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August 30, 2010

Via Electronic Mail and UPS Delivery

Ms. Sharla Dillon
Docket Room Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

filed electronically in docket office on 08/30/10

Re: Docket No. 10-00165; *Joint Petition of CCGI Holdings, LLC, CCGI Holding Corporation, DSLnet Communications, LLC, and DIECA Communications Inc. for Approval of a Pro Forma Change in Corporate Structure of DSLnet Communications, LLC and DIECA Communications Inc.*

Dear Ms. Dillon:

Enclosed please find an original and four (4) copies of CCGI Holdings, LLC, CCGI Holding Corporation, DSLnet Communications LLC, and DIECA Communications, Inc.'s ("Petitioners") Response to Staff's Data Request No. 1 to be filed in the above-referenced docket. On this date, I have also sent an electronic file to your attention at Sharla.Dillon@tn.gov.

Finally, I have included one additional copy of the complete response. Please file stamp the extra copy and return it to me in the enclosed self-addressed stamped envelope.

As always, if you have any questions, please do not hesitate to contact me.

Sincerely,

Katherine K. Mudge

Encls.

DOCKET NO. 10-00165

Joint Petition of CCGI Holdings, LLC, CCGI Holding Corporation, DSLnet Communications, LLC, and DIECA Communications, Inc. for Approval of a Pro Form Change in Corporate Structure of DSLnet Communications, LLC and DIECA Communications, Inc.

**Response of Petitioners to Staff Data Request No. 1
August 30, 2010**

1. Have the Petitioners filed petitions or notices in other states? If so, provide a listing of states and action taken.

Response: Yes. The Petitioners have filed similar applications for approval in: California, Delaware, Indiana, Louisiana, Maryland, New York, Pennsylvania, Texas, Virginia, and West Virginia (states that require state commission approval). To date, the Virginia and West Virginia commissions have approved the applications and we fully expect approval from all other commissions. In addition, Petitioners have filed notice in Mississippi, and plan to do so for the following states: Alabama, Arizona, Arkansas, Connecticut, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Texas, Utah, Vermont, Washington, Wisconsin and Wyoming.

2. Have the Petitioners made a similar filing with the FCC? If so, list any action taken by the FCC and the associated docket number. If a schedule to complete the review of the filing has been established by the FCC, provide such with your response.

Response: The Petitioners have not filed a notice with the FCC at this time; however, we expect to do so shortly. The FCC only requires a notice filing for *pro forma* transfers of control, and such filings are technically not required until after the transaction is completed. Accordingly, the Petitioners do not anticipate that the FCC will establish a schedule or take any action on the notice.

3. Please discuss the implications of the transaction described in the *Joint Petition* on the public interest of Tennessee consumers?

Response: As stated in the *Joint Petition*, the *pro forma* change to the corporate structure will be entirely transparent to Tennessee consumers. The *pro forma* corporate structure change, which will simply insert an intermediate holding company, will be seamless and will not impact directly or indirectly end use consumers. Following the *pro forma* change of corporate structure, DSLnet and Covad will continue to provide services to their customers under the same names and continue to be lead by experienced management teams. The corporate structure change will allow the companies to remain in compliance with their covenants with their investors, thereby allowing the companies to retain their sources of outside funding, which will thereby allow the companies to strengthen their operational positions and managerial efficiencies to the benefit of Tennessee consumers.