



NEW PARADIGM RESOURCES

STRATEGIC CONSULTING & RESEARCH
FOR COMMUNICATIONS INNOVATORS

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**NEW PARADIGM RESOURCES GROUP'S
METRO ETHERNET REPORT[™]
CONFIRMS METRO ETHERNET'S STARRING ROLE IN
TELECOMMUNICATION INDUSTRY'S FUTURE**

Metro Ethernet Market in Expansion Stages and Quickly Ramping Up

CHICAGO, March 6, 2007 – New Paradigm Resources Group's (NPRG) *Metro Ethernet Report*[™] forecasts significant growth in the retail Metro Ethernet market over the next several years, as it becomes a viable alternative to TDM as a network platform.

“Ethernet, which is already entrenched as the Local Area Networking standard of choice, is making huge strides in the Metro Area Network,” said NPRG President Terry Barnich. “It’s a perfect storm of opportunity. Our expectations for this sector have grown as we’ve watched service providers develop their networks and address technical challenges. It’s exciting to see this sector evolve so rapidly and see service providers begin offering carrier-grade Ethernet solutions.”

The first edition of the *Metro Ethernet Report*[™] picks up where NPRG's *GigE/MAN Report*[™] left off, containing coverage of the 29 leading Metro Ethernet providers as well as information on 38 equipment vendors supporting this sector. Areas examined by this report include the carriers' Metro Ethernet revenues, service providers' Metro Ethernet technology and product strategies, checklists of their capabilities, markets served tables, and port count estimates.

NPRG Senior Vice President Craig Clausen said, “After many years of heightening expectations, preparation and enticing potential, Metro Ethernet is ready to roll. The stage is set for these services to have a significant impact on access markets and challenge established solutions to become a key access technology that dominates the WAN in future.”

Key findings of the *Metro Ethernet Report*[™]:

- Deployment of Metro Ethernet Impacts Legacy Services
This is particularly true for frame relay, which has plateaued and is now clearly waning. Carriers are laying the groundwork to migrate customer

networks to next-generation services, with some announcing that they will drop certain legacy services in the next couple of years.

- Delivery Over Fiber and SONET
Carriers are delivering Metro Ethernet over fiber and existing SONET networks. While Metro Ethernet over fiber results in the lowest-cost, most efficient transport, Ethernet over SONET has the advantage of high reliability and fast link recovery.
- Revenue Growth is Red Hot
Metro Ethernet service revenues grew more than 50% from 2005 to 2006, and promise to remain strong.
- Capital Expenditures on the Rise
Capital spending by Metro Ethernet carriers continues apace, up more than 20% from 2005 to 2006.
- Market Confidence and Validation
Some of the largest players in the telecommunications industry, including AT&T, Verizon Business, and Time Warner Telecom, have developed significant metro- and wide-area Ethernet competencies in the past five years. The visibility these carriers lend to the Metro Ethernet market acts as a “seal of approval” that builds confidence in customers and other network operators.

The *Metro Ethernet Report*TM is available from NPRG for \$4,250 (additional copies are \$2,100). Site Licenses are also available. Order your CD-ROM(s) by calling Rochelle Barnich at 312-980-7823 or via e-mail at rbarnich@nprg.com.

About New Paradigm Resources Group

New Paradigm Resources Group, Inc. (NPRG) is the nation’s leading strategic consulting and research firm for innovators within the communications industry. NPRG provides business strategy and technology advice to our clients. To accomplish this, we identify, analyze and forecast emerging technologies and trends, support mission critical decision-making processes for service providers, technology developers and financial institutions, and deliver proven business strategies, product plans and market forecasts, enabling clients to succeed within evolving market conditions. NPRG’s publications are recognized as the most reliable and comprehensive in the communications industry with several specializing on various segments, such as the *VoIP Report*TM, the *Metro Ethernet Report*TM, the *Cable Broadband & Telephony Report*TM, the *Fixed Wireless Carriers Report*TM, the *Competitive IOC Report*TM and the *ILEC Report*TM. NPRG was founded in 1993 and is headquartered in Chicago. Additional information about New Paradigm Resources Group is available on the Internet at www.nprg.com

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