



Covad Commends DC Circuit Court Decision Preserving Regulatory Stability

San Jose, Calif. (June 16, 2006) – The U.S. Court of Appeals for the D.C. Circuit today released its decision in the appeal of the FCC's 2005 Triennial Review Remand Order, which established telephone network "unbundling" rules that provide competitive carriers with access to local network facilities that cannot be duplicated. Different aspects of the FCC's unbundling rules were challenged by the incumbent telephone companies and competitive carriers alike. The D.C. Circuit unanimously affirmed the Commission's rules in all respects.

Covad Communications Group, Inc. (AMEX: DVW), a leading nationwide provider of integrated voice and data communications, today responded to the decision. The following quote may be attributed to James A. Kirkland, Covad senior vice president, Strategic Development and general counsel:

"We are very pleased that the DC Circuit has affirmed the FCC's Triennial Review remand decision. In that decision, the FCC strongly reaffirmed its long standing policies in support of facilities based competition by companies like Covad. This decision ensures continuation of the regulatory stability that has allowed Covad to invest in new and innovative services for businesses and consumers across the country."

"During this period of stability, Covad has completed the nationwide deployment of its award winning business class VOIP services, launched innovative broadband wireless services, and most recently, introduced the most robust consumer VOIP platform available, line powered voice, in partnership with EarthLink. Covad looks forward to continued growth and success by competing in the marketplace, and we commend the FCC for its support of competition."

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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, 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. 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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