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TELECOM POLICY REPORT

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Report: Signs Are Promising For Comeback By CLECs In 2004

BODY:

All the ingredients are present for a growth turnaround in the competitive local exchange carrier (CLEC) industry, though the recipe may indicate a slow rise requiring continued patience on the part of investors and vendors, according to a just-released report from New **Paradigm Resources Group Inc.** of Chicago(NPRG).

NPRG's new trademarked "CLEC Report 2004 - 18th Edition" is now making its way around the industry and to key government officials, including analysts at the FCC and Commerce Department. It characterizes the end of 2003 as a key "inflection point," a plateau that may well mark the beginning of new industry vitality as surviving players put the worst of the telecom downturn behind them and begin to capitalize on factors that promise a healthier marketplace.

Among the chief indicators of strong future growth are: the long-awaited consolidation within the CLEC space, signs of pricing stability for core market offerings, payoff on long term investments in initiatives that improve operational efficiency -- and the dramatic tapering off of CLEC bankruptcies.

These "behind the scenes" improvements in industry metrics add weight to the CLECs' continuing success in driving annual revenue growth, market share and access line acquisition - provided new developments such as

VoIP don't come from behind to clobber CLECs and incumbents alike in the months ahead.