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October 9, 2013

## Via E-Filing

Patricia Van Gerpen, Executive Director  
South Dakota Public Utilities Commission  
Capital Building, 1st Floor  
500 East Capital Avenue  
Pierre, South Dakota 57501-5070

**Re: Notification of Business Telecom, Inc., CTC Communications Corp.,  
DeltaCom, LLC and EarthLink Business, LLC Regarding Certain *Pro  
Forma* Intra-Company Changes**

Dear Ms. Van Gerpen:

Business Telecom, Inc. d/b/a EarthLink Business (“BTI”), CTC Communications Corp. d/b/a EarthLink Business (“CTC”), DeltaCom, LLC d/b/a EarthLink Business (“DeltaCom”) and EarthLink Business, LLC (“EarthLink Business”) (collectively, the “Parties”), pursuant to S.D. Codified Laws § 49-31-20, hereby notify the Commission of certain *pro forma* intra-company changes described in more detail below. The Parties are all indirect subsidiaries of EarthLink, Inc. (“EarthLink” and together with its subsidiaries,<sup>1</sup> the “Company”), and the *pro forma* intra-company changes described herein are being undertaken to further eliminate unnecessary intermediate companies in, and realign entities within, the EarthLink corporate structure and to establish a new publicly traded holding company as the ultimate parent in the ownership chain.<sup>2</sup>

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<sup>1</sup> Charts depicting the corporate organizational structure of EarthLink and its subsidiaries before and after these *pro forma* intra-company changes are appended hereto as Exhibits A and B.

<sup>2</sup> The *pro forma* intra-company changes that are the subject of this Notification are part of a series of *pro forma* intra-company changes to simplify EarthLink’s corporate structure and realign EarthLink’s operating units. The initial *pro forma* intra-company changes were completed in 2012 and 2013. See Letter from Jean L. Kiddoo and Brett P. Ferenchak, Counsel for CTC Communications Corp., et al., to Patricia Van Gerpen, Executive Director, South Dakota Public Utilities Commission (Nov. 12, 2012). Most of the *pro forma* intra-company changes that are the subject of this Notification are expected to be completed by the end of the fourth quarter of 2013. Certain additional *pro forma* intra-company changes are being contemplated to further streamline and consolidate the EarthLink entities to the extent that complex technical interconnection and other operational changes can be resolved. In addition, subject to making the requisite corporate registration submissions, BTI may also convert from a North Carolina corporation to a North Carolina limited liability

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Washington

Bingham McCutchen LLP  
2020 K Street NW  
Washington, DC  
20006-1806

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F +1.202.373.6001  
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In support, the Parties provide the following information:

### **Description of the Parties**

EarthLink is a publicly traded Delaware corporation (NASDAQ: ELNK) with a principal business office at 1375 Peachtree Street, Atlanta, Georgia 30309. The Company is a provider of Internet Protocol (IP) and telecommunications infrastructure and services and IT services to other telecommunications carriers, businesses, enterprise organizations and individual customers across the United States. In South Dakota, EarthLink has four subsidiaries (collectively, the “SD Certificated Entities”) that are authorized to provide telecommunications services:

BTI, a North Carolina corporation;<sup>3</sup>

CTC, a Massachusetts corporation;<sup>4</sup>

DeltaCom, an Alabama limited liability company;<sup>5</sup> and

EarthLink Business, a Delaware limited liability company.<sup>6</sup>

An organization chart depicting the corporate organizational structure of the SD Certificated Entities and their direct and indirect parent companies (but not affiliates) before and after the *pro forma* intra-company changes is appended hereto as Exhibit C.

Additional information regarding EarthLink, including its most recent SEC Forms 10-K and 10-Q, as filed with the Securities and Exchange Commission, is available at <http://www.earthlink.net/about/investor/>.

### **Contacts**

Questions or any correspondence, orders, or other materials pertaining to this filing should be directed to the following:

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company. To the extent required, the Parties, and/or affiliates of the Parties, will submit subsequent filing regarding those future *pro forma* intra-corporate changes.

<sup>3</sup> BTI is authorized to provide long distance services pursuant to its registration approved in Docket No. TC95-108. As stated in note 2 above, BTI may convert from a corporation to a limited liability company. Upon completion of such, BTI will make the necessary regulatory filings to effectuate that change.

<sup>4</sup> CTC is authorized to provide long distance services pursuant to its registration issued in Docket No. TC98-198.

<sup>5</sup> DeltaCom is authorized to provide long distance services pursuant to its registration issued in Docket No. TC95-108.

<sup>6</sup> EarthLink Business is authorized to provide local exchange and long distance services pursuant to its registration issued in Docket No. TC99-100.

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For the Parties:

Jean L. Kiddoo  
Brett P. Ferenchak  
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jean.kiddoo@bingham.com  
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With copies to:

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**Description of the *Pro Forma* Intra-Company Changes**

EarthLink has determined that its business would be more efficient from a management, operations, regulatory, accounting, financial and customer perspective by further realigning and reducing its subsidiaries and establishing a holding company with no operations as the publicly traded parent company for the Company. The *pro forma* intra-company changes described below that are the subject of this Notification are part of these streamlining efforts.

The Parties hereby notify the Commission of the various intra-company changes that will result in (1) BTI and DeltaCom becoming direct subsidiaries of EarthLink Business;<sup>7</sup> (2) establishing EarthLink Holdings, Inc. (“EarthLink Holdings”) as the new publicly traded holding company between EarthLink and its current shareholders and converting EarthLink to a Delaware limited liability company;<sup>8</sup> and (3) subsequent to completing steps (1) and (2) above, EarthLink possibly contributing its membership interests in EarthLink Business Holdings, LLC to EarthLink Holdings which would remove the

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<sup>7</sup> These intra-company changes will result from (1) BTI Telecom Corporation merging with and into EarthLink Business, whereupon the separate existence of BTI Telecom Corporation will cease and EarthLink Business will be the surviving entity and direct parent company of BTI and (2) ITC^DeltaCom, Inc. merging with and into EarthLink Business, whereupon the separate existence of ITC^DeltaCom, Inc. will cease and EarthLink Business will be the surviving entity and direct parent company of DeltaCom.

<sup>8</sup> This intra-company change will likely occur in three steps: (1) EarthLink will form a wholly owned subsidiary, EarthLink Holdings, which will be a Delaware corporation; (2) EarthLink Holdings will form a wholly owned subsidiary, “MergerCo”, which will be a Delaware limited liability company; and (3) MergerCo will merge with and into EarthLink, with EarthLink as the surviving corporation and a wholly owned subsidiary of EarthLink Holdings. In addition, EarthLink, which does not itself have any regulated telecommunications operations, will convert from a Delaware corporation to a Delaware limited liability company. At the time of the *pro forma* transaction, the existing publicly traded shares of EarthLink will be converted into shares of EarthLink Holdings stock on a one-for-one basis. The existing shareholders of EarthLink will thereby become the shareholders of EarthLink Holdings in the same amounts and percentages as they held in EarthLink prior to the intra-company mergers.

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EarthLink entity as an intermediate holding company in the chain of ownership between the SD Certificated Entities and their ultimate parent EarthLink Holdings.<sup>9</sup> Corporate organization charts depicting the organizational structure of EarthLink and its subsidiaries before and after these *pro forma* intra-company changes are appended hereto as Exhibits A and B hereto. For the Commission's reference, Exhibit C depicts the corporate organization of the SD Certificated Entities and their direct and indirect parent companies before and after the *pro forma* transactions described above. The intra-company changes described herein will not result in any change in the SD Certificated Entities' management or day-to-day operations or adversely affect the SD Certificated Entities' current or proposed operations.

**Public Interest Considerations**

The Parties submit that the *pro forma* intra-company changes described herein are in the public interest. The *pro forma* changes will further simplify and realign EarthLink's existing corporate structure thereby reducing its reporting and accounting burdens and providing other efficiencies, enabling EarthLink and its subsidiaries to become stronger competitors to the ultimate benefit of consumers. The *pro forma* changes may also provide the Company with greater flexibility for future equity, debt and other transactions. The *pro forma* changes will be transparent to customers and will not result in any change in their services, and the rates, terms and conditions of their services will not change as a result of the purely intra-company changes.

\* \* \* \*

Please acknowledge receipt and acceptance of this filing. Please do not hesitate to contact us if you have any questions.

Respectfully submitted,



Jean L. Kiddoo  
Brett P. Ferenchak  
Counsel for the Parties

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<sup>9</sup> This *pro forma* intermediate holding company change may occur in 2014 following completion of certain corporate documentation and other prerequisites.

**LIST OF EXHIBITS**

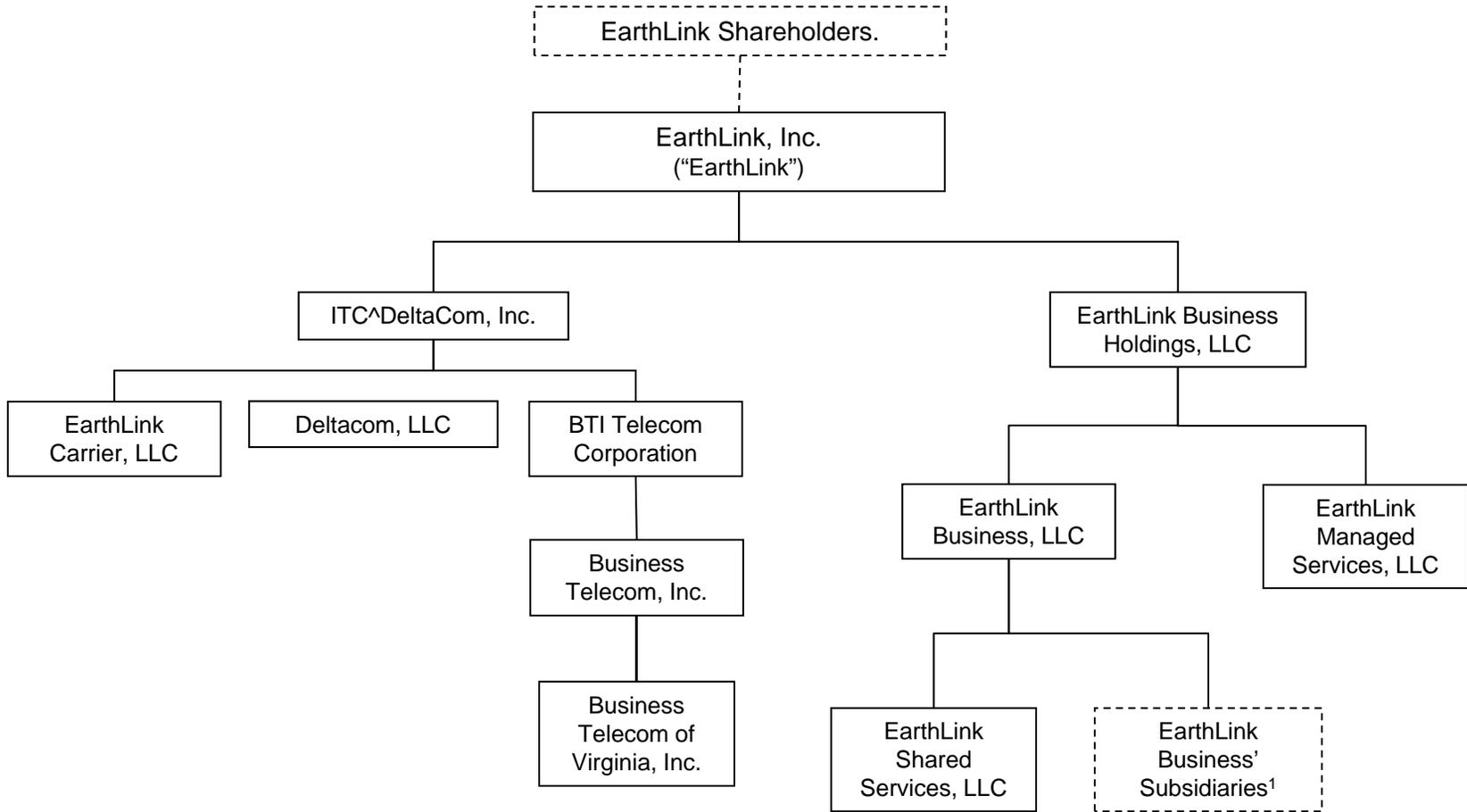
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|-----------|--|
| Exhibit A | Current Corporate Organization of EarthLink  |
| Exhibit B | Proposed Corporate Organization of EarthLink   |
| Exhibit C | Corporate Organization of the SD Certificated Entities Before and After the <i>Pro Forma</i> Intra-Company Changes |

**EXHIBIT A**

**Current Corporate Organization of EarthLink**

# EXHIBIT A

## Current Corporate Organization of EarthLink

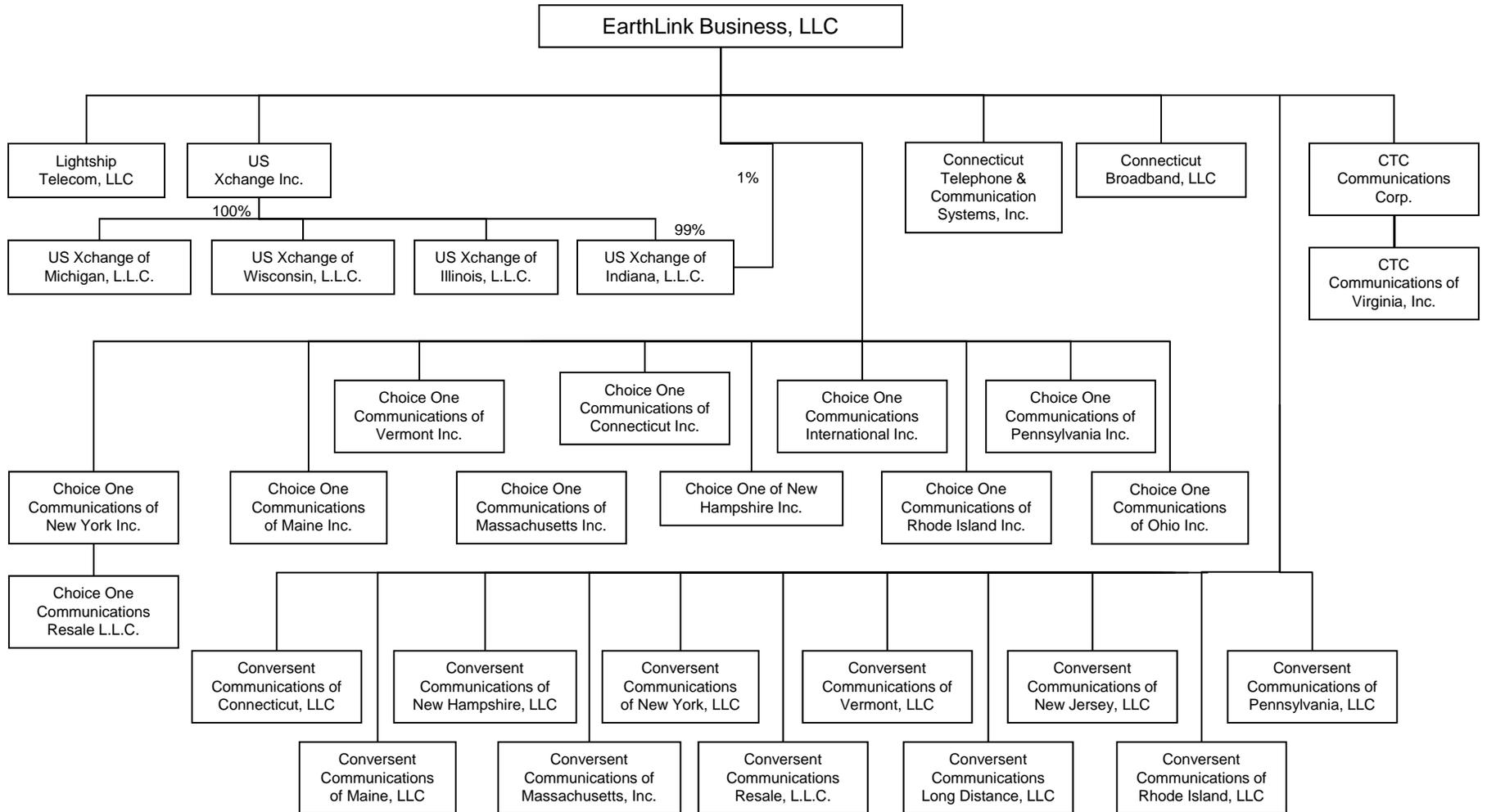


<sup>1</sup> See the chart labeled "Current Corporate Organization of EarthLink Business' Subsidiaries".

Unless otherwise indicated all ownership percentages are 100%.

# EXHIBIT A

## Current Corporate Organization of EarthLink Business' Subsidiaries



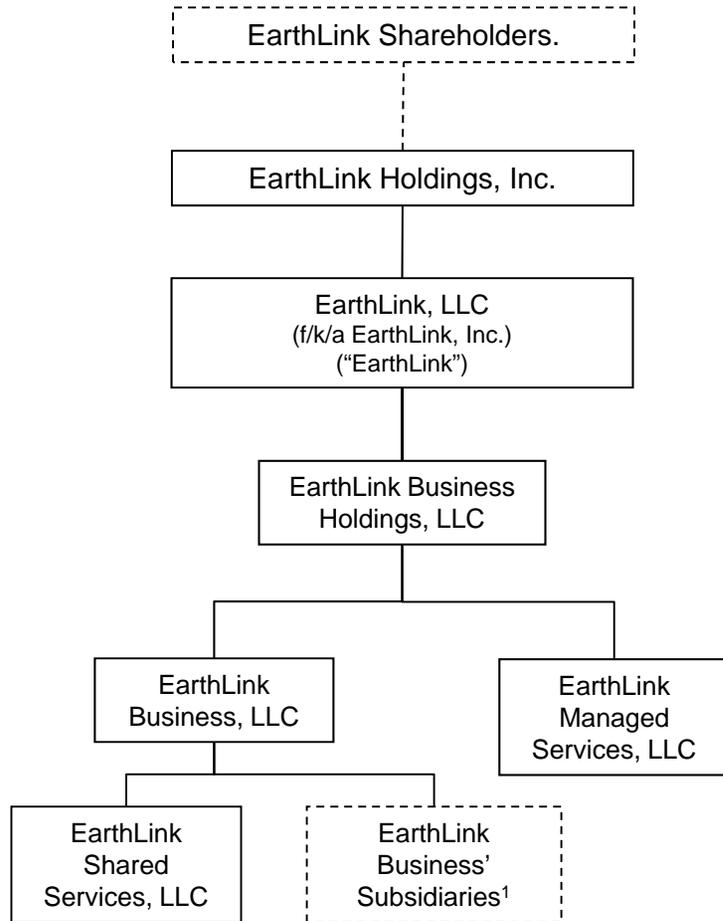
Unless otherwise indicated all ownership percentages are 100%.

**EXHIBIT B**

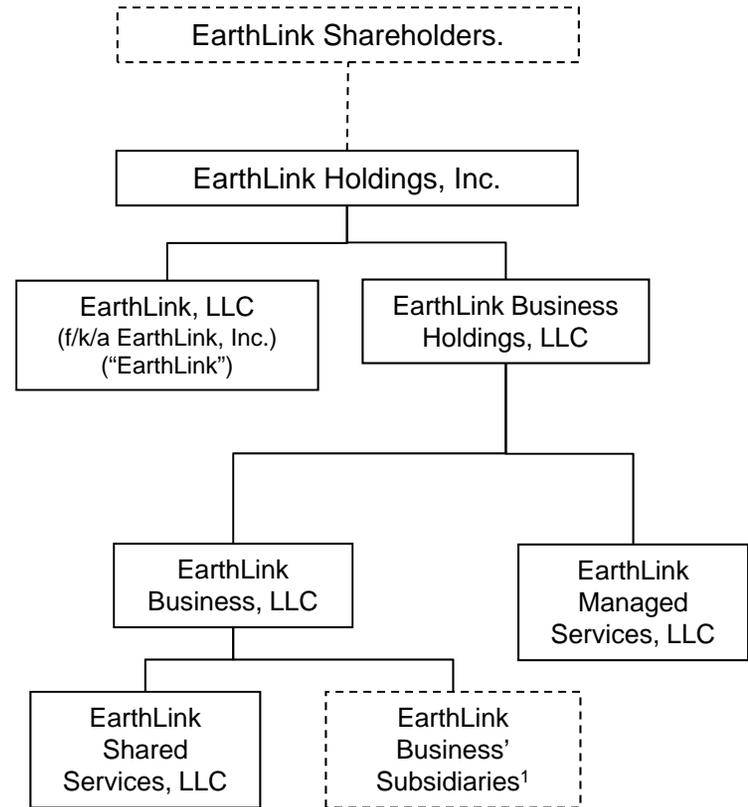
**Proposed Corporate Organization of EarthLink**

EXHIBIT B

Proposed Corporate Organization of EarthLink



- OR -

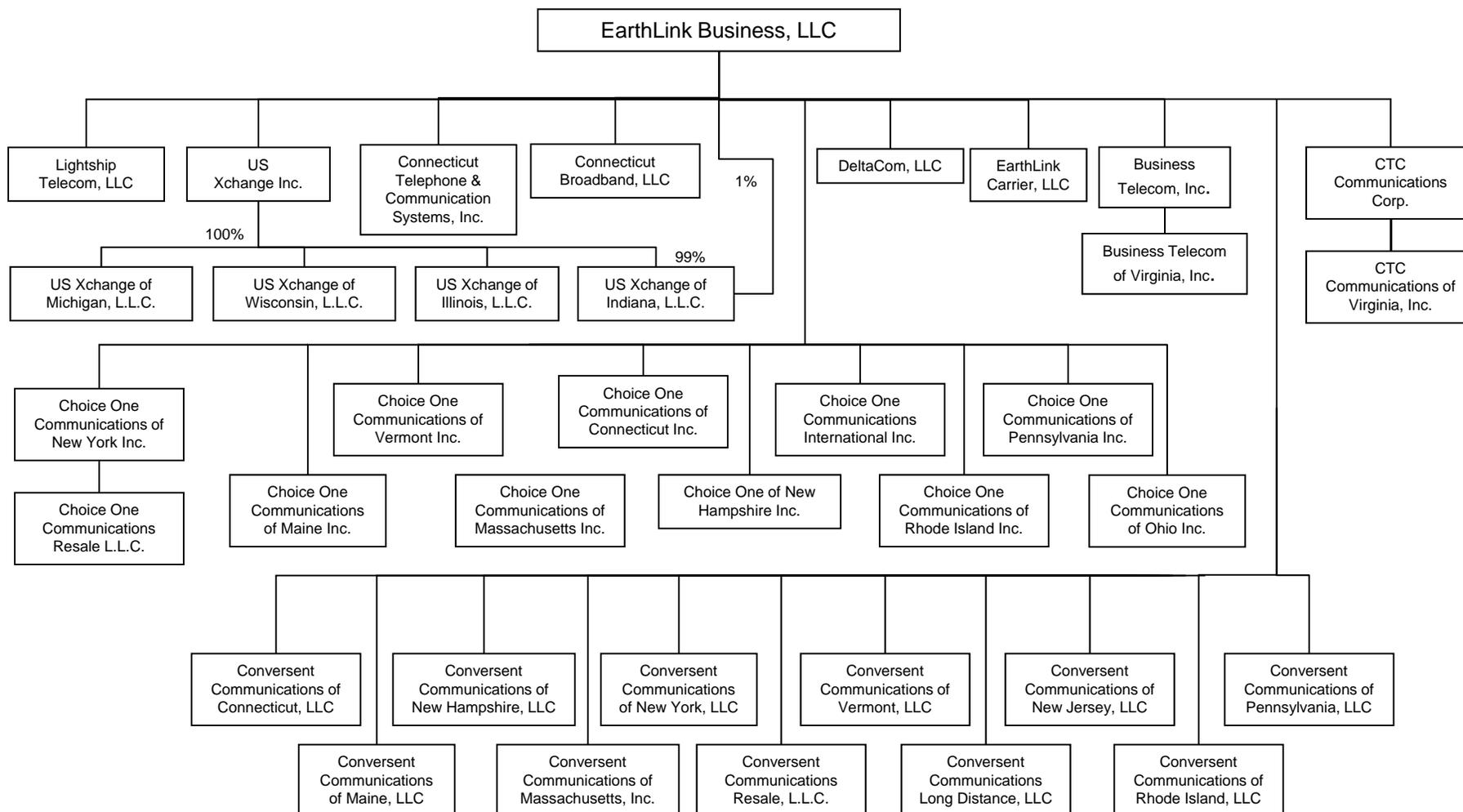


Unless otherwise indicated all ownership percentages are 100%.

<sup>1</sup> See the chart labeled "Current Corporate Organization of EarthLink Business' Subsidiaries".

## EXHIBIT B

### Proposed Corporate Organization of EarthLink Business' Subsidiaries



Unless otherwise indicated all ownership percentages are 100%.

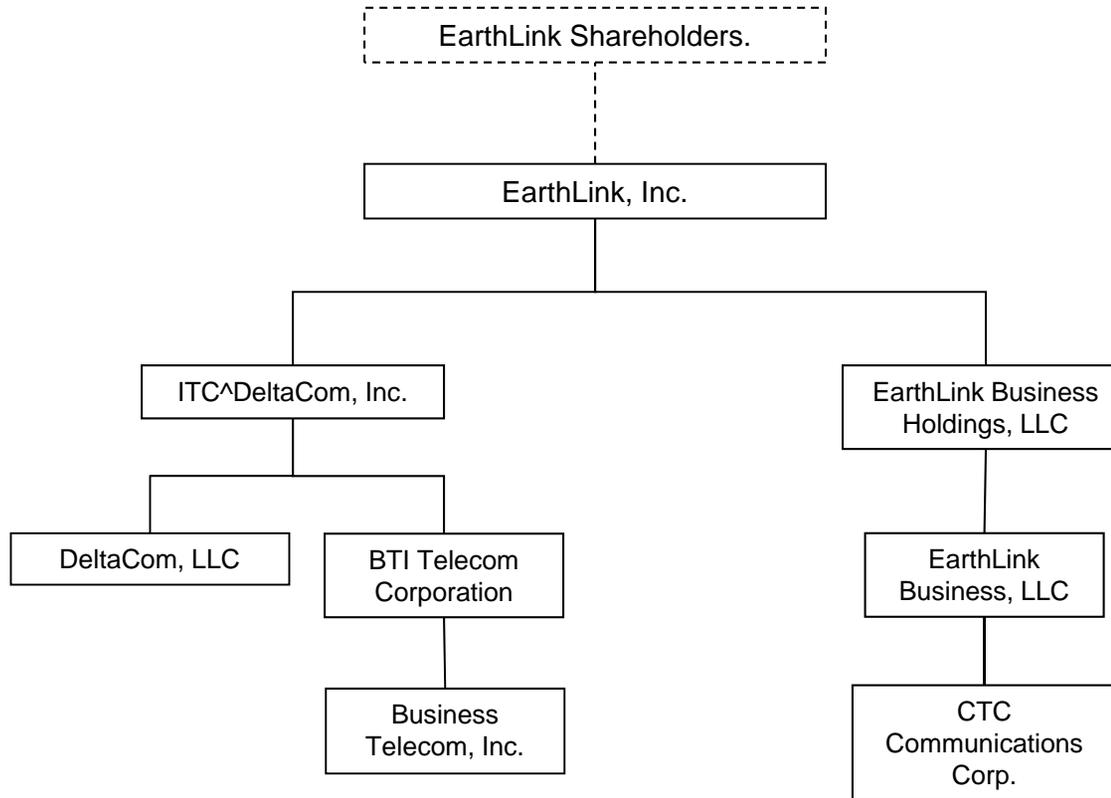
**EXHIBIT C**

**Corporate Organization of the SD Certificated Entities Before and  
After the *Pro Forma* Intra-Company Changes**

## EXHIBIT C

### Current Corporate Organization of the SD Certificated Entities

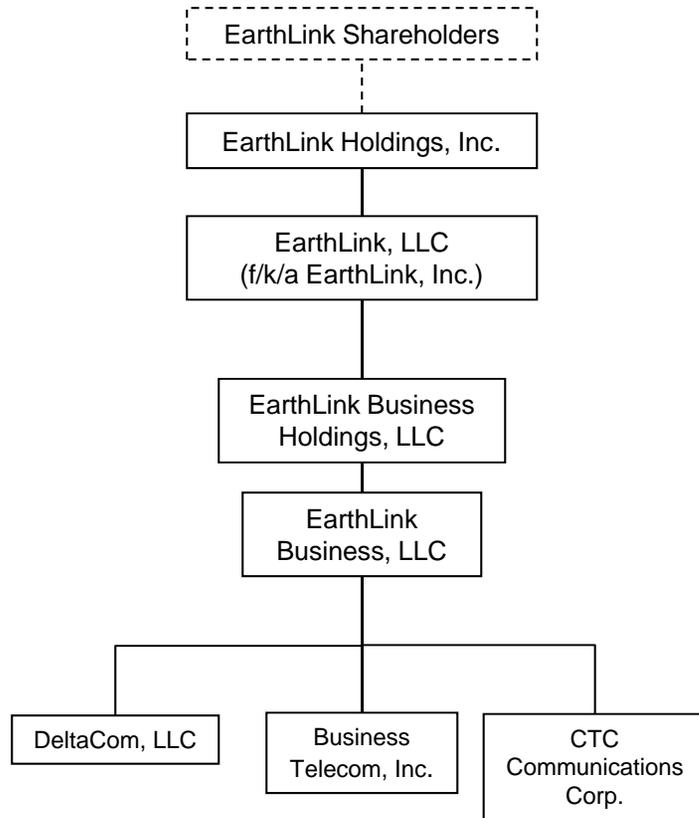
\* The entities listed herein only include the SD Certificated Entities and their parent companies.



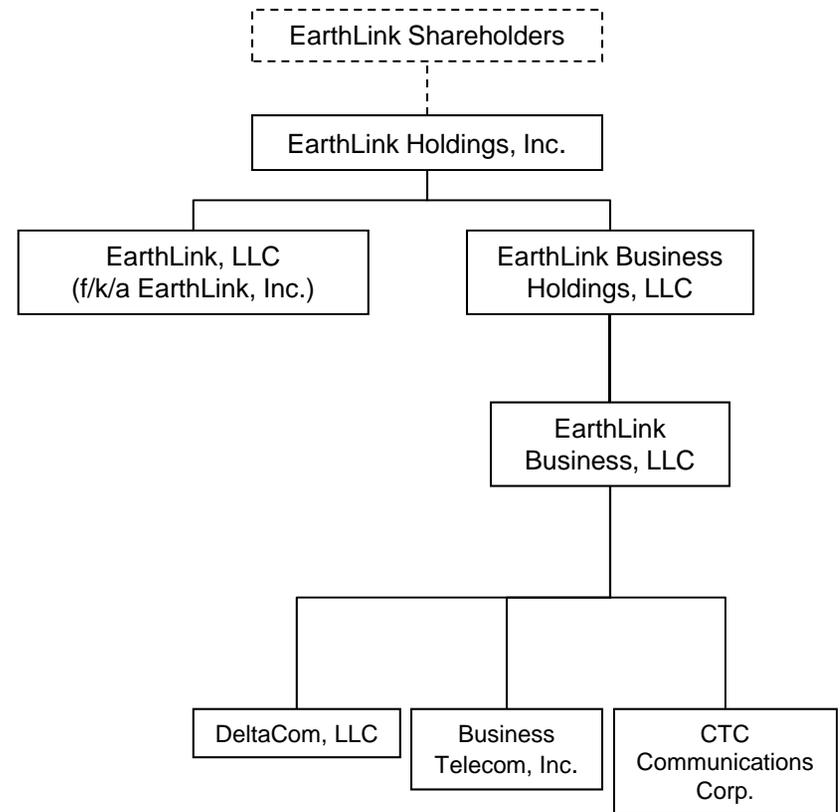
# EXHIBIT C

## Proposed Corporate Organization of the SD Certificated Entities

\* The entities listed herein only include the SD Certificated Entities and their parent companies.



- OR -



## **VERIFICATION**

**VERIFICATION**

STATE OF GEORGIA

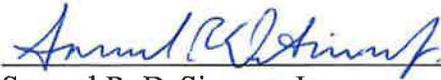
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COUNTY OF FULTON

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I, Samuel R. DeSimone, Jr., state that I am Executive Vice President, General Counsel and Secretary of EarthLink, Inc. and its subsidiaries in the foregoing filing (collectively, the “Company”); that I am authorized to make this Verification on behalf of the Company; that the foregoing filing was prepared under my direction and supervision; and that matters set forth in the filing are true and correct to the best of my knowledge, information, and belief.



Samuel R. DeSimone, Jr.  
Executive Vice President, General Counsel and  
Secretary  
EarthLink, Inc.

SWORN TO AND SUBSCRIBED before me on the 30<sup>th</sup> day of September, 2013.



Notary Public

My commission expires: 11/5/16

