



Covad Responds to FCC Ruling Asserting Federal Jurisdiction Over Voice Over IP Service

Order continues progress toward regulatory certainty for VoIP services

San Jose, Calif. (November 9, 2004)—Covad Communications Group, Inc. (OTCBB: COVD), a leading nationwide provider of broadband voice and data communications, today responded to the FCC's ruling that Voice over Internet Protocol (VoIP) services that are similar to that provided by Vonage Holdings Corp. are not subject to traditional state public utility regulation.

"The FCC is clearly building a national regulatory framework for Voice over Internet Protocol (VoIP)," said James A. Kirkland, Covad senior vice president and general counsel. "This promises to minimize the regulation that will face companies like Covad Communications who are driving the growth of this industry-changing technology."

"VoIP is the key to true, facilities-based voice competition. VoIP marries the computer to the telephone, offering users a range of features that simply don't exist in the old phone networks."

"Facilities-based VoIP, like that provided by Covad, provides the critical missing ingredient needed to realize the vision of the 1996 Act—robust competition based upon limited unbundling of ILEC local facilities, with competitive services differentiated on price, quality, features and functionality."

About Covad

Covad is a leading nationwide provider of broadband 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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1995: The foregoing contains “forward-looking statements,” such as the number of metropolitan areas where Covad VoIP will be available, which are based on management’s current information and beliefs as well as on a number of assumptions concerning future events made by management. Readers are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside Covad’s control that could cause actual results to differ materially from such statements. These risk factors include the impact of increasing competition, pricing pressures, consolidation in the telecommunications industry, uncertainty in telecommunications regulations and changes in technologies, among other risks. For a more detailed description of the risk factors that could cause such a difference, please see Covad’s 10-K, 10-Q, 8-K and other filings with the Securities and Exchange Commission. Covad disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This information is presented solely to provide additional information to further understand the results of Covad.

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