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NEW PARADIGM RESOURCES GROUP'S *COMPETITIVE CARRIER REPORT 2007™* FINDS A RESHAPED CARRIER INDUSTRY

Dramatic Restructuring of the Competitive Telecom Industry Continues Underway as Mergers Produce More Robust Players

CHICAGO, FEBRUARY 20, 2007 – The 21st edition of New Paradigm Resources Group's (NPRG) ***Competitive Carrier Report 2007***™ forecasts a year of growth opportunities for competitive carriers amid a collection of formidable challenges, offering competitive carriers the chance to regain some of the industry's lost luster.

"2006 was a mergers and acquisitions dance and everyone had a partner," said NPRG President Terry Barnich. "Competitive carriers as a group are stronger than in recent years, but they won't survive without innovative technology and product strategies."

NPRG's ***Competitive Carrier Report 2007***™, 21st Edition provides detailed analysis of 49 traditional voice, facilities based competitive carriers. The report presents a comprehensive list of all the markets where competitive carriers are active, and provides detailed breakdowns on revenues, services and facilities.

NPRG Senior Vice President Craig Clausen said, "While a number of technologies will affect the future of this sector, we expect that wireless integration will play a significant role in competitive carriers' futures. Carriers are already beginning to address this challenge, hedging their bets by investing in wireless capabilities."

Among the key findings of this year's report:

- Mergers and Acquisitions
  During the year no competitive carrier folded or went into bankruptcy – the industry achieved a measure of maturity and strength via mergers. Level 3 became the most active consolidator of competitive companies, acquiring 5 in 2006 alone.

- Competitive Carriers Continue to Add Access Lines

Even as incumbent carriers are losing access lines, competitive carriers are achieving net increases in access lines. Some line count is being lost to wireless alternatives, but this is offset by the expansion of telecommunications service from cable MSOs and VoIP service providers.

- Slow, Steady Top-Line Growth
  The competitive carriers are beginning to emerge from their recent top-line revenue lull. Through competitive carrier revenue was virtually flat from 2004 to 2005, the industry experienced a 5.2% increase in 2006 to $35.22 billion. Historical double-digit growth rates will not return, but indications are that a slow, steady growth in total revenue will extend through at least 2010.

- Prices Remain Under Pressure
  Competitive pricing pressure continues for most retail telecommunications services due to competitive forces and the erosion of traditional services by less expensive IP-based services. This pricing pressure will ensure that, even as competitive carriers gain market share, their revenue growth will remain subdued.

- Service Growth – Data, IP Services, Integrated Services
  The trend toward increasing data traffic has continued. As dial-up Internet service declines, it is replaced by increasing demand for broadband services. Most IP-based and integrated services are finding strong market acceptance.

The ***Competitive Carrier Report 2007***™, 21st Edition, 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*™, the *Metro Ethernet Report*™, the *Cable Broadband & Telephony Report*™, the *Fixed Wireless Carriers Report*™, the *Competitive IOC Report*™ and the *ILEC Report*™. 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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