



NEW PARADIGM RESOURCES

NEW PARADIGM RESOURCES GROUP, Inc.

COMMUNICATIONS INNOVATORS AWARDS

FALL 2009

New Paradigm Resources Group's *Communications Innovators Awards*[®] honor service providers who are at the very edge of technology innovation. Through an extensive selection and evaluation process that combines outside nominations with in-depth analyst reviews of both technology and business factors, the "best in class" is selected for each nomination category.

These *Awards*[®] are a unique opportunity to recognize forward-thinking service providers for their innovative technologies and strategies. "Service providers are constantly rolling out new products and services. Innovators are the ones embracing new technology and who are the most aggressive in extending cutting-edge services to end-users," said NPRG's Executive Vice President Craig Clausen. "Previous awards recipients, such as Embarq, PAETEC, Optimum Lightpath, New Edge Networks, Virtela Communications, Business Only Broadband, Level 3, and Verizon, have shown a willingness to adopt new technologies and market strategies that have helped them become leaders in the dynamic telecommunications industry."

Nominees are evaluated on a variety of criteria, including technology deployment, market strategies and success, revenue growth, capital expenditures, customer breadth, service expansion and geographic growth. Awards recipients are chosen based on NPRG's evaluation of measurable quantitative and qualitative metrics.

MOST INNOVATIVE BUSINESS SOLUTION - CABLE

Comcast gained its first foothold in the business segment by capturing a large share of the telecommuter and home office market with its cable modem Internet access. Since mid-decade, the cable giant's "Comcast Business Class" portfolio has progressed from basic, single-digit megabits-per-second Internet connectivity to include network management and productivity tools, VoIP with calling features and online voicemail, mobile broadband, and even Metro Ethernet services. According to the company its DOCSIS 3.0 rollout is ahead of schedule, enabling Comcast to deliver 100 Mbps downstream bandwidth (15 Mbps upstream) to businesses in the Minneapolis-St. Paul market this fall. Such a leap across its footprint will make ultra-broadband speeds available to hundreds of thousands of businesses at prices comparable to the cost of a single T1.

Recently Comcast acquired CIMCO Communications, a Chicago-area CLEC whose products range from VoIP (both hosted VoIP and SIP trunking) to data center and continuity services for midmarket and enterprise businesses. Although it remains to be seen exactly how Comcast integrates the purchase, and it has not commented on its intentions regarding further deals, history suggests that the company will opportunistically absorb external assets to enhance its ability to support the more complex needs of the largest “small” businesses and developing value propositions to entice elements of the enterprise market.

Although its network presence in the central business districts of Tier 1 cities and relatively short business segment track record remain weaknesses, Comcast has played to its strengths when competing with the telecom status quo. Combining these positives with legacy CLEC assets via targeted acquisitions could complete its evolution into a full-fledged telecom competitor—and serve as a model for the sector as a whole. For its achievements in bringing big bandwidth to small businesses and scaling its portfolio to target ever-larger customers, we award **Comcast Corporation** this year’s ***NPRG’s Communications Innovators Award for Most Innovative Business Solution - Cable.***

MOST INNOVATIVE VIRTUALIZED SOLUTION

Two broad trends are giving rise to a whole new set of opportunities for telecom service providers. First, evolving enterprise ecosystems require telecom carriers to provide business customers with solutions that will address real business challenges. This means carriers must provide actual solutions, not simply *access* to them. In turn, this requires carriers to aggressively move towards a true services-oriented culture. While some carriers may argue otherwise, few have embraced the notion of changing their approach from "providers of pipes" to "technology solutions providers."

Adding weight to the need for a solutions-oriented approach is network convergence. This ongoing convergence continues to blur the distinction between traditional communications services and IT functions. This trend is pushing software and network infrastructure into the "Cloud" giving rise to new market opportunities. NPRG has held that facilities-based telecom carriers are in excellent positions to seize this emerging opportunity. Doing so, however, requires the "solutions-oriented" philosophy noted above.

One service provider has not only pushed a "services-oriented" culture within their ranks, but it has also recognized the opportunity presented by the trend towards virtualized services. **XO Communications, Inc.**, a Tier 1 competitive carrier, was among the first to offer small and mid-size businesses a cost-effective Software as a Service (SaaS) solution, which it recently expanded with its XO Connect, showing the company's willingness to take the lead in offering solutions addressing customers' business needs. Perhaps even more importantly from our perspective is that these offerings also show XO's resolve to move out of the traditional telecommunications role and into a solutions-centric one. NPRG has therefore selected XO Communications for ***NPRG’s Communications Innovator Award for Most Innovative Virtualized Solutions.***

MOST INNOVATIVE BACKHAUL SOLUTION

If you're one of the largest incumbent operators in the world and already provide backhaul services to many of the most demanding wireless carriers, how do you go about innovating beyond your current portfolio? For **AT&T, Inc.**, recipient of this year's **Communications Innovator Award for Most Innovative Backhaul Solution**, it was a two year process of considering wireless carriers' needs, identifying the best aspects of the company's Metro Ethernet portfolio and technology roadmap, and developing a coherent solution that supports the demands of wholesale customers and internal stakeholders.

The resulting backhaul solution, currently being deployed throughout AT&T's 22-state footprint and strategic out-of-franchise metros, is founded on elements of the carrier's OPT-E-MAN and OPT-E-WAN VPLS Ethernet services, Metro Ethernet products inherited from BellSouth, and their corresponding carrier-class network infrastructures. Native Ethernet services delivered over this new network will offer consistent product names, features, prices, and order processes to wireless carriers. By leveraging a VPLS-enabled MPLS core network, the AT&T solution can support the variety of network topologies and access preferences of its wholesale customers. AT&T is concurrently building fiber to additional cell sites and using Ethernet over copper at other sites to support customers' need for scalable backhaul capacity, up to 10 Gbps.

AT&T's innovative coupling of new network terminating switches, VPLS Ethernet services, and tandem deployment of Ethernet over fiber and copper promises to bring the scalability and flexibility that wireless carriers need to accommodate the torrent of 3G and 4G data traffic projected to hit networks in 2010 and beyond.