

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

-----  
In the Matter of the Joint Application of )  
MegaPath Inc., DSLnet Communications, ) DOCKET NO. 10-2275-01  
LLC and CCGI Holding Corporation, Inc. for )  
Approval of the Indirect Transfer of Control ) ORDER APPROVING INDIRECT  
of DSLnet Communications, LLC ) TRANSFER OF CONTROL  
)  
-----

ISSUED: May 19, 2010

By The Commission:

This matter is before the Commission on the Joint Application of MegaPath Inc. (MegaPath), DSLnet Communications, LLC (DSL) and CCGI Holding Corporation, Inc. (CCGI) for Approval of the Indirect Transfer of Control of DSLnet Communications, LLC. The applicants requested expedited treatment of the application.

MegaPath, DSL and CCGI filed the joint application on April 30, 2010. MegaPath is a Delaware corporation, headquartered in Costa Mesa, California. It is the parent company of DSL and provides a variety of managed internet protocol 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, and security services. MegaPath does not offer any regulated telecommunications services.

DSL is also a Delaware corporation, headquartered in Connecticut. It provides high-speed access internet services. It is authorized to provide intrastate telecommunications services in 47 states and the District of Columbia. It is also authorized to provide public telecommunications services within the state of Utah, excluding those local exchanges of less

DOCKET NO. 10-2275-01

- 2 -

than 5,000 access lines of incumbent telephone corporation with fewer than 30,000 access lines in the state. It was granted its certificate on June 14, 1999 in Docket No. 99-2275-01.

CCGI is also a Delaware corporation, headquartered in Beverly Hills, California. It does not itself provide any regulated telecommunications services. It is the parent company of Covad Communications Group, Inc (Covad). Covad provides integrated voice and data communications nationwide. It offers DSL, VoIP, T1, Ethernet, web hosting, managed security, IP and dial-up, wireless broadband, and bundled voice and data services. Its services are available across the nation in 44 states. Covad's subsidiary is certificated to provide local intraexchange and interexchange services in Utah. CCGI is ultimately controlled by Platinum Equity, LLC.

CCGI and MegaPath entered into an agreement and plan of merger dated March 26, 2010. A subsidiary of CCGI created for this transaction, TMAC Merger Corporation, will merge with MegaPath, with MegaPath surviving. MegaPath will become a subsidiary of CCGI, which will acquire indirect control of DSL.

The applicants request authority to transfer indirect control of DSL to CCGI and ultimately to Platinum.

The applicants state that the proposed transfer of control serves the public interest. They claim the proposed transaction will increase competition in Utah by "reinforcing the status of [DSL] as a viable competitor." *Joint Application*, p.8. They also state the transaction will be transparent to Utah consumers. DSL will not change the rates or terms and conditions of its service and will be managed by an experienced team.

DOCKET NO. 10-2275-01

- 3 -

The Division of Public Utilities (Division) submitted its recommendation on May 13, 2010. It stated it reviewed the joint application and found the transaction would be in the public interest. It recommended approval of the joint application.

The Commission finds that the transfer of control is in the public interest. It will promote competition in Utah. The transaction will also be transparent to customers and will continue to provide them with the competitive choices already available to them.

ORDER

For the foregoing reasons, the Commission approves the transaction that will permit CCGI to acquire indirect control of DSL.

Pursuant to Sections 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the Commission within 30 days after the issuance of this Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission does not grant a request for review or rehearing within 20 days after the filing of the request, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of Sections 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

DOCKET NO. 10-2275-01

- 4 -

DATED at Salt Lake City, Utah, this 19<sup>th</sup> day of May, 2010.

/s/ Ruben H. Arredondo  
Administrative Law Judge

Approved and confirmed this 19<sup>th</sup> day of May, 2010, as the Order Approving  
Indirect Transfer of Control of the Public Service Commission of Utah.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard  
Commission Secretary  
G#66799