506

Transferee:

DeltaCom, Inc.  
7037 Old Madison Pike  
Huntsville, AL 35806  
Telephone: 256-382-3856  
Facsimile: 256-382-3936

**63.18(b): Jurisdiction of Organizations**

Transferors: Saturn is a corporation organized under the laws of the state of Florida.

STS is a limited liability company organized under the laws of the state of Florida.

Transferee: DeltaCom is a corporation organized under the laws of the state of Alabama.

**63.18(c): (Answer to Question 10) Correspondence concerning this Application**

Transferors:

Sharon Thomas, Consultant  
Technologies Management, Inc.  
2600 Maitland Center Parkway, Suite 300  
Maitland, Florida 32751  
Telephone: (407) 740-3031  
Facsimile: (407) 740-0613  
E-mail: sthomas@tminc.com

*With a copy to:*

Gregg D. Josephson  
DOWNEY BRAND LLP  
621 Capitol Mall, 18th Floor  
Sacramento, CA 95814  
Telephone: (916) 520-5428  
Facsimile: (916) 520-5828  
E-mail: gjosephson@downeybrand.com

Transferee:

Jennifer P. Bagg  
Lampert, O'Connor & Johnston, P.C.  
1776 K Street, NW Suite 700  
Washington, DC 20006  
Telephone: (202) 887-6230  
Facsimile: (202) 887-6231  
E-mail: bagg@lojlaw.com

*With a copy to:*

D. Anthony Mastando  
DeltaCom, Inc.  
7037 Old Madison Pike  
Huntsville, AL 35806  
Telephone: 256-382-3856  
Facsimile: 256-382-3936  
E-mail: tony.mastando@corp.earthlink.com

**63.18(d): International Section 214 Authorizations**

Transferors: Saturn was issued 214 international authority in ITC-214-20070427-00165. Saturn's FRN is 0004343828.

STS was issued 214 international authority in ITC-214-20050325-00139. STS's FRN is 0012938718.

Transferee: DeltaCom holds an international Section 214 authorization granted in IB File No. ITC-214-19940705-00204 (Old File No. ITC-94-385). DeltaCom's FRN is 0005183025.

Certain of DeltaCom's affiliates hold the following international 214 authority:

BTI holds international Section 214 authorizations to (i) provide certain satellite services, as granted in IB File No. ITC-214-19950630-00042 (Old File No. ITC-95-404), (ii) resell the switched message telephone service of existing carriers to provide international switched voice service between the United States and various overseas points, as granted in ITC-214-19950515-00043 (Old File No. ITC-95-402) and (iii) resell international private lines interconnected to the public switched network at one or both ends to provide international switched services between the United States and Canada and the United



States and the United Kingdom, as granted in ITC-214-19980422-00005 (Old File No. ITC-88-120. BTI's FRN is 0003744935.

IFN holds an international Section 214 authorization granted in FCC File No. ITC-214-19930727-00132 (Old File No. ITC-93-27). IFN's FRN is 0004329363.

New Edge holds an international Section 214 authorization granted in FCC File No. ITC-214-200020514-00229. New Edge's FRN is 0003720471.

**63.18(h): (Answer to Questions 11 & 12) Ten Percent or Greater Interest Holders in DeltaCom, Inc.**

Pursuant to the Commission ownership attribution rules for wireline and international telecommunications carriers, DeltaCom asserts the following: DeltaCom is a wholly-owned subsidiary of IFN, which is a wholly-owned subsidiary of ITC. ITC is, in turn, a wholly-owned subsidiary of EarthLink, the ultimate parent company. As a publicly held corporation, the percentage of EarthLink's shares held by an entity at any given time may fluctuate. To the best of EarthLink's knowledge, no other person or entity directly or indirectly owns or controls a ten percent (10%) or more interest in EarthLink. To the best of EarthLink's knowledge and based upon information available at this time, as a result of this transaction no person or entity will directly or indirectly hold a ten percent (10%) or greater equity interest in EarthLink.

The name, address, citizenship, and principal business of each person that directly or indirectly owns at least ten percent (10%) or greater equity interest in DeltaCom is as follows:

<b>Name and Address</b>	<b>Percent Ownership</b>	<b>Primary Business</b>	<b>Citizenship</b>
Interstate FiberNet, Inc. 7037 Old Madison Pike Huntsville, AL 35806	100% (directly in DeltaCom)	Provider of wholesale fiber optic transmission	U.S.
ITC^DeltaCom, Inc. 7037 Old Madison Pike Huntsville, AL 35806	100% (indirectly in DeltaCom as 100% owner of IFN)	Provider of voice and data services (through its operating subsidiaries)	U.S.
EarthLink, Inc. 1375 Peachtree Street Atlanta, Georgia 30309	100% (indirectly in DeltaCom as a 100% owner of ITC)	Provider of voice and data services (directly or through its operating subsidiaries)	U. S.

The ownership interests provided above represent both equity and voting interests. No other person or entity owns a ten percent (10%) or greater direct or indirect ownership in DeltaCom. No officer or director of DeltaCom is also an officer or director of any foreign carrier and DeltaCom has no interlocking directorates with a foreign carrier.

**63.18(i): (Answer to Question 14) Foreign Carrier Affiliation**

DeltaCom certifies that it is not nor is it affiliated with any foreign carrier, nor will it become affiliated with any foreign carrier as a result of this transaction.

**63.18(j): (Answer to Question 15) Foreign Carrier and Destination Countries**

DeltaCom certifies that it does not seek to provide international telecommunications service to any destination where: (1) DeltaCom is a foreign carrier in that country; (2) DeltaCom controls a foreign carrier in that country; (3) any entity that owns more than a 25% interest in DeltaCom or controls DeltaCom, controls a foreign carrier in that country; or (4) two or more parties own, in the aggregate, more than 25% of DeltaCom and are parties to, or the beneficiaries of, a contractual relationship that

affects the provision or marketing of international basic telecommunications services in the United States.

**63.18(k): Showing of WTO Membership for Destination Countries**

Not applicable; DeltaCom is not affiliated with or otherwise related to any foreign carrier.

**63.18(l), (m): Showing of Non-Dominance/Regulatory Classifications**

Not applicable; DeltaCom is not affiliated with or otherwise related to any foreign carrier.

**63.18(n): Concessions**

DeltaCom certifies that it has not agreed and will not agree in the future to accept any direct or indirect special concessions, as defined by Section 63.14(b) of the Commission's Rules, from a foreign carrier or administration with regards to traffic or revenue flows between the United States and any foreign countries the company is authorized to serve.

**63.18(o): Federal Benefits**

DeltaCom certifies pursuant to Sections 1.2001 through 1.2003 that no party to the Application is subject to a denial of Federal Benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. *See* 21 U.S.C. § 853a.

**63.18(p): (Answer to Question 20) Streamlined Processing**

This Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.12 of the Commission's Rules because the information provided herein demonstrates that: (1) DeltaCom is not affiliated with a foreign carrier on any route for which authority is sought; (2) DeltaCom is not affiliated

with any dominant U.S. carrier whose international switched or private lines services it seeks to resell; and (3) DeltaCom is not requesting authority to provide switched service over private lines to countries not previously authorized for service by the Commission.

## **VI. INFORMATION REQUIRED BY SECTION 63.04 OF THE COMMISSION'S RULES**

Pursuant to Section 63.04(b) of the Commission's Rules, 47 C.F.R. § 63.04(b), the Applicants submit the following information in lieu of an attachment in support of their request for domestic Section 214 authority in order to address the requirements set forth in Section 63.04(a)(6)-(12) of the Commission's Rules:

### **63.04(a)(6): Description of the Transaction**

The proposed transaction is described in **Section III** of the Application.

### **63.04(a)(7): Description of Geographic Service Areas**

Saturn provides competitive local exchange and interexchange services pursuant to certification, registration and/or tariff requirements, or on a deregulated basis in Florida and Georgia and intrastate interexchange services pursuant to certification, registration and/or tariff requirements, or on a deregulated basis in California, Massachusetts, New Jersey, North Carolina, Ohio, and Texas. Saturn provides interstate long distance services throughout the United States pursuant to blanket domestic 214 authorizations pursuant to Section 63.01 of the Commission's rules, 47 C.F.R. § 63.01.

STS provides competitive local exchange and interexchange services pursuant to certification, registration or tariff requirements, or on a deregulated basis in Florida. STS provides interstate long distance services throughout the United States pursuant to blanket domestic 214 authorizations pursuant to Section 63.01 of the Commission's rules, 47 C.F.R. § 63.01.

DeltaCom provides competitive local exchange or exchange access service pursuant to certification, registration or tariff requirements, or on a deregulated basis in: Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee.

IFN is a provider of wholesale fiber optic transmission services. IFN provides such service pursuant to certification, registration or tariff requirements, or on a deregulated basis in the following states: Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, New York, South Carolina, and Texas.

BTI provides competitive local exchange or exchange access service pursuant to certification, registration or tariff requirements, or on a deregulated basis in: Alabama, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, New Jersey, New York, Pennsylvania, South Carolina, Tennessee, Texas, and West Virginia. Business Telecom of Virginia, Inc. provides competitive local exchange or exchange access service in Virginia.

New Edge provides competitive local exchange or exchange access service pursuant to certification, registration or tariff requirements, or on a deregulated basis in all states except Hawaii, Idaho and the District of Columbia. New Edge Networks of Virginia, Inc. provides competitive local exchange or exchange access service in Virginia.

**63.04(a)(8): Eligibility for Streamlined Processing**

Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.03 of the Commission's Rules, 47 C.F.R. §63.03. In particular, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following consummation of the transaction: (1) Transferee (and its affiliates, as defined by Section 3(1) of the Act) will have a market share in the interstate, interexchange market of less than ten percent (10%); (2) the Transferee (and its affiliates) will provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction; and (3) none of the Applicants (or their affiliates) are dominant with respect to any service.

**63.04(a)(9): Other Related FCC Applications**

By this Application, Applicants seek authority with respect to both international and domestic Section 214 authorizations (this Application is being separately and concurrently filed with respect to both types of authorities in compliance with Section

63.04(b) of the Commission's Rule, 47 C.F.R. § 63.04(b)). No other applications are being filed with the Commission with respect to this transaction.

**63.04(a)(10): Statement of Imminent Business Failure**

Prompt completion of the proposed transaction is critical to ensure that Applicants can obtain the benefits described in the foregoing Application. Accordingly, Applicants respectfully request that the Commission approve this Application expeditiously in order to allow Applicants to consummate the proposed transaction as soon as possible. No party, however, is requesting special consideration because it is facing imminent business failure.

**63.04(a)(11): Separately Filed Waiver Requests**

None.

**63.04(a)(12): Public Interest Statement**

The public interest statement is provided in **Section IV** of the Application.

## VII. CONCLUSION

For the reasons stated above, the grant of this Application is consistent with the public interest and Applicants respectfully request that the Commission grant this Application as expeditiously as possible through its streamlined procedures.

Respectfully submitted,



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*Consultant to Saturn Telecommunication  
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*Counsel for DeltaCom, Inc.*

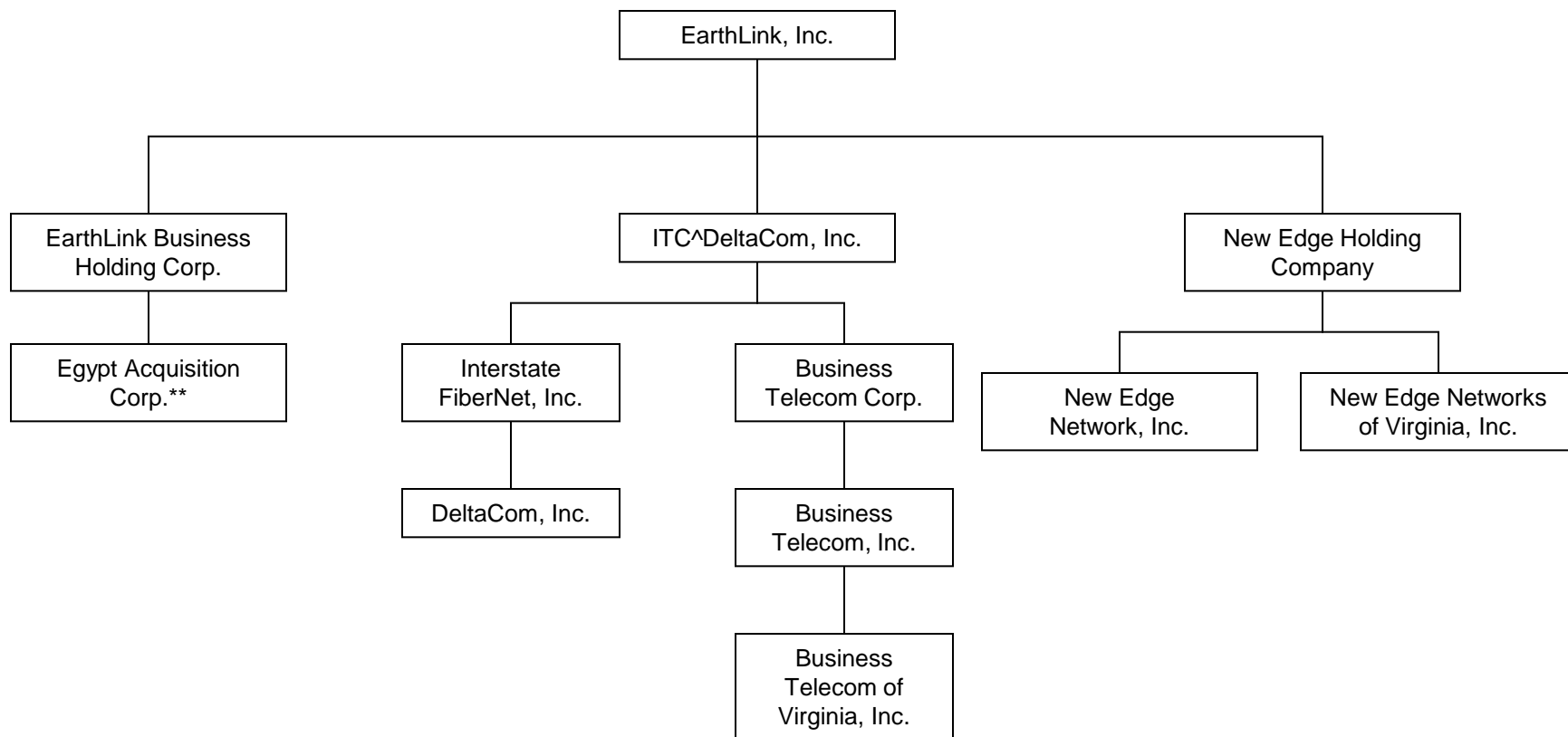
Dated: January 13, 2011

**EXHIBIT A**

**Pre- and Post-Transaction Corporate Structure Charts**

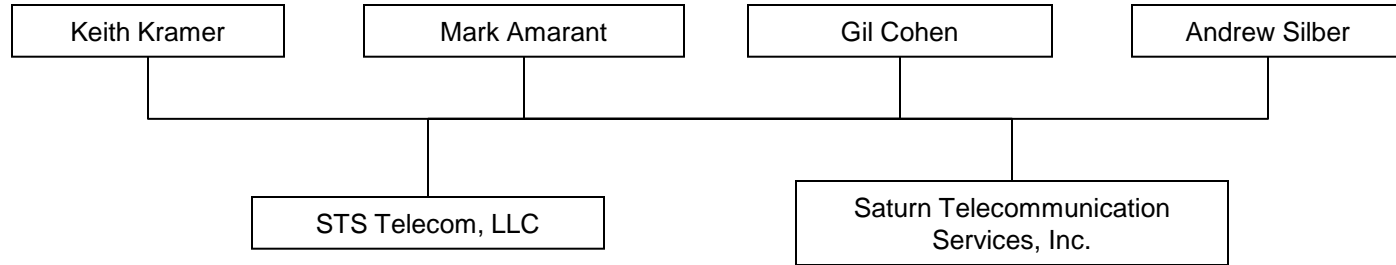


## Pre-Transaction Corporate Ownership of the Regulated Subsidiaries of EarthLink, Inc.

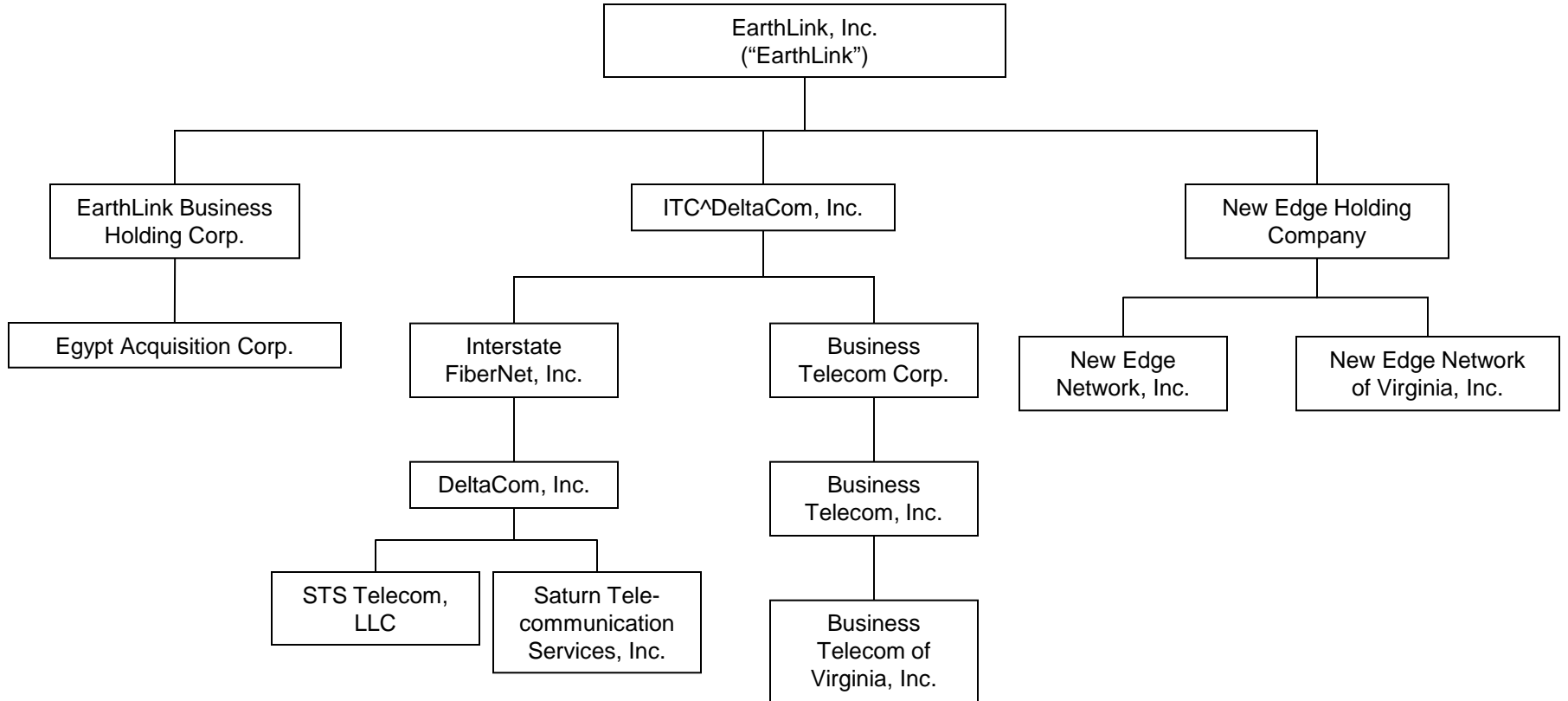


\*\* Egypt Acquisition Corp. relates to the proposed transfer of control of One Communications Corp. to EarthLink (WC Dkt. 11-1). The pending One Communications Corp. and EarthLink application (filed Dec. 21, 2010) contains the detailed pre- and post- transaction corporate ownership structure of the regulated subsidiaries of One Communications Corp.

**Pre-Transaction Corporate Ownership of STS Telecom, LLC  
and Saturn Telecommunications Services, Inc.**



**Post-STS Ownership of the Regulated Subsidiaries of EarthLink**



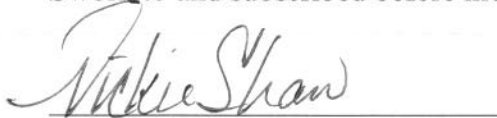
**VERIFICATION**

I, D. Anthony Mastando, hereby declare under penalty of perjury, that I am Vice President, Regulatory Affairs and Senior Regulator Counsel of DeltaCom, Inc.; that I am authorized to make this verification on its behalf; that I have read the foregoing Application; and that the facts stated therein are true and correct to the best of my knowledge, information and belief.



D. Anthony Mastando  
DeltaCom, Inc.

Sworn to and subscribed before me this 13<sup>th</sup> day of January, 2011.



Notary Public

My Commission expires:

12-4-13

VICKIE SHAW  
NOTARY PUBLIC  
STATE OF ALABAMA  
MY COMMISSION EXPIRES: 12/04/13

**VERIFICATION**

I, Mark Amarant, hereby declare under penalty of perjury, that I am President of each of Saturn Telecommunication Services, Inc. ("Saturn") and STS Telecom, LLC ("STS"); that I am authorized to make this verification on behalf of Saturn and STS; that I have read the foregoing Application; and that the facts stated therein are true and correct to the best of my knowledge, information and belief.



Mark Amarant, President  
Saturn Telecommunication Services, Inc.  
STS Telecom, LLC

Sworn to and subscribed before me this 11<sup>th</sup> day of January, 2011.



Notary Public



My Commission expires:

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