



Covad Response to Interim Ruling by FCC

The Following Statement Can Be Attributed to Covad Senior Vice President and General Counsel Jim Kirkland:

San Jose, Calif. (August 23, 2004)—"We applaud the Commission for providing needed stability to the industry while the Commission fashions new unbundling rules in accordance with the recent D.C. Circuit decision. The Commission's order provides needed clarity by freezing existing interconnection agreements for six months. We also applaud the Commission's clear commitment to complete permanent rules within this six month time frame."

"Most critically, while there are clear differences of opinion among the Commissioners on certain aspects of the order, the Commissioners unanimously recognize the continued need for unbundling of loops and the importance of the facilities-based competition provided by Covad and other competitive providers. This support is consistent with the unanimous support for the unbundling of loops and transport in the original Triennial Review decision."

"This order is an important step in a reasonable transition from UNE-P to alternative facilities-based forms of competition using unbundled local loops in conjunction with competitive carrier facilities. Covad expects to be at the forefront of this transition."

"Covad looks forward to renewed bipartisan efforts to craft a sustainable, permanent unbundling regime that supports facilities-based competition and the introduction of innovative new services such as Covad's Voice over Internet Protocol services."

About Covad

Covad is a leading nationwide provider of integrated voice and data communications. The company offers DSL, Voice Over IP, T1, Web hosting, managed security, IP and dial-up, 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. Corporate headquarters is located at 110 Rio Robles San Jose, CA 95134. Telephone: 1-888-GO-COVAD. Web Site: www.covad.com.

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