# ΒΙΝGΗΛΜ

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

October 18, 2010

#### Via MyIBFS and Courier

Marlene H. Dortch, Secretary Federal Communications Commission Office of the Secretary 445 Twelfth Street, SW Room TW-A325 Washington, DC 20554

Attn: International Bureau Wireline Competition Bureau

Re: Notification of CCGI Holdings, LLC, CCGI Holding Corporation, DSLnet Communications, LLC, DSLnet Communications Virginia, Inc., Covad Communications Company and DIECA Communications, Inc. Regarding a *Pro Forma* Change in Corporate Structure of DSLnet Communications, LLC, DSLnet Communications of VA, Inc., Covad Communications Company and DIECA Communications, Inc.

Dear Secretary Dortch:

CCGI Holdings, LLC ("New Holdco"), CCGI Holding Corporation ("CCGI"), DSLnet Communications, LLC ("DSLnet"), DSLnet Communications Virginia, Inc. ("DSLnet-VA"), Covad Communications Company ("CCC"), and DIECA Communications, Inc. ("DIECA") (New Holdco, CCGI, DSLnet, DSLnet-VA, CCC, and DIECA collectively, the "Parties"), through their undersigned counsel, and pursuant to Sections 63.03(d) and 63.24(d) and (f) of the Commission's Rules, notify the Commission of a *pro forma* change in the corporate structure whereby New Holdco has been inserted into the corporate ownership chain above CCGI, which wholly owns DSLnet, DSLnet-VA, CCC and DIECA. The Parties emphasize that the insertion of New Holdco into the corporate ownership chain is only undertaken for internal business reasons and will <u>not</u> affect the ultimate ownership of DSLnet, DSLnet-VA, CCC and DIECA.

#### **Description of the Parties**

CCGI Holdings, LLC ("New Holdco") is a Delaware limited liability company with principal offices located at 360 North Crescent Drive, Beverly Hills, California 90210. New Holdco is ultimately controlled by Platinum Equity, LLC ("Platinum"). Neither New Holdco nor Platinum offer any regulated telecommunications services. Platinum is a privately held Delaware limited liability company with offices also located at 360 North Crescent Drive, Beverly Hills, California 90210. Platinum is a global firm

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

Bingham McCutchen LLP 2020 K Street NW Washington, DC 20006-1806

> T +1.202.373.6000 F +1.202.373.6001 bingham.com

A/73522828.1

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.

CCGI Holding Corporation is a Delaware corporation with offices located at 2220 O'Toole Avenue, San Jose, California 95131. CCGI is the parent company of Covad Communications Group, Inc. ("Covad"), a Delaware corporation that owns Covad Communications Company, a California corporation, and DIECA Communications, Inc., a Virginia corporation (together, the "Covad-Licensees"), and Covad-Licensees have principal offices located at 2220 O'Toole Avenue, San Jose, California 95131. Covad is a leading nationwide provider of integrated voice and data communications. Through its operating companies (Covad-Licensees), 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. Covad-Licensees are authorized by the Commission to provide international and domestic interstate telecommunications services as non-dominant carriers.

DSLnet Communications, LLC, a Delaware limited liability company, and DSLnet Communications VA, Inc., a Virginia corporation, have principal offices located at 50 Barnes Park North, Suite 104, Wallingford, Connecticut 06492 (together, the "DSLnet-Licensees"). DSLnet-Licensees are wholly owned subsidiaries of MegaPath Inc., which in turn is a wholly owned subsidiary of CCGI. DSLnet-Licensees 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 nondominant carrier.

A/73522828.1

#### Description of the Pro Forma Change in Corporate Structure

The Parties have determined that they require the insertion of a holding company above CCGI in the corporate ownership chain. The company inserted is New Holdco. The Parties, therefore, notify the Commission of the pro forma insertion of New Holdco, which will not change the ultimate ownership of any regulated company, but will technically effectuate a pro forma change in corporate structure for the DSLnet-Licensees and Covad-Licensees. For the Commission's convenience, pre- and post-transaction corporate organizational structure charts are provided as Exhibit A.

The pro forma transaction will not involve a change in either company's operating authority and the proposed transaction will be seamless and transparent to consumers. Further, there will be no change in the DSLnet-Licensees and Covad-Licensees management as a result of this change of corporate structure. The Parties certify that the change in corporate structure is pro forma and that it will not result in a change in ultimate ownership or control of the DSLnet-Licensees and Covad-Licensees.

#### **Public Interest Considerations**

The Parties respectfully submit that the transaction serves the public interest. In particular, the Parties submit that the transaction will be transparent to consumers. DSLnet-Licensees and Covad-Licensees will continue to be led by an experienced management team. The pro forma change in corporate structure, which will simply insert an intermediate holding company, will be seamless and transparent to consumers.

#### Information Required by Sections 63.03(d)(2) and 63.24(f)(2)

As required by Sections 63.03(d)(2) and 63.24(f)(2), the Parties provides the following information required by 63.04(a)(1) through (a)(4) with respect to the Parties:

Name and address of each Party (Sections 63.04(a)(1) & 63.18(a)):

DSLnet-Licensees:

**DSLnet** Communications LLC DSLnet Communications VA Inc. 50 Barnes Park North Suite 104

#### FRN 0004324851 FRN 0015540230

Wallingford, Connecticut 06492

A/73522828.1

Covad-Licensees:

CCGI Holding Corporation	FRN 0017234758
Covad Communications Company	FRN 0003753753
DIECA Communications, Inc.	FRN 0003753787
2220 O'Toole Avenue	
San Jose, CA 95131	

Platinum Equity, LLC FRN 0014921878 360 North Crescent Drive, South Building Beverly Hills, CA 90210

State of organization (Sections 63.04(a)(2) & 63.18(b)):

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.

Contact Person(s) (Section 63.04(a)(3) & 63.18(c)):

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

with copies to:

Eva Kalawski, Esq. Executive Vice President, General Counsel and Secretary Platinum Equity, LLC 360 North Crescent Drive, South Building Beverly Hills, CA 90210 310-712-1850 (Tel) 310-712-1863 (Fax) ekalawski@platinumequity.com Anthony Hansel Assistant General Counsel Covad Communications Company 1750 K Street, NW Suite 200 Washington, DC 20006 202-220-0410 (Tel) 202-833-2026 (Fax) ahansel@covad.com .

1

### Section 214 Authorizations Held (Section 63.18(d)):

DSLnet-Licensees:	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.
Covad-Licensees:	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).

Ownership Information (Sections 63.04(a)(4) & 63.18(h)):

The following entities directly or indirectly own more than 10% of the equity of **DSLnet-Licensees:** 

Name:	MegaPath, Inc. ("MegaPath")
Address:	555 Anton Boulevard, Suite 200
	Costa Mesa, California 92626
Ownership:	100% (directly in DSLnet-Licensees)
Citizenship:	U.S.
Principal Business:	Managed IP Communications Services
-	
Name:	CCGI Holding Corporation ("CCGI")
Address:	360 North Crescent Drive, South Building
	Beverly Hills, CA 90210
Ownership:	100% (directly in MegaPath; indirectly in DSLnet-
-	Licensees through MegaPath)
Citizenship:	U.S.
Principal Business:	Holding Company

•.

ς.

.

ŝ

The following entities directly or indirectly own more than 10% of the equity of **Covad-Licensees**:

Name:	Covad Communications Group, Inc. ("Covad")
Address:	2220 O'Toole Avenue
	San Jose, California 95131
Ownership:	100% (directly in Covad-Licensees)
Citizenship:	U.S.
Principal Business:	Holding Company
Name:	CCGI Holding Corporation ("CCGI")
Address:	360 North Crescent Drive, South Building
	Beverly Hills, CA 90210
Ownership:	100% (indirectly in Covad-Licensees as 100%
-	owner of Covad)
Citizenship:	U.S.
Principal Business:	

The following entities indirectly owns more than 10% of the equity of the **DSLnet-Licensees and Covad-Licensees** through **CCGI**:

Name:	Platinum Equity Capital Partners II, L.P. ("PECP")
Address:	360 North Crescent Drive, South Building
	Beverly Hills, California 90210
Ownership:	61% (indirectly in DIECA and DSLnet as 61%
-	direct owner of CCGI)
Citizenship:	U.S.
Principal Business:	Investments

Name:	Platinum Blackberry Principals, LLC ("PBP")
Address:	360 North Crescent Drive, South Building
	Beverly Hills, California 90210
Ownership:	20% (indirectly in DIECA and DSLnet as 20%
	direct owner of CCGI)
Citizenship:	U.S.
Principal Business:	Investments

Upon completion of the *pro forma* change in corporate structure, the following entities will indirectly own more than 10% of the equity of **DSLnet-Licensees** and **Covad-Licensees** through **CCGI**:

·

۰.

Name:	CCGI Holdings, LLC ("New Holdco")
Address:	360 North Crescent Drive, South Building
	Beverly Hills, CA 90210
Ownership:	68% (indirectly in DSLnet-Licensees and Covad-
	Licensees as 68% owner of CCGI)
Citizenship:	U.S.
Principal Business:	Investments
Name:	Platinum Equity Capital Partners II, L.P. ("PECP")
Address:	360 North Crescent Drive, South Building
	Beverly Hills, California 90210
Ownership:	41% (indirectly in DSLnet-Licensees and Covad-
	Licensees through CCGI as 61% direct owner of
	New Holdco)
Citizenship:	U.S.
Principal Business:	Investments
Name:	Platinum Blackberry Principals, LLC ("PBP")
Address:	360 North Crescent Drive, South Building
	Beverly Hills, California 90210
Ownership:	13% (indirectly in DSLnet-Licensees and Covad-
	Licensees through CCGI as 20% direct owner of
	New Holdco)
Citizenship:	U.S.
Principal Business:	Investments

Name:	Platinum Equity Investment Holdings II, LLC ("PEIH")
Address:	360 North Crescent Drive, South Building Beverly Hills, California 90210
Ownership:	68% (indirectly in DSLnet-Licensees and Covad- Licensees through its indirect ownership interests in New Holdco).
Citizenship:	U.S.
Principal Business:	Investments
•	
Name:	Platinum Equity, LLC
Address:	360 North Crescent Drive, South Building
	Beverly Hills, California 90210
Ownership:	68% (indirectly in DSLnet-Licensees and Covad-
-	Licensees through 100% direct ownership interest
	in PEIH).
Citizenship:	U.S.
Principal Business:	Investments
-	
Name:	Tom T. Gores
Address:	360 North Crescent Drive, South Building
	Beverly Hills, CA 90210
Ownership:	68% (indirectly in DSLnet-Licensees and Covad-
	Licensees through 100% of ownership interest in
	Platinum Equity).
Citizenship:	U.S.
Principal Business:	Individual

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

DSLnet-Licensees and Covad-Licensees do not have any interlocking directorates.

Through Platinum, the Parties 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.

\* \* \* \*

An original and six (6) copies of this letter are enclosed for filing. Please datestamp the extra copy and return it in the envelope provided. In addition, this notification letter is being filed electronically via MyIBFS. Please direct any questions to the undersigned.

Respectfully submitted,

Russell M. Blau Jeffrey R. Strenkowski Bingham McCutchen LLP 2020 K Street, NW Washington, DC 20006-1806 202-373-6000 (Tel) 202-373-6001 (Fax) russell.blau@bingham.com jeffrey.strenkowski@bingham.com

Counsel to the Parties

## EXHIBIT A

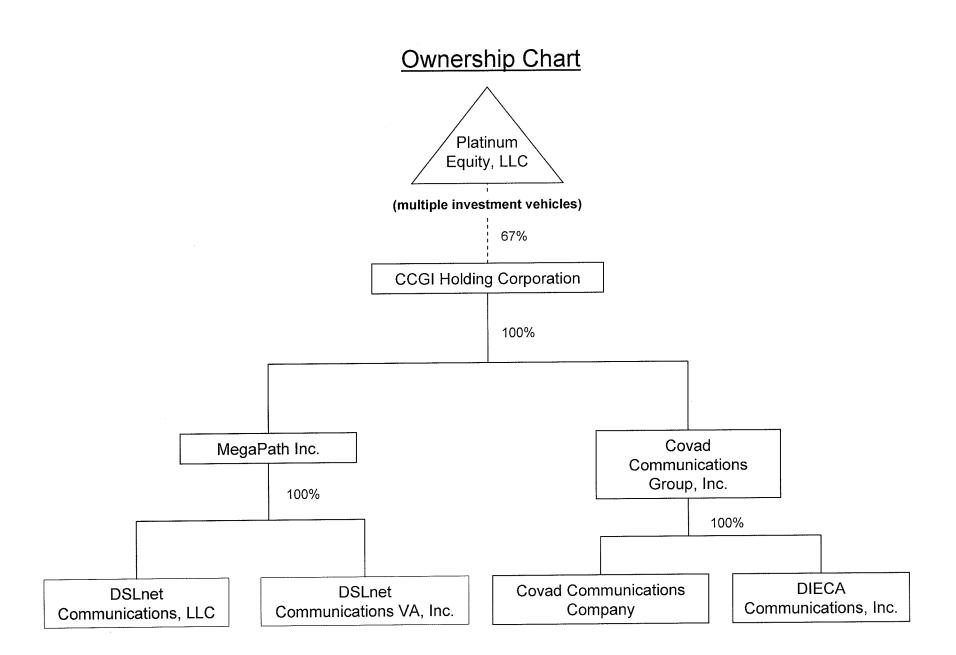
•

-

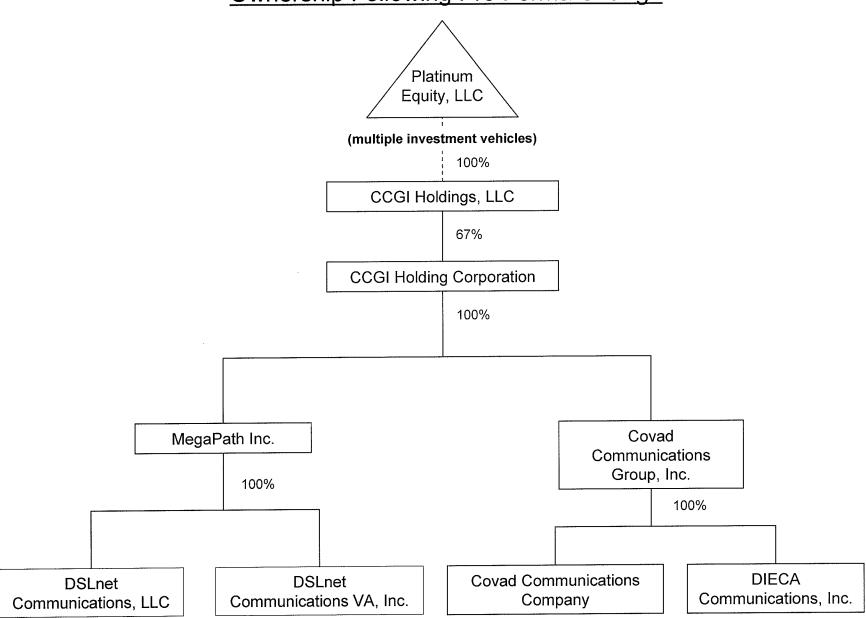
•

.

Pre- and Post-Transaction Corporate Organizational Structure



# Ownership Following Pro Forma Change



and the second second

STATE OF CALIFORNIA	Ş	
	§	ss:
COUNTY OF SANTA CLARA	Ş	

#### VERIFICATION

I, Douglas Carlen, being duly sworn, deposes and say that I am Secretary and General Counsel of CCGI Holding Corporation ("CCGI"), DSLnet Communications, LLC ("DSLnet"), DSLnet Communications Virginia, Inc. ("DSLnet-VA"), Covad Communications Company ("CCC"), and DIECA Communications, Inc. ("DIECA") (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 Secretary and General Counsel

### CERTIFICATE OF ACKNOWLEDGMENT OF NOTARY PUBLIC

State of California County of Santa Clara

On Oct 15 2010, before me, the undersigned notary public, personally appeared Douglas Carlen, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Notary Seal, if any]:

(Signature of Notarial Officer)

Notary for the State of California

My commission expires: Mar 25 201



A/73514664.1