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Counsel for DSLnet Communications,
LLC and DIECA Communications, Inc.

**BEFORE THE
PUBLIC SERVICE COMMISSION OF UTAH**

Joint Application of

***DSLnet Communications, LLC,
and
DIECA Communications, Inc.***

*For Authority to Complete Certain Pro Forma
Intra-Corporate Transactions*

JOINT APPLICATION

Docket No. _____

JOINT APPLICATION

DSLnet Communications, LLC (“DSLnet”) and DIECA Communications, Inc. d/b/a Covad Communications Company (“DIECA” and together with DSLnet, the “Applicants”), pursuant to Utah Code Ann. § 54-4-28 and the rules of the Public Service Commission of Utah (“Commission”), respectfully request authority from the (“Commission”), to the extent required, for DSLnet to merge into DIECA. In the same transaction the Applicants unregulated affiliates MegaPath, Inc. (“MegaPath”), Covad Communications Company (“CCC”) and DSLnet Communications VA, Inc. (“DSLnet-VA”),¹ (DIECA, DSLnet, DSLnet-VA, CCC and MegaPath, collectively, the “MegaPath Group”) will also be merged into DIECA with DIECA

¹ CCC and DSLnet-VA hold authorizations to provide telecommunications services in other jurisdictions, but do not hold such authorizations in Utah. MegaPath does not provided regulated telecommunications services in any jurisdiction.

surviving (the “Transactions”).² The Transactions are being undertaken merely as an internal *pro forma* reorganization of the companies into DIECA in order to streamline operations under a single “MegaPath” branded company combining the individual operations of the various affiliated entities.³ As a result of the Transfer, DSLnet’s, DSLnet-VA’s, MegaPath’s, and CCC’s customers and the assets to support the provision of services to those customers will be transferred to DIECA, which will become the service provider for those customers. As described below, because the rates, terms or conditions of the services being received by customers will not change as a result of the assignment, the proposed Transactions will be virtually transparent to customers of DSLnet in terms of the services that those customers receive. Since DIECA already holds a certificate of public convenience and necessity (“Certificate”), the Certificate of DSLnet is not being transferred to DIECA and, therefore, DSLnet requests that its Certificate and tariffs be cancelled upon notification by Applicants that the Transactions were completed.⁴

The Applicants request that the Commission act expeditiously to grant the authority requested herein as soon as possible, so that the Applicants can timely consummate the proposed Transactions to meet important business objectives.

In support of this filing, Applicants provide the following information:

² While the Applicants currently expect the transactions described herein to be accomplished through *pro forma* corporate mergers, given the tax and operational consequences of the proposed Transfer transactions, the Applicants may alternatively elect to accomplish the transactions through a sale of assets rather than through mergers, or through a combination of both. As such, the Applicants request authority, to the extent necessary, to undertake the Transfer through either manner.

³ DIECA expects to undertake a name change to effectuate the “MegaPath” brand name. A separate filing with the Commission will be made with respect to that name change.

⁴ The Parties intend for the Transactions to be completed in the fourth quarter 2011 with an effective date of December 31, 2011 (“Effective Date”), which is the rationale for requesting that the DSLnet certificate not be relinquished until the Parties have notified the Commission after the Transactions are completed. The Parties believe that use of an Effective Date will minimize customer confusion and enable consistent messaging to customers about this *pro forma* event.

I. DESCRIPTION OF THE APPLICANTS

A. MegaPath, Inc. and DSLnet Communications, LLC

MegaPath Inc. is a Delaware corporation, and is the parent company of DSLnet Communications, LLC. MegaPath Inc. is a wholly-owned subsidiary of CCGI Holding Corporation. MegaPath is a provider of a variety of managed Internet Protocol (“IP”) services including cable and satellite system broadband Internet access, mobility services such as digital certificates, global remote access, personal firewalls, and remote access virtual private networks (“VPN”), and security services. MegaPath does not currently offer any regulated telecommunications services and therefore does not hold any telecommunications authorizations from the Federal Communications Commission (“FCC”) or any state regulatory authority.

DSLnet Communications, LLC is a Delaware limited liability company. DSLnet provides highspeed Internet access services. DSLnet is authorized to provide intrastate telecommunications services in forty-seven (47) states and the District of Columbia, and DSLnet’s affiliate DSLnet Communications VA, Inc. is authorized to provide intrastate telecommunications services in Virginia. In Utah, DSLnet is authorized to provide competitive local exchange service and interexchange service pursuant to a Certificate issued by the Commission in Docket No. 99-2275-01 on July 14, 1999. DSLnet is also authorized by the FCC to provide international and domestic interstate telecommunications services as a non-dominant carrier.

B. Covad Communications Company and DIECA Communications, Inc.

Covad Communications Group, Inc. (“Covad”) is a Delaware corporation that owns Covad Communications Company (“CCC”), a California corporation, and DIECA Communications, Inc. (“DIECA”), a Virginia corporation. Covad, in turn, is a wholly-owned subsidiary

of CCGI Holding Corporation. Covad is a leading nationwide provider of integrated voice and data communications. Through its operating companies (CCC and DIECA), the company offers DSL, Voice Over IP, T1, Ethernet, Web hosting, managed security, IP and dial-up, wireless broadband, and bundled voice and data services directly through Covad's network and through Internet Service Providers, value-added resellers, telecommunications carriers and affinity groups to small and medium-sized businesses and home users. Covad broadband services are currently available across the nation in 44 states and 235 Metropolitan Statistical Areas ("MSAs") and can be purchased by more than 57 million homes and businesses, which represent over 50 percent of all US homes and businesses.

In Utah, DIECA is authorized to provide local intraexchange and interexchange services in the state. DIECA is also authorized by the FCC to provide international and domestic interstate telecommunications services as a non-dominant carrier. CCC does not currently offer any regulated telecommunications services in Utah and therefore does not hold any telecommunications authorizations from the Commission.

II. CONTACTS

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

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202-373-6001 (Fax)
russell.blau@bingham.com
jeffrey.strenkowski@bingham.com

and:

Katherine K. Mudge
Director, State Affairs & ILEC Relations

MegaPath, Inc.
2111 W. Braker Ln., Suite 100
Austin, Texas 78758
512-794-6197 (Tel)
512-794-6006 (Fax)
katherine.mudge@megapath.com

III. DESCRIPTION OF THE TRANSACTIONS

All of the entities involved in this Application are indirect, wholly-owned subsidiaries of CCGI Holding Corporation, and are already operating under a common management structure. Applicants propose to complete a series of *pro forma* internal restructuring merger transactions through which DIECA will acquire the assets of MegaPath, DSLnet, DSLnet-VA, and CCC, including their respective customer bases and substantially all of their assets used in the provision of telecommunications services.⁵ Upon consummation of the proposed Transactions, DSLnet will surrender its CPCN. For the Commission's convenience, an organizational chart demonstrating the proposed Transactions is attached hereto as Exhibit A. As a result of the proposed Transactions, DIECA will replace DSLnet as the service provider in Utah. Subject to receipt of the required regulatory approvals, the Transactions are expected to close in the fourth quarter this year.

Applicants emphasize that although the proposed Transactions will involve a transfer of customers, immediately following the proposed Transactions, all of those customers will continue to receive service from DIECA under the same rates, terms and conditions as the services currently provided. As a result, the proposed Transactions will be almost seamless and virtually transparent to customers served by MegaPath, CCC, DSLnet and DSLnet-VA in terms of the services that they currently receive. DSLnet does not currently provide intrastate telecommunications services to its Utah customers, but rather provides its jurisdictionally

⁵ As discussed above in note 1, the Applicants request authority, to the extent necessary, to undertake the Transactions through either transfers of assets between parties as discussed herein, mergers of the relevant entities, or both.

interstate services under contract. As such, Applicants do not believe that the Commission's slamming rules are applicable with respect to the Transactions. Nonetheless, the parties have already begun to inform customers of the pending change pursuant to their contractual notification requirements. Moreover, because DIECA is acquiring all of the assets of MegaPath, DSLnet, DSLnet-VA and CCC necessary to provide service to the transferred customers, DIECA will have all of the assets required to continue to provide high-quality services to the customers it acquires.

DIECA is well-qualified to provide service to MegaPath, DSLnet and CCC customers. DIECA currently provides local and long distances telecommunications services in 47 states and the District of Columbia. DIECA's operations will continue to be overseen by the same well-qualified management team with substantial telecommunications experience and technical expertise.

IV. REQUEST TO CANCEL THE CERTIFICATION OF DSLNET

Following the Transactions, DSLnet will no longer exist as a corporate entity. Therefore, Applicants request that, upon notification from Applicants that the Transactions have been completed, the Commission cancel the Certificate of DSLnet.

V. REQUEST FOR EXPEDITED REVIEW

Applicants are seeking to complete the proposed Transaction as expeditiously as possible in order to minimize customer confusion and realize the benefits of the proposed Transaction. Accordingly, Applicants respectfully request that the Commission expedite the processing of this Application and grant the requested authority as soon as possible to permit Applicants to consummate the Transaction in the fourth quarter 2011.

VI. PUBLIC INTEREST CONSIDERATIONS

The proposed Transactions described above will serve the public interest by ensuring that the assigned customers enjoy continuity of high-quality services. In particular, the assignment of MegaPath's, CCC's, DSLnet's and DSLnet-VA's customers, together with the transfer of other assets required to serve those customers, will ensure that the customers continue to receive uninterrupted services. The customers will be served by a carrier with significant technical, managerial and financial resources. The Transactions are intended to streamline the operations of the companies, and thereby create operational efficiencies.

Applicants seek to complete the proposed Transactions as soon as possible. Accordingly, Applicants respectfully request that the Commission process, consider, and approve this Application as expeditiously as possible.

VII. INFORMATION REQUIRED BY R746-394-7

Pursuant to R746-394-7, Applicants provide the following information:

a. identification that it is not an ILEC,

Applicants confirm that none of the Applicants or their affiliates is an ILEC in Utah.

b. identification that it seeks approval of the application pursuant to this rule,

Applicants confirm that they seek approval of the application pursuant to the information adjudication process set forth in this rule.

c. a reasonably detailed description of the transaction for which approval is sought,

A detailed description of the Transaction is provided in Sections III and IV, above.

d. a copy of any filings required by the Federal Communications Commission or any other state utility regulatory agency in connection with the transaction, and

Applicants filed a Combined Domestic and International Section 214 Application with the FCC. A copy of the Combined 214 Application is attached hereto as Exhibit B. In connection with

the Transactions, Applicants also expect to request approval from the utility regulatory agencies (“PUCs”) in the following states in addition to Utah: Arizona, Colorado, Delaware, District of Columbia, Georgia, Hawaii, Minnesota, Mississippi, Nebraska, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, South Carolina, Tennessee, Virginia and West Virginia. DIECA has sought certification and/or registration as an intrastate telecommunications service provider (or to transfer the certificate of its affiliate, Covad Communications Company) in California, Illinois, Massachusetts, New York, Oregon, Texas and Washington. Due to the voluminous nature of these state filings, most of which contain the same basic information, Applicants have only attached as Exhibit C a copy of the Minnesota filing requesting approval. Applicants are also providing notice to the PUCs in the following jurisdictions: Alabama, Arkansas, Connecticut, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Missouri, Montana, Nevada, New Hampshire, New Mexico, North Dakota, Pennsylvania, Rhode Island, South Dakota, Vermont, Wisconsin, and Wyoming. Due to the voluminous and repetitive nature of the notices to be sent to these PUCs, Applicants have not included copies of the notice filings. Applicants will provide any additional filings at the request of the Commission.

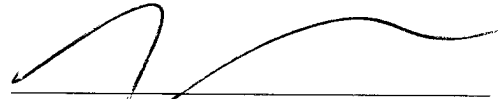
- e. copies of any notices, correspondence or orders from any federal agency or any other state utility regulatory agency reviewing the transaction which is the subject of the application.**

Applicants have not yet received any substantive notices, correspondence or orders from any federal agency or PUC reviewing the Transaction. To the extent requested by the Commission, Applicants will forward any orders or similar actions approving or denying approval of the Transaction.

VIII. CONCLUSION

WHEREFORE, for the reasons set forth above, Applicants request the Commission grant all authority necessary for the Applicants to undertake the Transaction as described herein.

Respectfully submitted,



Russell M. Blau
Jeffrey R. Strenkowski ✓
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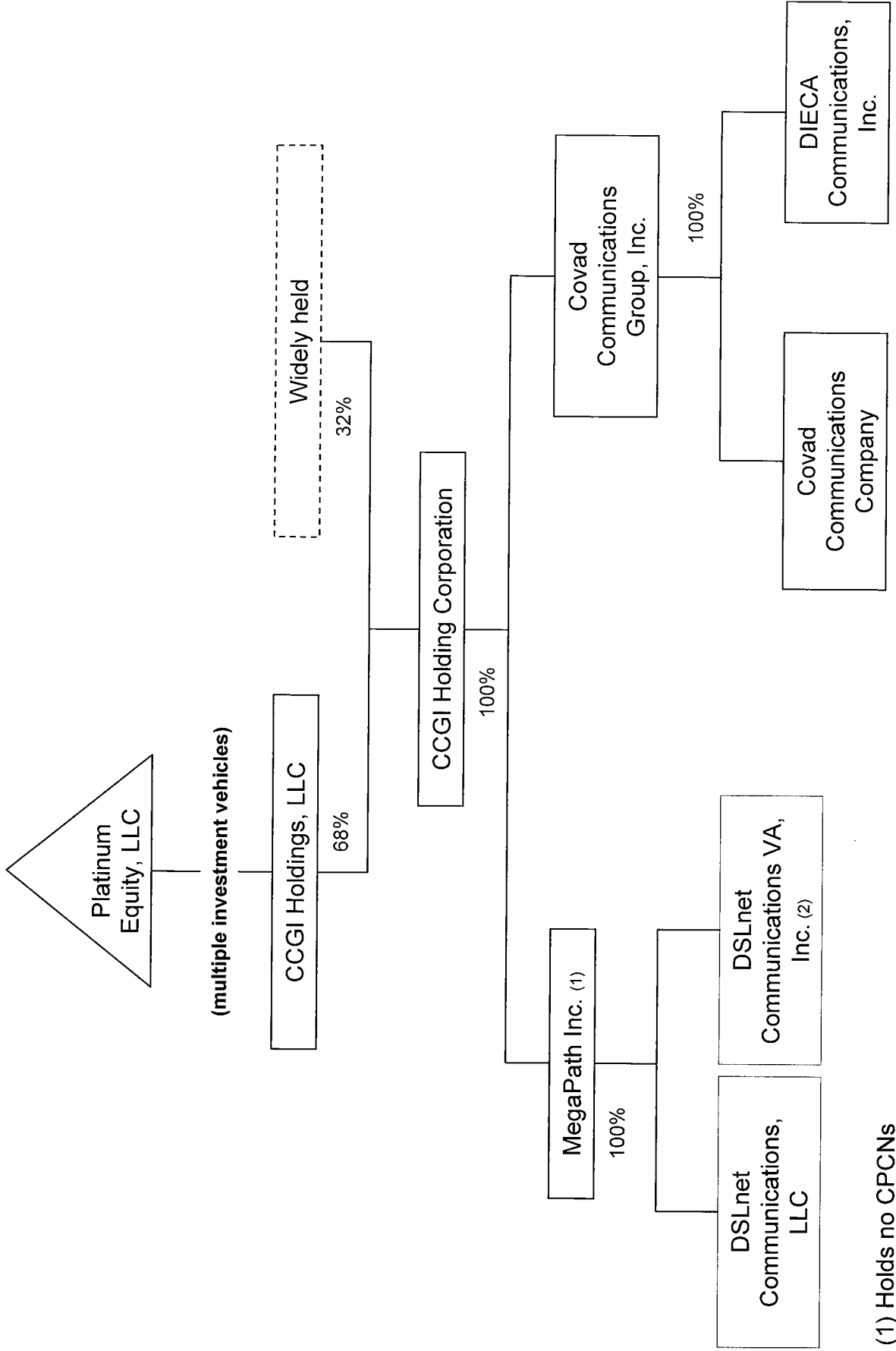
Counsel for Applicants

Dated: September 21, 2011

EXHIBIT A

Organizational Chart

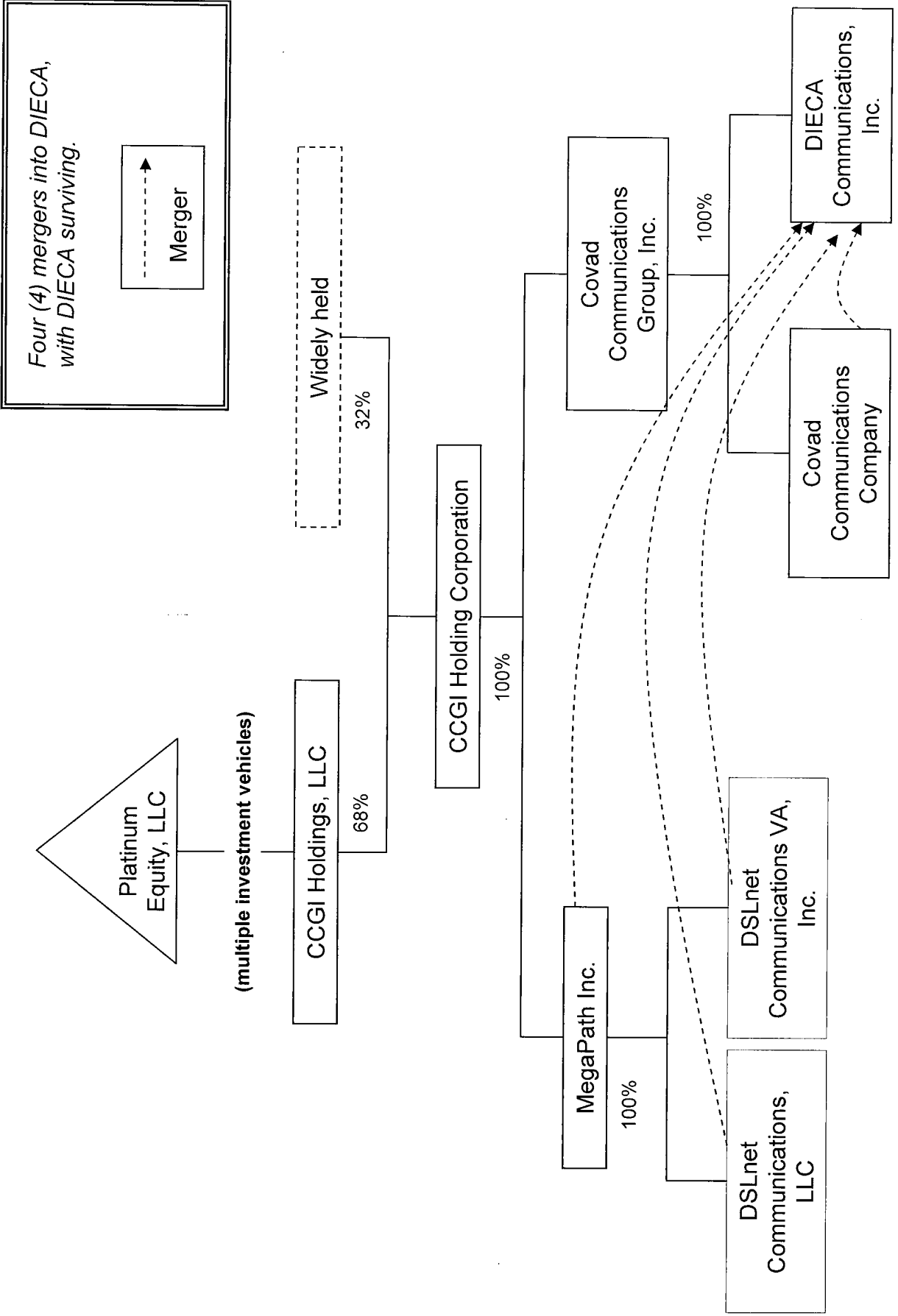
Current Organizational Chart



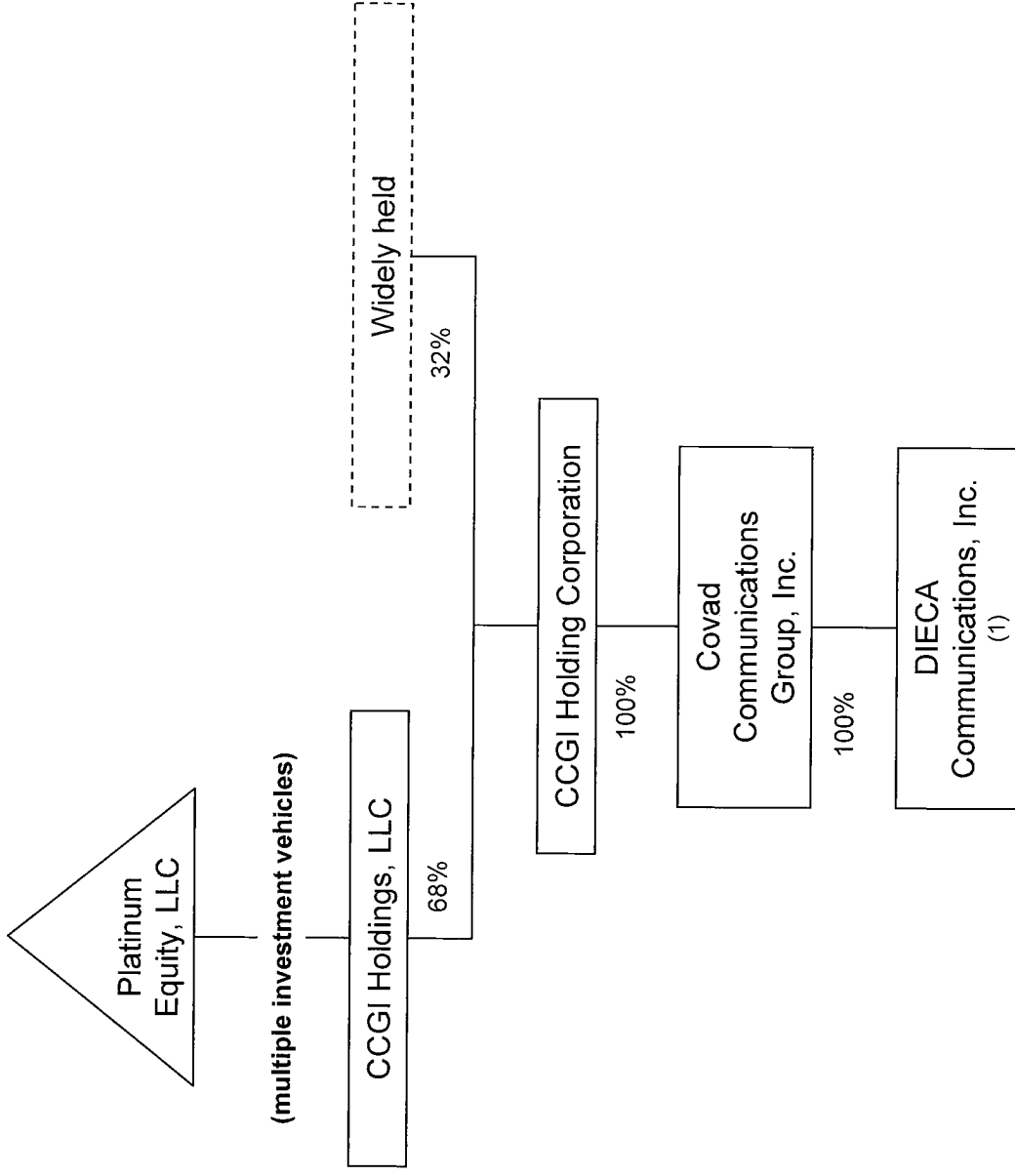
(1) Holds no CPCNs

(2) Holds a CPCN in Virginia only

Depiction of Mergers



Post-Transactions Organizational Chart



(1) Will ultimately change its corporate name or dba to the "MegaPath" brand name

EXHIBIT B

FCC Filing

BINGHAM

Russell M. Blau
Jeffrey R. Strenkowski
Nguyen T. Vu
russell.blau@bingham.com
jeffrey.strenkowski@bingham.com
nguyen.vu@bingham.com

September 9, 2011

Via Overnight Delivery

Marlene H. Dortch, Secretary
Federal Communications Commission
Wireline Competition Bureau Applications
P.O. Box 979091
St. Louis, MO 63197-9000

Re: In the Matter of the Joint Application of CCGI Holding Corporation (“Transferor”), Covad Communications Company, DSLnet Communications, LLC, DSLnet Communications VA, Inc., (“Licensees”) and DIECA Communications, Inc. (“Transferee”) for Grant of Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, of a *Pro Forma* Intra-Corporate Transaction

Dear Ms. Dortch:

On behalf of CCGI Holding Corporation (“CCGI”), Covad Communications Company (“CCC”), DSLnet Communications, LLC (“DSLnet”), DSLnet Communications VA, Inc. (“DSLnet-VA”) and DIECA Communications, Inc. (“DIECA”) (collectively, the “Applicants”), enclosed please find an original and six (6) copies of an application for approval of a transaction whereby CCC, DSLnet, and DSLnet-VA, through one or more *pro forma* intra-corporate transactions, merge with and into DIECA, with DIECA surviving. The transaction is being undertaken merely as an internal *pro forma* reorganization of the companies.

Pursuant to Section 63.04(b) of the Commission’s rules, Applicants submit this filing as a combined domestic section 214 assignment application and international section 214 assignment application (“Combined Application”).

Also enclosed is a completed Fee Remittance Form 159 containing a valid credit card number and expiration date for payment, in the amount of \$1,050.00, to the Federal Communications Commission, which satisfies the filing fee required for this Combined Application under line 2.b of Section 1.1105 of the Commission’s Rules.

Applicants are simultaneously submitting for filing the Combined Application with the International Bureau through the MyIBFS Filing System.

Boston
Hartford
Hong Kong
London
Los Angeles
New York
Orange County
San Francisco
Santa Monica
Silicon Valley
Tokyo
Washington

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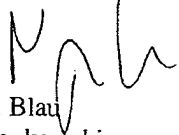
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A/74500574.1

Marlene H. Dortch, Secretary
September 9, 2011
Page 2

Please date-stamp the enclosed extra copy of this filing and return it in the envelope provided. Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'RMB', is written over the typed name of Russell M. Blau.

Russell M. Blau
Jeffrey Strenkowski
Nguyen Vu

Counsel for Applicants

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE
FORM 159

(1) LOCKBOX # 979091		SPECIAL-USE ONLY	
		FCC USE ONLY	
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Bingham McCutchen LLP		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$1,050.00	
(4) STREET ADDRESS LINE NO. 1 2020 K Street, NW			
(5) STREET ADDRESS LINE NO. 2			
(6) CITY Washington		(7) STATE DC	(8) ZIP CODE 20006
(9) DAYTIME TELEPHONE NUMBER (include area code) 202-373-6530		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0004-3539-00		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME Covad Communications Company			
(14) STREET ADDRESS LINE NO. 1 2220 O'Toole Avenue			
(15) STREET ADDRESS LINE NO. 2			
(16) CITY San Jose		(17) STATE CA	(18) ZIP CODE 95131
(19) DAYTIME TELEPHONE NUMBER (include area code) (202) 220-0410		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0003-7537-87		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CDT	(25A) QUANTITY	
(26A) FEE DUE FOR (PTC) \$1,050.00	(27A) TOTAL FEE \$1,050.00	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, <u>M. Renee Britt</u> , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.			
SIGNATURE <u>M. Renee Britt</u>		DATE <u>09/09/2011</u>	
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD _____ VISA <u>X</u> AMEX _____ DISCOVER _____ ACCOUNT NUMBER <u>4715-2900-1331-2108</u> EXPIRATION DATE <u>06/2012</u>			
I hereby authorize the FCC to charge my credit card for the service(s) authorization herein described.			
SIGNATURE <u>M. Renee Britt</u>		DATE <u>09/09/2011</u>	

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE (CONTINUATION SHEET)
FORM 159-C

Page No 2 of 3

SPECIAL USE
FCC USE ONLY

USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT
SECTION BB- ADDITIONAL APPLICANT INFORMATION

(13) APPLICANT NAME
DSLnet Communications, LLC

(14) STREET ADDRESS LINE NO. 1
2220 O'Toole Avenue

(15) STREET ADDRESS LINE NO. 2

(16) CITY San Jose	(17) STATE CA	(18) ZIP CODE 95131
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(19) DAYTIME TELEPHONE NUMBER (include area code) (202) 220-0410	(20) COUNTRY CODE (if not in U.S.A.)
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FCC REGISTRATION NUMBER (FRN) REQUIRED

(21) APPLICANT (FRN) 0004-3248-51	(22) FCC USE ONLY
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COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
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(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
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(28A) FCC CODE 1	(29A) FCC CODE 2
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(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
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(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
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(28B) FCC CODE 1	(29B) FCC CODE 2
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(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
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(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
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(28C) FCC CODE 1	(29C) FCC CODE 2
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(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
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(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
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(28D) FCC CODE 1	(29D) FCC CODE 2
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(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
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(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
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(28E) FCC CODE 1	(29E) FCC CODE 2
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(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
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(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
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(28F) FCC CODE 1	(29F) FCC CODE 2
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FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE (CONTINUATION SHEET)
FORM 159-C

Page No 3 of 3

SPECIAL USE
FCC USE ONLY

USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT
SECTION BB - ADDITIONAL APPLICANT INFORMATION

(13) APPLICANT NAME
DSLnet Communications VA, LLC

(14) STREET ADDRESS LINE NO. 1
2220 O'Toole Avenue

(15) STREET ADDRESS LINE NO. 2

(16) CITY San Jose	(17) STATE CA	(18) ZIP CODE 95131
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(19) DAYTIME TELEPHONE NUMBER (include area code) (202) 220-0410	(20) COUNTRY CODE (if not in U.S.A.)
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FCC REGISTRATION NUMBER (FRN) REQUIRED

(21) APPLICANT (FRN) 0015-5402-30	(22) FCC USE ONLY
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COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
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(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
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(28A) FCC CODE 1	(29A) FCC CODE 2
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(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
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(28B) FCC CODE 1	(29B) FCC CODE 2
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(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
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(28C) FCC CODE 1	(29C) FCC CODE 2
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(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
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(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
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(28D) FCC CODE 1	(29D) FCC CODE 2
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(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
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(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
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(28E) FCC CODE 1	(29E) FCC CODE 2
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(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
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(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
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(28F) FCC CODE 1	(29F) FCC CODE 2
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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of the Joint Application of)

CCGI Holding Corporation,)
Transferor)

WC Docket No. 11-_____

Covad Communications Company,)
DSLnet Communications, LLC,)
DSLnet Communications VA, Inc.)
Licensees)

File Nos. ITC-T/C-2011_____

and)

DIECA Communications, 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 *Pro Forma* Intra-Corporate)
Transaction)

JOINT APPLICATION

CCGI Holding Corporation (“CCGI”), Covad Communications Company (“CCC”), DSLnet Communications, LLC (“DSLnet”), DSLnet Communications Virginia, Inc. (“DSLnet-VA”) and DIECA Communications, Inc. (“DIECA” and together with CCGI, CCC, DSLnet, and DSLnet-VA the “Applicants”), through their undersigned counsel and pursuant to Section 214 of the Communications Act, as amended, 47 U.S.C. § 214, and Sections 63.04 and 63.24 of the Commission’s Rules, 47 C.F.R. §§ 63.04, 63.24, respectfully request Commission approval, to the extent necessary, for CCC, DSLnet, and DSLnet-VA through one or more *pro forma* intra-corporate transactions, to merge with and into DIECA, with DIECA surviving (the “Transac-

tion”). The Transaction is being undertaken merely as an internal *pro forma* reorganization of the companies and their unregulated affiliate, MegaPath, Inc. (“MegaPath,” and together with CCC, DIECA, DSLnet and DSLnet-VA, the “MegaPath Group”), into DIECA in order to streamline operations under a single “MegaPath” branded company combining the individual operations of the various affiliated entities. This intra-corporate reorganization will eliminate unnecessary intermediate companies in the MegaPath Group corporate structure and reduce the number of entities holding state public utility commission authorizations to streamline regulatory reporting obligations and increase efficiency in their operations.

The MegaPath Group is comprised of a number of companies that have come together through corporate mergers of various existing communications businesses. As a result of these transactions, the corporate structure of the MegaPath Group has become increasingly complex, with numerous operating entities, many of whose services overlap. A current corporate organizational chart is provided as Exhibit A. Through the merger of various of those entities and the realignment and transfer of certain assets to consolidate services within the appropriate business unit the MegaPath Group, also depicted in Exhibit A, will greatly simplify its corporate structure. A corporate organizational chart upon completion of the mergers is provided as part of Exhibit A.

This simplified corporate structure will reduce the reporting and accounting burdens of the MegaPath Group and provide operational efficiencies. Specifically, the following individual companies will be merged with and into DIECA as part of the transaction: CCC, DSLnet, DSLnet-VA, and MegaPath (unregulated). DIECA already holds domestic and international Section 214 authority to provide interstate and international telecommunications services.

Therefore, upon consummation of the proposed Transaction, CCC, DSLnet and DSLnet-VA will surrender their Domestic and International Section 214 authorizations through separate filings.

B. Request 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 the transaction, Applicants (and their Affiliates) will have a market share in the interstate, interexchange market of less than 10 percent, and Applicants (and their Affiliates) will provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction, and none of the Applicants (or their Affiliates) are dominant with respect to any service.

With respect to international authority, this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's Rules, 47 C.F.R. § 63.12(a)-(b). In particular, Applicants qualify for a presumption of non-dominance under Section 63.10(a)(1) and (3) of the Commission's rules, 47 C.F.R. § 63.10(a)(1), (3), because they are not foreign carriers and, as demonstrated below in Section V(k), their only foreign carrier affiliation is with non-dominant carriers in a country that is a Member of the WTO.

In support of this Application, Applicants provide the following information:

II. DESCRIPTION OF THE APPLICANTS

A. MegaPath, DSLnet Communications, LLC, and DSLnet Communications VA, Inc.

MegaPath Inc. is a Delaware corporation with its principal office located at 2220 O'Toole Avenue, San Jose, CA 95131. MegaPath is the direct parent company of DSLnet and DSLnet-

VA. MegaPath is a provider of a variety of managed Internet Protocol (“IP”) services including cable and satellite system broadband Internet access, mobility services such as digital certificates, global remote access, personal firewalls, and remote access virtual private networks (“VPN”), and security services. MegaPath does not currently offer any regulated telecommunications services and therefore does not hold any telecommunications authorizations from the FCC or any state regulatory authority. MegaPath is a wholly owned subsidiary of CCGI Holding Corporation (“CCGI”), as discussed below.

DSLnet Communications, LLC is a Delaware limited liability company. DSLnet Communications VA, Inc. is a Virginia corporation. Both DSLnet and DSLnet-VA have their principal offices located at 2220 O’Toole Avenue, San Jose, CA 95131. DSLnet and DSLnet-VA provide high speed access to the Internet services. DSLnet is authorized to provide intrastate telecommunications services in forty-seven (47) states and the District of Columbia, and DSLnet-VA is authorized to provide intrastate telecommunications services in Virginia. DSLnet is authorized by the Commission to provide international and domestic interstate telecommunications services as a non-dominant carrier; DSLnet-VA is authorized by the Commission to provide domestic interstate telecommunications services as a non-dominant carrier.

B. CCGI Holding Corporation, Covad Communications Company, and DIECA Communications, Inc.

CCGI Holding Corporation (“CCGI”) is a Delaware corporation with offices located at 2220 O’Toole Avenue, San Jose, CA 95131. CCGI owns Covad Communications Group, Inc. (“Covad”), a Delaware corporation, that in turn owns Covad Communications Company (“CCC”), a California corporation, and DIECA Communications, Inc. (“DIECA”), a Virginia corporation.¹ Covad is a leading nationwide provider of integrated voice and data communica-

¹ As discussed above, CCGI also owns MegaPath, and thereby indirectly owns DSLnet and DSLnet-VA.

tions. Through its operating companies (CCC and DIECA), the company offers DSL, Voice Over IP, T1, Ethernet, Web hosting, managed security, IP and dial-up, wireless broadband, and bundled voice and data services directly through Covad's network and through Internet Service Providers, value-added resellers, telecommunications carriers and affinity groups to small and medium-sized businesses and home users. Covad's broadband services are currently available across the nation in 44 states and 235 Metropolitan Statistical Areas ("MSAs") and can be purchased by more than 57 million homes and businesses, which represent over 50 percent of all US homes and businesses. CCC and DIECA have principal offices located at 2220 O'Toole Avenue, San Jose, California 95131. CCC and DIECA are authorized by the FCC to provide international and domestic interstate telecommunications services as non-dominant carriers.

III. DESCRIPTION OF THE *PRO FORMA* TRANSACTION

All of the entities involved in this Application are indirect, wholly-owned subsidiaries of CCGI, and are already operating under a common management structure. Applicants propose to complete a series of *pro forma* internal restructuring transactions through which DIECA will merge with CCC, MegaPath, DSLnet and DSLnet-VA. DIECA will survive these mergers, following which it will continue to serve their respective customer bases. Upon consummation of the proposed Transaction, CCC, DSLnet and DSLnet-VA will surrender their Domestic and International Section 214 authorizations through a separate filing. As a result of the proposed Transaction, DIECA will replace CCC, DSLnet, and DSLnet-VA as the service provider in the jurisdictions where CCC, DSLnet and DSLnet-VA are authorized to provide telecommunications services. Subject to receipt of the required regulatory approvals, the Transaction is expected to close in the fourth quarter this year.

Although the proposed Transaction will involve a transfer of customers, immediately following the proposed Transaction, all of those customers will continue to receive service from DIECA under the same rates, terms and conditions as the services currently provided. As a result, the proposed Transaction will be almost seamless and virtually transparent to customers served by MegaPath, CCC, DSLnet, and DSLnet-VA in terms of the services that they currently receive. While the Applicants have already begun to inform customers of the pending change, all of the affected customers will receive notice in compliance with the Commission's rules. Moreover, because DIECA is also acquiring through the mergers all of the assets of MegaPath, DSLnet, DSLnet-VA and CCC necessary to provide service to the transferred customers, DIECA will have all of the assets required to continue to provide high-quality services to the customers it acquires.

DIECA is well-qualified to provide service to MegaPath, DSLnet, DSLnet-VA, and CCC customers. DIECA currently provides local and long distances telecommunications services in 36 states and the District of Columbia. DIECA's operations will continue to be overseen by a well-qualified management team with substantial telecommunications experience and technical expertise.

IV. PUBLIC INTEREST STATEMENT

The proposed Transaction described above will serve the public interest by ensuring that the assigned customers enjoy continuity of high-quality services. In particular, the assignment of MegaPath's, CCC's, DSLnet's, and DSLnet-VA's customers, together with the transfer of other assets required to serve those customers, will ensure that the customers continue to receive uninterrupted services. The customers will be served by a carrier with significant technical, managerial and financial resources. The Transaction is intended to streamline the operations of the companies, and thereby create operational efficiencies.

Applicants seek to complete the proposed Transaction as soon as possible. Accordingly, Applicants respectfully request that the Commission process, consider, and approve this Application as expeditiously as possible.

V. INFORMATION REQUIRED BY SECTION 63.24(e)

Pursuant to Section 63.24(e)(3) of the Commission's Rules, the Applicants submit the following information requested in Section 63.18 (a)-(d) and (h)-(p) in support of this Application:

(a) Name, address and telephone number of each Applicant:

CCGI Holding Corporation 2220 O'Toole Avenue San Jose, CA 95131	FRN 0017234758
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DSLnet Communications LLC DSLnet Communications VA Inc. 2220 O'Toole Avenue San Jose, CA 95131	FRN 0004324851 FRN 0015540230
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Covad Communications Company DIECA Communications, Inc. 2220 O'Toole Avenue San Jose, CA 95131	FRN 0003753753 FRN 0003753787
---	--

(b) Jurisdiction of Organizations:

- DSLnet is a Delaware limited liability company
- DSLnet-VA is a Virginia corporation.
- CCGI is a Delaware corporation.
- CCC is a California corporation.
- DIECA is a Virginia corporation.

(c) (Answer to Question 10) Correspondence concerning this Application should be sent to:

For Applicants:

Russell M. Blau, Esq.
Jeffrey R. Strenkowski, Esq.
Bingham McCutchen LLP
2020 K Street, N.W.
Washington, DC 20006
202-373-6000 (Tel)
202-373-6001 (Fax)
russell.blau@bingham.com
jeffrey.strenkowski@bingham.com

With copies to:

Anthony Hansel
Assistant General Counsel
DIECA, Covad, DSLnet, MegaPath
1750 K Street, NW
Suite 200
Washington, DC 20006
202-220-0410 (Tel)
202-833-2026 (Fax)
anthony.hansel@megapath.com

(d) Section 214 Authorizations:

CCGI does not hold any domestic or international Section 214 authorizations, but controls DSLnet, DSLnet-VA, CCC, and DIECA, all of which hold Domestic and International Section 214 authorizations.

DSLnet holds Section 214 authority to provide global facilities-based and resold services pursuant to authority granted by the Commission in File Nos. ITC-214-19990716-00434 and ITC-ASG-20030611-00290. DSLnet also holds blanket domestic Section 214 authority to provide interstate telecommunications services.

DSLnet-VA holds blanket domestic Section 214 authority, but does provide international telecommunications services and does not hold international Section 214 authority.

CCC and DIECA hold blanket domestic authority to provide interstate services. 47 C.F.R. § 63.01. CCC and DIECA each also hold global facilities based and resale Section 214 authority to provide international services pursuant to authority granted in FCC File Nos. ITC-214-20021118-00544 (CCC) and ITC-214-20021126-00558 (DIECA).

(h) (Answer to Questions 11 & 12) The following entities hold, directly or indirectly, a 10% or greater interest² in Applicants as calculated pursuant to the Commission's ownership attribution rules for wireline and international telecommunications carriers:

Pre-Transaction Direct Ownership of DSLnet and DSLnet-VA:

² Unless otherwise indicated, the ownership interests provided herein represent both equity and voting interests.

The following entity currently has a 10% or greater direct interest in DSLnet Communications, LLC and DSLnet Communications VA, Inc.:

Name: MegaPath Inc.
Address: 2220 O'Toole Avenue
San Jose, CA 95131
Ownership: 100% directly in DSLnet and DSLnet-VA
Citizenship: U.S
Primary Business: Managed IP Communications Services Provider

Pre-Transaction Direct Ownership of CCC and DIECA and Post-Transaction Ownership of DIECA:

The following entities currently have a 10% or greater direct interest in Covad Communications Company and DIECA Communications, Inc., and, upon completion of the transaction, will continue to have a 10% or greater direct interest in DIECA Communications, Inc.:

Name: Covad Communications Group, Inc.
Address: 2220 O'Toole Avenue
San Jose, California 95131
Citizenship: U.S
Primary Business: Holding Company
Current Ownership: 100% directly in CCC and DIECA
Post-Transaction: 100% directly in DIECA

Pre-Transaction Direct Ownership of Covad Communications Group, Inc. and MegaPath, Inc., and Post-Transaction Ownership of Covad Communications Group, Inc.:

The following entity currently has a 10% or greater direct interest in Covad Communications Group, Inc. and MegaPath Inc., and after the transaction, will hold a 10% or greater direct interest in Covad Communications Group, Inc.:

Name: CCGI Holding Corporation ("CCGI")
Address: 2220 O'Toole Avenue
San Jose, CA 95131
Citizenship: U.S
Primary Business: Holding Company
Current Ownership: 100% indirectly in DSLnet and DSLnet-VA, CCC and DIECA as 100% direct owner of Covad Communications Group, Inc. and MegaPath Inc.
Post-Transaction: 100% indirectly in DIECA as 100% direct owner of Covad Communications Group, Inc.

Pre- and Post-Transaction Direct Ownership of CCGI Holding Corporation:

The following entity has a 10% or greater direct interest in CCGI Holding Corpo-

ration:

Name: CCGI Holdings, LLC
Address: 360 North Crescent Drive, South Building
Beverly Hills, CA 90210
Citizenship: U.S
Primary Business: Holding Company
Current Ownership: 68% indirectly in DSLnet and DSLnet-VA, CCC and DIECA as 68% owner of CCGI
Post-Transaction: 68% indirectly in DIECA as 68% direct owner of CCGI

Pre- and Post-Transaction Ownership of CCGI Holdings, LLC:

CCGI Holdings, LLC (“CCGI Holdings”) is ultimately controlled by Platinum Equity, LLC. Three private equity funds and one investment entity, all of which are ultimately controlled by Platinum and Tom Gores, hold direct equity interests totaling 100% in CCGI Holdings, and therefore 68% indirectly in CCGI and DSLnet, DSLnet-VA, CCC and DIECA (and 68% indirectly in CCGI and DIECA post-transaction). The three private equity funds are: (a) Platinum Equity Capital Partners II, L.P. (“PECP”); (b) Platinum Equity Capital Partners-A II, L.P. (“PECP-A”); and (c) Platinum Equity Capital Partners-PF II, L.P. (“PECP-PF”); and the investment entity is Platinum Blackberry Principals, LLC (“PBP”) (PECP, PECP-A, PECP-PF and PBP collectively, the “CCGI Holding Shareholders”). The names, addresses, citizenship, primary business, and equity interest in CCGI Holdings of each of the CCGI Holding Shareholders is as follows:

Name: Platinum Equity Capital Partners II, L.P. (“PECP”) ³
Address: 360 North Crescent Drive, South Building
Beverly Hills, California 90210
Citizenship: U.S.
Primary Business: Investments
Current Ownership: 41% indirectly in DSLnet and DSLnet-VA, CCC and DIECA through CCGI as 60.6% direct owner of CCGI Holdings
Post-Transaction: 41% indirectly in DIECA as 60.6% direct owner of CCGI Holdings

³ The limited partnership interests in PECP are held by institutional investors and Platinum Equity Investment Holdings II, LLC (“PEIH”), a Delaware limited liability company. With the exception of PEIH, these limited partners have no control over the day-to-day business operations, activities, or decisions of PECP or CCGI. With the exception of PEIH, none of these limited partners ultimately holds equity interests in CCGI greater than 10%. The sole general partner of PECP is Platinum Equity Partners II, LLC (“PEP”), a Delaware limited liability company. The senior managing member and controlling entity of PEP is PEIH, the sole member of which is Platinum. PEP, PEIH and Platinum are described more fully below.

Name: Platinum Blackberry Principals, LLC (“PBP”)⁴
Address: 360 North Crescent Drive, South Building
Beverly Hills, California 90210
Citizenship: U.S.
Primary Business: Investments
Current Ownership: 13.6% indirectly in DSLnet and DSLnet-VA, CCC and DI-ECA as 20% direct owner of CCGI Holdings
Post-Transaction: 13.6% indirectly DIECA as 20% direct owner of CCGI Holdings

Name: Platinum Equity Capital Partners-A II, L.P. (“PECP-A”)⁵
Address: 360 North Crescent Drive, South Building
Beverly Hills, California 90210
Citizenship: U.S.
Primary Business: Investments
Current Ownership: 6.5% indirectly in DSLnet and DSLnet-VA, CCC and DI-ECA as 9.6% direct owner of CCGI Holdings
Post-Transaction: 6.5% indirectly in DIECA as 9.6% direct owner of CCGI Holdings

Name: Platinum Equity Capital Partners-PF II, L.P. (“PECP-PF”)⁶
Address: 360 North Crescent Drive, South Building
Beverly Hills, California 90210
Citizenship: U.S.
Primary Business: Investments
Current Ownership: 6.6% indirectly in DSLnet and DSLnet-VA, CCC and DI-ECA as 9.8% direct owner of CCGI Holdings
Post-Transaction: 6.6% indirectly in DIECA as 9.8% direct owner of CCGI Holdings

⁴ The senior managing member of PBP is PEIH. The remaining membership interests in PBP are held by Platinum principals. With the exception of Tom Gores, these members have no control over the day-to-day business operations, activities, or decisions of PECP or CCGI. With the exception of Tom Gores and PEIH, none of these members ultimately holds equity interests in CCGI greater than 10%. The sole member of PEIH is Platinum. PEIH, Platinum and Tom Gores are described more fully below.

⁵ The sole general partner of PECP-A is PEP. The senior managing member and controlling entity of PEP is PEIH, the sole member of which is Platinum. PEP, PEIH and Platinum are described more fully below.

⁶ The limited partnership interests in PECP-PF are held by institutional investors. These limited partners have no control over the day-to-day business operations, activities, or decisions of PECP-PF or CCGI. None of these limited partners ultimately holds equity interests in CCGI greater than 10%. The sole general partner of PECP-PF is PEP. The senior managing member and controlling entity of PEP is PEIH, the sole member of which is Platinum. PEP, PEIH and Platinum are described more fully below.

Pre- and Post-Transaction Ownership of PECP, PECP-A and PECP-PF:

Name: Platinum Equity Partners II, LLC (“PEP”)
Address: 360 North Crescent Drive, South Building
Beverly Hills, California 90210
Citizenship: U.S.
Primary Business: Private equity investments
Current Ownership: 54% indirect ownership of DSLnet and DSLnet-VA, CCC and DIECA through its interests in PECP, PECP-A, and PECP-PF (as sole general partner of those entities)⁷
Post-Transaction: 54% indirect ownership of DIECA through its interests in PECP, PECP-A, and PECP-PF (as sole general partner of those entities)⁸

Pre- and Post-Transaction Ownership of PEP and PBP:

Name: Platinum Equity Investment Holdings II, LLC (“PEIH”)⁹
Address: 360 North Crescent Drive, South Building
Beverly Hills, California 90210
Citizenship: U.S.
Primary Business: Private equity investments
Current Ownership: 68% indirectly in DSLnet, DSLnet-VA, CCC and DIECA through its interests in PBP and PEP (as senior managing member and controlling entity for each)
Post-Transaction: 68% indirectly in DIECA through its interests in PBP and PEP (as senior managing member and controlling entity for each)

Pre- and Post-Transaction Ownership of PEIH:

Name: Platinum Equity, LLC (“Platinum”)

⁷ The senior managing member and controlling entity of PEP is PEIH. The remaining membership interests in PEP are held by Platinum principals. With the exception of Tom Gores, these members have no control over the day-to-day business operations, activities, or decisions of PECP or CCGI Holding. With the exception of Tom Gores and PEIH, none of these members ultimately holds equity interests in CCGI greater than 10%. The sole member of PEIH is Platinum. PEIH and Platinum are described more fully below.

⁸ The senior managing member and controlling entity of PEP is PEIH. The remaining membership interests in PEP are held by Platinum principals. With the exception of Tom Gores, these members have no control over the day-to-day business operations, activities, or decisions of PECP or CCGI Holding. With the exception of Tom Gores and PEIH, none of these members ultimately holds equity interests in CCGI greater than 10%. The sole member of PEIH is Platinum. PEIH and Platinum are described more fully below.

⁹ The sole member of PEIH II is Platinum. Platinum is described more fully below.

Address: 360 North Crescent Drive, South Building
Beverly Hills, California 90210
Citizenship: U.S.
Principal Business: Investments
Current Ownership: 68% indirectly in DSLnet, DSLnet-VA, CCC and DIECA
through 100% interest in PEIH
Post-Transaction: 68% indirectly in DIECA through 100% interest in PEIH

Pre- and Post-Transaction Ownership of Platinum:

The following individual ultimately currently owns or controls and, upon completion of the transaction, will continue to own or control 100 percent of the membership units (equity and voting interest) in Platinum:

Name: Tom T. Gores
Address: 360 North Crescent Drive, South Building
Beverly Hills, CA 90210
Citizenship: U.S.
Principal Business: Individual
Current Ownership: 68% indirectly in DSLnet and DSLnet-VA, CCC and DIECA through 100% interest in Platinum
Post-Transaction: 68% indirectly in DIECA through 100% interest in Platinum

To the best of Applicants' knowledge, no other person or entity currently holds or, upon completion of the transaction, will hold a ten percent (10%) or greater interest in Applicants.

Applicants do not have any interlocking directorates.

(i) **(Answer to Question 14)** Applicants are not foreign carriers. Through Platinum, Applicants are affiliated with the following foreign carriers:

Americatel Corporation ("Americatel") is an American company that holds a Class B License in Canada. Vancouver Telephone Company Limited ("Vancouver") is a subsidiary of Americatel Corporation, and holds a Class A License in Canada.

(j) **(Answer to Question 15)** Applicants certify that, through the transaction, Applicants do not seek to provide international telecommunications services to any destination country where:

(1) Applicants are a foreign carrier in that country; or

- (2) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate more than 25 percent of Applicants and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing or international basic telecommunications services in the United States.

However, DIECA is affiliated with two foreign carriers, Americatel and Vancouver. Americatel and Vancouver provide telecommunications services in Canada.

(k) Applicants certify that Canada, the country referenced in paragraph (j) above, is a Member of the World Trade Organization (“WTO”). Americatel and Vancouver, the foreign carriers listed in paragraph (j), are not on the Commission’s List of Foreign Telecommunications Carriers that are presumed to Possess Market Power in Foreign Telecommunications Markets, released on January 26, 2007. In addition, Americatel and Vancouver, the foreign carriers listed in paragraph (j), offer services in competition with dominant foreign carriers and others.

(l) Licensees may resell international switched services of unaffiliated U.S. carriers in order to provide telecommunications services to countries where they have a foreign carrier affiliation. As demonstrated above, and because Americatel and Vancouver lack 50 percent market share in the international transport and the local access markets on the foreign end of the route, Licensees should be presumptively found to be non-dominant pursuant to Section 63.10(a)(3) of the Commission’s rules, 47 C.F.R. § 63.10(a)(3).

(m) Licensees qualify for a presumption of non-dominance under Section 63.10(a)(1) and (3) of the Commission’s rules, 47 C.F.R. § 63.10(a)(1,3), because they are not foreign carriers and, as demonstrated above in paragraph (k), their affiliation is with non-dominant foreign carriers in a country that is a Member of the WTO.

(n) Applicants certify that they have not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the

foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.

(o) Applicants certify that they are not subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. *See* 21 U.S.C. § 853a; *see also* 47 C.F.R. §§ 1.2001-1.2003.

(p) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's Rules, 47 C.F.R. §63.12(a)-(b). Applicants are or will be affiliated with foreign carriers that provides telecommunications services in Canada. Nevertheless, Applicants qualify for streamlined treatment under Section 63.12(c) because Applicants qualify for a presumption of non-dominance under Section 63.10(a)(1) and (3) for the reasons detailed in response to paragraphs (k) and (m) above.

VI. INFORMATION REQUIRED BY SECTION 63.04

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

(a)(6) A description of the proposed Transaction is set forth in **Section III** above.

(a)(7) The Applicants and their affiliates offer domestic telecommunications services in the United States as follows:

(i) DSLnet provides domestic telecommunications services in the District of Columbia and all states except Alaska, Missouri, Mississippi and Virginia. DSLnet-VA provides domestic telecommunications services in Virginia. Specifically, DSLnet and DSLnet-VA provide highspeed Internet access services.

(ii) Together, CCC and DIECA offer telecommunications service in the following jurisdictions: Alabama, Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin, and Wyoming. Specifically, the Covad-Licensees provide integrated voice and data wireline communications services.

(a)(8) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 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 the transaction, Applicants (and their Affiliates) will have a market share in the interstate, interexchange market of less than 10 percent, and the Applicants (and their Affiliates) will provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction, and none of the Applicants (or their Affiliates) are dominant with respect to any service.

(a)(9) 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 Commission Rule 63.04(b), 47 C.F.R. § 63.04(b)).

(a)(10) 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.

(a)(11) Not applicable.

(a)(12) A statement showing how grant of the application will serve the public interest, convenience and necessity is provided in **Section IV** above.

VII. CONCLUSION

For the reasons stated above, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application. Indeed, failure to grant it would directly harm the public interest. In light of the particular need to ensure continuity of service to existing customers, Applicants respectfully request expedited treatment to permit Applicants to complete the Transactions as soon as possible.

Respectfully submitted,



Russell M. Blau
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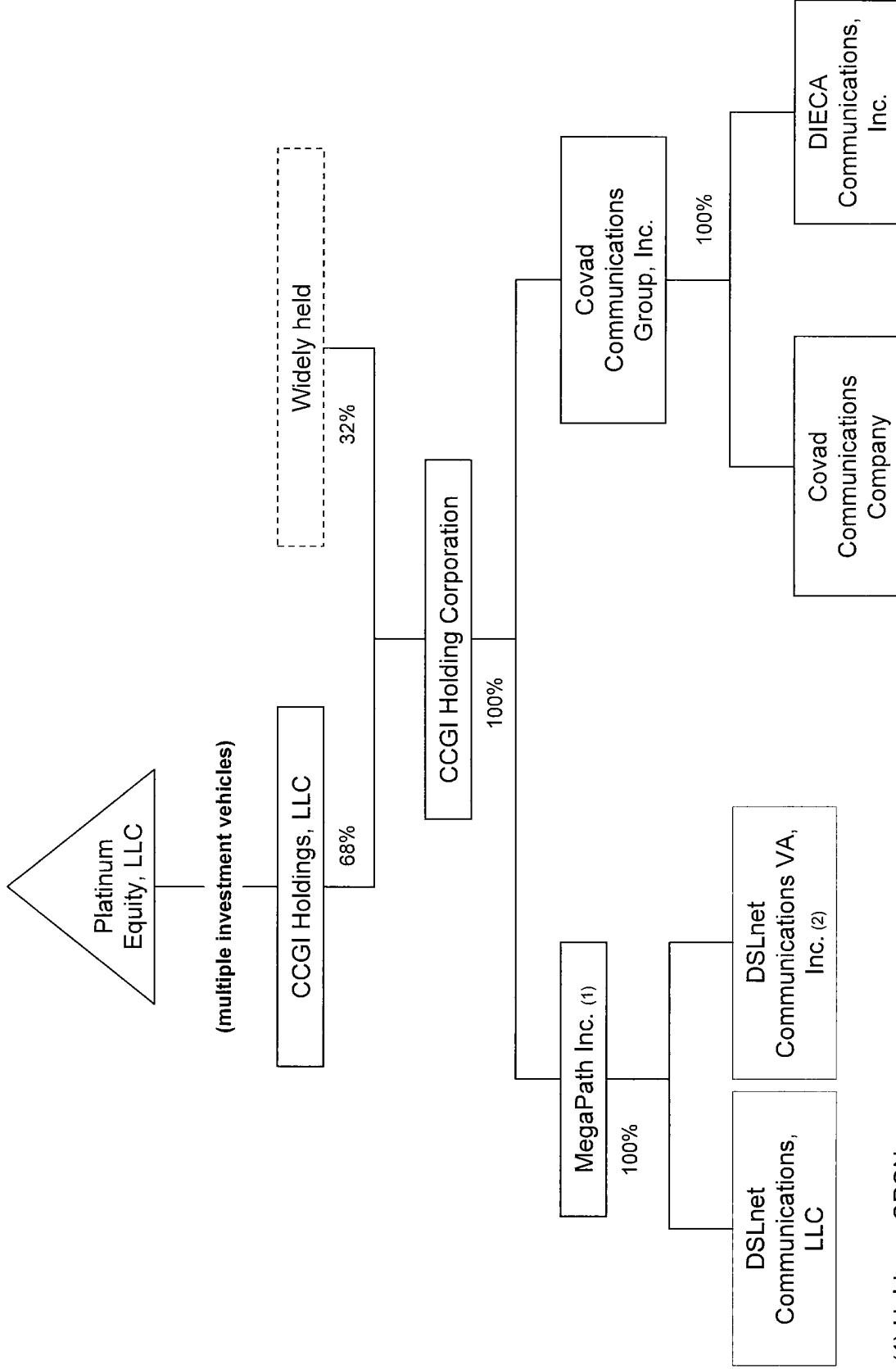
Counsel to Applicants

Dated: September 9, 2011

EXHIBIT A

Illustrative Chart of Transaction and Ownership

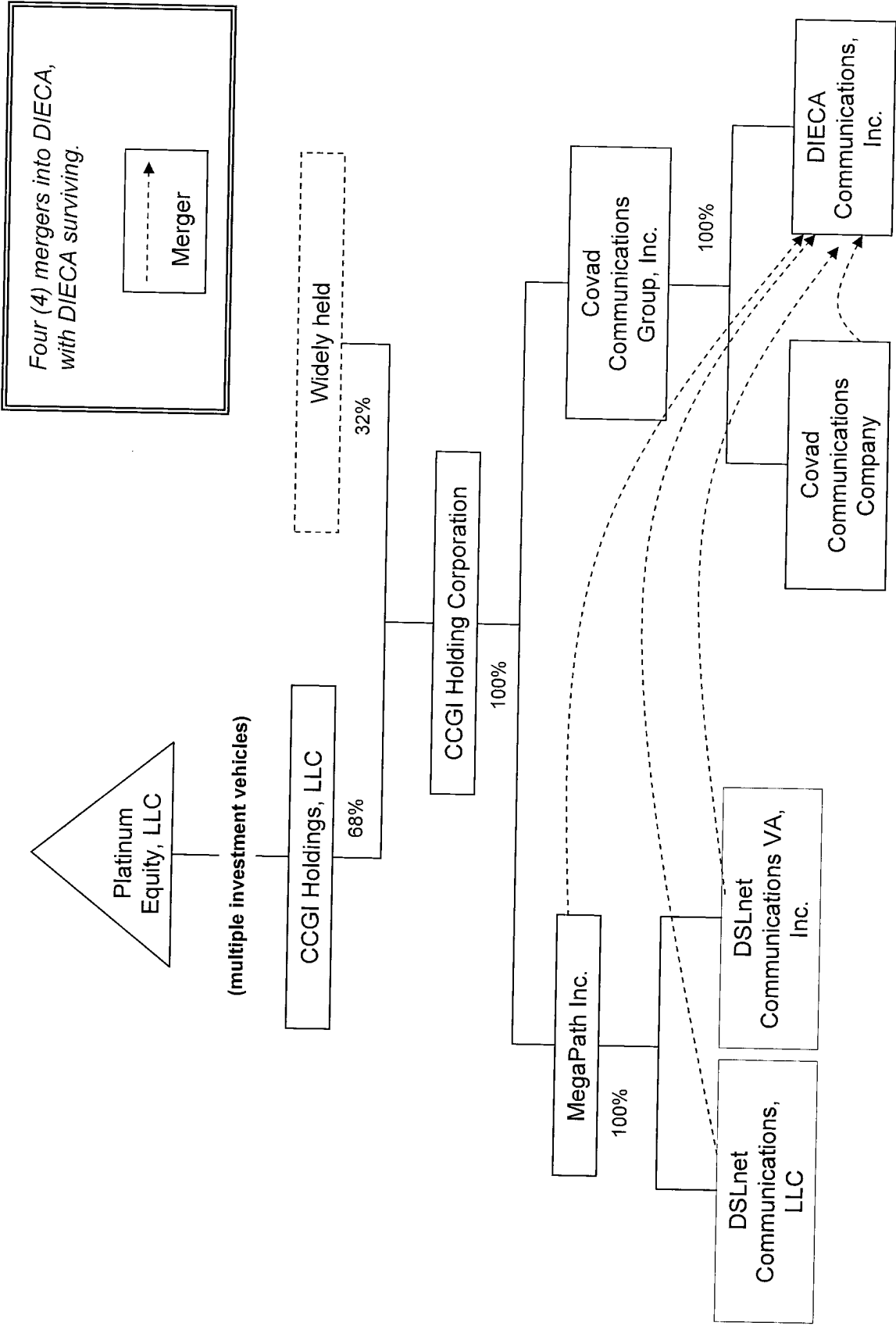
Current Organizational Chart



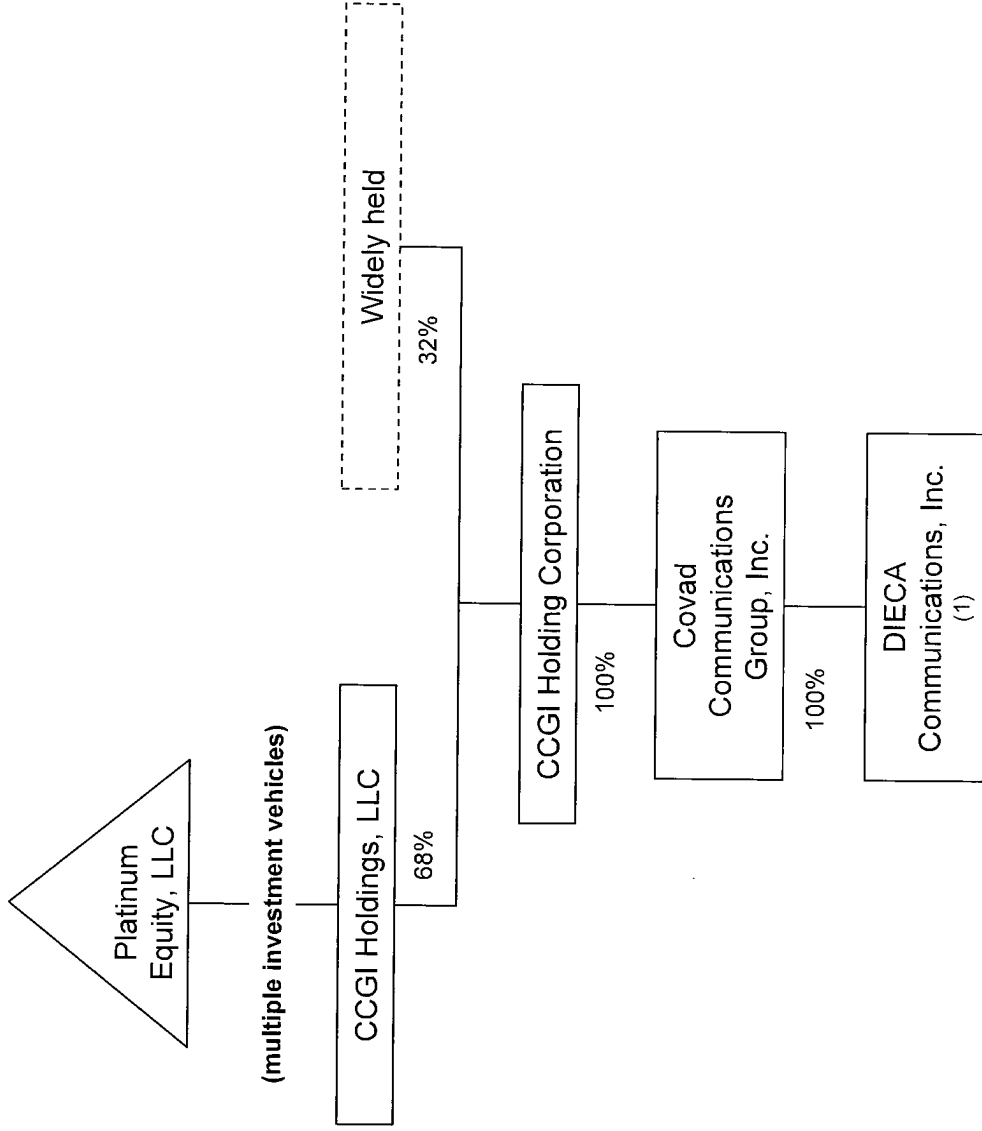
(1) Holds no CPCNs

(2) Holds a CPCN in Virginia only

Depiction of Mergers



Post-Transactions Organizational Chart



(1) Will ultimately change its corporate name or dba to the "MegaPath" brand name

VERIFICATIONS

STATE OF CALIFORNIA §
 §
COUNTY OF SANTA CLARA §

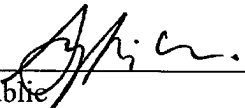
VERIFICATION

I, Douglas Carlen, being duly sworn, deposes and say that I am the General Counsel and Secretary of MegaPath Inc., DSLnet Communications, LLC, DSLnet Communications VA, Inc., Covad Communications Company and DIECA Communications, Inc. (collectively, the “Companies”); that I am authorized to make this Verification on behalf of the Companies; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



Douglas Carlen
General Counsel and Secretary
MegaPath Inc.
DSLnet Communications, LLC
DSLnet Communications VA, Inc.
Covad Communications Company
DIECA Communications, Inc.

Sworn and subscribed before me this 1 day of September, 2011.



Notary Public

My commission expires: Mar 25 2015

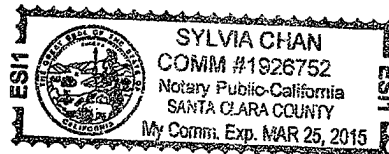


EXHIBIT C

Minnesota PUC Filing

Russell M. Blau
Jeffrey R. Strenkowski
russell.blau@bingham.com
jeffrey.strenkowski@bingham.com

September 21, 2011

Via eFiling

Burl W. Haar, Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East
Suite 350
St. Paul, MN 55101-2147

**Re: Joint Application of DSLnet Communications, LLC and DIECA
Communications, Inc. for Authority to Complete Certain Pro Forma Intra-
Corporate Transactions**

Dear Mr. Haar:

On behalf of DSLnet Communications, LLC and DIECA Communications, Inc., enclosed for filing with the Commission is the above-referenced Joint Application.

Please acknowledge receipt and acceptance of this filing. Please do not hesitate to contact Jeffrey Strenkowski at (202) 373-6002 if you have any questions.

Respectfully submitted,



Russell M. Blau
Jeffrey R. Strenkowski

Counsel for Applicants

cc: Linda Chavez (MN DOC)

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**BEFORE THE STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

**Ellen Anderson
Phyllis Reha
J. Dennis O'Brien
David C. Boyd
Betsy Wergin**

**Chair
Vice Chair
Commissioner
Commissioner
Commissioner**

Joint Application of :
:
DSLnet Communications, LLC, : Docket No. _____
and :
DIECA Communications, Inc. :
:
For Authority to Complete Certain *Pro* :
Forma Intra-Corporate Transactions :

JOINT APPLICATION

DSLnet Communications, LLC (“DSLnet”) and DIECA Communications, Inc. d/b/a Covad Communications Company (“DIECA” and together with DSLnet, the “Applicants”), pursuant to Minn. Stat. Section 237.74, and the rules of Minnesota Public Utilities Commission (“Commission”) respectfully request authority from the Commission, to the extent required, for DSLnet to merge into DIECA. In the same transaction the Applicants unregulated affiliates MegaPath, Inc. (“MegaPath”), Covad Communications Company (“CCC”) and DSLnet Communications VA, Inc. (“DSLnet-VA”),¹ (DIECA, DSLnet, DSLnet-VA, CCC and MegaPath, collectively, the “MegaPath Group”) will also be merged into DIECA with DIECA surviving (the “Transactions”).² The Transactions are being undertaken merely as an internal *pro forma*

¹ CCC and DSLnet-VA hold authorizations to provide telecommunications services in other jurisdictions, but do not hold such authorizations in Minnesota. MegaPath does not provided regulated telecommunications services in any jurisdiction

² While the Applicants currently expect the transactions described herein to be accomplished through pro forma corporate mergers, given the tax and operational consequences of the

reorganization of the companies into DIECA in order to streamline operations under a single “MegaPath” branded company combining the individual operations of the various affiliated entities.³ As a result of the Transfer, DSLnet’s, DSLnet-VA’s, MegaPath’s, and CCC’s customers and the assets to support the provision of services to those customers will be transferred to DIECA, which will become the service provider for those customers. As described below, because the rates, terms or conditions of the services being received by customers will not change as a result of the assignment, the proposed Transactions will be virtually transparent to customers of DSLnet in terms of the services that those customers receive. Since DIECA already holds a certificate of public convenience and necessity (“Certificate”), the Certificate of DSLnet is not being transferred to DIECA and, therefore, DSLnet requests that its Certificate and tariffs be cancelled upon notification by Applicants that the Transactions were completed.⁴

The Applicants request that the Commission act expeditiously to grant the authority requested herein as soon as possible, so that the Applicants can timely consummate the proposed Transactions to meet important business objectives.

In support of this filing, Applicants provide the following information:

I. DESCRIPTION OF THE APPLICANTS

A. MegaPath, Inc. and DSLnet Communications, LLC

proposed Transfer transactions, the Applicants may alternatively elect to accomplish the transactions through a sale of assets rather than through mergers, or through a combination of both. As such, the Applicants request authority, to the extent necessary, to undertake the Transfer through either manner.

³ DIECA expects to undertake a name change to effectuate the “MegaPath” brand name. A separate filing with the Commission will be made with respect to that name change.

⁴ The Parties intend for the Transactions to be completed in the fourth quarter 2011 with an effective date of December 31, 2011 (“Effective Date”), which is the rationale for requesting that the DSLnet certificate not be relinquished until the Parties have notified the Commission after the Transactions are completed. The Parties believe that use of an Effective Date will minimize customer confusion and enable consistent messaging to customers about this *pro forma* event.

MegaPath Inc. is a Delaware corporation, and is the parent company of DSLnet Communications, LLC. MegaPath Inc. is a wholly-owned subsidiary of CCGI Holding Corporation. MegaPath is a provider of a variety of managed Internet Protocol (“IP”) services including cable and satellite system broadband Internet access, mobility services such as digital certificates, global remote access, personal firewalls, and remote access virtual private networks (“VPN”), and security services. MegaPath does not currently offer any regulated telecommunications services and therefore does not hold any telecommunications authorizations from the Federal Communications Commission (“FCC”) or any state regulatory authority.

DSLnet Communications, LLC is a Delaware limited liability company. DSLnet provides highspeed Internet access services. DSLnet is authorized to provide intrastate telecommunications services in forty-seven (47) states and the District of Columbia, and DSLnet’s affiliate DSLnet Communications VA, Inc. is authorized to provide intrastate telecommunications services in Virginia. In Minnesota, DSLnet is authorized to provide local an interexchange telecommunications services granted in Docket No. P-57771/NA-99-482 on October 13, 1999. DSLnet is also authorized by the FCC to provide international and domestic interstate telecommunications services as a non-dominant carrier.

B. Covad Communications Company and DIECA Communications, Inc.

Covad Communications Group, Inc. (“Covad”) is a Delaware corporation that owns Covad Communications Company (“CCC”), a California corporation, and DIECA Communications, Inc. (“DIECA”), a Virginia corporation. Covad, in turn, is a wholly-owned subsidiary of CCGI Holding Corporation. Covad is a leading nationwide provider of integrated voice and data communications. Through its operating companies (CCC and DIECA), the company offers DSL, Voice Over IP, T1, Ethernet, Web hosting, managed security, IP and dial-up, wireless

broadband, and bundled voice and data services directly through Covad's network and through Internet Service Providers, value-added resellers, telecommunications carriers and affinity groups to small and medium-sized businesses and home users. Covad broadband services are currently available across the nation in 44 states and 235 Metropolitan Statistical Areas ("MSAs") and can be purchased by more than 57 million homes and businesses, which represent over 50 percent of all US homes and businesses.

In Minnesota, DIECA is authorized to provide local and interexchange telecommunications services granted in Docket No. P5692/NA-98-1259 granted on February 22, 1999. DIECA is also authorized by the FCC to provide international and domestic interstate telecommunications services as a non-dominant carrier. CCC does not currently offer any regulated telecommunications services in Minnesota and therefore does not hold any telecommunications authorizations from the Commission.

II. CONTACTS

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

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III. DESCRIPTION OF THE TRANSACTIONS

All of the entities involved in this Application are indirect, wholly-owned subsidiaries of CCGI Holding Corporation, and are already operating under a common management structure. Applicants propose to complete a series of *pro forma* internal restructuring merger transactions through which DIECA will acquire the assets of MegaPath, DSLnet, DSLnet-VA, and CCC, including their respective customer bases and substantially all of their assets used in the provision of telecommunications services.⁵ Upon consummation of the proposed Transactions, DSLnet will surrender its CPCN. For the Commission's convenience, an organizational chart demonstrating the proposed Transactions is attached hereto as Exhibit A. As a result of the proposed Transactions, DIECA will replace DSLnet as the service provider in Minnesota. Subject to receipt of the required regulatory approvals, the Transactions are expected to close in the fourth quarter this year.

Applicants emphasize that although the proposed Transactions will involve a transfer of customers, immediately following the proposed Transactions, all of those customers will continue to receive service from DIECA under the same rates, terms and conditions as the services currently provided. As a result, the proposed Transactions will be almost seamless and virtually transparent to customers served by MegaPath, CCC, DSLnet and DSLnet-VA in terms of the services that they currently receive. DSLnet does not currently provide intrastate telecommunications services to its Minnesota customers, but rather provides its jurisdictionally interstate services under contract. As such, Applicants do not believe that the Commission's

⁵ As discussed above in note 1, the Applicants request authority, to the extent necessary, to undertake the Transactions through either transfers of assets between parties as discussed herein, mergers of the relevant entities, or both.

slamming rules are applicable with respect to the Transactions. Nonetheless, the parties have already begun to inform customers of the pending change pursuant to their contractual notification requirements. Moreover, because DIECA is acquiring all of the assets of MegaPath, DSLnet, DSLnet-VA and CCC necessary to provide service to the transferred customers, DIECA will have all of the assets required to continue to provide high-quality services to the customers it acquires.

DIECA is well-qualified to provide service to MegaPath, DSLnet and CCC customers. DIECA currently provides local and long distances telecommunications services in 47 states and the District of Columbia. DIECA's operations will continue to be overseen by the same well-qualified management team with substantial telecommunications experience and technical expertise.

IV. REQUEST TO CANCEL THE CERTIFICATION OF DSLNET

Following the Transactions, DSLnet will no longer exist as a corporate entity. Therefore, Applicants request that, upon notification from Applicants that the Transactions have been completed, the Commission cancel the Certificate of DSLnet.

V. PUBLIC INTEREST CONSIDERATIONS

The proposed Transactions described above will serve the public interest by ensuring that the assigned customers enjoy continuity of high-quality services. In particular, the assignment of MegaPath's, CCC's, DSLnet's and DSLnet-VA's customers, together with the transfer of other assets required to serve those customers, will ensure that the customers continue to receive uninterrupted services. The customers will be served by a carrier with significant technical, managerial and financial resources. The Transactions are intended to streamline the operations of the companies, and thereby create operational efficiencies.

Applicants seek to complete the proposed Transactions as soon as possible. Accordingly, Applicants respectfully request that the Commission process, consider, and approve this Application as expeditiously as possible.

VI. REQUEST FOR EXPEDITED REVIEW

Applicants are seeking to complete the proposed Transaction as expeditiously as possible in order to minimize customer confusion and realize the benefits of the proposed Transaction. Accordingly, Applicants respectfully request that the Commission expedite the processing of this Application and grant the requested authority as soon as possible to permit Applicants to consummate the Transaction in the fourth quarter 2011.

VII. CONCLUSION

WHEREFORE, for the reasons set forth above, Applicants request the Commission grant all authority necessary for the Applicants to undertake the Transaction as described herein.

Respectfully submitted,



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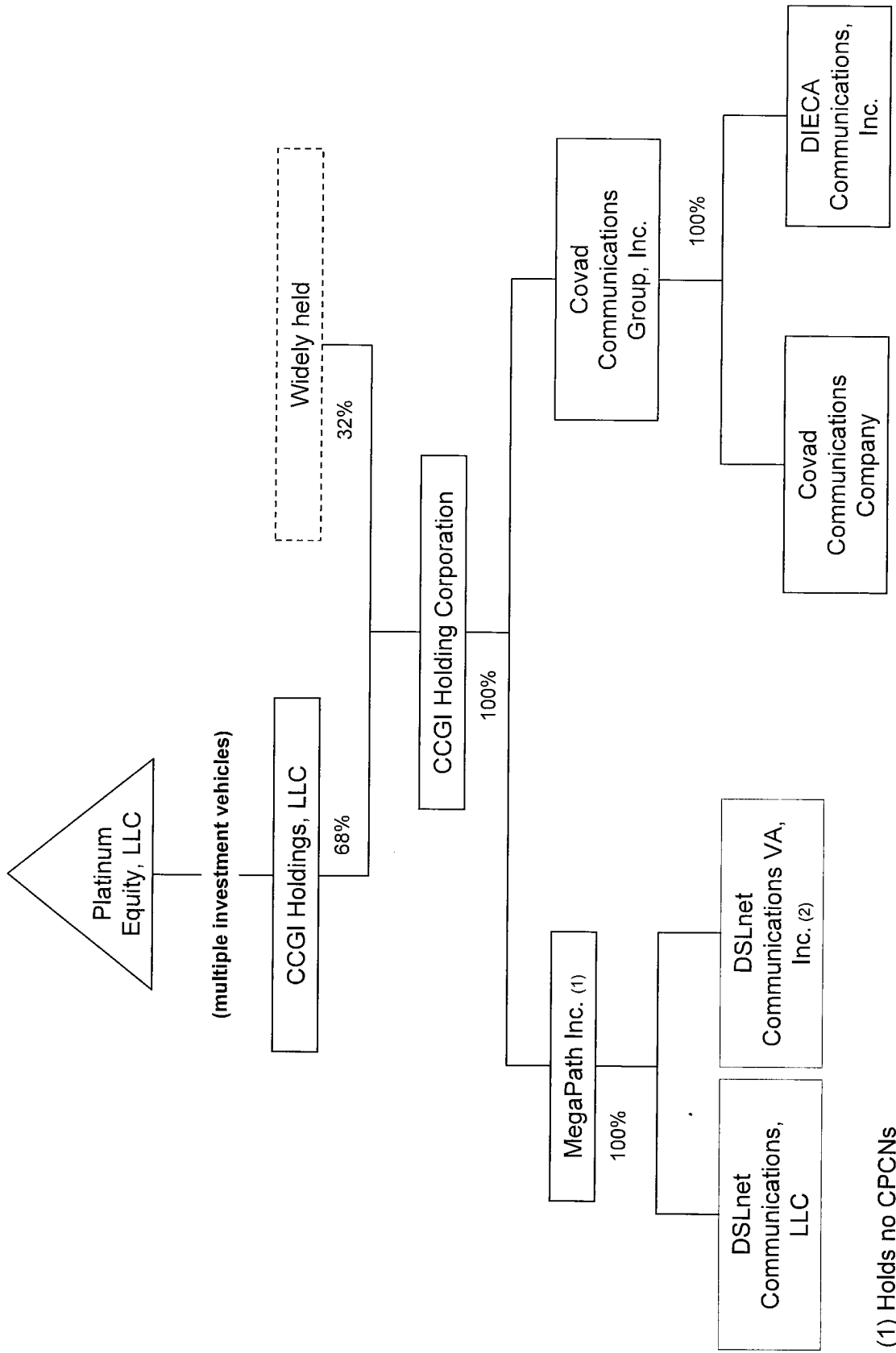
Counsel for Applicants

Dated: September 21, 2011

EXHIBIT A

Organizational Chart

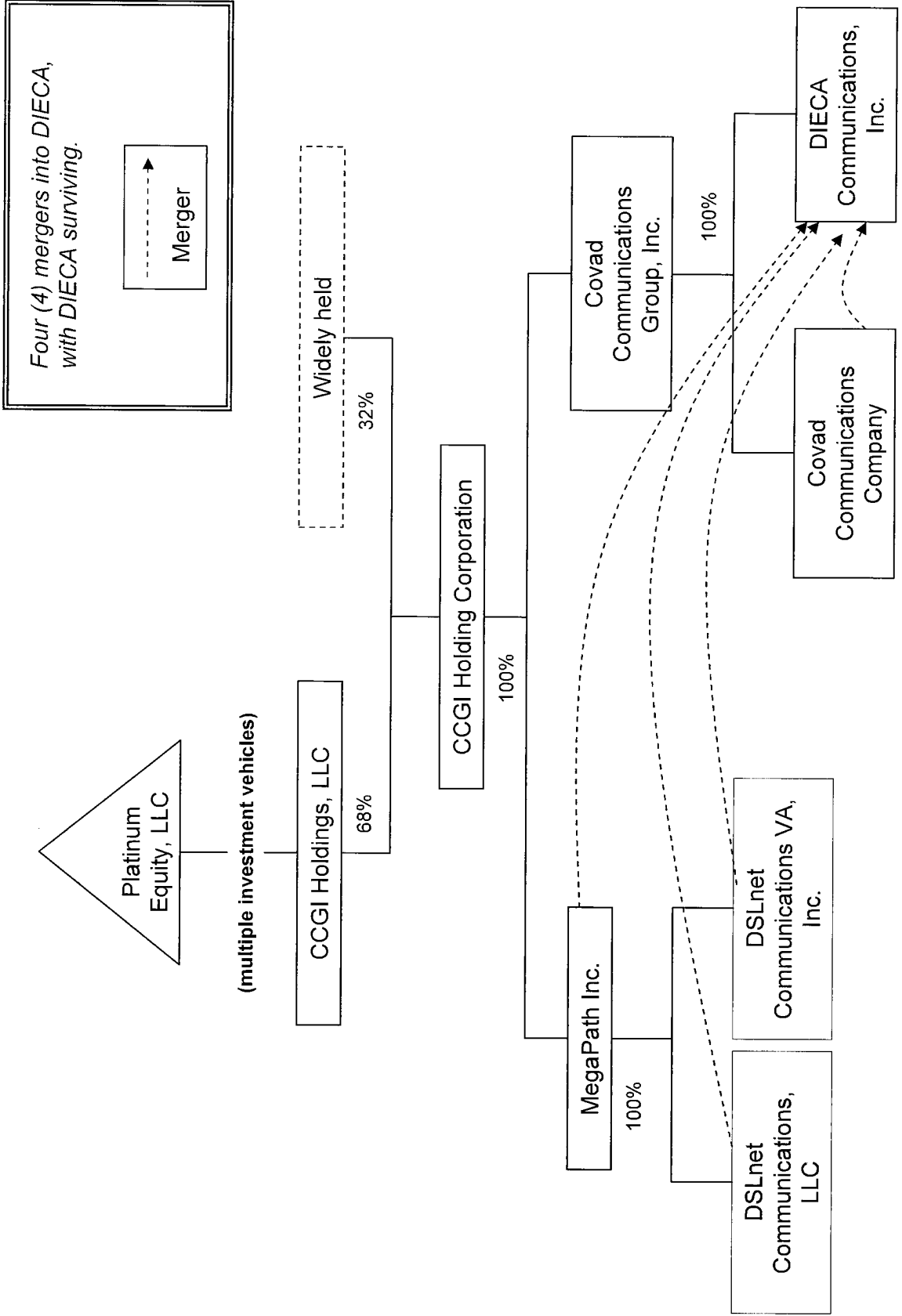
Current Organizational Chart



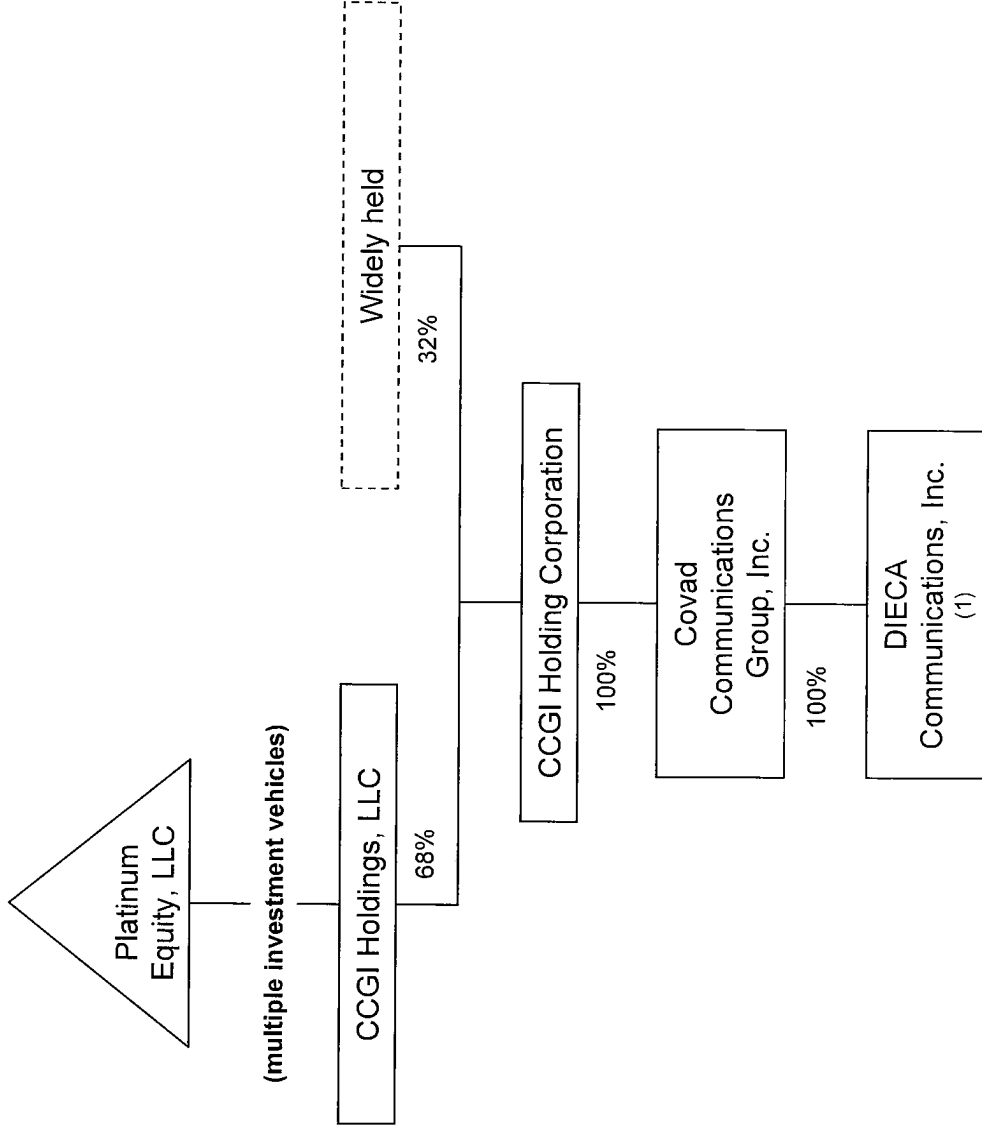
(1) Holds no CPCNs

(2) Holds a CPCN in Virginia only

Depiction of Mergers



Post-Transactions Organizational Chart



(1) Will ultimately change its corporate name or dba to the "MegaPath" brand name

STATE OF CALIFORNIA §
 §
COUNTY OF SANTA CLARA §

VERIFICATION

I, Douglas Carlen, being duly sworn, deposes and say that I am the General Counsel and Secretary of MegaPath Inc., DSLnet Communications, LLC, DSLnet Communications VA, Inc., Covad Communications Company and DIECA Communications, Inc. (collectively, the “Companies”); that I am authorized to make this Verification on behalf of the Companies; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



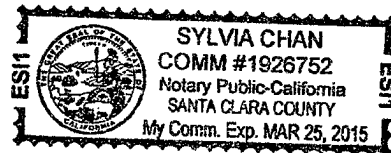
Douglas Carlen
General Counsel and Secretary
MegaPath Inc.
DSLnet Communications, LLC
DSLnet Communications VA, Inc.
Covad Communications Company
DIECA Communications, Inc.

Sworn and subscribed before me this 19 day of September, 2011.



Notary Public

My commission expires: Mar 25 2015.



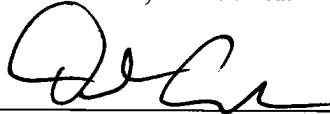
STATE OF CALIFORNIA

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COUNTY OF SANTA CLARA

VERIFICATION

I, Douglas Carlen, being duly sworn, deposes and say that I am the General Counsel and Secretary of MegaPath Inc., DSLnet Communications, LLC, DSLnet Communications VA, Inc., Covad Communications Company and DIECA Communications, Inc. (collectively, the “Companies”); that I am authorized to make this Verification on behalf of the Companies; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



Douglas Carlen
General Counsel and Secretary
MegaPath Inc.
DSLnet Communications, LLC
DSLnet Communications VA, Inc.
Covad Communications Company
DIECA Communications, Inc.

Sworn and subscribed before me this 19 day of September, 2011.



Notary Public

My commission expires: May 25 2015

