NEW PARADIGM RESOURCES GROUP OFFERS FIRST COMPREHENSIVE PROFILES OF U.S. ILEC MARKET AND CAPITAL SPENDING ABILITIES

New ILEC Report™ Profiles 1,000 Incumbent Telcos, with Market Intelligence on Access Lines, Revenue, Current Equipment – ILEC Capital Spending Report™ Targets ILECs with $1.4 Billion Earmarked for 2002 Capex

CHICAGO, FEBRUARY 5, 2002 – New Paradigm Resources Group, Inc. (NPRG) today announced the availability of two comprehensive and unique market reports studying the lucrative – and often overlooked – independent incumbent local exchange carrier (ILEC) industry. Among the most comprehensive ILEC industry surveys ever conducted, the new studies – ILEC Report™ and the ILEC Capital Spending Report™ – offer practical research and intelligence on independent local telcos, providing a valuable resource for informed marketing and investment decisions.

“ILECs, which operated quietly and under the radar screen of most analysts for nearly a century, have emerged as a new power in the marketplace over the last 12-18 months,” said Terry Barnich, President of New Paradigm Resources Group. “The rapid evolution of this historically stable sector, marked by rising investment in advanced technologies, makes the ILECs an extremely attractive and worthy market opportunity.”

NPRG’s ILEC Report™ profiles the entire universe of U.S. ILECs, providing the most current data on nearly 1,000 local phone companies, including 2001 market reach, access lines, revenue, and a list of all telecommunications equipment owned by each company. NPRG’s analysis highlights the uniquely favorable status of this market, sustained by federal subsidization programs guaranteeing profits, a friendly regulatory climate ensuring continuing monopoly, and the increased share of rural customers as the Regional Bells consolidate and focus on urban areas. The report also overturns a common misconception that ILECs are behind in broadband, showing that, in fact, some 75% of independent telcos already offer broadband – and that industry involvement is expected to increase to 84% by mid-year 2002.

The ILEC Capital Spending Report™ identifies 100 ILECs that received $1.4 billion in federal loans during 2001 to underwrite improvement and expansion of their
networks, and pinpoints the capital expenditures earmarked by the loans. The report is essential for vendors seeking to identify and pursue new revenue streams, and for analysts evaluating trends and technologies in the ILEC sector.

“With the collapse of the CLEC industry, and rampant belt-tightening among the RBOCs, the new rallying cry of the nation’s telecom vendors is ‘Show me the money,’” said Craig Clausen, Senior Vice President of New Paradigm Resources Group. “NPRG’s new series on the ILEC industry is unique in providing a clear, detailed and current road map to revenue opportunities in this sector.”

Best-known for its landmark studies of the competitive industry, including the CLEC Report™ 2002 and Utilities in Telecom Report™, New Paradigm Resources Group has continued expanding the scope of its research and consulting services to include other key industry groups, beginning with the CIOC Report™. The new ILEC reports unveiled today represent the latest move in NPRG’s expanding coverage.


About New Paradigm Resources Group

New Paradigm Resources Group, Inc. is a research and consulting firm monitoring and analyzing developments in the competitive telecommunications industry. NPRG maintains an extensive array of proprietary databases that support our foundational industry reports, which, in turn, fuel our client-specific expert consulting work. NPRG publishes the CLEC Report™, a biannual multi-volume review of the state, trends and future of the competitive local telecom industry, as well as the ISP Report™, DSL Report™, ASP Report™, Utilities in Telecom Report™ and the BLEC Report™.