

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the matter of the Joint)	Application No. C-4410
Application of DSLnet)	
Communications, LLC,)	
Wallingford, Connecticut, and)	GRANTED
DIECA Communications, Inc., San)	
Jose, California, seeking)	
authority to complete certain)	
Pro Forma Intra-Corporate)	
transactions.)	
)	Entered: November 8, 2011

BY THE COMMISSION:

By Joint Application filed September 22, 2011, DSLnet Communications, LLC, Wallingford, Connecticut, and DIECA Communications, Inc., San Jose, California, ("Applicants") seek authority to complete certain *Pro Forma* Intra-Corporate transactions. Notice of the Application was published in the Daily Record, Omaha, on September 27, 2011. No Protests or Formal Petitions of Intervention were filed; accordingly, the Commission processes this application pursuant to its Rule of Modified Procedure.

O P I N I O N A N D F I N D I N G S

The Parties:

Megapath Inc. is a Delaware corporation and is the parent company of DSLnet Communications, LLC. MegaPath Inc. is a wholly-owned subsidiary of CCGI Holding Corporation. 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, remote access virtual private networks (VPN), and security services. MegaPath does not currently offer any regulated telecommunications services and therefore does not hold any telecommunications authorizations from the Federal Communications Commission (FCC) or any state regulatory agency.

DSLnet Communications, LLC (DSLnet) is a Delaware limited liability company. DSLnet provides highspeed Internet access services. DSLnet is authorized to provide intrastate telecommunications services in forty-seven states and the District of Columbia. In Nebraska, DSLnet is authorized to provide local and interexchange telecommunications services pursuant to the authority granted by the Commission in Docket C-2032 on May 28, 1999 and June 16, 1999. DSLnet is also authorized by the FCC to provide international and domestic

interstate telecommunications services as a non-dominant carrier.

Covad Communications Group, Inc. (Covad) is a Delaware corporation that owns Covad Communications Company (CCC), a California corporation and DIECA Communications, Inc. (DIECA), a Virginia corporation. Covad in turn, is a wholly-owned subsidiary of CCGI Holding Corporation. Covad is a nationwide provider of integrated voice and data communications. Through its operating companies (CCC and DIECA), 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. In Nebraska, DIECA is authorized to provide local exchange and interexchange telecommunications services pursuant to the authority granted by the Commission in Docket C-2241 on June 14, 2000. DIECA is also authorized by the FCC to provide international and domestic interstate telecommunications services as a non-dominant carrier.

Description of the Restructuring:

All of the entities involved in this application are indirect, wholly-owned subsidiaries of CCGI Holding Corporation and are already operating under a common management structure. The joint applicants propose to complete a series of *pro forma* internal merger transactions through which DIECA will acquire the assets of MegaPath, DSLnet, DSLnet-VA, and CCC, including their respective customer bases and substantially all of their assets used in the provision of telecommunications services. Upon consummation of the proposed transaction DSLnet will surrender its Certificate of Public Convenience and Necessity. DIECA will replace DSLnet as the service provider in Nebraska. Applicants request cancellation of DSLnet's authority upon notification from the joint applicants that the transactions described in the application have been completed.

Applicants state that although the proposed transactions will involve a transfer of customers, immediately following the proposed transactions, all of those customers will continue to receive service from DIECA under the same rates, terms and conditions as the services currently provided. As a result, the transactions will be almost seamless and virtually transparent to customers. DSLnet does not currently provide intrastate telecommunications services to its Nebraska customers, but provides jurisdictionally interstate services under contract.

Based on the evidence, we find the application to be fair and reasonable and in the public interest. The application should be granted.

Upon notification by the Applicants that the transactions described in the application have been completed, the Commission will consider the Certificate of Public Convenience and Necessity provided to DSLnet as surrendered and will withdraw DSLnet's tariffs.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the above-captioned application be, and it is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 8th day of November, 2011.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

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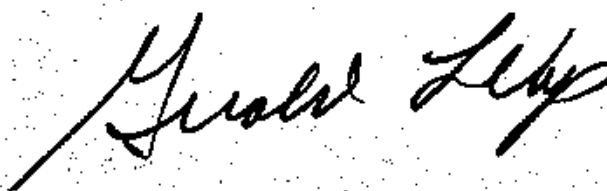
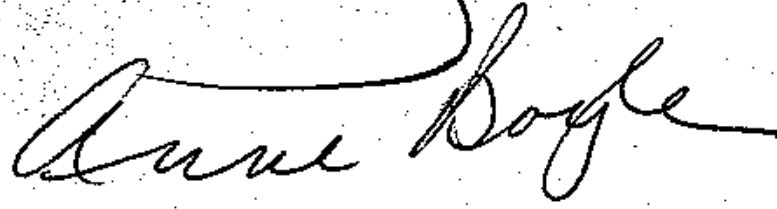
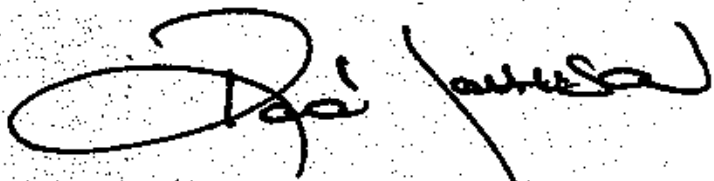
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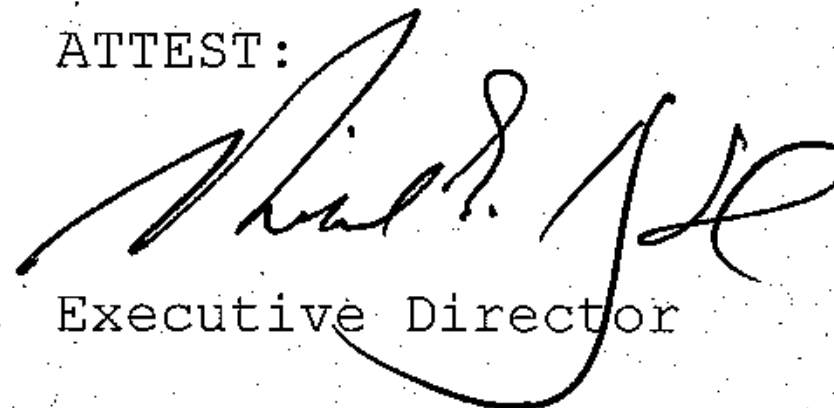


//s// Frank Landis

//s// Tim Schram


Chairman

ATTEST:


Executive Director