

**Executive Summary**

The report focuses on Competitive Local Exchange Carriers (CLECs), typically a telecom service provider that offers local voice and data service in competition with the Incumbent Local Exchange Carrier (ILEC). While the definition of a competitive carrier has fluctuated over the years, the characteristics of a CLEC remain: (1) a carrier providing local voice service; that (2) is not the legally-recognized incumbent carrier; and (3) is facilities-based, meaning it owns a switch and some network facilities (e.g., a fiber-optic network) in a given market, rather than strictly reselling other providers' services.

NPRG's examination of the sector finds it taking a deep breath. While the waves continue to ripple out from the reconsolidation of the RBOCs and the removal of old AT&T and MCI from the top of the CLEC pyramid, a new status quo is emerging. The rash of acquisitions in the wake of those 2006 events are only now coming into sharp focus, leaving a changed telecoms landscape facing a global recession. The mood has swung wildly from ever more ambitious strategic growth towards focus on consolidation and strategies for organic, success-based expansion.

The CLEC Sector Analysis Report also contains:

- Coverage and analysis of specific trends, strategies and drivers
- Detailed revenue estimates and projections for the sector's leading providers
- Discussions of key players and others with significant influence over the sector
- Wholesale and retail business revenues by company

For NPRG clients already active, or taking their first steps, as meaningful players in the CLEC space, either as equipment vendors or service providers, the analysis behind each of these components holds important keys to success. Not least as voice and other legacy services are overtaken by data provision, analog switches give way to high bandwidth Ethernet, and cable providers stare at the next rung up the business services ladder.