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**NEW PARADIGM RESOURCES GROUP PUBLISHES  
1998 ANNUAL REPORT ON  
LOCAL TELECOMMUNICATIONS COMPETITION**

**Comprehensive Review Of Local Telecom Market Shows Growth Of  
Competitive Local Exchange Carriers Outpacing All Other Industry Sectors  
And Will Continue To Double Annually Through Year 2000**

**CHICAGO, IL, MARCH 18, 1998** – New Paradigm Resources Group (NPRG), Inc., a national research and consulting organization focusing exclusively on the competitive local telecommunications industry, today issued the 1998 Annual Report on Local Telecommunications Competition.

The 840-page study provides in-depth profiles of more than 100 rapidly growing companies that are impacting the \$105 billion local telephone market with a variety of competitive offerings including Internet and other data connections along with local, long-distance and international phone services.

Among the key findings from NPRG's *1998 Annual Report*:

- **CLEC Industry Revenues Doubled – Again – in 1997:** Growth of the competitive local exchange carrier (CLEC) industry is outpacing all other sectors of the broader telecommunications industry. In 1997, CLEC industry revenues doubled for the second year in a row, increasing from \$2.2 billion to \$4.5 billion.

- **Data, Switched Services Drive Revenue Growth:** The competitive telecom industry's big revenue drivers in 1997 were (1) data, including ATM, frame relay and Internet traffic, and (2) new switched services.

- **CLECs Win Telecom Industry "Seal of Approval":** Acquisitions of competitive local exchange carriers by long-distance companies signaled industry validation of the facilities-based CLEC business model. Examples include AT&T's acquisition of Teleport Communications Group and WorldCom's merger with Brooks Fiber Properties, Inc.

- **New CLECs Continue to Emerge in Force:** Even as consolidations take place, the CLEC industry is mushrooming as new players enter the market. Allegiance Telecom,

NewSouth and Level 3 are examples of new companies that will continue to spur growth and innovation in the local telecom market.

The *1998 Annual CLEC Report* predicts that CLEC revenues will continue to nearly double through the year 2000 despite the “dampening effect certain regulatory developments have had on overall CLEC industry growth.” For instance, local number portability is still not a reality, and resale rates established by regulators appear insufficient to provide the type of incentive necessary to entice new providers to enter the local market.

But, the Report adds, revenue forecasts through the year 2000 “could prove to be conservative as regulatory and technical issues are effectively resolved over the next 8 to 18 months.”

“The *1998 Annual CLEC Report* catalogues the tremendous change in the CLEC industry,” said Terry Barnich, President of New Paradigm Resources Group, Inc. “That change is reflected in a detailed examination of the players, the markets, and the opportunities, all of which make the Report an indispensable reference book for all industry participants.”

Though some local resellers are included as a means of monitoring their progress, the Report remains focused on facilities-based competitors representing competition for incumbent local exchange carriers.

Nearly 50 energy companies developing telecommunications strategies are covered in the Report. A new chapter titled “Where Are They Now?” updates the activities of CLECs profiled in the 1997 Annual Report. In addition, a “Candidates List Chapter” spotlights companies that may become facilities-based CLECs in the future.

“The *1998 Annual CLEC Report* is an invaluable resource for equipment and software manufacturers, marketers, financial analysts and media who need to get their arms around the competitive local telecommunications industry,” said Craig Clausen, Senior Vice President of NPRG.

The *1998 Annual Report on Local Telecommunications* is available from New Paradigm Resources Group, Inc. at \$2,850 for the first copy, and \$1,450 for additional copies. To order directly or to receive additional information on the *1998 Annual CLEC Report*, call 312-980-7848.

New Paradigm Resources Group, Inc., based in Chicago, IL, has provided regulatory advice, competitive assessment, strategic planning and government representation to leading competitive telecommunications and energy companies since 1993. New Paradigm Resources Group, Inc. can be reached at 312-980-7848, or on the Internet at <http://www.nprg.com>.