

Contact:
Jim Crawford
Crawford Public Relations
703-753-4480
jcrawford@crawfordpr.com

Contact:
Craig M. Clausen
New Paradigm Resources Group, Inc.
312-980-7848
cclausen@nprg.com

NPRG'S CABLE BROADBAND & TELEPHONY REPORT™ SHOWS CABLE FIRMS EXTENDING LEAD IN HIGH-SPEED ACCESS

MSOs Cable Modem Service Still Trouncing DSL – and Telephony Service is Steadily Starting to Spread

CHICAGO, MARCH 31, 2003 – While policymakers continue the multi-million dollar debate over telecom-provided broadband, cable companies are winning the war to provide high-speed access customers and starting to penetrate the local dial tone markets – a trend likely to accelerate, according to a report just released by New Paradigm Resources Group, Inc.

NPRG's new *Cable Broadband & Telephony Report*™ provides analysts, investors and cable insiders fresh insight into the cable industry's direction and likely winners with essential information including:

- Industry and company capital investment totals
- Cable modem service revenue and subscriber forecasts (through 2006)
- Circuit-switched and IP telephony revenue and subscriber forecasts (through 2006)
- Circuit-switched and IP telephony trials and offerings

In addition to detailed industry overview and analysis, the report studies the individual performance of the 15 largest Multiple Service Operators (MSOs) including Adelphia Communications, Cablevision Systems, Charter Communications, Cox Communications and Time Warner Cable. A 28-page profile details the joint Comcast-AT&T Broadband operations, offering up NPRG's analysis of the combined company.

Among the key findings of NPRG's study:

- Massive Investment in Broadband. Since passage of the 1996 federal Telecom Act, cable companies have collectively invested \$75 billion to upgrade systems

and overlay new networks supporting two-way broadband – surpassing the \$65 billion spent on new networks by CLECS.

- Bundled Services Reducing Churn. As cable companies have morphed to become MSOs, the ability to package cable TV, high-speed Internet access, Video on Demand and telephony has proved an effective weapon in reducing customer losses to Direct Broadcast Satellite (DBS) providers.
- Progress in PacketCable Networks. Evolution of Data over Cable standards are enabling MSOs to reduce costs while expanding offerings by providing all services – voice, video and data – over a single network using Internet Protocol, making MSOs even more formidable.

“People sometimes forget that in the debate leading up to the Telecom Act, Congress fully expected the cable industry to be a major player in the competitive broadband and local dial tone markets,” said Terry Barnich, President of NPRG. “That, in fact, came to pass. While other competitors briefly enjoyed the limelight, cable MSOs worked ‘in the wings’ to transform their infrastructure into sophisticated networks capable of going head-to-head with all comers across the full range of converged services. The cable MSOs now have combined their strengths in video with a sizable lead in broadband, and are making important inroads in dial tone.”

Cable MSOs are expected to maintain a solid lead in the broadband market, with a projected 15.8 million cable modem subscribers vs. 10.5 million DSL subscribers in 2003. The MSOs will extend their lead to 25.2 million cable modem subscribers vs. 19.7 million DSL users by 2006, according to NPRG. Notwithstanding their success, cable MSOs face stiff competition from a variety of traditional and new sources.

“DBS remains the most direct threat to cable MSOs on the video front, while telephone companies continue to expand DSL offerings,” said Craig Clausen, Senior Vice President for NPRG. “New on the horizon are competitive forays by utilities exploring Internet access over power lines and fiber to the home (FTTH) services. Also serious are the incursions of municipalities building their own broadband infrastructure to serve the community. Cable MSOs, which have enjoyed a romp over DSL, may find it tougher to ‘fight City Hall’ in the marketplace.”

The *Cable Broadband & Telephony Report*[™] is available from NPRG for \$4,250.00 (additional copies are \$2,100.00). Site Licenses are also available. Order your hardcopy(s) or CD-ROM(s) by calling NPRG at 312-980-4796 or via email at info@nprg.com.

About New Paradigm Resources Group

New Paradigm Resources Group, Inc. (NPRG) is the nation’s leading research and consulting firm analyzing the competitive telecom industry. NPRG’s publications are recognized as the most reliable and comprehensive in the competitive telecom sector with several specializing on various segments, such as the *Broadband Provider Report*[™],

the *Cable Broadband Telephony Report*[™], the *Competitive IOC Report*[™] and the *ILEC Report*[™]. By continually monitoring the telecom market to develop these in-depth reports, NPRG underscores and hones its expertise in providing a wide range of client-specific consulting services requested by carriers, equipment vendors, investors and consultants in the industry. 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.