



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED JOINT)
PETITION OF DIECA COMMUNICATIONS,)
INC. d/b/a COVAD COMMUNICATIONS)
COMPANY AND CCGI HOLDING)
CORPORATION FOR APPROVAL OF AN)
INDIRECT TRANSFER OF CONTROL OF)
DIECA COMMUNICATIONS, INC. TO CCGI)
HOLDING CORPORATION)

ORDER OF APPROVAL

DOCKET NO. TM07120966

(SERVICE LIST ATTACHED)

BY THE BOARD:

On December 20, 2007, DIECA Communications, Inc. d/b/a Covad Communications Company ("Covad") and CCGI Holding Corporation ("Holding," and collectively, "Petitioners"), filed a petition pursuant to N.J.S.A. 48:2-51.1 and N.J.A.C. 14:1-5.14, seeking the Board's approval for a transaction that will result in the transfer of control of Covad to Holding. Following the transfer, Covad will continue to offer services at the same terms, rates and conditions on which it currently offers such services in the state.

BACKGROUND

Covad is a corporation created and existing under the laws of Virginia with its principal offices located in San Jose, California, and is a wholly owned subsidiary of Covad Communications Group, Inc. ("CGGI"), (AMEX:DVW), a publicly held Delaware company also located in San Jose, California. According to the petition, Covad is a nationwide provider of integrated voice and data communications that provides service in 44 states. In New Jersey, Covad is authorized to provide intrastate interexchange and local exchange services. See, Order I/M/O the Petition of DIECA Communications, Inc. for Authority to Provide Facilities-Based and Resold Interexchange Toll Service and Facilities-Based and Resold Intrastate Switched, Special Access and Local Exchange Telecommunications Services, Docket No. TE98060350, dated November 4, 1998. Covad currently has 19,000 lines in service and 19 employees in New Jersey.

Holding, formally known as Blackberry Holding Corporation, is a Delaware corporation with its principal offices located in Beverly Hills, California. Holding is ultimately controlled by Platinum

Equity LLC (“Platinum”). Platinum is a privately held Delaware limited liability company with offices also located in Beverly Hills, California. According to the petition, Platinum is a global firm specializing in the merger, acquisition and operation of companies that provide services to customers in a broad range of markets, including information technology, telecommunications, logistics, manufacturing, and entertainment distribution. Platinum indirectly controls several other telecommunications carriers including: Startec Global Operating Company; Matrix Telecom, Inc. and Americatel Corporation. According to the petition, through these companies, Platinum provides long distance, Internet, and other various telecommunications services. For the purposes of the proposed transaction, Platinum has created CCGI Merger Corporation (Merger) and Holding for the purpose of acquiring CCGI, the parent of Covad. Merger is a wholly owned subsidiary of Holding.

DISCUSSION

Pursuant to the terms of an Agreement and Plan of Merger dated October 28, 2007 entered into, by and among Merger, Holding and CCGI, Merger will merge with CCGI, with CCGI surviving. As a result, Holding will acquire indirect control of Covad. Following the transaction, Covad will continue to offer services at the same terms, rates and conditions on which it currently offers such services in the state. The transfer of control of Covad will be seamless and transparent to consumers in New Jersey. .

The petition states that under new ownership, Covad will continue to provide quality telecommunications services to consumers. Further, Petitioners state that this transaction will provide Covad with increased access to additional resources, and the operational expertise of Platinum, thereby putting Covad in a better position to expand its service offerings. Covad has 19 employees in New Jersey, and Petitioners have represented that they will not be affected by the transaction.

FINDINGS AND CONCLUSIONS

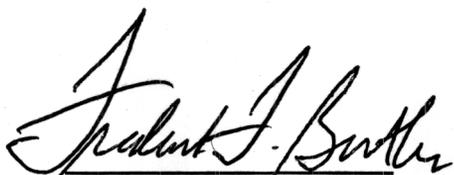
After a thorough review of the petition and annexed exhibits filed in accordance with N.J.A.C. 14:1-5.14, the Board concludes that there will be no negative impact on rates or service quality since Covad’s New Jersey customers will continue to receive the same services from the same entity at the same rates and under the same terms and conditions as prior to the change in control. Moreover, a positive benefit may be expected as Petitioners will have access to additional capital through Platinum which will allow Covad to better compete in the marketplace.

Accordingly, after careful review of this matter, the Board FINDS that the change of control will have no negative impact on the rates of current customers. The Board also FINDS that the transfer will have no negative impact on employees or on the provision of safe, adequate and proper service, and will positively benefit competition because, as discussed above, Covad will emerge as a stronger competitor. Therefore, after investigation, having considered the record and exhibits submitted in this proceeding, the Board FINDS that the proposed transfer is in accordance with the law and is in the public interest. The Board HEREBY ORDERS that the Petitioners shall notify the Board of the closing of the proposed transactions within 7 days of the consummation of the transfer.

DATED: 3/4/08

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER

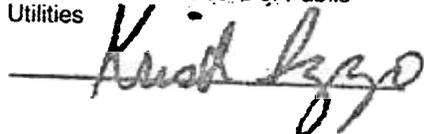

JOSEPH L. FIORDALISO
COMMISSIONER


CHRISTINE V. BATOR
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



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