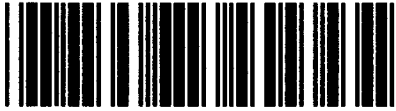




Control Number: 38883



Item Number: 1

Addendum StartPage: 0

**(TITLE PAGE)**

**APPLICATION FOR CERTIFICATION, RE-QUALIFICATION, OR  
AMENDMENT TO A  
SERVICE PROVIDER CERTIFICATE OF OPERATING  
AUTHORITY AND  
A CERTIFICATE OF OPERATING AUTHORITY**

**DOCKET NO.** 38883

**APPLICANT:** Covad Communications Company

**Authorized Representative or Attorney to contact about this Application:**

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

**Agent for Service of Process:**

Applicant's agent for service of process is:

National Registered Agents, Inc.  
16055 Space Center Blvd.  
Suite 235  
Houston, Texas 77062  
(877) 499-7900 (TX Office); (281) 286-5902 (Fax)

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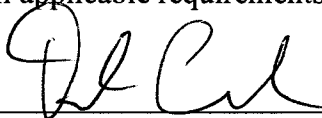
**AFFIDAVIT**

STATE OF CALIFORNIA  
COUNTY OF SANTA CLARA

§  
§     ss:  
§

1.     My name is Douglas Carlen. I am the General Counsel and Secretary of Covad Communications Group, Inc., and its subsidiaries Covad Communications Company and Speakeasy Broadband Services, LLC (collectively, the "Companies").

2.     I swear or affirm that I have personal knowledge of the facts stated in this Application, that I am competent to testify to them, and that I have the authority to make this Application on behalf of the Applicant. I further swear or affirm that all of the statements and representations made in this Application are true and correct. I swear or affirm that the Applicant understands and will comply with all applicable requirements of law.



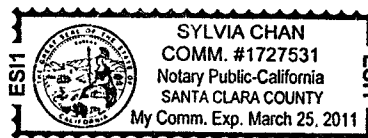
Douglas Carlen  
General Counsel and Secretary  
Covad Communications Group, Inc.  
Covad Communications Company  
Speakeasy Broadband Services, LLC

Sworn and subscribed before me this 2 day of Nov, 2010.



Notary Public

My commission expires: Mar 25 2011



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**SECTION ONE – BASIC INFORMATION**

1. Check one or more of the following Requests:

(a) Check only one.

<input type="checkbox"/> New SPCOA Application	<input checked="" type="checkbox"/> Amended SPCOA Application Amending SPCOA No. <b>60192</b>
<input type="checkbox"/> New COA Application	<input type="checkbox"/> Amended COA Application Amending COA No. _____

(b) If you are filing an amendment, check one or more of the following as requests made in this amendment filing:

<input type="checkbox"/> Name Change Amendment	<input type="checkbox"/> Certification Relinquishment
<input type="checkbox"/> Change in Ownership/Control	<input type="checkbox"/> Service Discontinuation
<input type="checkbox"/> Change in Service Area	<input type="checkbox"/> Change in Type of Provider
<input checked="" type="checkbox"/> Corporate Restructuring	<input type="checkbox"/> Other

(c) Provide a summary explanation of all items checked in “b” above.

Covad Communications Company (“Covad”) and Covad’s corporate parent, Covad Communications Group, Inc. (“CCGI”), respectfully request approval or such authority as may be necessary or required for a change in corporate structure whereby Covad’s unregulated subsidiary, Speakeasy Broadband Services, LLC (“Speakeasy”) (CCGI, Covad and Speakeasy collectively, “Parties”), will merge with and into Covad with Covad surviving. This intra-corporate merger is intended to be undertaken for business reasons. The Parties make clear that the merger of Speakeasy with Covad is only being undertaken for internal business reasons and will not affect the ultimate ownership of Covad as previously approved by the Commission. Speakeasy does not hold any certificates or registrations with the Commission and does not provide regulated services in Texas.

Given the non-controversial nature of the proposed transaction, the Parties request that the Commission act expeditiously to grant the authority requested herein as soon as possible so that the Parties can timely consummate the proposed transaction to meet important business objectives.

**Description of the Transaction**

As part of the proposed transaction, Speakeasy will merge with and into Covad, with Covad surviving. The Parties, therefore, request authority for the intra-corporate merger of Speakeasy with Covad, which will not change the ultimate ownership of any regulated company, but will technically effectuate a change in corporate structure for Covad. For the Commission’s convenience, pre- and post-transaction corporate organizational structure charts are provided as Exhibit A.

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**SECTION ONE – BASIC INFORMATION**

Following the consummation of the proposed transaction Covad's customers will continue to receive service under the same rates, terms and conditions of service as before. The proposed transaction will not involve a change in Covad's operating authority in Texas and its tariff will remain in effect. Thus, the proposed transaction will be seamless and transparent to Texas consumers. Further, Covad will continue to be managed by a management team with over 120 years of combined telecommunications business management experience, as demonstrated by the management team biographies attached hereto as Exhibit D. Finally, the transaction will not impact the financial qualifications of CCGI as demonstrated in Exhibit C filed in Docket No. 38249, and found to be sufficient by this Commission in that same docket. For the Commission's convenience, CCGI's financials are attached hereto, under seal, as confidential Exhibit C.

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**SECTION ONE – BASIC INFORMATION**

2. Provide a description of the Applicant, which shall include the following:
- (a) Legal name and all assumed names under which the Applicant conducts business, if any;

**Covad Communications Company**

- (b) Address of principal office and business office;

**Covad Communications Company  
2220 O'Toole Avenue  
San Jose, California 95131**

- (c) Principal office/business office telephone number  
Fax number  
Website address  
E-mail address  
Toll-free customer service telephone number. *(If the Applicant has not obtained the toll-free customer service telephone number at the time of the Application, the Applicant must commit to obtaining one before beginning business);*

**Telephone Number: (408) 952-6400**

**Facsimile: (408) 952-7539**

**Website address: <http://www.covad.com>**

**E-mail address: [kmudge@covad.com](mailto:kmudge@covad.com)**

**Toll-free customer service telephone number: 1-888-648-6823**

**To the extent this information changes after the transaction is completed, the Parties will update the Commission with the new contact information.**

- (d) FCC Carrier Identification Code (CIC) or National Exchange Carriers Association (NECA) Operating Carrier Numbers (OCNs), if available;

**No change.**

- (e) Form of business in Texas (e.g., corporation, partnership, sole proprietorship), Charter/Authorization number, date business was formed and date change was made (if applicable). Provide the State and date in which parent company is registered. *(The Commission requires registration with the Secretary of State for all forms of business, except sole proprietorships.)*

**No change. Covad Communications Company ("Covad") is a California corporation, with offices located at 2220 O'Toole Avenue, CA 95131. Covad's corporate information was contained within its initial application for SPCOA. Covad is a direct subsidiary of Covad Communications Group,**

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**SECTION ONE – BASIC INFORMATION**

**Inc. (“CCGI”), a Delaware corporation. The change in corporate structure described in response to Item 1(c) will result in Speakeasy merging with and into Covad, with Covad surviving.**

- (f) Name, address, and office address of each director, officer, or partner;

**Covad’s and CCGI’s officers and directors are:**

**D. Craig Young – CEO  
Brett Flinchum – COO  
Bruce Chatterley – President, Business Markets  
Dan Foster – EVP, Sales & Marketing  
Paul Milley – EVP & CFO  
Douglas Carlen – General Counsel & Secretary, Director  
Brooke Mastin - Treasurer**

**They can each be reached at Covad’s principal place of business:**

**Covad Communications Company  
2220 O’Toole Avenue  
San Jose, California 95131**

- (g) Name, address, and office address of each of the five largest shareholders, if not publicly traded;

**No change. Covad is a wholly owned direct subsidiary of CCGI. The change in corporate structure will result in Speakeasy merging with and into Covad with Covad surviving. Please refer to Exhibit A for the pre- and post-transaction corporate structure of the entities.**

- (h) Legal name of parent company, if any, and a description of its primary business interests; and,

**As described above, CCGI is the direct parent of Covad. Through its operating companies (Covad and DIECA Communications, Inc., a Virginia corporation), CCGI is a leading nationwide provider of integrated voice and data communications. Through its operating companies, 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 CCGI network and through Internet Service Providers, value-added resellers, telecommunications carriers and affinity groups to small and medium-sized businesses and home users. CCC broadband services are currently available across the nation in 44 states and 235 Metropolitan**

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**SECTION ONE – BASIC INFORMATION**

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.

As stated above, CCGI is ultimately controlled by Platinum Equity LLC, a privately held Delaware limited liability company. CCGI and Platinum do not offer any regulated telecommunications services. Platinum’s offices are located at 360 North Crescent Drive, Beverly Hills, California 90210. Platinum is a global firm specializing 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 distribution.

Platinum indirectly controls several other telecommunications carriers: Matrix Telecom, Inc. (“Matrix”); and Americatel Corporation (“Americatel”). Matrix provides integrated communications services including local, 1+ long distance and toll-free voice services plus a wide range of data services, such as dedicated Internet access, frame relay and point-to-point transmission services, chiefly to enterprise customers. Americatel provides international and domestic facilities-based and resold long distance services, including “dial around” casual calling (i.e., 1010XXX) service and presubscribed 1+ calling services, in each of the 48 contiguous states, with a particular emphasis on serving the needs of United States customers with connections to Latin America and the Caribbean.

Since closing of the MegaPath-CCGI Transaction (subject of Docket No. 38249), Covad is now also affiliated with DSLnet. At that time, DSLnet’s parent company, MegaPath Inc., became a wholly owned direct subsidiary of CCGI. 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. 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. (“DSLnet-VA”), is authorized to provide intrastate telecommunications services in Virginia.

Upon completion of the change in corporate structure as described in Item 1(c), Speakeasy will merge with and into Covad with Covad surviving. For the Commission’s convenience, pre- and post-transaction corporate organizational structure charts are provided as Exhibit A.



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**SECTION ONE – BASIC INFORMATION**

- (i) Legal name of all affiliated companies that are public utilities or that are providing telecommunications services and the states in which they are providing service. Give a description of all affiliates and explain in detail the relationship between the Applicant and its affiliates. An organizational chart should be provided.

As a result of the *pro forma* corporate structure change as described in Item 1(c), there is no change in the responses to this question as answered in Docket No. 38249.

As stated above in Item 2(i), in addition to Covad and DIECA, Platinum also controls Matrix and Americatel. Since completion of the MegaPath-CCGI Transaction, Covad is also affiliated with DSLnet and DSLnet-VA through CCGI. Additional information regarding these companies is provided in Item 2(i), above.

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**SECTION ONE – BASIC INFORMATION**

3. State the name **and only one name**, in which the Applicant wants the Commission to issue its certificate. *(NOTE: If the Applicant is a corporation, the Commission will issue the certificate in either the Applicant's corporate or assumed name, not both. The certificate holder must use only the name approved by the Commission on all bills and advertisements sent to or viewed by the public. Name Changes require Commission Approval as well as Secretary of State Approval.)*

**No Change. Applicant's SPCOA should remain under the name "Covad Communications Company".**

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**SECTION TWO – TECHNICAL INFORMATION**

4. (a) Provide a detailed description of the telecommunications services to be provided.

**No change. The services offered by Covad to customers will not change as a result of the *pro forma* change in corporate structure.**

- (b) Indicate with a yes or no response, whether the Applicant will be providing the following telecommunications services:

	<u>Business</u>	<u>Residential</u>
<input type="checkbox"/> POTS (Plain Old Telephone Service)	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> ADSL	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> ISDN	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> HDSL	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> SDSL	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> RADSL	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> VDSL	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Optical Services	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> T1-Private Line	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Switch 56 KBPS (KiloBits Per Second)	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Frame Relay	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Fractional T1	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Long Distance	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Wireless	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Other (Please Describe): _____		

**No change. The services offered by Covad to customers will not change as a result of the *pro forma* change in corporate structure.**

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**SECTION TWO – TECHNICAL INFORMATION**

5. (a) Is the Applicant providing prepaid calling services?

**No change. The services offered by Covad to customers will not change as a result of the *pro forma* change in corporate structure.**

- (b) If yes to (a), provide a yes or no response to the list of telecommunications services below:

☐ Residential Prepaid Local Calling Services  
☐ Business Prepaid Local Calling Services  
☐ Residential Prepaid Domestic Long Distance Calling Services  
☐ Business Prepaid Domestic Long Distance Calling Services  
☐ Residential Prepaid International Long Distance Calling Services  
☐ Business Prepaid International Long Distance Calling Services

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**SECTION TWO – TECHNICAL INFORMATION**

6. (a) Indicate below the type of local exchange provider being requested: (*Facilities-based, Resale Only, Data Only, or a combination these types of providers*).

**No change. The services offered by Covad to customers will not change as a result of the *pro forma* change in corporate structure.**

- (b) If the answer involves facilities-based or data, please provide a detailed description of the telecommunication facilities, platforms, or systems that will be used to provide these services. Telecommunication facilities include: conduits, ducts, poles, wires, cables, end-office switches, telecommunications circuit equipment, telecommunications signaling systems, and telecommunications transmission facilities used to provide basic local exchange telephone service, basic local telecommunications service, and switched access service.

**No change. The services offered by Covad to customers will not change as a result of the *pro forma* change in corporate structure.**

---

**SECTION TWO – TECHNICAL INFORMATION**

7. Provide a written description of the exchanges, local access and transportation areas (LATAs), or incumbent local exchange company (ILEC) service areas or attach a scaled map of the geographic area for which the certificate is requested within the State of Texas that the Applicant proposes to serve.

**No change. Covad will continue to serve the same areas in the State of Texas.**

---

## SECTION TWO – TECHNICAL INFORMATION

8. Does the Applicant, owner, or any affiliate currently hold a service provider certificate of operating authority (SPCOA), certificate of operating authority (COA), or certificate of convenience and necessity (CCN) for any part of the area covered by this Application?

**No change. The Applicant currently holds SPCOA No. 60192 and Registration No. IX011628. Covad's ultimate parent, Platinum, also controls Matrix, which holds SPCOA No. 60108 and Registration No. IX010828 and Americatel, which holds Registration No. IX010121. Applicant is also affiliated with DSLnet, which holds SPCOA No. 60253 and Registration No. IX011602.**

**Upon completion of the *pro forma* change in corporate structure, there will no change to the certificated companies.**

---

**SECTION TWO – TECHNICAL INFORMATION**

9. (a) Does the Applicant expect to provide service to customers other than itself and its affiliates?

**No change. The services offered by Covad to customers will not change as a result of the *pro forma* change in corporate structure.**

- (b) Has the Applicant provided one copy of this Application to the Commission on State Emergency Communications (a.k.a. 911 Commission)?  
*(Send copy to Commission on State Emergency Communications, Accounts Payable Section at 333 Guadalupe Street, Suite 2-212, Austin, Texas 78701-3942, with phone number 512-305-6911, fax number 512-305-6937, and website address [www.911.state.tx.us](http://www.911.state.tx.us)).*

**Yes, Covad has provided one copy of this application to the Commission on State Emergency Communications.**

- (c) As part of the Application provided to the 911 Commission, the applicant shall provide the name, title, address, and telephone number of the applicant's 911 contact person as required in Substantive Rule No. 26.433(e)(2)(a). Any change in the information about the applicant's designated 911 contact person shall be filed with the 911 Commission with five days of the change.

**Covad's 911 contact person is:**

**Rodney Brownridge  
Director, VoIP Operations  
Covad Communications Company  
2300 Corporate Park Dr., Third Floor  
Herndon, Virginia 20171  
(703) 376-2805  
[rbrownbr@covad.com](mailto:rbrownbr@covad.com)**

**To the extent that this information changes following the transaction, Applicant will update the Commission's records.**



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## SECTION TWO – TECHNICAL INFORMATION

10. (a) Is the Applicant a municipality?

**No change. Applicant is not a municipality**

- (b) Will the Applicant enable a municipality or municipal electric system to offer for sale to the public, directly or indirectly, local exchange telephone service, basic local telecommunications service, switched access service, or any non-switched telecommunications service used to provide connections between customers' premises within an exchange or between a customer's premises and a long distance provider serving the exchange?

**No change.**

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## SECTION TWO – TECHNICAL INFORMATION

11. (a) State whether the Applicant has applied for any necessary municipal consent, franchise, or permit required for the types of services and facilities for which it is applying.

**No change.**

- (b) Identify the municipalities from which such consent, franchise, or permit has been requested.

**No change.**

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**SECTION TWO – TECHNICAL INFORMATION**

12. (a) **APPLICABLE TO SPCOA APPLICANTS ONLY.** Report total intrastate switched access minutes of use for the Applicant, together with its affiliates, for the twelve-month period beginning sixteen months before the first day of the month in which this Application is filed. *(In calculating minutes of use for this question, include minutes of all entities affiliated with the Applicant.)*

**No change.**

- (b) **APPLICABLE TO SPCOA APPLICANTS ONLY.** Identify all affiliates whose minutes of use are included in the calculation required in 12(a).

**No change.**

---

**SECTION THREE – TECHNICAL QUALIFICATIONS**

13. (a) Has the Applicant, its owners, or any affiliate applied for a permit, license, or certificate to provide telecommunications services in any state other than Texas? If yes, identify the state(s) and fully explain.

**CCGI does not itself provide and is not authorized to provide telecommunications services in any jurisdiction. CCGI's operating subsidiaries, CCC and DIECA, provide telecommunications service 44 states (all states except Alaska, Arkansas, Hawaii, Maine, and Vermont) and are also authorized to provide telecommunications services, but do not currently do so, in Iowa, Idaho, Mississippi, Montana, North Dakota, Nebraska, Oklahoma, South Carolina, West Virginia, and Wyoming.**

**Platinum has never applied for authorization to provide telecommunications. Platinum, which ultimately controls Covad, also ultimately controls Matrix and Americatel. Matrix and its subsidiary, Matrix Telecom Virginia, Inc. together offer domestic (local and/or long distance) telecommunications services in all fifty (50) states and the District of Columbia. Americatel offers telecommunications service in the District of Columbia and all fifty (50) states except Alaska.**

**Covad is also affiliated with DSLnet and DSLnet-VA. 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 also authorized by the Federal Communications Commission ("FCC") to provide international and domestic interstate telecommunications services as a non-dominant carrier.**

**DSLnet's direct parent, MegaPath, is not a telecommunications service provider, and has never applied for a permit, license, or certificate to provide telecommunications services in any state.**

**Speakeasy is certificated to provide information services in Indiana.**

- (b) Has the Applicant, its owners, or any affiliate ever had a permit, license, or certificate to provide telecommunications services granted by any state? If yes, identify the state(s) and fully explain.

**Please see response to Item 13(a), above.**

- (c) Has the Applicant, its owners, or any affiliate ever had any permit, license, or certificate denied or revoked by any state? If yes, identify the state(s) and fully explain.

---

**SECTION THREE – TECHNICAL QUALIFICATIONS**

Neither Covad nor DIECA has ever had a certificate denied or revoked in any state.

Covad is affiliated with DSLnet through CCGI. DSLnet has never had a certificate denied or revoked in any state. In Alaska, DSLnet voluntarily surrendered its certificate. In Colorado, DSLnet's certificate expired because DSLnet did not provide jurisdictional services within the timeframe specified in its certificate.

Speakeasy has never had a certificate denied or revoked in any state.

- (d) Has the Applicant, its owners, or any affiliate ever provided telecommunications services in Texas or any other state? If yes, identify the state(s) and fully explain.

Covad and/or DIECA currently provide telecommunications services in California, Illinois, Massachusetts, New York, Oregon, Texas, and Washington. DIECA currently provides telecommunications services in Alabama, Arizona, Colorado, Connecticut, District of Columbia, Delaware, Florida, Georgia, Indiana, Kansas, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Missouri, North Carolina, New Hampshire, New Jersey, New Mexico, Nevada, Ohio, Oregon, Pennsylvania, Rhode Island, Tennessee, Utah, Virginia, and Wisconsin.

Platinum, which ultimately controls Covad, also ultimately controls Matrix and Americatel. Matrix and its subsidiary, Matrix Telecom Virginia, Inc. together offer domestic (local and/or long distance) telecommunications services in all fifty (50) states and the District of Columbia. Americatel offers telecommunications service in all fifty (50) states and the District of Columbia, except Alaska.

Covad is also affiliated with DSLnet through CCGI. DSLnet currently provides telecommunications services in every state except Alaska and Virginia. DSLnet-VA currently provides telecommunications services in Virginia.

Speakeasy is a national provider of VoIP and data services and is certificated to provide information services in Indiana.

- (e) List any telecommunications certifications/authorizations or registrations granted to the Applicant, its parent company, its owners, or any of its affiliates within the State of Texas.

Platinum and CCGI are not telecommunications service providers and are not certificated in Texas. However, Covad (Applicant) holds SPCOA No. 60192 and Registration No. IX011628.

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### SECTION THREE – TECHNICAL QUALIFICATIONS

Platinum, which ultimately controls Covad, also ultimately controls Matrix, which holds SPCOA No. 60108 and Registration No. IX010828 and Americatel, which holds Registration No. IX010121.

Covad is affiliated with DSLnet through CCGI. DSLnet holds SPCOA Number 60253 and Registration No. IX011602.

Speakeasy does not hold any certificates or registrations with the Commission and do not provided regulated services in Texas.

The *pro forma* change in corporate structure will have no affect on the existing SPCOAs or certifications granted within the State of Texas.

---

**SECTION THREE – TECHNICAL QUALIFICATIONS**

14. (a) Provide the complaint history and history of regulatory actions taken against the Applicant, its parent company, any affiliated companies, and/or any companies of the owners that are public utilities or that have provided telecommunications services for the past 24 months in other states. The information should include, but not be limited to, the type of complaint, status of the complaint, and the resolution of the complaint.

**To the best of the Covad's knowledge, no formal complaints or regulatory actions has been taken against Covad or DIECA within the past 24 months in any state or the FCC.**

**Platinum and CCGI are not telecommunications service providers, are not certificated in Texas or any other state, and therefore do not have any complaints or history of regulatory actions taken against them in Texas or any other state.**

**Covad is affiliated with DSLnet and DSLnet-VA through CCGI. To the best of the companies' knowledge, no formal complaints or regulatory actions have been taken against DSLnet or DSLnet-VA within the past 24 months in any state or the FCC.**

**To the best of the Covad's knowledge, no formal complaints or regulatory actions has been taken against Speakeasy within the past 24 months in any state or the FCC.**

- (b) Has the Applicant, its parent company, any affiliated companies, and/or any companies of the owner been notified that it is currently under investigation in Texas or another state or jurisdiction for violation of any deceptive trade or consumer protection law or regulation? If yes, please explain.

**CCGI Holding, CCGI, Covad, DIECA and their affiliated companies are not currently under investigation in Texas or another state or jurisdiction for violation of any deceptive trade or consumer protection law or regulation.**

**Speakeasy is not currently under investigation in Texas or another state or jurisdiction for violation of any deceptive trade or consumer protection law or regulation.**

- (c) Provide the number of customers per state (including Texas) for the past 24 months, for the Applicant, its parent company, and/or any affiliates that are providing telecommunications services.

**The number of (1) total customers of Covad and DIECA and (2) customers of Covad located in Texas is provided under seal in Exhibit B.**

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### SECTION THREE – TECHNICAL QUALIFICATIONS

Covad is affiliated with DSLnet and DSLnet-VA through CCGI. The number of (1) total customers of DSLnet and DSLnet-VA and (2) customers of DSLnet located in Texas is provided under seal in Exhibit B.

Speakeasy does not hold any certificates or registrations with the Commission and does not have any telecommunications service customers in Texas. The total number of telecommunications customers of Speakeasy is provided under seal in Exhibit B.



---

**SECTION THREE – TECHNICAL QUALIFICATIONS**

15. (a) Provide a detailed description of the Applicant's technical qualifications to provide the local exchange service, basic local telecommunications service, and/or switched access service proposed in this Application.

**As indicated by Covad's existing authority in Texas, Covad has both the managerial and technical resources to offer the services described within this Application. The proposed transaction will not change the managerial and technical expertise of CCGI and its operating subsidiaries or the biographies provided in Docket No. 38249, Exhibit B, which are incorporated by reference herein.**

- (b) If the Applicant plans to rely upon a consultant to meet the technical qualifications requirements, provide the following information: (1) name, address, and phone number of consultant, (2) a copy of the contract between the principals and the consultant, (3) consultant's resume or description of experience, (4) information regarding any professional registrations or certifications, (5) percentage of the consultant's time being contracted, and (6) a list of other telecommunications companies served by the consultant and the percentage of time allotted to each company.

**Covad will not rely upon a consultant.**

- (c) Provide a detailed description or individual resumes setting forth the qualifications of the Applicant's key personnel. Descriptions or resumes shall include (1) **Key Personnel Names**, (2) **Applicant Company Titles**, (3) **Detailed Telecommunications Experience**, and (4) **Years of Experience**.

**Please see the management team biographies attached hereto as Exhibit D. Covad's management team has over 120 year of combined telecommunications business management experience.**

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### SECTION THREE – TECHNICAL QUALIFICATIONS

16. Attach a completed Service Quality Questionnaire.

**No change.**

---

## SECTION FOUR – FINANCIAL QUALIFICATIONS

17. If the Applicant is relying on a third party, including a parent, subsidiary, or affiliate company to support its financial ability to provide the services covered by this Application, provide the following information:
- (a) identify the third party;
  - (b) state the third party's relationship to the Applicant; and
  - (c) detail the nature and extent of the reliance.

**While Covad will primarily rely on its own financial ability to provide service, Covad has access to the financial resources of CCGI. Please see the response to Question 21 for financial information for CCGI.**

---

**SECTION FOUR – FINANCIAL QUALIFICATIONS**

18. Provide a projected monthly cash-flow forecast for the initial 24-month period following the provision of service by the Applicant. This cash-flow forecast should detail all anticipated revenues and expenses, including operating and marketing expenses. Itemize one-time costs such as the purchase of start-up equipment, and the costs of obtaining an operating certificate from the Commission. Explain any assumptions made in the forecast (revenue-per-customer, sales growth, expense growth) in footnotes.

**No change. Covad has already been operating in Texas for 24 months. Applicant does not expect the Covad-Speakeasy intra-corporate merger to have a negative effect on Applicant's cash flow. Please see the response to Question 21 regarding financial information related to CCGI.**

---

## SECTION FOUR – FINANCIAL QUALIFICATIONS

19. Provide a monthly forecast of the accounts receivable balance anticipated to be carried by the Applicant during the initial 24-month period of service provision.

**No change. Covad has already been operating in Texas for 24 months. Applicant does not expect the Covad-Speakeasy intra-corporate merger to have a negative effect on Applicant's cash flow. Please see the response to Question 21 regarding financial information related to CCGI.**

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## SECTION FOUR – FINANCIAL QUALIFICATIONS

20. If the Applicant plans to be a facilities-based carrier, provide a 36 month estimate of capital expenditures, a description of the facilities to be installed, and a description of any anticipated financing. Indicate whether or not these capital expenditures are included in the cash-flow forecast provided above. If so, please explain in detail how they were included.

**No change. Covad has already been operating in Texas for 24 months. Applicant does not expect the Covad-Speakeasy intra-corporate merger to have a negative effect on Applicant's cash flow. Please see the response to Question 21 regarding financial information related to CCGI.**

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**SECTION FOUR – FINANCIAL QUALIFICATIONS**

21. Provide evidence of the Applicant's financial qualifications, or the financial qualifications of the third party on which the Applicant is relying, to provide the proposed services. Such evidence should be sufficient to satisfy the financial requirements in PUC Substantive Rule §§26.109 and/or 26.111. Financial instruments that will meet the cash requirements are delineated in PUC Substantive Rule §§ 26.109 and/or 26.111. The Applicant must provide copies of documents from independent sources that demonstrate the Applicant's access to cash or other financial resources. Examples of documentation that may be provided include copies of:
- (a) three recent, consecutive bank statements;
  - (b) an attestation letter of net financial strength from a certified public accountant or investment account manager;
  - (c) audited financial statements;
  - (d) line-of-credit agreements or letters of credit;
  - (e) sworn letters of guaranty from third parties on which the Applicant is relying for financial support; and
  - (f) bank loan approval documents.

As established, evidenced, and accepted by the Commission in Docket No. 38249, CCGI is financially qualified. Since the only change in the corporate structure is an intra-corporate merger of Speakeasy with Covad, Covad also relies on the financial statements of CCGI for purposes of this Application. For the Commission's convenience, attached under seal as Exhibit C are financial statements of CCGI previously provided in Docket No. 38249.

The financial information of CCGI is Confidential pursuant to Section 552.110 of the Texas Open Records Act, Tex. Gov't Code Ann. 552.110, and Section 22.71(d) of the Commission's Procedural Rules, P.U.C. Proc. Rule § 22.71(d). The information provided in Exhibit C contains critical commercially sensitive and competitively significant financial data that is not available to the general public. Disclosure of this information would place the Parties at a significant competitive disadvantage, impede full and fair competition, and undermine its business plans in Texas. In contrast confidential treatment will not adversely affect any interested party.

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## SECTION FOUR – FINANCIAL QUALIFICATIONS

22. Applicants that are established business entities shall provide historical financial statements (audited, if available) for the last two years, including income statements, balance sheets, cash-flow statements, and any related footnotes or schedules.

**Please see response to Question 21.**



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## SECTION FOUR – FINANCIAL QUALIFICATIONS

23. If the Applicant is an established business entity, state whether the Applicant, or the third party on which the Applicant is relying for financial support, is currently under the protection of the federal bankruptcy laws or has been under the protection of the federal bankruptcy laws in the past two years. If so, please explain in detail the extent to which the bankruptcy affects the Applicant's financial qualifications.

**None of the Parties are currently under the protection of the federal bankruptcy laws and nor have they been under the protection of the federal bankruptcy laws in the past two years.**

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## SECTION FOUR – FINANCIAL QUALIFICATIONS

24. Please provide a summary of any history of bankruptcy, dissolution, merger or acquisition of the applicant or any predecessors in interest for two calendar years immediately preceding this Application.

**None of the Parties have a history of bankruptcy, dissolution, merger or acquisition within the past two years.**

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**SECTION FIVE - MISCELLANEOUS**

25. Are any owners, directors, officers, or partners in the organization convicted felons? If yes, please explain.

**To the best of their information and belief, no owner of CCGI has been convicted of any felony and to the best of their information and belief after due inquiry no director or officer of CCGI has been convicted of any felony.**

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**SECTION FIVE - MISCELLANEOUS**

26. **OPTIONAL RESPONSE:** Provide any additional information that the Applicant believes may be relevant to the Applicant's qualifications to provide the proposed service.

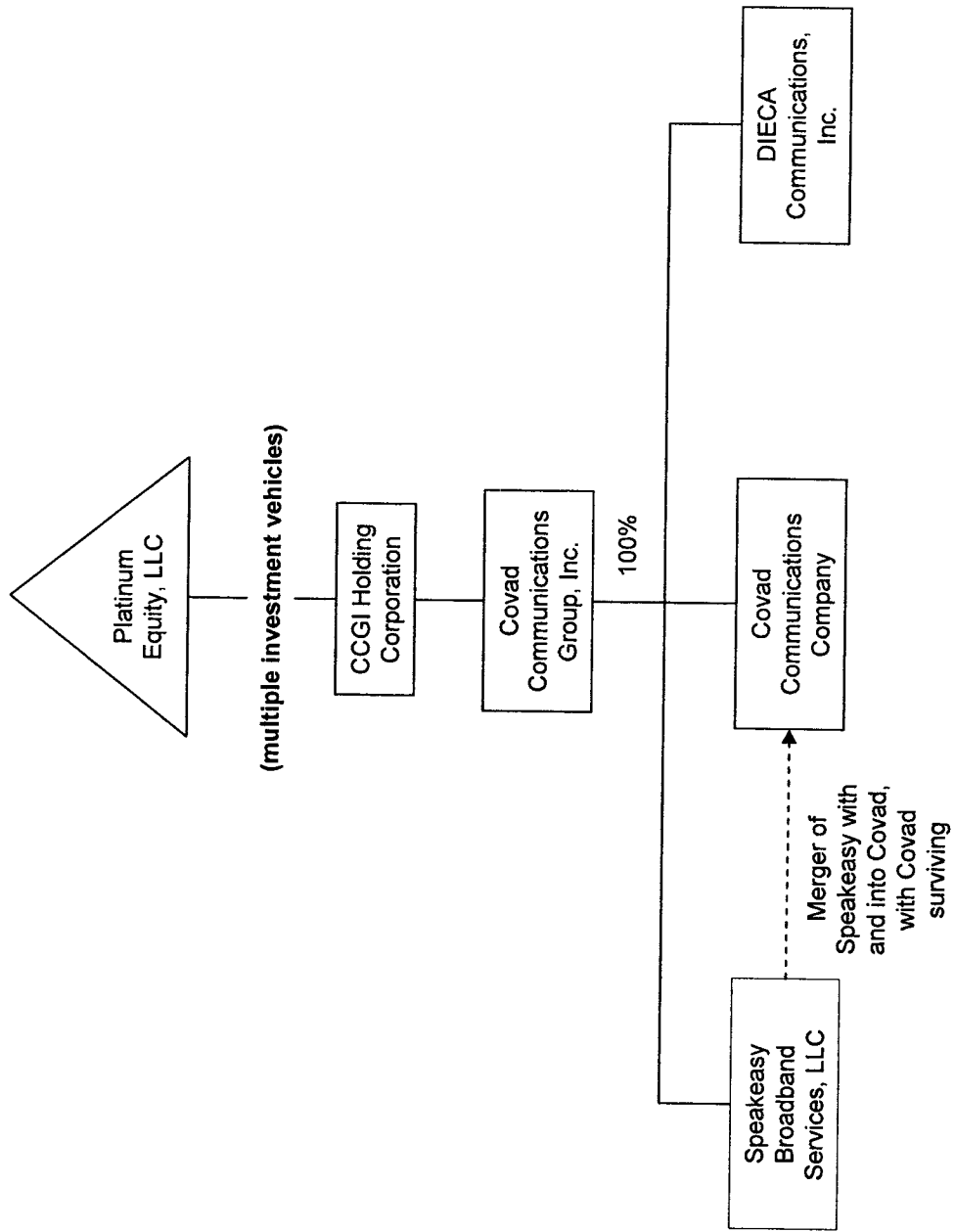
**Applicant does not have any additional information to provide at this time but is prepared to respond expeditiously to any questions the Commission may have.**

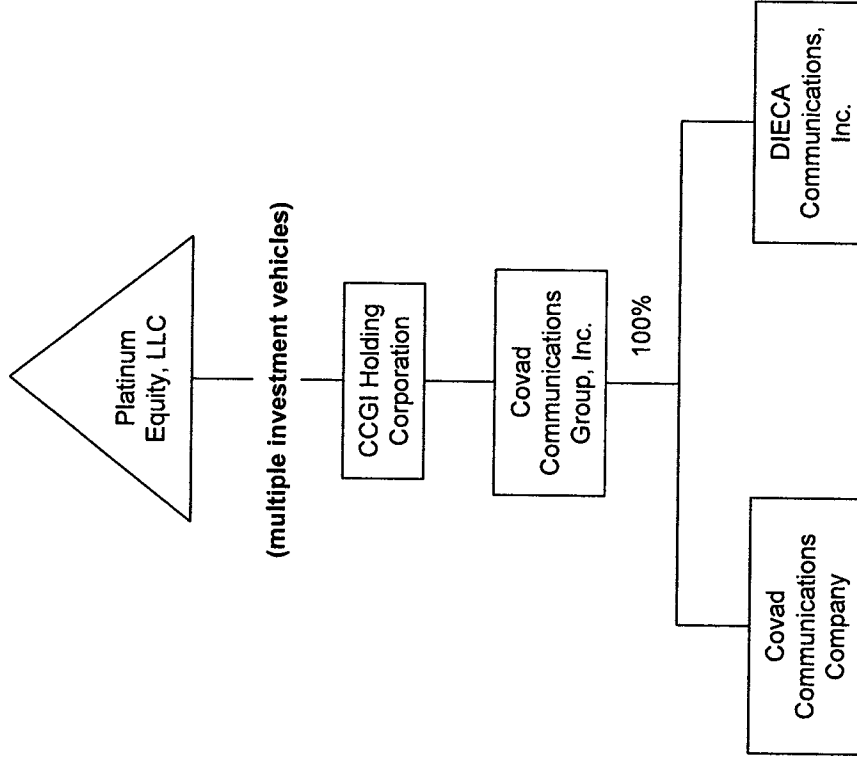
**LIST OF EXHIBITS**

Exhibit A	Chart of Pre- and Post-Transaction Ownership Structure
Exhibit B	Response to Question 14(c) – Number of Customers for Covad, DIECA, DSLnet and Speakeasy <b>[CONFIDENTIAL – FILED UNDER SEAL]</b>
Exhibit C	Financial Statements of CCGI <b>[CONFIDENTIAL – FILED UNDER SEAL]</b>
Exhibit D	Management Team Biographies

**EXHIBIT A**

Chart of Pre- and Post-Transaction Ownership Structure







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**Exhibit B**

Response to Question 14(c) - Number of Customers for Covad, DIECA, DSLnet and Speakeasy

**[CONFIDENTIAL – FILED UNDER SEAL]**

**This information is Confidential pursuant to Section 552.110 of the Texas Open Records Act, Tex. Gov't Code Ann. 552.110, and Section 22.71(d) of the Commission's Procedural Rules, P.U.C. Proc. Rule § 22.71(d). The information provided in Exhibit B contains critical commercially sensitive and competitively significant customer data that is not available to the general public. Disclosure of this information would place the Parties at a significant competitive disadvantage, impede full and fair competition, and undermine business plans in Texas. In contrast confidential treatment will not adversely affect any interested party.**

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Exhibit C

Financial Statements of CCGI

**[CONFIDENTIAL – FILED UNDER SEAL]**

These financial statements are Confidential pursuant to Section 552.110 of the Texas Open Records Act, Tex. Gov't Code Ann. 552.110, and Section 22.71(d) of the Commission's Procedural Rules, P.U.C. Proc. Rule § 22.71(d). The information provided in Exhibit C contains critical commercially sensitive and competitively significant financial data that is not available to the general public. Disclosure of this information would place the Parties at a significant competitive disadvantage, impede full and fair competition, and undermine business plans in Texas. In contrast confidential treatment will not adversely affect any interested party.

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**Exhibit D****Management Team Biographies****D. Craig Young - Chairman and Chief Executive Officer**

Craig Young has over 29 years of experience in the telecom and data communications industry. Since joining the company in July 2004, his primary focus has been to create a world class Managed IP Services company that provides businesses with the ability to easily and securely communicate between their headquarters, employees and business partners. Prior to the merger between MegaPath and Netifice in April 2006, Mr. Young served as Chairman and Chief Executive Officer of Netifice. Before joining Netifice, he was the Vice Chairman and Director of AT&T Canada, and also previously served as President. Prior to his appointment as Vice Chairman and President, which occurred with the \$3.5 billion merger of MetroNet Communications and AT&T Canada in June 1999, he was the President and CEO of MetroNet Communications. MetroNet was Canada's largest facilities-based competitive local exchange carrier (CLEC) at the time. Before MetroNet, Mr. Young served as President and Chief Operating Officer of Brooks Fiber from 1995 to 1998, a pioneer local exchange carrier that was acquired by WorldCom for approximately \$3 billion in 1998. From 1980 to 1995, Mr. Young held various executive level positions, including Vice President Sales, Ameritech Custom Business Services; Vice President Sales and Service for Business and Government Services, U S WEST Communications; and President, Executone Information Systems. Mr. Young received a Bachelor of Science degree in business administration from California State University, Chico.

**Paul Milley - Chief Financial Officer**

Paul Milley has over 20 years of experience in finance, treasury, banking, planning, investor relations, information systems and all controllership activities for both public and private companies. He joined the company in October 2001 and is responsible for finance and administration. Prior to joining MegaPath, Mr. Milley was the SVP and CFO of OnCommand Corporation (OCC), which provides entertainment software and technologies to the hospitality industry. While in this capacity, he helped OCC increase earnings by over 60 percent through product enhancements, new technology deployment, tighter controls and expense efficiencies. Milley's previous titles include VP and CFO of 3DO Corporation, SVP and CFO of ComputerLand Corporation, as well as positions in all levels of finance at other software and consulting organizations. Mr. Milley received a Bachelor of Arts degree from the University of Michigan and a MBA from the Darden School at the University of Virginia.

**Bruce A. Chatterley - President, Business Markets**

Bruce Chatterley is President of Business Markets, where he leads the teams responsible for Sales, Marketing, Customer Operations and Product Management. Chatterley joins the new MegaPath company from Speakeasy, where as its CEO, he doubled the company's size and led the business in exciting new directions, including its purchase by the Best Buy Company in

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2007. Mr. Chatterley has over 20 years of domestic and international high-tech and telecommunications experience. He previously held the position of CEO for ViAir, a Seattle developer of carrier-based mobile messaging software, where he led the company through its ultimate sale in 2003. Prior to that, he was President of eServices & Small/Middle Markets for Concur Technologies (CNQR), a developer of web-based travel and entertainment expense management applications. Mr. Chatterley's background also includes several executive positions with Ameritech Corporation (now SBC), including Chief Consumer Marketing Officer and Vice President of Product Management. Earlier in his career, Chatterley held sales, marketing and business development leadership positions with US West, General Electric and IBM. Chatterley earned his MBA from the Kogod College of Business Administration at American University and his BSBA from Central Michigan University.

**Patrick (Pat) Bennett - Chief Strategy Officer and Wholesale Markets**

Patrick (Pat) Bennett has more than 20 years of successful sales development and management expertise. Bennett joins the new MegaPath company from Covad, where as its President and CEO, he developed Covad's direct sales division into a significant revenue channel and led the company's product development and management teams in the development of Covad's VoIP and wireless initiatives. Prior to joining Covad, Mr. Bennett was SVP of marketing and product development for TESSCO Technologies, Inc., a leading provider of wireless communication solutions. Prior to TESSCO, Mr. Bennett was Executive Vice President and Chief Operating Officer of Rogers Wireless, Inc., and was instrumental in driving significant improvements in all operating metrics of the business. Preceding Rogers Wireless, Mr. Bennett held increasingly senior roles in sales and marketing at Sprint PCS, Cellular One, Communications Electronics, Inc., and American Beeper Associates.

**Brett Flinchum - Chief Operating Officer**

Brett Flinchum is Chief Operating Officer, where he leads the teams responsible for Operations, Network Engineering, Software and Information Systems and Project Management. Flinchum joins the new MegaPath from Covad, where he was Chief Operations Officer. During his tenure at Covad, Mr. Flinchum led the team that established the first working line-sharing DSL service in the U.S. and led Covad's first-to-market consumer ADSL offering. Prior to Covad, Mr. Flinchum served as part of a change management, turn-around organization at U.S. West, now Qwest Communications, where he was responsible for re-architecting the business, repositioning the cost structure, and improving customer satisfaction. Prior to U.S. West, Mr. Flinchum was with First Union Corporation, now Wachovia, First Citizens Bank, and IBM. Mr. Flinchum holds a BA in Economics from Davidson College, North Carolina, and an MBA from the Fuqua School of Business at Duke University.

**Doug Carlen - General Counsel**

Doug Carlen oversees legal, regulatory and legislative affairs. He possesses a deep knowledge of the business and regulatory environments in which MegaPath operates. Mr. Carlen joins the new

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MegaPath from Covad, where he served as SVP and General Counsel. Previously, Mr. Carlen served as Vice President, Corporate and Legal Affairs at Covad and was a key part of Covad's legal team since September 1999. Before joining Covad, he was with Greene Radovsky Maloney & Share, where he specialized in corporate law. He holds a bachelors degree from the University of Southern California and received his law degree from Hastings College of the Law.

**Dan Foster - Executive Vice President, Sales and Marketing, Business Markets**

Dan Foster is Executive Vice President of Business Markets, with responsibility for driving all sales, marketing and channel efforts. Mr. Foster joined MegaPath in 2000, where he led the sales and marketing activities that grew company revenue more than ten-fold. He has also been instrumental in increasing MegaPath's focus and investment in the channel, and has been named a CRN "Channel Chief" for two consecutive years and is on the PHONE+ Channel Partners Advisory Board. Prior to joining the company, Mr. Foster was President and CEO of Phoenix Networks. Before that, he served as Vice President of Consumer Markets at Rhythms NetConnections, where he managed the company's successful launch and growth in the consumer market. Prior to Rhythms, Mr. Foster was a Partner and Vice President of Marketing for Analysis Group, Inc., a leading international management-consulting firm, where he consulted for both start-up and established companies to create and implement strategies in the telecommunications, Internet, high-tech and consumer product industries. Mr. Foster received dual engineering and liberal arts degrees from Tufts University and graduated from the Harvard Business School executive PMD program.