

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

February 19, 2008

IN RE:	)	
	)	
JOINT PETITION OF DIECA COMMUNICATIONS, INC.	)	DOCKET NO.
AND CCGI HOLDING CORPORATION FOR APPROVAL	)	07-00276
OF AN INDIRECT TRANSFER OF CONTROL OF DIECA	)	
COMMUNICATIONS, INC. TO CCGI HOLDING	)	
CORPORATION	)	

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ORDER APPROVING TRANSFER OF AUTHORITY

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This matter came before Chairman Eddie Roberson, Director Sara Kyle and Director Ron Jones of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on January 28, 2008 for consideration of the *Joint Petition for Approval of Indirect Transfer of Control* (“*Joint Petition*”) filed by DIECA Communications, Inc. d/b/a Covad (“Covad”) and CCGI Holding Corporation (“Holding”) (together “Petitioners”) on December 20, 2007.

Covad is a Virginia corporation and a wholly-owned subsidiary of Covad Communications Group, Inc. (“CCGI”), and provides integrated voice and data communications services nationwide. Covad holds authorization to provide international and domestic interstate telecommunications services as a non-dominant carrier from the Federal Communications Commission (“FCC”), and is authorized to provide intrastate telecommunications services in Tennessee.<sup>1</sup>

Holding is a Delaware corporation formerly known as Blackberry Holding Corporation, and an indirect subsidiary of Platinum Equity LLC (“Platinum”).<sup>2</sup> Platinum is a global firm specializing

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<sup>1</sup> See *In re: Application of DIECA Communications, Inc. for Certificate of Convenience and Authority to Provide Switched and Resold Local Exchange and Exchange Access Service within Tennessee*, Docket No 99-00823, *Order Granting Certificate of Public Convenience and Necessity* (May 22, 2000).

<sup>2</sup> Platinum also indirectly controls several Tennessee-certificated telecommunications carriers such as Startec Global Operating Company, Matrix Telecom, Inc. and Americatel Corporation.

in the merger, acquisition and operation of companies that provide services and solutions to customers in a broad range of business markets, including information technology, telecommunications, logistics, manufacturing, and entertainment. Holding and Platinum hold no authorizations from the FCC or state regulatory agencies and do not offer any regulated telecommunications services.

### **The Joint Petition**

According to the *Joint Petition*, Platinum 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. Pursuant to the Agreement and Plan of Merger dated October 28, 2007, Merger will merge with CCGI, with CCGI emerging as the surviving entity. Following the transaction, Holding will acquire indirect control of Covad, and Covad will continue to offer services under the same name with no change in the rates, terms or conditions of service, thereby making the transfer of control transparent to its customers.

According to the Petitioners, the transfer of control will give Covad access to additional resources and the operational expertise of Platinum, thereby enhancing Covad’s competitive position, to the ultimate benefit of the consumers.

### **Findings and Conclusions**

Tenn. Code Ann. § 65-4-113(a) (2004) requires a public utility to obtain TRA approval to transfer its authority to provide utility services and provides as follows:

No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) (2004) provides the standards by which the TRA shall consider an application for transfer of authority, in pertinent part, as follows:

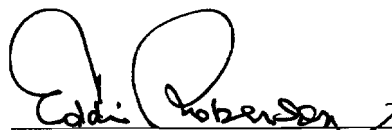
Upon application for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed

transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. The authority shall approve the transfer after consideration of all relevant factors and upon finding that such transfer furthers the public interest.

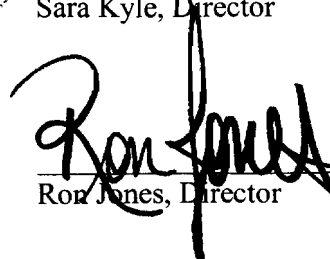
At the regularly scheduled Authority Conference held on January 28, 2008, the voting panel<sup>3</sup> assigned to this docket considered the *Joint Petition* and voted unanimously to approve the transfer of authority pursuant to Tenn. Code Ann. § 65-4-113 (2004) contingent upon FCC approval after finding that Covad will continue to offer services with no change in rates, terms or conditions and the transfer will be transparent to customers.

**IT IS THEREFORE ORDERED THAT:**

1. The transfer of authority of DIECA Communication, Inc. d/b/a Covad to CCGI Holding Corporation as described in the *Joint Petition for Approval of Indirect Transfer of Control* and discussed herein is approved pursuant to Tenn. Code Ann. § 65-4-113 (2004), contingent upon approval by the Federal Communications Commission.
2. The Petitioners shall file with the Authority, any documentation from the Federal Communications Commission regarding subsequent action on the transfer.

  
Eddie Roberson, Chairman

  
Sara Kyle, Director

  
Ron Jones, Director

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<sup>3</sup> As a result of Director Miller's resignation effective December 1, 2007, a Notice of Reassignment of Panels was filed in this docket on January 18, 2008.