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New Paradigm Resources Group Study Highlights Companies Positioned to Capitalize on Local Network Broadband Shortage

Local Broadband Drought Creating Major Opportunities for Key Players in Metro Core, Access and Customer Equipment Segments

CHICAGO, SEPTEMBER 24, 2001 – New Paradigm Resources Group, Inc. (NPRG), the leading analyst organization of the competitive telecom industry, today issued *Broadband Last Mile Report™*, a comprehensive analysis, forecast and projection of the players, market niches and financial opportunities that will emerge when the local broadband market reverses from today's drought conditions to a future market bonanza.

The new study reveals a severe under-investment in and under-deployment of broadband and fiber in America's local network infrastructure. While the immediate impact is to slow local broadband applications development and fuel long-haul network over-capacity, companies operating in key local broadband segments – Metro Core, Access Segments, and Customer Premises Equipment – are positioned today for future success. The 500-page *Broadband Last Mile Report™* examines the players in each segment, forecasting performance and separating likely winners from those destined to vanish.

“The re-wiring of the entire metro network for high bandwidth data applications is a monumental task – as is understanding how it will occur and who will drive this transformation,” said Terry Barnich, NPRG President. “To present a clear picture of what lies ahead, we have exhaustively studied the applications, technology issues and the players, projecting their likely impact on each sector.”

Broadband Last Mile Report™ examines: The Bandwidth Dilemma, Broadband Applications, MAN Technology issues, and forecasts/players for the Metro Core, Access Network, Customer Premises segments.

“Many of the same individuals who exhibited irrational exuberance about the local market during the late 1990s are now prone to irrational pessimism about any and all aspects of the local telecom market,” said Craig Clausen, NPRG Senior Vice President. “There are clear opportunities here for those who know where to look, and we believe metro broadband is one place to begin.”

Key findings highlighted in the study include:

- Metro Core is a Major Bottleneck. Data flows are continuing to grow, filling the pipeline. As a result, metro access “last feet” connections and long haul pipes are filling the metro core from both sides, creating new opportunities for providers with the right local broadband transport solutions.
- Stand-alone Delivery Methods May Not Last. DSL, Gig-E and Wave Division Multiplexing (WDM) as stand-alone delivery methods may be abandoned as carriers move to multi-service business models that enable penetration into diverse markets.
- Carriers will Address the entirety of the MAN. Consolidation and alliances may unify service providers addressing different aspects of the metropolitan area network, spanning the metro core, access network and customer premises.
- Packetized Voice Could be the Ultimate Killer App. While broadband applications currently focus on data, packetized voice will emerge as a major application in 2002-2003.

Broadband Last Mile Report™ is available from NPRG for \$3,850 by calling 312-980-4796, or by ordering through NPRG's e-commerce site at <http://ecom.nprg.com>.

About New Paradigm Resources Group

New Paradigm Resources Group, Inc. (NPRG) is the nation's leading research and consulting firm explaining competitive telecom's last mile. NPRG provides mission critical analysis of the trends and developments that impact the operational, financial, and strategic aspects of the competitive carrier marketplace. NPRG publishes the *CLEC Report™*, a biannual multi-volume review of the state, trends and future of the competitive local telecom industry, as well as the *Gig-E/MAN Report™*, *ISP Report™*, *DSL Report™*, *ASP Report™*, *Utilities in Telecom Report™* and the *BLEC Report™*, and the recently-released *Identifying & Evaluating Competitive Telecom Strategies™*, *Competitive IOC Report™*, and *The Competitive Carrier Survivor Report™*.