



**CCMI/Salestar**

# COMPETITIVE PRODUCT ANALYSIS

Denver Broadband - July 2001  
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**COMPETITIVE PRODUCT ANALYSIS - AT&T**

Parameters	AT&T	EarthLink	Global Crossing	Megapath	Qwest
Price	Strength	Neutral	Strength	Neutral	Strength
Order Interval	Strength	Neutral	Weakness	Neutral	Strength
Installation	Strength	Weakness	Weakness	Weakness	Strength
Segmentation	Strength	Neutral	Strength	Neutral	Strength
Sales Dist.	Neutral	Strength	Weakness	Neutral	Neutral
Contract Flex.	Weakness	Neutral	Weakness	Neutral	Neutral
Services	Weakness	Weakness	Neutral	Neutral	Weakness
Promotions	Weakness	Neutral	Weakness	Neutral	Neutral

Parameters	Speakeasy	Sprint Broadband	UUNet	XO	Winstar
Price	Neutral	Strength	Neutral	Neutral	Weakness
Order Interval	Weakness	Strength	Weakness	Neutral	Weakness
Installation	Weakness	Weakness	Strength	Strength	Weakness
Segmentation	Neutral	Neutral	Strength	Strength	Neutral
Sales Dist.	Neutral	Strength	Neutral	Neutral	Neutral
Contract Flex.	Neutral	Neutral	Weakness	Neutral	Weakness
Services	Neutral	Neutral	Neutral	Neutral	Strength
Promotions	Weakness	Neutral	Weakness	Weakness	Strength

**AT&T - A competitive analysis of AT&T's product(s) against competitors**

- **Price:** Prices are aligned closely with those of Speakeasy on a nice set of high speed packages
- **Order Interval:** keeps on par with EarthLink, and a few days ahead of DirecTV, with a middling 15-30 days for installation
- **Installation:** \$300-\$600 installation charge for month-to-month service, steers customers towards longer term contract by waiving the installation charge
- **Segmentation:** AT&T has recently broken into four divisions, which may eventually become separate companies, but currently services all levels of customers
- **Sales Distribution:** Telephone and online sales are accommodated, with a distinct emphasis on online "chat" salesmanship
- **Contract Flexibility:** Locks the customer in with \$300.00-\$600.00 early termination fee
- **Services:** No additional Web Hosting and expensive domain name services are on par with bare bones ISPs; however, voice services are available
- **Promotions:** No promotions on tap at the moment



**COMPETITIVE PRODUCT ANALYSIS - EarthLink**

Parameters	EarthLink	AT&T	Global Crossing	Megapath	Qwest
Price	Neutral	Strength	Strength	Neutral	Strength
Order Interval	Neutral	Strength	Weakness	Neutral	Strength
Installation	Weakness	Strength	Weakness	Weakness	Strength
Segmentation	Neutral	Strength	Strength	Neutral	Strength
Sales Dist.	Strength	Neutral	Weakness	Neutral	Neutral
Contract Flex.	Neutral	Weakness	Weakness	Neutral	Neutral
Services	Weakness	Weakness	Neutral	Neutral	Weakness
Promotions	Neutral	Weakness	Weakness	Neutral	Neutral

Parameters	Speakeasy	Sprint Broadband	UUNet	XO	Winstar
Price	Neutral	Strength	Neutral	Neutral	Weakness
Order Interval	Weakness	Strength	Weakness	Neutral	Weakness
Installation	Weakness	Weakness	Strength	Strength	Weakness
Segmentation	Neutral	Neutral	Strength	Strength	Neutral
Sales Dist.	Neutral	Strength	Neutral	Neutral	Neutral
Contract Flex.	Neutral	Neutral	Weakness	Neutral	Weakness
Services	Neutral	Neutral	Neutral	Neutral	Strength
Promotions	Weakness	Neutral	Weakness	Weakness	Strength

**EarthLink - A competitive analysis of EarthLink's product(s) against competitors**

- **Price:** The EarthLink pricing is well on par with stalwarts such as AT&T in the low to moderate speed sphere
- **Order Interval:** Close behind the RBOC, its 30-45 days create a solid interval
- **Installation:** The installation charge slightly transcends smaller thresholds established by the likes of Global Crossing, but is still competitive
- **Segmentation:** Leverages its history as an ISP, name recognition, and marketing agreements with Sprint to reach a fair swath of potential customers
- **Sales Distribution:** Telephone and online sales available
- **Contract Flexibility:** The year term is standard and beats Global Crossing and Winstar's ties to longer terms
- **Services:** EarthLink makes various types of connectivity available, but offers little service meat. They send domain name aspirants off to 3<sup>rd</sup> parties who charge high rates
- **Promotions:** The router promotion puts the router at a more reasonable, industry standard price



**COMPETITIVE PRODUCT ANALYSIS - Global Crossing**

Parameters	Global Crossing	AT&T	EarthLink	Megapath	Qwest
Price	Strength	Strength	Neutral	Neutral	Strength
Order Interval	Weakness	Strength	Neutral	Neutral	Strength
Installation	Weakness	Strength	Weakness	Weakness	Strength
Segmentation	Strength	Strength	Neutral	Neutral	Strength
Sales Dist.	Weakness	Neutral	Strength	Neutral	Neutral
Contract Flex.	Weakness	Weakness	Neutral	Neutral	Neutral
Services	Neutral	Weakness	Weakness	Neutral	Weakness
Promotions	Weakness	Weakness	Neutral	Neutral	Neutral

Parameters	Speakeasy	Sprint Broadband	UUNet	XO	Winstar
Price	Neutral	Strength	Neutral	Neutral	Weakness
Order Interval	Weakness	Strength	Weakness	Neutral	Weakness
Installation	Weakness	Weakness	Strength	Strength	Weakness
Segmentation	Neutral	Neutral	Strength	Strength	Neutral
Sales Dist.	Neutral	Strength	Neutral	Neutral	Neutral
Contract Flex.	Neutral	Neutral	Weakness	Neutral	Weakness
Services	Neutral	Neutral	Neutral	Neutral	Strength
Promotions	Weakness	Neutral	Weakness	Weakness	Strength

**Global Crossing - A competitive analysis of Global Crossing's product(s) against competitors**

- **Price:** Prices are \$20.00 to \$60.00 below the closest competitors for similar packages
- **Order Interval:** The order interval lags behind all other carriers by at least 15-30 days
- **Installation:** Installation charge is just a shade behind EarthLink, but is not competitive with the field at large
- **Segmentation:** A provider of large scale data solutions of all access types, Global Crossing certainly can leverage its wholesale interests
- **Sales Distribution:** All inquiries are funneled directly to sales representatives via telephone
- **Contract Flexibility:** 2-year term is longer than the norm
- **Services:** A fairly comprehensive voice suite is offered with domain name included; however, Web Hosting must be outsourced elsewhere
- **Promotions:** None at this time



**COMPETITIVE PRODUCT ANALYSIS - Megapath**

Parameters	Megapath	AT&T	EarthLink	Global Crossing	Qwest
Price	Neutral	Strength	Neutral	Strength	Strength
Order Interval	Neutral	Strength	Neutral	Weakness	Strength
Installation	Weakness	Strength	Weakness	Weakness	Strength
Segmentation	Neutral	Strength	Neutral	Strength	Strength
Sales Dist.	Neutral	Neutral	Strength	Weakness	Neutral
Contract Flex.	Neutral	Weakness	Neutral	Weakness	Neutral
Services	Neutral	Weakness	Weakness	Neutral	Weakness
Promotions	Neutral	Weakness	Neutral	Weakness	Neutral

Parameters	Speakeasy	Sprint Broadband	UNet	XO	Winstar
Price	Neutral	Strength	Neutral	Neutral	Weakness
Order Interval	Weakness	Strength	Weakness	Neutral	Weakness
Installation	Weakness	Weakness	Strength	Strength	Weakness
Segmentation	Neutral	Neutral	Strength	Strength	Neutral
Sales Dist.	Neutral	Strength	Neutral	Neutral	Neutral
Contract Flex.	Neutral	Neutral	Weakness	Neutral	Weakness
Services	Neutral	Neutral	Neutral	Neutral	Strength
Promotions	Weakness	Neutral	Weakness	Weakness	Strength

**Megapath - A competitive analysis of Megapath's product(s) against competitors**

- **Price:** Though the lower speed services are comparable, the user interested in speeds over 1 Mbps downstream may find the Mega 3, 5, and 7 to be cheaper than other solutions
- **Order Interval:** Megapath stays somewhat ahead of many of the other competitors with a 4-6 week time frame for ordering, but still remains behind the RBOC
- **Installation:** With the exception of AT&T, the \$350.00 installation is easily the priciest installation option amongst all competitors
- **Segmentation:** As Megapath has parceled itself into a position of offering DSL to businesses only, it has painted itself into a niche corner. However, by most accounts, the service is quite popular
- **Sales Distribution:** Telephone and online resources are used for sales
- **Contract Flexibility:** The contract is a standard year with a \$218.00 termination charge that is comparable to other providers
- **Services:** No voice services are offered via this ISP, but web site hosting is included and assistance with domain name registration as well
- **Promotions:** A \$190.00 rebate shaves the installation charge down to a respectable level. However, that level is still not compelling with respect to other carriers' standard charges



**COMPETITIVE PRODUCT ANALYSIS - Qwest**

Parameters	Qwest	AT&T	EarthLink	Global Crossing	Megapath
Price	Strength	Strength	Neutral	Strength	Neutral
Order Interval	Strength	Strength	Neutral	Weakness	Neutral
Installation	Strength	Strength	Weakness	Weakness	Weakness
Segmentation	Strength	Strength	Neutral	Strength	Neutral
Sales Dist.	Neutral	Neutral	Strength	Weakness	Neutral
Contract Flex.	Neutral	Weakness	Neutral	Weakness	Neutral
Services	Weakness	Weakness	Weakness	Neutral	Neutral
Promotions	Neutral	Weakness	Neutral	Weakness	Neutral

Parameters	Speakeasy	Sprint Broadband	UUNet	XO	Winstar
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Order Interval	Weakness	Strength	Weakness	Neutral	Weakness
Installation	Weakness	Weakness	Strength	Strength	Weakness
Segmentation	Neutral	Neutral	Strength	Strength	Neutral
Sales Dist.	Neutral	Strength	Neutral	Neutral	Neutral
Contract Flex.	Neutral	Neutral	Weakness	Neutral	Weakness
Services	Neutral	Neutral	Neutral	Neutral	Strength
Promotions	Weakness	Neutral	Weakness	Weakness	Strength

**Qwest - A competitive analysis of Qwest's product(s) against competitors**

- **Price:** Qwest has undercut all other carriers by at least 50% on pricing for similar services
- **Order Interval:** For an RBOC, 2-4 weeks is very slow, however only AT&T DSL is comparable
- **Installation:** This is an industry-leading inclusion, comparable only to UUNet
- **Segmentation:** Qwest works to integrate many types of users together. Furthermore, it has a world-class network and data services for users of all sizes to draw from
- **Sales Distribution:** Telephone and online sales are both used
- **Contract Flexibility:** No term is required, but rates are discounted in \$4.00 to \$6.00 increments per year of the term if one is opted for. The percentage liability is quite high however
- **Services:** Qwest's service comes with few bells and whistles, stripped bare from add-ons such as Web Hosting and domain name registration; however, there is an option to include local voice service
- **Promotions:** Qwest offers a general helping of free modem, activation and free month of service to stand out with its promotional offerings



**COMPETITIVE PRODUCT ANALYSIS - Speakeasy**

Parameters	Speakeasy	AT&T	EarthLink	Global Crossing	Megapath
Price	Neutral	Strength	Neutral	Strength	Neutral
Order Interval	Weakness	Strength	Neutral	Weakness	Neutral
Installation	Weakness	Strength	Weakness	Weakness	Weakness
Segmentation	Neutral	Strength	Neutral	Strength	Neutral
Sales Dist.	Neutral	Neutral	Strength	Weakness	Neutral
Contract Flex.	Neutral	Weakness	Neutral	Weakness	Neutral
Services	Neutral	Weakness	Weakness	Neutral	Neutral
Promotions	Weakness	Weakness	Neutral	Weakness	Neutral

Parameters	Qwest	Sprint Broadband	UUNet	XO	Winstar
Price	Strength	Strength	Neutral	Neutral	Weakness
Order Interval	Strength	Strength	Weakness	Neutral	Weakness
Installation	Strength	Weakness	Strength	Strength	Weakness
Segmentation	Strength	Neutral	Strength	Strength	Neutral
Sales Dist.	Neutral	Strength	Neutral	Neutral	Neutral
Contract Flex.	Neutral	Neutral	Weakness	Neutral	Weakness
Services	Weakness	Neutral	Neutral	Neutral	Strength
Promotions	Neutral	Neutral	Weakness	Weakness	Strength

**Speakeasy - A competitive analysis of Speakeasy's product(s) against competitors**

- **Price:** Prices are closely aligned with AT&T offerings and remain lower than many other SDSL solutions
- **Order Interval:** No guarantees here with a huge 3-90 day estimate for DSL line to be up and running; that 90-day possibility lags 45 days behind the next competitor
- **Installation:** The \$225.00 installation is higher than many except for notable carriers such as AT&T and Megapath
- **Segmentation:** Mainly trying to tap into users who have come from NorthPoint networks. However, they are fairly limited in their other businesses and only complement DSL with a dial-up solution
- **Sales Distribution:** Telephone and online sales are available; online is particularly encouraged throughout the company culture
- **Contract Flexibility:** The \$250.00 termination liability is high, however the one year contract is quite standard
- **Services:** Lots of choice for lots of money. \$15.00 setup fees for its domain hosting does not bode well for the "systems administrator" that it is trying to attract
- **Promotions:** None available at this time



**COMPETITIVE PRODUCT ANALYSIS - Sprint**

Parameters	Sprint Broadband	AT&T	EarthLink	Global Crossing	Megapath
Price	Strength	Strength	Neutral	Strength	Neutral
Order Interval	Strength	Strength	Neutral	Weakness	Neutral
Installation	Weakness	Strength	Weakness	Weakness	Weakness
Segmentation	Neutral	Strength	Neutral	Strength	Neutral
Sales Dist.	Strength	Neutral	Strength	Weakness	Neutral
Contract Flex.	Neutral	Weakness	Neutral	Weakness	Neutral
Services	Neutral	Weakness	Weakness	Neutral	Neutral
Promotions	Neutral	Weakness	Neutral	Weakness	Neutral

Parameters	Qwest	Speakeasy	UUNet	XO	Winstar
Price	Strength	Neutral	Neutral	Neutral	Weakness
Order Interval	Strength	Weakness	Weakness	Neutral	Weakness
Installation	Strength	Weakness	Strength	Strength	Weakness
Segmentation	Strength	Neutral	Strength	Strength	Neutral
Sales Dist.	Neutral	Neutral	Neutral	Neutral	Neutral
Contract Flex.	Neutral	Neutral	Weakness	Neutral	Weakness
Services	Weakness	Neutral	Neutral	Neutral	Strength
Promotions	Neutral	Weakness	Weakness	Weakness	Strength

**Sprint Broadband Direct - A competitive analysis of Sprint's product(s) against competitors**

- **Price:** The price for the fairly high speeds of \$149.95 is exceptional. However, these speeds are not guaranteed, in a fairly volatile platform
- **Order Interval:** Sprint is competing directly with the RBOC with this kind of turnaround time
- **Installation:** Installation charge is fairly high, and is placed above 95% of the tracked carriers in the market if an Ethernet card is required to be installed
- **Segmentation:** Sprint may leverage its other broadband and voice customers, as well as leverage agreements with EarthLink in pursuit of a huge customer base. However, the Broadband Direct solution is fixed at a given possible speed
- **Sales Distribution:** Besides retail concerns, customers are may enroll using telephone and online channels
- **Contract Flexibility:** A fluctuating \$299.00 termination charge is unique, but quite average in the industry, as is an option for a one and two year contract
- **Services:** Sprint offers a fairly comprehensive suite of Web Hosting packages as well as domain name registration, but services in general pale in comparison to the likes of UUNet
- **Promotions:** The free month for a customer is fairly standard throughout the industry



**COMPETITIVE PRODUCT ANALYSIS - UUNet**

Parameters	UUNet	AT&T	EarthLink	Global Crossing	Megapath
Price	Neutral	Strength	Neutral	Strength	Neutral
Order Interval	Weakness	Strength	Neutral	Weakness	Neutral
Installation	Strength	Strength	Weakness	Weakness	Weakness
Segmentation	Strength	Strength	Neutral	Strength	Neutral
Sales Dist.	Neutral	Neutral	Strength	Weakness	Neutral
Contract Flex.	Weakness	Weakness	Neutral	Weakness	Neutral
Services	Neutral	Weakness	Weakness	Neutral	Neutral
Promotions	Weakness	Weakness	Neutral	Weakness	Neutral

Parameters	Qwest	Speakeasy	Sprint Broadband	XO	Winstar
Price	Strength	Neutral	Strength	Neutral	Weakness
Order Interval	Strength	Weakness	Strength	Neutral	Weakness
Installation	Strength	Weakness	Weakness	Strength	Weakness
Segmentation	Strength	Neutral	Neutral	Strength	Neutral
Sales Dist.	Neutral	Neutral	Strength	Neutral	Neutral
Contract Flex.	Neutral	Neutral	Neutral	Neutral	Weakness
Services	Weakness	Neutral	Neutral	Neutral	Strength
Promotions	Neutral	Weakness	Neutral	Weakness	Strength

**UUNet - A competitive analysis of UUNet's product(s) against competitors**

- **Price:** Over \$50.00 to \$200.00 more expensive than other providers, depending on the service speed
- **Order Interval:** 8-12 weeks place it with Speakeasy as the longest within the market
- **Installation:** Installation is free and provides an incentive to the customers
- **Segmentation:** As it is backed by WorldCom, and offers many other access types for data, UUNet is bolstered by a huge segmentation swath
- **Sales Distribution:** Telephone and online sales available
- **Contract Flexibility:** With the fairly large 75% of the remaining term penalty (similar to Qwest's liability), and ironclad one, two, and three year contract, it loses some appeal
- **Services:** Certainly an included Web Hosting and domain name package places it beside Global Crossing and Mpower as the strongest solutions for businesses who are actively seeking assistance with web services
- **Promotions:** None at this time



**COMPETITIVE PRODUCT ANALYSIS - Winstar**

Parameters	Winstar	AT&T	EarthLink	Global Crossing	Megapath
Price	Weakness	Strength	Neutral	Strength	Neutral
Order Interval	Weakness	Strength	Neutral	Weakness	Neutral
Installation	Weakness	Strength	Weakness	Weakness	Weakness
Segmentation	Neutral	Strength	Neutral	Strength	Neutral
Sales Dist.	Neutral	Neutral	Strength	Weakness	Neutral
Contract Flex.	Weakness	Weakness	Neutral	Weakness	Neutral
Services	Strength	Weakness	Weakness	Neutral	Neutral
Promotions	Strength	Weakness	Neutral	Weakness	Neutral

Parameters	Qwest	Speakeasy	Sprint Broadband	UUNet	XO
Price	Strength	Neutral	Strength	Neutral	Neutral
Order Interval	Strength	Weakness	Strength	Weakness	Neutral
Installation	Strength	Weakness	Weakness	Strength	Strength
Segmentation	Strength	Neutral	Neutral	Strength	Strength
Sales Dist.	Neutral	Neutral	Strength	Neutral	Neutral
Contract Flex.	Neutral	Neutral	Neutral	Weakness	Neutral
Services	Weakness	Neutral	Neutral	Neutral	Neutral
Promotions	Neutral	Weakness	Neutral	Weakness	Weakness

**Winstar - A competitive analysis of Winstar's product(s) against competitors**

- **Price:** Winstar's pricing scheme is at least \$20.00 - \$400.00 more than other competitors with similar speeds, such as EarthLink DSL, and lags well behind its direct competitor Sprint Broadband Direct
- **Order Interval:** The 30-45 business day delivery places it on the bottom end of the competitors for service turnaround
- **Installation:** The installation charge is equal on the bottom rung to that of Megapath and only eclipsed by AT&T's high-end \$600.00
- **Segmentation:** Winstar had ambitious plans to expand into all sizes of businesses after a massive build out effort. They have scaled this back due to Chapter 11 difficulties, but still plan on leveraging their built network
- **Sales Distribution:** Telephone and online sales available
- **Contract Flexibility:** Due to a high termination fee or the requirement that the customer has to honor all remaining months on the contract, Winstar is not competitive in this area.
- **Services:** Winstar will offer domain name services and bundle in voice, however Web Hosting packages are extra. These services are on par with carriers such as Global Crossing with the service mix
- **Promotions:** If a 3-year term is signed, the promotion for 7 free months is awarded. This is unique within the market



**COMPETITIVE PRODUCT ANALYSIS - XO**

Parameters	XO	AT&T	EarthLink	Global Crossing	Megapath
Price	Neutral	Strength	Neutral	Strength	Neutral
Order Interval	Neutral	Strength	Neutral	Weakness	Neutral
Installation	Strength	Strength	Weakness	Weakness	Weakness
Segmentation	Strength	Strength	Neutral	Strength	Neutral
Sales Dist.	Neutral	Neutral	Strength	Weakness	Neutral
Contract Flex.	Neutral	Weakness	Neutral	Weakness	Neutral
Services	Neutral	Weakness	Weakness	Neutral	Neutral
Promotions	Weakness	Weakness	Neutral	Weakness	Neutral

Parameters	Qwest	Speakeasy	Sprint Broadband	UUNet	Winstar
Price	Strength	Neutral	Strength	Neutral	Weakness
Order Interval	Strength	Weakness	Strength	Weakness	Weakness
Installation	Strength	Weakness	Weakness	Strength	Weakness
Segmentation	Strength	Neutral	Neutral	Strength	Neutral
Sales Dist.	Neutral	Neutral	Strength	Neutral	Neutral
Contract Flex.	Neutral	Neutral	Neutral	Weakness	Weakness
Services	Weakness	Neutral	Neutral	Neutral	Strength
Promotions	Neutral	Weakness	Neutral	Weakness	Strength

**XO - A competitive analysis of XO's product(s) against competitors**

- **Price:** XO's pricing scheme is quite comparable with that of Speakeasy, although it does get proportionately more expensive the faster the speed
- **Order Interval:** The 1-2 month order interval is on par with other ISPs
- **Installation:** XO waives the installation fee, thus placing it in the company of UUNet as the only DSL providers to offer such a waiver
- **Segmentation:** with data and voice customers of many access types and service flavors, as well as a network build-out well underway, XO has presented itself as ready to tackle all business market segments
- **Sales Distribution:** Online inquiries are accepted with sales discussed only via telephone
- **Contract Flexibility:** The standard one year contract with \$250.00 termination is reminiscent of comparable carriers such as Speakeasy
- **Services:** XO has included its domain name services, but deviates from similar providers such as UUNet in that it does not offer Web Hosting in its service package
- **Promotions:** None at this time



## RESEARCH PROCESS

CCMI/Salestar's research process employs a continuous process of primary and secondary data collection guided by insightful intelligence strategies. Our research, utilizing the most current techniques in analysis and data gathering, allows CCMI/Salestar to have a comprehensive understanding of the Broadband product and service offerings from major service providers throughout the U.S.

Through web research and direct carrier contact, Salestar compiles DSL, Cable-Modem, and Fixed Wireless product information and dossiers of tactical market competitive information on the leading Broadband service providers. Experienced analysts are assigned to research and analyze competitive pricing plans, product information, access speeds, service supports and guarantees, promotions, sales channels, etc. In addition, CCMI/Salestar continuously follows and tracks major markets, service providers and their service offerings.

### Carrier Selection Process

CCMI/Salestar tracks the leading service providers of DSL, Cable-Modem, and Fixed Wireless services in each metropolitan area (7-10 for the consumer reports and 10-15 for the business reports). Each report will include the following:

- The incumbent local exchange carrier (ILEC)
- The incumbent cable-modem service provider
- The major inter-exchange carriers (IXCs - AT&T, WorldCom, Sprint)
- that offer services in that market
- The major competitive local exchange carriers (CLECs)
- The rest of the carriers determined by researching the market and evaluated based on a combination of the following criteria:
  - Market Share
  - Capitalization/Financial Strength
  - National brand or name recognition
  - Number of years the carrier has operated in the MSA
  - Partnership
  - Facilities and Network
  - Number of customers/subscribers in each market
  - Press releases and published report information



**ABOUT CCMI/SALESTAR**

CCMI/Salestar is the premier competitive information source for factual and unbiased information for the telecommunications industry. CCMI/Salestar provides competitive information databases and applications, online tariff and rate services, and pricing/network design systems to thousands of telecommunications professionals at service providers in the US and abroad. Detailed information, gathered by over 65 telecommunications research analysts, provides accurate and timely information on product and service offerings from the major US service providers. In addition, CCMI/Salestar's Consulting Services group provides custom market specific competitive intelligence research on the competition, customized to your needs.

CCMI/Salestar's research and consulting work is premised on the principle that the best competitive intelligence is developed through years of experience in research, analyzing and understanding telecommunication services, technologies and policies guided by insightful intelligent strategies. Our established in-house staff of telecommunications technologies, services, and market research specialists allows us to offer customized competitive intelligence to assist telecommunications companies in their sales and marketing efforts.

Supported by a staff of professionals with a combined 250+ years in the telecom industry, Salestar's services, applications and databases are your ultimate source for accurate and relevant telecommunications information.

**CCMI/Salestar**

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- **Contract Flexibility:** Locks the customer in with \$300.00-\$600.00 early termination fee
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Segmentation	Neutral	Strength	Strength	Neutral	Strength
Sales Dist.	Strength	Neutral	Weakness	Neutral	Neutral
Contract Flex.	Neutral	Weakness	Weakness	Neutral	Neutral
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Segmentation	Neutral	Neutral	Strength	Strength	Neutral
Sales Dist.	Neutral	Strength	Neutral	Neutral	Neutral
Contract Flex.	Neutral	Neutral	Weakness	Neutral	Weakness
Services	Neutral	Neutral	Neutral	Neutral	Strength
Promotions	Weakness	Neutral	Weakness	Weakness	Strength

**EarthLink - A competitive analysis of EarthLink's product(s) against competitors**

- **Price:** The EarthLink pricing is well on par with stalwarts such as AT&T in the low to moderate speed sphere
- **Order Interval:** Close behind the RBOC, its 30-45 days create a solid interval
- **Installation:** The installation charge slightly transcends smaller thresholds established by the likes of Global Crossing, but is still competitive
- **Segmentation:** Leverages its history as an ISP, name recognition, and marketing agreements with Sprint to reach a fair swath of potential customers
- **Sales Distribution:** Telephone and online sales available
- **Contract Flexibility:** The year term is standard and beats Global Crossing and Winstar's ties to longer terms
- **Services:** EarthLink makes various types of connectivity available, but offers little service meat. They send domain name aspirants off to 3<sup>rd</sup> parties who charge high rates
- **Promotions:** The router promotion puts the router at a more reasonable, industry standard price



**COMPETITIVE PRODUCT ANALYSIS - Global Crossing**

Parameters	Global Crossing	AT&T	EarthLink	Megapath	Qwest
Price	Strength	Strength	Neutral	Neutral	Strength
Order Interval	Weakness	Strength	Neutral	Neutral	Strength
Installation	Weakness	Strength	Weakness	Weakness	Strength
Segmentation	Strength	Strength	Neutral	Neutral	Strength
Sales Dist.	Weakness	Neutral	Strength	Neutral	Neutral
Contract Flex.	Weakness	Weakness	Neutral	Neutral	Neutral
Services	Neutral	Weakness	Weakness	Neutral	Weakness
Promotions	Weakness	Weakness	Neutral	Neutral	Neutral

Parameters	Speakeasy	Sprint Broadband	UUNet	XO	Winstar
Price	Neutral	Strength	Neutral	Neutral	Weakness
Order Interval	Weakness	Strength	Weakness	Neutral	Weakness
Installation	Weakness	Weakness	Strength	Strength	Weakness
Segmentation	Neutral	Neutral	Strength	Strength	Neutral
Sales Dist.	Neutral	Strength	Neutral	Neutral	Neutral
Contract Flex.	Neutral	Neutral	Weakness	Neutral	Weakness
Services	Neutral	Neutral	Neutral	Neutral	Strength
Promotions	Weakness	Neutral	Weakness	Weakness	Strength

**Global Crossing - A competitive analysis of Global Crossing's product(s) against competitors**

- **Price:** Prices are \$20.00 to \$60.00 below the closest competitors for similar packages
- **Order Interval:** The order interval lags behind all other carriers by at least 15-30 days
- **Installation:** Installation charge is just a shade behind EarthLink, but is not competitive with the field at large
- **Segmentation:** A provider of large scale data solutions of all access types, Global Crossing certainly can leverage its wholesale interests
- **Sales Distribution:** All inquiries are funneled directly to sales representatives via telephone
- **Contract Flexibility:** 2-year term is longer than the norm
- **Services:** A fairly comprehensive voice suite is offered with domain name included; however, Web Hosting must be outsourced elsewhere
- **Promotions:** None at this time



**COMPETITIVE PRODUCT ANALYSIS - Megapath**

Parameters	Megapath	AT&T	EarthLink	Global Crossing	Qwest
Price	Neutral	Strength	Neutral	Strength	Strength
Order Interval	Neutral	Strength	Neutral	Weakness	Strength
Installation	Weakness	Strength	Weakness	Weakness	Strength
Segmentation	Neutral	Strength	Neutral	Strength	Strength
Sales Dist.	Neutral	Neutral	Strength	Weakness	Neutral
Contract Flex.	Neutral	Weakness	Neutral	Weakness	Neutral
Services	Neutral	Weakness	Weakness	Neutral	Weakness
Promotions	Neutral	Weakness	Neutral	Weakness	Neutral

Parameters	Speakeasy	Sprint Broadband	UNet	XO	Winstar
Price	Neutral	Strength	Neutral	Neutral	Weakness
Order Interval	Weakness	Strength	Weakness	Neutral	Weakness
Installation	Weakness	Weakness	Strength	Strength	Weakness
Segmentation	Neutral	Neutral	Strength	Strength	Neutral
Sales Dist.	Neutral	Strength	Neutral	Neutral	Neutral
Contract Flex.	Neutral	Neutral	Weakness	Neutral	Weakness
Services	Neutral	Neutral	Neutral	Neutral	Strength
Promotions	Weakness	Neutral	Weakness	Weakness	Strength

**Megapath - A competitive analysis of Megapath's product(s) against competitors**

- **Price:** Though the lower speed services are comparable, the user interested in speeds over 1 Mbps downstream may find the Mega 3, 5, and 7 to be cheaper than other solutions
- **Order Interval:** Megapath stays somewhat ahead of many of the other competitors with a 4-6 week time frame for ordering, but still remains behind the RBOC
- **Installation:** With the exception of AT&T, the \$350.00 installation is easily the priciest installation option amongst all competitors
- **Segmentation:** As Megapath has parceled itself into a position of offering DSL to businesses only, it has painted itself into a niche corner. However, by most accounts, the service is quite popular
- **Sales Distribution:** Telephone and online resources are used for sales
- **Contract Flexibility:** The contract is a standard year with a \$218.00 termination charge that is comparable to other providers
- **Services:** No voice services are offered via this ISP, but web site hosting is included and assistance with domain name registration as well
- **Promotions:** A \$190.00 rebate shaves the installation charge down to a respectable level. However, that level is still not compelling with respect to other carriers' standard charges



**COMPETITIVE PRODUCT ANALYSIS - Qwest**

Parameters	Qwest	AT&T	EarthLink	Global Crossing	Megapath
Price	Strength	Strength	Neutral	Strength	Neutral
Order Interval	Strength	Strength	Neutral	Weakness	Neutral
Installation	Strength	Strength	Weakness	Weakness	Weakness
Segmentation	Strength	Strength	Neutral	Strength	Neutral
Sales Dist.	Neutral	Neutral	Strength	Weakness	Neutral
Contract Flex.	Neutral	Weakness	Neutral	Weakness	Neutral
Services	Weakness	Weakness	Weakness	Neutral	Neutral
Promotions	Neutral	Weakness	Neutral	Weakness	Neutral

Parameters	Speakeasy	Sprint Broadband	UUNet	XO	Winstar
Price	Neutral	Strength	Neutral	Neutral	Weakness
Order Interval	Weakness	Strength	Weakness	Neutral	Weakness
Installation	Weakness	Weakness	Strength	Strength	Weakness
Segmentation	Neutral	Neutral	Strength	Strength	Neutral
Sales Dist.	Neutral	Strength	Neutral	Neutral	Neutral
Contract Flex.	Neutral	Neutral	Weakness	Neutral	Weakness
Services	Neutral	Neutral	Neutral	Neutral	Strength
Promotions	Weakness	Neutral	Weakness	Weakness	Strength

**Qwest - A competitive analysis of Qwest's product(s) against competitors**

- **Price:** Qwest has undercut all other carriers by at least 50% on pricing for similar services
- **Order Interval:** For an RBOC, 2-4 weeks is very slow, however only AT&T DSL is comparable
- **Installation:** This is an industry-leading inclusion, comparable only to UUNet
- **Segmentation:** Qwest works to integrate many types of users together. Furthermore, it has a world-class network and data services for users of all sizes to draw from
- **Sales Distribution:** Telephone and online sales are both used
- **Contract Flexibility:** No term is required, but rates are discounted in \$4.00 to \$6.00 increments per year of the term if one is opted for. The percentage liability is quite high however
- **Services:** Qwest's service comes with few bells and whistles, stripped bare from add-ons such as Web Hosting and domain name registration; however, there is an option to include local voice service
- **Promotions:** Qwest offers a general helping of free modem, activation and free month of service to stand out with its promotional offerings



**COMPETITIVE PRODUCT ANALYSIS - Speakeasy**

Parameters	Speakeasy	AT&T	EarthLink	Global Crossing	Megapath
Price	Neutral	Strength	Neutral	Strength	Neutral
Order Interval	Weakness	Strength	Neutral	Weakness	Neutral
Installation	Weakness	Strength	Weakness	Weakness	Weakness
Segmentation	Neutral	Strength	Neutral	Strength	Neutral
Sales Dist.	Neutral	Neutral	Strength	Weakness	Neutral
Contract Flex.	Neutral	Weakness	Neutral	Weakness	Neutral
Services	Neutral	Weakness	Weakness	Neutral	Neutral
Promotions	Weakness	Weakness	Neutral	Weakness	Neutral

Parameters	Qwest	Sprint Broadband	UUNet	XO	Winstar
Price	Strength	Strength	Neutral	Neutral	Weakness
Order Interval	Strength	Strength	Weakness	Neutral	Weakness
Installation	Strength	Weakness	Strength	Strength	Weakness
Segmentation	Strength	Neutral	Strength	Strength	Neutral
Sales Dist.	Neutral	Strength	Neutral	Neutral	Neutral
Contract Flex.	Neutral	Neutral	Weakness	Neutral	Weakness
Services	Weakness	Neutral	Neutral	Neutral	Strength
Promotions	Neutral	Neutral	Weakness	Weakness	Strength

**Speakeasy - A competitive analysis of Speakeasy's product(s) against competitors**

- **Price:** Prices are closely aligned with AT&T offerings and remain lower than many other SDSL solutions
- **Order Interval:** No guarantees here with a huge 3-90 day estimate for DSL line to be up and running; that 90-day possibility lags 45 days behind the next competitor
- **Installation:** The \$225.00 installation is higher than many except for notable carriers such as AT&T and Megapath
- **Segmentation:** Mainly trying to tap into users who have come from NorthPoint networks. However, they are fairly limited in their other businesses and only complement DSL with a dial-up solution
- **Sales Distribution:** Telephone and online sales are available; online is particularly encouraged throughout the company culture
- **Contract Flexibility:** The \$250.00 termination liability is high, however the one year contract is quite standard
- **Services:** Lots of choice for lots of money. \$15.00 setup fees for its domain hosting does not bode well for the "systems administrator" that it is trying to attract
- **Promotions:** None available at this time



**COMPETITIVE PRODUCT ANALYSIS - Sprint**

Parameters	Sprint Broadband	AT&T	EarthLink	Global Crossing	Megapath
Price	Strength	Strength	Neutral	Strength	Neutral
Order Interval	Strength	Strength	Neutral	Weakness	Neutral
Installation	Weakness	Strength	Weakness	Weakness	Weakness
Segmentation	Neutral	Strength	Neutral	Strength	Neutral
Sales Dist.	Strength	Neutral	Strength	Weakness	Neutral
Contract Flex.	Neutral	Weakness	Neutral	Weakness	Neutral
Services	Neutral	Weakness	Weakness	Neutral	Neutral
Promotions	Neutral	Weakness	Neutral	Weakness	Neutral

Parameters	Qwest	Speakeasy	UUNet	XO	Winstar
Price	Strength	Neutral	Neutral	Neutral	Weakness
Order Interval	Strength	Weakness	Weakness	Neutral	Weakness
Installation	Strength	Weakness	Strength	Strength	Weakness
Segmentation	Strength	Neutral	Strength	Strength	Neutral
Sales Dist.	Neutral	Neutral	Neutral	Neutral	Neutral
Contract Flex.	Neutral	Neutral	Weakness	Neutral	Weakness
Services	Weakness	Neutral	Neutral	Neutral	Strength
Promotions	Neutral	Weakness	Weakness	Weakness	Strength

**Sprint Broadband Direct - A competitive analysis of Sprint's product(s) against competitors**

- **Price:** The price for the fairly high speeds of \$149.95 is exceptional. However, these speeds are not guaranteed, in a fairly volatile platform
- **Order Interval:** Sprint is competing directly with the RBOC with this kind of turnaround time
- **Installation:** Installation charge is fairly high, and is placed above 95% of the tracked carriers in the market if an Ethernet card is required to be installed
- **Segmentation:** Sprint may leverage its other broadband and voice customers, as well as leverage agreements with EarthLink in pursuit of a huge customer base. However, the Broadband Direct solution is fixed at a given possible speed
- **Sales Distribution:** Besides retail concerns, customers are may enroll using telephone and online channels
- **Contract Flexibility:** A fluctuating \$299.00 termination charge is unique, but quite average in the industry, as is an option for a one and two year contract
- **Services:** Sprint offers a fairly comprehensive suite of Web Hosting packages as well as domain name registration, but services in general pale in comparison to the likes of UUNet
- **Promotions:** The free month for a customer is fairly standard throughout the industry



**COMPETITIVE PRODUCT ANALYSIS - UUNet**

Parameters	UUNet	AT&T	EarthLink	Global Crossing	Megapath
Price	Neutral	Strength	Neutral	Strength	Neutral
Order Interval	Weakness	Strength	Neutral	Weakness	Neutral
Installation	Strength	Strength	Weakness	Weakness	Weakness
Segmentation	Strength	Strength	Neutral	Strength	Neutral
Sales Dist.	Neutral	Neutral	Strength	Weakness	Neutral
Contract Flex.	Weakness	Weakness	Neutral	Weakness	Neutral
Services	Neutral	Weakness	Weakness	Neutral	Neutral
Promotions	Weakness	Weakness	Neutral	Weakness	Neutral

Parameters	Qwest	Speakeasy	Sprint Broadband	XO	Winstar
Price	Strength	Neutral	Strength	Neutral	Weakness
Order Interval	Strength	Weakness	Strength	Neutral	Weakness
Installation	Strength	Weakness	Weakness	Strength	Weakness
Segmentation	Strength	Neutral	Neutral	Strength	Neutral
Sales Dist.	Neutral	Neutral	Strength	Neutral	Neutral
Contract Flex.	Neutral	Neutral	Neutral	Neutral	Weakness
Services	Weakness	Neutral	Neutral	Neutral	Strength
Promotions	Neutral	Weakness	Neutral	Weakness	Strength

**UUNet - A competitive analysis of UUNet's product(s) against competitors**

- **Price:** Over \$50.00 to \$200.00 more expensive than other providers, depending on the service speed
- **Order Interval:** 8-12 weeks place it with Speakeasy as the longest within the market
- **Installation:** Installation is free and provides an incentive to the customers
- **Segmentation:** As it is backed by WorldCom, and offers many other access types for data, UUNet is bolstered by a huge segmentation swath
- **Sales Distribution:** Telephone and online sales available
- **Contract Flexibility:** With the fairly large 75% of the remaining term penalty (similar to Qwest's liability), and ironclad one, two, and three year contract, it loses some appeal
- **Services:** Certainly an included Web Hosting and domain name package places it beside Global Crossing and Mpower as the strongest solutions for businesses who are actively seeking assistance with web services
- **Promotions:** None at this time



**COMPETITIVE PRODUCT ANALYSIS - Winstar**

Parameters	Winstar	AT&T	EarthLink	Global Crossing	Megapath
Price	Weakness	Strength	Neutral	Strength	Neutral
Order Interval	Weakness	Strength	Neutral	Weakness	Neutral
Installation	Weakness	Strength	Weakness	Weakness	Weakness
Segmentation	Neutral	Strength	Neutral	Strength	Neutral
Sales Dist.	Neutral	Neutral	Strength	Weakness	Neutral
Contract Flex.	Weakness	Weakness	Neutral	Weakness	Neutral
Services	Strength	Weakness	Weakness	Neutral	Neutral
Promotions	Strength	Weakness	Neutral	Weakness	Neutral

Parameters	Qwest	Speakeasy	Sprint Broadband	UUNet	XO
Price	Strength	Neutral	Strength	Neutral	Neutral
Order Interval	Strength	Weakness	Strength	Weakness	Neutral
Installation	Strength	Weakness	Weakness	Strength	Strength
Segmentation	Strength	Neutral	Neutral	Strength	Strength
Sales Dist.	Neutral	Neutral	Strength	Neutral	Neutral
Contract Flex.	Neutral	Neutral	Neutral	Weakness	Neutral
Services	Weakness	Neutral	Neutral	Neutral	Neutral
Promotions	Neutral	Weakness	Neutral	Weakness	Weakness

**Winstar - A competitive analysis of Winstar's product(s) against competitors**

- **Price:** Winstar's pricing scheme is at least \$20.00 - \$400.00 more than other competitors with similar speeds, such as EarthLink DSL, and lags well behind its direct competitor Sprint Broadband Direct
- **Order Interval:** The 30-45 business day delivery places it on the bottom end of the competitors for service turnaround
- **Installation:** The installation charge is equal on the bottom rung to that of Megapath and only eclipsed by AT&T's high-end \$600.00
- **Segmentation:** Winstar had ambitious plans to expand into all sizes of businesses after a massive build out effort. They have scaled this back due to Chapter 11 difficulties, but still plan on leveraging their built network
- **Sales Distribution:** Telephone and online sales available
- **Contract Flexibility:** Due to a high termination fee or the requirement that the customer has to honor all remaining months on the contract, Winstar is not competitive in this area.
- **Services:** Winstar will offer domain name services and bundle in voice, however Web Hosting packages are extra. These services are on par with carriers such as Global Crossing with the service mix
- **Promotions:** If a 3-year term is signed, the promotion for 7 free months is awarded. This is unique within the market



**COMPETITIVE PRODUCT ANALYSIS - XO**

Parameters	XO	AT&T	EarthLink	Global Crossing	Megapath
Price	Neutral	Strength	Neutral	Strength	Neutral
Order Interval	Neutral	Strength	Neutral	Weakness	Neutral
Installation	Strength	Strength	Weakness	Weakness	Weakness
Segmentation	Strength	Strength	Neutral	Strength	Neutral
Sales Dist.	Neutral	Neutral	Strength	Weakness	Neutral
Contract Flex.	Neutral	Weakness	Neutral	Weakness	Neutral
Services	Neutral	Weakness	Weakness	Neutral	Neutral
Promotions	Weakness	Weakness	Neutral	Weakness	Neutral

Parameters	Qwest	Speakeasy	Sprint Broadband	UUNet	Winstar
Price	Strength	Neutral	Strength	Neutral	Weakness
Order Interval	Strength	Weakness	Strength	Weakness	Weakness
Installation	Strength	Weakness	Weakness	Strength	Weakness
Segmentation	Strength	Neutral	Neutral	Strength	Neutral
Sales Dist.	Neutral	Neutral	Strength	Neutral	Neutral
Contract Flex.	Neutral	Neutral	Neutral	Weakness	Weakness
Services	Weakness	Neutral	Neutral	Neutral	Strength
Promotions	Neutral	Weakness	Neutral	Weakness	Strength

**XO - A competitive analysis of XO's product(s) against competitors**

- **Price:** XO's pricing scheme is quite comparable with that of Speakeasy, although it does get proportionately more expensive the faster the speed
- **Order Interval:** The 1-2 month order interval is on par with other ISPs
- **Installation:** XO waives the installation fee, thus placing it in the company of UUNet as the only DSL providers to offer such a waiver
- **Segmentation:** with data and voice customers of many access types and service flavors, as well as a network build-out well underway, XO has presented itself as ready to tackle all business market segments
- **Sales Distribution:** Online inquiries are accepted with sales discussed only via telephone
- **Contract Flexibility:** The standard one year contract with \$250.00 termination is reminiscent of comparable carriers such as Speakeasy
- **Services:** XO has included its domain name services, but deviates from similar providers such as UUNet in that it does not offer Web Hosting in its service package
- **Promotions:** None at this time



## RESEARCH PROCESS

CCMI/Salestar's research process employs a continuous process of primary and secondary data collection guided by insightful intelligence strategies. Our research, utilizing the most current techniques in analysis and data gathering, allows CCMI/Salestar to have a comprehensive understanding of the Broadband product and service offerings from major service providers throughout the U.S.

Through web research and direct carrier contact, Salestar compiles DSL, Cable-Modem, and Fixed Wireless product information and dossiers of tactical market competitive information on the leading Broadband service providers. Experienced analysts are assigned to research and analyze competitive pricing plans, product information, access speeds, service supports and guarantees, promotions, sales channels, etc. In addition, CCMI/Salestar continuously follows and tracks major markets, service providers and their service offerings.

### Carrier Selection Process

CCMI/Salestar tracks the leading service providers of DSL, Cable-Modem, and Fixed Wireless services in each metropolitan area (7-10 for the consumer reports and 10-15 for the business reports). Each report will include the following:

- The incumbent local exchange carrier (ILEC)
- The incumbent cable-modem service provider
- The major inter-exchange carriers (IXCs - AT&T, WorldCom, Sprint)
- that offer services in that market
- The major competitive local exchange carriers (CLECs)
- The rest of the carriers determined by researching the market and evaluated based on a combination of the following criteria:
  - Market Share
  - Capitalization/Financial Strength
  - National brand or name recognition
  - Number of years the carrier has operated in the MSA
  - Partnership
  - Facilities and Network
  - Number of customers/subscribers in each market
  - Press releases and published report information



**ABOUT CCMI/SALESTAR**

CCMI/Salestar is the premier competitive information source for factual and unbiased information for the telecommunications industry. CCMI/Salestar provides competitive information databases and applications, online tariff and rate services, and pricing/network design systems to thousands of telecommunications professionals at service providers in the US and abroad. Detailed information, gathered by over 65 telecommunications research analysts, provides accurate and timely information on product and service offerings from the major US service providers. In addition, CCMI/Salestar's Consulting Services group provides custom market specific competitive intelligence research on the competition, customized to your needs.

CCMI/Salestar's research and consulting work is premised on the principle that the best competitive intelligence is developed through years of experience in research, analyzing and understanding telecommunication services, technologies and policies guided by insightful intelligent strategies. Our established in-house staff of telecommunications technologies, services, and market research specialists allows us to offer customized competitive intelligence to assist telecommunications companies in their sales and marketing efforts.

Supported by a staff of professionals with a combined 250+ years in the telecom industry, Salestar's services, applications and databases are your ultimate source for accurate and relevant telecommunications information.

**CCMI/Salestar**

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**CCMI/Salestar**

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# **Competitive Intelligence Report**

## **Broadband Services**

San Francisco, CA • July 2001 • Residential Market

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# EXECUTIVE SUMMARY



## EXECUTIVE SUMMARY

Until the last quarter of 2000, San Francisco remained a strong center for technological services within the United States. The climate for telecommunications services demand could not have been more favorable. Though the local economy has traditionally been based on tourism, banking, and trade, the region experienced strong growth within the high-tech arena with the advent of the "dot-com" phenomenon. San Francisco became known as the center of this new "dot-com" world and numerous broadband service providers sought dominance in this market.

The beginning of 2001 brought a new business environment. The thriving San Francisco economy slowed in the wake of a severe stock market adjustment and the energy crisis. However, the high technology job market remains tight and employee turnover remains high. At the very least, unemployed technological workers need broadband technology to effectively consult, network, and further develop their skill sets.

Thus, the consumer market in the Bay Area remains steady for broadband deployment. As the home of Cisco and many of the largest data equipment vendors, the San Francisco Bay Area will continue to experience demand for high-speed Internet access demand despite excessive equipment inventories. A popular ISP, Megapath, deploys its national business broadband services directly out of the city of Pleasanton, a suburb of San Francisco. AT&T has recently purchased the assets of NorthPoint Communications, based locally, for further expansion in this area. With an astounding 69.1% of its homes connected to the Internet, San Franciscans utilize broadband services, rather than dial-up, more than almost any other region in America. Finally, due to the dense number of residences, a DSL-deploying wire center is rarely too far for qualification.

AT&T possessed many of the cable franchises within the MSA and has leveraged that in a piecemeal fashion with its @Home high-speed Internet service. Excite@Home, based in the San Francisco suburb of Redwood City, has just solidified its long-term agreement with AT&T. Look for this service to be offered to more consumers throughout the Bay Area (currently it has more customers in the East and South Bay). However, AT&T also offers a DSL solution and has recently unveiled its digital telephony offering within the East Bay.



RCN has recently bought up cable franchises and has bundled in local voice and cable TV services for customers as an alternative to Pacific Bell's local loop. Finally, EarthLink and AOL have branded Hughes Network Systems' DirecPC fixed wireless offering and are using it to compete for users to avoid DSL installation time and problems.

In sum, wired workers may actually have a greater need for Broadband services than ever before as their former employers reduce their forces. However, there may not be as much disposable income for expensive, experimental solutions as was the case last year. Except for RCN, new entrants have avoided the residential market within San Francisco and a static competitive situation has developed.



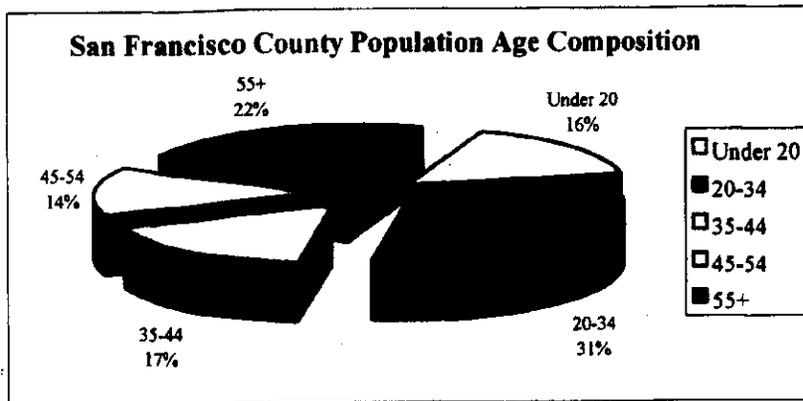
# MARKET INSIGHTS



**MARKET INSIGHTS**

**1) Population**

<b>San Francisco County Population Distribution by Age</b>		
<b>Age (Years)</b>	<b>Total Population</b>	<b>Composition (%)</b>
Under 20	127,344	16.39
20-34	236,472	30.44
35-44	133,804	17.23
45-54	107,718	13.87
55+	171,395	22.07
<b>TOTAL</b>	<b>776,733</b>	<b>100.00</b>



- San Francisco County's population, estimated in 2000, was 776,000 people
- From 1990 to 2000, the population grew by 7.3 percent, ranked 1,704<sup>th</sup> out of 3,141 counties in the US
- Approximately 49.7 percent of the population was White, 30.8 percent Asian, 14.1 percent Hispanic or Latino origin, 7.8 percent was Black or African Americans, and 0.9 percent other races

**2) Income and Employment**

- The unemployment rate rose from 2.0 percent in May 2000 to 3.1 percent in May 2001
- Mean annual earning was \$46,700 in April, 2000, an increase of 1.5 percent from June 1999
- Job growth has increased about 2.6 percent from May 2000 to May 2001
- The projected job growth for the next 10 years is approximately 10 percent, ranked 263<sup>rd</sup>, as compared to the nationally projected average of 15.1 percent



## CCMI/Salestar

### 3) Cost of Living and Quality of Life

- In 2000, San Francisco has a violent crime rate of 630.1 and a property crime rate of 3873.5 per 100,000 people, above the national averages of 506 and 4329 respectively
- For 2000, the city had a Cost of Living Index of 187.1, higher than the national average of 104.0
- Health Cost of Index was 148 for 2000, higher than the national average of 103
- San Francisco is rated very well compared to other cities in terms of both the Leisure (number of parks, recreational activities, ocean coastlines, etc.) and Arts (number of museums, symphonies, theaters, opera, dance, performances, etc.) Indexes with scores of 79 and 58, ranked 4<sup>th</sup> and 3<sup>rd</sup> respectively; national average for these scores are 19.42 and 11.48

### 4) Internet

- As of March 2001, San Francisco was ranked the third most wired city in the US by Nielsen/NetRatings with 69.1% of households having access to the Internet from a personal computer; Portland and Seattle ranked 1<sup>st</sup> and 2<sup>nd</sup> respectively
- San Francisco ranked 10<sup>th</sup> for total capacity of all Internet backbone links to other metropolitan areas as share of employment
- Ranked 2<sup>nd</sup> for domain density, 2.17, (".com") per total number of businesses
- San Francisco ranked 27<sup>th</sup> with 68 percent of children using computers in the classroom, above the national average of 63 percent

### 5) Labor Force

- Computer engineering is the fastest growing occupation in San Francisco; Managerial, professional and technical jobs constitute 40 percent of the labor force, rank 14<sup>th</sup> nationally
- Ranked 2<sup>nd</sup> nationally for having the highest percentage of the workforce with advanced degrees, bachelor's degrees, or some college course work, behind only Washington DC
- In 1999, 80 percent of people older than 25 years old had graduated from high school and 42 percent had a bachelor's degree or higher
- High-Tech jobs constitute 8.6% of total employment, ranked 2<sup>nd</sup> nationally

### 6) Travel and Trade

- San Francisco receives over 20 million visitors each year, 16.2 million domestic visitors and 4 million international visitors
- Tourism is San Francisco's top industry and visitors to San Francisco spend over \$6.5 billion annually



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### *Information Sources:*

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# COMPETITIVE INSIGHTS

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## COMPETITIVE INSIGHTS

- 1) **@Home (AT&T)**  
450 Broadway Street  
Redwood City, CA 94063  
650-556-5000  
www.home.net  
Carrier Type: ISP

### Carrier Summary:

@Home is a provider of high-speed data and Internet services. The @Home service offers multimedia content, client software, customer support, applications, and interactive services through the company's broadband service and narrowband portal. The primary components of @Home's network infrastructure include a dual OC-48 IP Backbone, Super Nodes, Local Caching Servers, Cable Modems, and a 24/7 Network Operations Center. Service is delivered to the last mile through cable partnerships with 17 companies, including AT&T, Cox, and Comcast.

### Coverage Summary:

In the first quarter of 2001, @Home had 3.2 million broadband subscribers and served 593 cable head ends worldwide via its 15,000-mile private fiber-optic backbone. The company has over 10 million cable franchise homes under contract outside of North America with localized versions of service in 15 international markets.

### Competitive Insights:

@Home's @Work division has stopped offering DSL service, which was provided in conjunction with NorthPoint Communications. @Home has also shut down its Work.com and iMALL services. @Home has terminated its relationship with Cablevision and is no longer reporting subscribers from that venture.

They have entered into an agreement with AT&T whereby AT&T agrees to maintain and update @Home's backbone and provide \$85 Million in capital to @Home. @Home would then be required to make annual payments to AT&T for a term of 18.5 years. Although AT&T has a 32% stake in @Home, they act as independent entities with individual agendas.

@Home faces the disadvantage of having to enter into separate interconnection agreements with the various local cable franchises. Each cable company retains the control of pricing for high speed Internet access. @Home is reliant on 3<sup>rd</sup> parties to provide a connection to the customer. Both of these are disadvantages.

### Recent Developments:

- June 19, 2001 – @Home renegotiates optical fiber capacity lease with AT&T for \$85 million
- June 19, 2001 – @Home continues to hold discussions with Cox Communications and Comcast Corporation regarding restructuring commercial relationships
- June 11, 2001 – @Home raises \$100 million through sale of convertible notes



## 2) Adelphia Communications

1 North Main St.  
Coudersport, PA 16915  
814-274-9830  
www.adelphia.com  
Carrier Type: Cable

### Carrier Summary:

Adelphia is a cable company that offers Internet, long distance, paging, and security services. The company provides additional services through 2 subsidiaries, Adelphia Business Solutions and Adelphia Media Services. Adelphia Business Solutions provides local voice, long distance, messaging, and high-speed data and Internet services. Adelphia Media Services was created to develop local, regional, and national advertising and promotional opportunities via television commercial insertion on cable networks.

### Coverage Summary:

Adelphia has more than 5.5 million residential customers nationwide and operates in 32 states. As of March 31, 2001, the company had 9,095 local route miles, 500,389 fiber strand miles, and 7,879 long-haul route miles. Currently, the company is constructing a national fiber optic backbone that will serve more than 200 markets and span more than 30,000 miles.

### Competitive Insights:

Adelphia announced in December 2000 that it is effectively halting their expansion plans. Rather than operating in a projected 175-200 markets by the end of 2001, it only expects to be in 80 markets. Currently they are operating in 75 markets. Instead they seem to be focusing on better integrating local, long distance, data transmission, and Internet service for customers in targeted markets. Customers have the choice of purchasing services a la carte or in discounted bundled packages. Adelphia's main advantage over other Cable Broadband providers is that similar to the Regional Bell Operating Companies, they can provide a myriad of services over their own facilities, reducing their dependence on other companies.

### Recent Developments:

- June 7, 2001 – Adelphia announces sale of \$1 billion of Senior Notes
- January 3, 2001 – Adelphia closes swap of cable systems with Comcast



### 3) AOL (DirecPC)

AOL Way  
Sterling, VA 20166  
888-265-8006  
www.aol.com  
Carrier Type: ISP

#### **Carrier Summary:**

AOL, a subsidiary of AOL Time Warner, provides interactive services, Web brands, Internet technologies, and electronic commerce services. Additionally, AOL Plus provides multimedia online content to subscribers connecting to its service via DSL, cable, satellite, and wireless technologies. This expanded content includes streaming audio, full-motion video, games, and online catalogue shopping.

#### **Coverage Summary:**

AOL has doubled its subscription base over the last 2 ½ years to more than 30 million total subscribers worldwide. The company now has over 6 million members outside of the U.S. In Latin America, the company has more than 750,000 members and, in France, there are more than a million subscribers. Currently, AOL is available in 16 countries in 8 languages. AOL delivers service through AOLnet, its TCP/IP network.

#### **Competitive Insights:**

AOL provides Hughes Electronics' DirecPC Internet services. DirecPC is a division of Hughes Electronics that deals specifically with satellite broadband customers. Until recently, DirecPC has mainly deployed 1-way fixed satellite systems. They are beginning to deploy 2-way systems and to that end are partnering with larger, brand name ISPs to package services together. They are also in the process of integrating their satellite TV offering along with broadband Internet access. They are beginning to sell dishes that can provide both satellite TV and fixed wireless Internet, they are not providing the service as a bundle.

Most of DirecPC's focus seems to be on the residential customer but they also have some plans available for SOHO and small businesses. Residential customers only have the capability to set up one computer per dish and to date they cannot support Macintosh platform customers. The main advantage "Powered by DirecPC" service has over other fixed wireless providers is that the service is transmitted via satellite rather than to a tower located within the market. This means that the service is available to customers without further infrastructure development in any particular market. Potentially this service is available to anyone nationwide immediately.

#### **Recent Developments:**

- June 25, 2001 – Worldwide AOL membership surpasses 30 million membership milestone
- May 22, 2001 – AOL to increase price of its unlimited plan by \$1.95 starting in July
- May 18, 2001 – AOL to acquire InfoInterActive Inc.



#### 4) AT&T

32 Avenue of the Americas  
New York, New York 10013  
877-593-2087  
www.att.com  
Carrier Type: ILEC

#### Carrier Summary:

AT&T provides local and long distance services, data and IP services (including DSL, frame relay, private line, ATM, and other broadband services), video, wireless, cable television, hosting, outsourcing, and other consulting services. The company provides broadband services, such as DSL, via 2 business units, AT&T Business Services and AT&T Consumer Services.

#### Coverage Summary:

AT&T Business Services provides its services to over 5 million businesses via a coast-to-coast 10 GB OC-192 fiber optic network. The unit has installed more than 16,500 route miles of next-generation fiber. AT&T's business DSL service is available in more than 100 markets nationwide. Additionally, the unit provides Web Hosting services to more than 10,000 companies.

AT&T Consumer Services offers residential high-speed Internet access in 18 markets in 16 states. The unit expects to transition to an IP packet data architecture from circuit-switched technology by the end of 2003.

#### Competitive Insights:

On May 25, 2001 AT&T completed the \$135 million acquisition NorthPoint Communications. The acquisition includes all of NorthPoint's co-locations nationwide, certain network equipment, systems and support software and related assets, including two leased buildings in Emeryville, California.

AT&T has grown their high-speed Internet access (cable) at the rate of 3,800 customers per day, and 3,000 customers each day for cable telephony at the end of 4<sup>th</sup> quarter.

#### Recent Developments:

- March 22, 2001 – AT&T announces acquisition of certain assets and technology components from NorthPoint Communications
- January 31, 2001 – MerchantWired awards AT&T \$100 million contract for broadband services
- January 23, 2001 – AT&T announces availability of AT&T Ultravailable Network



**5) DirecTV Broadband**

10355 North De Anza Blvd.  
Cupertino, CA 95014  
408-863-6600  
www.directvbroadband.net  
Carrier Type: Facilities-based CLEC

**Carrier Summary:**

DirecTV Broadband, a subsidiary of Hughes Network Systems, provides broadband services to the residential market nationwide.

**Coverage Summary:**

DirecTV Broadband offers service in more than 150 markets and more than 1,500 cities. The company had more than 65,000 subscribers as of March 31, 2000. DirecTV currently has partnerships with 4 last-mile carriers: Verizon, SBC, BellSouth, and Rhythms NetConnections.

**Competitive Insights:**

Hughes recently acquired Telocity Inc., which now sells DSL service under the brand of DirecTV. The acquisition has expanded Hughes' service offerings, which now include Satellite Television Service, DSL, and both 1-way and 2-way fixed wireless. DirecTV is targeting the residential market.

**Recent Developments:**

- June 12, 2001 – Telocity changes to new service name, DirecTV DSL, and changes company name to DirecTV Broadband Inc.
- April 3, 2001 – Hughes Electronics completes acquisition of Telocity



#### 6) EarthLink

1375 Peachtree St., Level A  
Atlanta, GA 30309  
404-815-0770  
www.EarthLink.com  
Carrier Type: ISP

#### Carrier Summary:

EarthLink is an ISP that offers dial-up Internet access, hosting, and e-commerce services in addition to broadband access services including DSL, cable, and fixed wireless.

#### Coverage Summary:

EarthLink provides service to more than 4.8 million subscribers through over 7,500 POPs. In January 2001, EarthLink added 25 new business DSL markets to its roster, bringing the total markets served nationwide to 39. At the end of 2000, EarthLink had 215,000 broadband subscribers in 90 markets (DSL in 90 markets and SDSL in 39 markets).

#### Competitive Insights:

EarthLink initially provided Internet service in conjunction with Sprint. This arrangement has undergone some changes in February of 2001. These changes did away with the exclusivity terms and stopped requiring each company to co-brand their service. The changes have also allowed each company more freedom to work with third party providers. Each company now offers bundled service (both the access and internet service) under their own brand name. To accomplish this goal, they provide each other wholesale service, which is then repackaged and sold under the other company's name.

One example of EarthLink working with a 3<sup>rd</sup> party access provider is their partnership with Hughes' DirecPC with whom EarthLink recently began to offer 2-way fixed wireless broadband service nationwide. This partnership competes directly with Sprint's own Broadband Direct fixed wireless division. This service also offers the ability to get Internet access as well as Satellite TV service through one device. Customers must still order and pay for each service separately. EarthLink's targeted areas of revenue are: monthly fees for dial-up access, monthly fees for broadband access, Web Hosting revenues, and content, e-commerce and advertising revenues.

#### Recent Developments:

- June 19, 2001 – EarthLink announces new fixed-IP address DSL service for SOHO market
- June 12, 2001 – IT Managers rank EarthLink as the top ISP
- April 25, 2001 – Cox Communications and EarthLink announce high-speed cable-based Internet service trial
- March 27, 2001 – Comcast Cable and EarthLink announce technical trial of high-speed cable-based Internet service



#### 7) Pacific Bell

268 Bush St., Suite 5000  
San Francisco, CA 94104  
800-708-4638  
www.pacbell.com  
Carrier Type: ILEC/ISP

#### Carrier Summary:

Pacific Bell, a subsidiary of SBC Communications, provides telecommunications services including local exchange, long distance, network access, data, and Internet services. Pacific Bell DSL is provided by SBC Advanced Data Solutions, a subsidiary of SBC Communications.

#### Coverage Summary:

Pacific Bell offers DSL in California. SBC has launched an initiative, called Project Pronto, in order to deliver broadband access to all of its customers. Project Pronto will reach approximately 77 million Americans by 2003. SBC DSL is currently available to more than 20 million homes and businesses.

SBC had 954,000 subscribers (as of March 31, 2001) that were served by 10,000 SONET rings and 5 million miles of fiber strands. The company offers service in 20 of the top 50 markets in 24 states.

#### Competitive Insights:

Pacific Bell is part of SBC Communications Inc. network. Data and broadband continue to be one of the primary areas that SBC plan to expand. They have almost doubled the number of customer locations that are DSL capable in the year 2000. (18 million locations in December 2000 compared to 10.2 million at the beginning of 2000.) One goal for 2001 will be to add more remote terminals, which will enable customers further from the Central Offices to get DSL services. The Pacific Bell region is projected to be a strong region for growth.

Entry into California's Long Distance market is one of SBC's top priorities. They are particularly attracted to the size of the market, which is the largest in any of their in-region states (~\$15 billion). The reason they are so keen to enter the market is, based on the success they have had in Texas, they expect many customers will sign up for "all in one" packages. SBC is seeking to further expand revenues from the business market with increased Internet services and support. They are aggressively marketing the Online Office package that includes DSL, Internet access email, and Web Hosting service for small businesses.

#### Recent Developments:

- June 18, 2001 – Pacific Bell Internet services promotion offers special introductory price for new DSL subscribers
- June 6, 2001 – SBC introduces self-install home and small office networking for DSL customers



#### 8) Prodigy

6500 River Place Blvd., Building III  
Austin, TX 78730  
512-527-1500  
www.prodigy.com  
Carrier Type: ISP

#### Carrier Summary:

Prodigy Communications is the nation's the largest residential DSL Internet Service Provider as well as the 3<sup>rd</sup> largest ISP overall. Prodigy provides Internet access and other Internet-based services, including dial-up and DSL services, to residential customers.

#### Coverage Summary:

As of April 26, 2001, Prodigy served more than 3.1 million customers, of which 700,000 were DSL customers, via a nationwide network covering 850 locations in all 50 states. The company offers DSL access in 48 states. This network, with 2,300 local access sites nationwide, allows Prodigy to reach approximately 90% of the U.S. population.

#### Competitive Insights:

Prodigy has entered into strategic alliance with SBC communications until 2009. SBC is responsible for networking, customer care and acquisition costs. Prodigy is jointly marketing services to all customers throughout SBC's home region. They have agreements with retail outlets such as CompUSA, Best Buy and Office Depot. Also with OEMs such as Hewlett Packard, Sony, Toshiba, US Robotics and Microsoft corporation. These joint marketing agreements have created exceptionally strong brand awareness for Prodigy, and gives them a financial advantage over smaller providers in promoting their services.

Prodigy is also customizing some of their services in order to be market leaders to specific segments of the community. They currently offer service tailored to DSL customers with increased bandwidth. These services include a homepage specifically for DSL customers. This portal provides information and advice on how to fully utilize the greater potential uses that are possible with increased bandwidth. They also have expanded media offerings that include radio and online television channels and will move towards "video on demand" in the future. They are also aggressively targeting the Spanish speaking market. They provide service in conjunction with TelMex to customers in Mexico. Prodigy also has a bilingual service called Prodigy en Espanol which is tailored to the US Spanish speaking market.

#### Recent Developments:

- February 28, 2001 – SBC Telecom executive named CEO and President of Prodigy
- January 19, 2001 – Prodigy improves cash position and financial stability with strategic marketing agreement with SBC Communications
- January 17, 2001 – Prodigy and GiantBear partner to develop and launch wireless Web portal



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### 9) RCN

105 Carnegie Center

Princeton, NJ 08540

800-746-4726

www.rcn.com

Carrier Type: Facilities-based CLEC

#### Carrier Summary:

RCN is a facilities-based provider of bundled telephone, cable television, and high-speed Internet services to residential customers. The company offers service via its broadband fiber optic platform.

#### Coverage Summary:

RCN has more than 1 million customer connections and provides service in the Chicago, Boston, New York, Philadelphia, San Francisco, and Washington DC markets. RCN's network utilizes SONET ring backbone architecture and localized nodes, serving only 150 homes per node. Each ring is build to ensure RCN's fiber optics travel to within 900 feet of subscribers. The company's local fiber network has approximately 85% of excess capacity available for future services. It is RCN's strategy to target all high-density markets nationwide that meet its criteria of 150 homes per mile. Currently, the company's target markets represent 44% of the total U.S. telecom market in only 6% of its geography.

#### Competitive Insights:

RCN announced a new multi-million dollar marketing and advertising campaign designed to speak directly to consumers who are in RCN service areas in order to increase service penetrations in existing RCN markets. The campaign will focus on the advantages of RCN's bundled service, known as ResiLink(sm). It was created for RCN by its new advertising agency of record, the Chicago office of Laughlin/Constable.

RCN has been working to rectify their DSL service that was disrupted when NorthPoint assets were sold to AT&T. To date they have transferred approximate 400 customers to Covad facilities. All customers will receive credit on bills for service downtime.

#### Recent Developments:

- June 11, 2001 – RCN launches new multi-million dollar marketing campaign to increase customer penetration in RCN markets
- April 17, 2001 – RCN launches Resilink bundled phone, cable, and high-speed Internet services to residents of West Roxbury and Roslindale, Massachusetts
- March 19, 2001 - RCN launches Resilink bundled phone, cable, and high-speed Internet services to residents of Redwood City, California



**10) Speakeasy.net**

2222 2<sup>nd</sup> Ave.  
Seattle, WA 98121  
206-728-9770  
www.speakeasy.net  
Carrier Type: ISP

**Carrier Summary:**

Speakeasy is a national broadband service provider offering dial-up service, DSL, e-commerce solutions, and Web Hosting services.

**Coverage Summary:**

Speakeasy.net is an ISP that initially began as a CyberCafe in the Seattle area. They have expanded into a national ISP that uses Covad to provide DSL service. They offer DSL in 50 markets and have dial-up service nationwide. The company has gained over 10,000 active DSL circuits since the beginning of 2001.

**Competitive Insights:**

Speakeasy has several packages available. In addition to standard DSL offerings they also have 3 additional packages that are configured to appeal to specific user groups (i.e. Internet Gamers, Online Traders, and Systems Administrators).

**Recent Developments:**

- June 14, 2001 – Speakeasy.net and Emusic.com partner to provide broadband digital music service
- April 4, 2001 – Speakeasy.net offers reinstallation cost reduction for business and residential users affected by NorthPoint closure



# COMPETITIVE PRODUCT MATRIX



**DSL COMPETITIVE PRODUCT MATRIX - (AT&T DSL, DirecTV, EarthLink)**

DSL Providers	AT&T Single User DSL	DirecTV	EarthLink DSL
Product			
Broadband Technology	IDSL - ADSL	ADSL	ADSL
Speed (Down/Upstream)	IDSL - 144Kbps/144Kbps ADSL - 608Kbps/128Kbps ADSL - 1.5Mbps/384Kbps	Up to 1.5 Mbps / Up to 128 Kbps	144 Kbps - 1.5 Mbps / Up to 284 Kbps
E-Mail	ADSL plans - 1 box included IDSL plan - 1 box included and option to get up to 30 more.	5	6
IP Address	1 (Dynamic)	1 (Static)	1 (Dynamic)
Shared Web Hosting Included	Not offered	Included	Included
Data Storage	Not included, up to 400 MB available	10 MB for email and 10 MB for Data	10 MB
Domain Name Registration	Not offered	No (Must go through 3rd Party)	Network Solutions: \$70 first 2 years/\$35 per year thereafter Register.com \$60 for 3 years
Primary DNS	Not offered	Included	Not offered
Secondary DNS	Not offered	Included	Not offered
Local Voice Service Included	Not Included (available at an additional cost)	Not Included	Not Included
Long Distance Voice Service Included	Not Included (available at an additional cost)	Not Included	Not Included
Voice/Data Discount	N/A	N/A	N/A
Backup/Remote Dial Account	Not offered	60 minutes free per month (\$.10 per minute after)	20 hours per month (additional hours cost \$1 each)
Online Account Management	Yes	Yes	Yes
Content	Not offered	News Server Access	News Server, Magazine
Price			
Monthly Recurring Charge	\$49.95 for 608Kbps/128Kbps \$79.95 for 1.5Mbps/384Kbps \$89.95 for 144Kbps/144Kbps	\$49.95	\$49.95
Installation Charge	Free if customer signs up for 1 Year contract, otherwise \$300	\$0	\$0 (if self installed); Varies (with 3rd Party installation)
Equipment Charge	\$100 for modem; \$450 for router Customer can also rent the modem for \$10 a month or the router for \$40 a month	\$0	\$0
ISP Charge	\$0	\$0	\$0
Contract	1 Year	None	12 Months
Early Termination Fee	\$300.00	None	\$149.95
Promotions	None	Promotion #1: First 2 months Free and No activation Charge (Expires 6/30/01) Promotion #2: Order through website and get 3 months at \$19.95 with no activation (No expiration specified)	Waive \$99.00 activation fee (Offer expires 6/30/01)
Additional Pricing Information	None	Must pay \$24.95 Shipping for Set up package	None
Service			
Equipment Installer	AT&T	Self	Self, 3rd Party
Order Interval	15 - 30 Days	21 - 45 Days	15 - 30 Days
Technical Support	Telephones (24x7)	Telephone, E-Mail	Telephone, E-Mail
Integrated Billing	Yes	No	No
Sales Channel			
Telephone	Yes	Yes	Yes
Online	Yes	Yes	Yes
OEM	No	Yes	No
Retail	No	Yes	Yes

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**DSL COMPETITIVE PRODUCT MATRIX - (EarthLink, Pac Bell, Prodigy)**

DSL Providers	EarthLink Static IP DSL	Pacific Bell Basic DSL	Prodigy DSL-SF
<b>Product</b>			
Broadband Technology	ADSL	ADSL	ADSL
Speed (Down/Upstream)	144 Kbps - 1.5 Mbps / Up to 128 Kbps	1.5MB/128K	1.5 MB/128 Kbps
E-Mail	6	1	11
IP Address	1 (Static)	1 (dynamic)	1 (dynamic)
Shared Web Hosting Included	Not offered	No (packages range from \$84.95 to \$648.95. All packages include monthly recurring charge for the DSL service)	Not offered
Data Storage	10 MB	3 MB	15 MB
Domain Name Registration	Network Solutions: \$70 first 2 years, \$35 per year thereafter Register.com: \$60 for 3 years	Not offered	Included
Primary DNS	Not offered	Not offered	Included
Secondary DNS	Not offered	Not offered	Included
Local Voice Service Included	Not Included	Not Included (available at an additional cost)	Not Included
Long Distance Voice Service Included	Not Included	Not Included	Not Included
Voice/Data Discount	N/A	N/A	N/A
Backup/Remote Dial Account	20 hours per month (additional hours cost \$1 each)	Included	Included
Online Account Management	Yes	No	No
Content	News Server, Magazine	Newsgroups	Newsgroups, Chat
<b>Price</b>			
Monthly Recurring Charge	\$64.95	\$39.95 with the SBC value reward promotion and 1-year contract \$49.95 with monthly contract	\$49.95
Installation Charge	\$0 (if self installed), Varies (with 3rd Party installation)	Free self-installation or \$200.00 professional installation	Free self installation \$200.00 professional installation
Equipment Charge	\$0	Modem can be purchased for \$99.00. Current promotion offers a free modem	\$99.00
ISP Charge	\$0	\$0	\$0
Contract	12 Months	0-1 year contract	1 year
Early Termination Fee	\$149.95	\$200.00	\$225.00
Promotions	Waive \$99.00 activation fee (Offer expires 8/30/01)	SBC Value Reward offers free equipment and service connection or a choice of gifts with value from \$250-\$500. Expires 09/15/01	None
Additional Pricing Information	None	\$50.00 service provisioning charge. This is waived with the current promotion for the Basic service.	None
<b>Service</b>			
Equipment Installer	Self, 3rd Party	Pacific Bell	Pacific Bell
Order Interval	15 - 30 Days	7 - 10 Days	10 Business Days self install 45 Days professional
Technical Support	Telephone, E-Mail	Telephone (24x7)	Telephone (24x7)
Integrated Billing	No	Yes	No
<b>Sales Channel</b>			
Telephone	Yes	Yes	Yes
Online	Yes	Yes	No
OEM	No	No	No
Retail	Yes	No	No

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**DSL COMPETITIVE PRODUCT MATRIX - (Speakeasy)**

DSL Providers	Speakeasy Essential Edge Basic/Plus	Speakeasy Net Expert Basic and Plus	Speakeasy Net Reach
Product			
Broadband Technology	RADSL	RADSL	IDSL
Speed (Down/Upstream)	608 Kbps/128 Kbps	1.5 Mbps/384 Kbps	144 Kbps/144 Kbps
E-Mail	2	2	2
IP Address	1 (Dynamic) for Essential Edge Basic 1 (Static) for Essential Edge Plus	1 (Dynamic) for Net Expert Basic 1 (Static) for Net Expert Plus	1
Shared Web Hosting Included	No, but \$14.95 per month for basic domain hosting with \$15.00 setup fee; \$9.95 per month for mail-only hosting (customer provides the Web server) with \$10.00 setup fee	No, but \$14.95 per month for basic domain hosting with \$15.00 setup fee; \$9.95 per month for mail-only hosting (customer provides the Web server) with \$10.00 setup fee	No, but \$14.95 per month for basic domain hosting with \$15.00 setup fee; \$9.95 per month for mail-only hosting (customer provides the Web server) with \$10.00 setup fee
Data Storage	None for Essential Edge Basic plan 10 MB for Essential Edge Plus plan	None for Net Expert Basic plan 10 MB for Net Expert Plus plan	10 MB
Domain Name Registration	Included	Included	Included
Primary DNS	Included with Web Hosting package Without a package, both primary and secondary hosting are \$9.95 per month each	Included with Web Hosting package Without a package, both primary and secondary hosting are \$9.95 per month each	Included with Web Hosting package Without a package, both primary and secondary hosting are \$9.95 per month each
Secondary DNS	Secondary DNS only is a \$35.00 fee	Secondary DNS only is a \$35.00 fee	Secondary DNS only is a \$35.00 fee
Local Voice Service Included	Not Included	Not Included	Not Included
Long Distance Voice Service Included	Not Included	Not Included	Not Included
Voice/Data Discount	N/A	N/A	N/A
Backup/Remote Dial Account	None for Essential Edge Basic 30 dial-up hours for Essential Edge Plus	None for Net Expert Basic 30 dial-up hours for Net Expert Plus	30 dial-up hours
Online Account Management	Yes	Yes	Yes
Content	Not offered	Not offered	Not offered
Price			
Monthly Recurring Charge	Essential Edge Basic: \$49.95 Essential Edge Plus: \$59.95	NetExpert Basic: \$79.95 NetExpert Plus: \$89.95	\$89.95
Installation Charge	Professional installation: \$175.00 Self-installation: \$299.00	Professional installation: \$175.00 Self-installation: \$299.00	\$99.00
Equipment Charge	\$225.00	\$225.00	\$359.00
ISP Charge	\$0	\$0	\$0
Contract	1 Year	1 Year	1 Year
Early Termination Fee	\$250.00	\$250.00	\$250.00
Promotions	None	None	None
Additional Pricing Information	Missed appointment fee: \$99.00 Connection speed change charge: \$99.00 Additional IP addresses: \$2.95 (for plans that support static IPs)	Missed appointment fee: \$99.00 Connection speed change charge: \$99.00 Additional IP addresses: \$2.95 (for plans that support static IPs)	Missed appointment fee: \$99.00 Connection speed change charge: \$99.00 Additional IP addresses: \$2.95 (for plans that support static IPs)
Service			
Equipment Installer	Covad	Covad	Covad
Order Interval	3 - 90 Days	3 - 90 Days	3 - 90 Days
Technical Support	Telephone, E-Mail	Telephone, E-Mail	Telephone, E-Mail
Integrated Billing	No	No	No
Sales Channel			
Telephone	Yes	Yes	Yes
Online	Yes	Yes	Yes
OEM	No	No	No
Retail	No	No	No

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**DSL COMPETITIVE PRODUCT MATRIX - (Speakeasy)**

<b>DSL Providers</b>	<b>Speakeasy Premium</b>	<b>Speakeasy Premium Plus</b>
<b>Product</b>		
<b>Broadband Technology</b>	SDSL	SDSL
<b>Speed (Down/Upstream)</b>	384 Kbps/384 Kbps 768 Kbps/768 Kbps	384 Kbps/384 Kbps 768 Kbps/768 Kbps 1.1 Mbps/1.1 Mbps 1.5 Mbps/1.5 Mbps
<b>E-Mail</b>	2	2
<b>IP Address</b>	1	4 for plans at 384 Kbps, 768 Kbps, and 1.1 MB plans 8 for plan at 1.5 MB
<b>Shared Web Hosting Included</b>	No, but \$14.95 per month for basic domain hosting with \$15.00 setup fee \$9.95 per month for mail-only hosting (customer provides the Web server) with \$10.00 setup fee	No, but \$14.95 per month for basic domain hosting with \$15.00 setup fee \$9.95 per month for mail-only hosting (customer provides the Web server) with \$10.00 setup fee
<b>Data Storage</b>	Not offered	20 MB for 384 Kbps plan 50 MB for 768 Kbps plan 100 MB for 1.1 MB plan 200 MB for 1.5 MB plan
<b>Domain Name Registration</b>	Included	Included
<b>Primary DNS</b>	Included with Web Hosting package Without a package, both primary and secondary hosting are \$9.95 per month each	Included with Web Hosting package Without a package, both primary and secondary hosting are \$9.95 per month each
<b>Secondary DNS</b>	Secondary DNS only is a \$35.00 fee	Secondary DNS only is a \$35.00 fee
<b>Local Voice Service Included</b>	Not Included	Not Included
<b>Long Distance Voice Service Included</b>	Not Included	Not Included
<b>Voice/Data Discount</b>	N/A	N/A
<b>Backup/Remote Dial Account</b>	30 dial-up hours	30 dial-up hours
<b>Online Account Management</b>	Yes	Yes
<b>Content</b>	Not offered	Not offered
<b>Price</b>		
<b>Monthly Recurring Charge</b>	Premium 384 Kbps: \$99.95 Premium 768 Kbps: \$149.95	Premium Plus 384 Kbps: \$109.95 Premium Plus 768 Kbps: \$159.95 Premium Plus 1.1 Mbps: \$199.95 Premium Plus 1.5 Mbps: \$209.95
<b>Installation Charge</b>	\$99.00	\$99.00
<b>Equipment Charge</b>	\$199.00	\$199.00
<b>ISP Charge</b>	\$0	\$0
<b>Contract</b>	1 Year	1 Year
<b>Early Termination Fee</b>	\$250.00	\$250.00
<b>Promotions</b>	None	None
<b>Additional Pricing Information</b>	Missed appointment fee: \$99.00 Connection speed change charge: \$99.00 Additional IP addresses: \$2.95 (for plans that support static IPs)	Missed appointment fee: \$99.00 Connection speed change charge: \$99.00 Additional IP addresses: \$2.95 (for plans that support static IPs)
<b>Service</b>		
<b>Equipment Installer</b>	Covad	Covad
<b>Order Interval</b>	3 - 90 Days	3 - 90 Days
<b>Technical Support</b>	Telephone, E-Mail	Telephone, E-Mail
<b>Integrated Billing</b>	No	No
<b>Sales Channel</b>		
<b>Telephone</b>	Yes	Yes
<b>Online</b>	Yes	Yes
<b>OEM</b>	No	No
<b>Retail</b>	No	No

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**CABLE MODEM COMPETITIVE PRODUCT MATRIX - (Adelphia, AT&T, RCN)**

Cable-Modem	Adelphia Power Link	AT&T @Home	RCN Cable Modem
Product			
Broadband Technology	Cable Modem	Cable Modem	Cable Modem
Speed (Download/Upload)	3.0 Mbps/128 Kbps	2.8 Mbps/128 Kbps	27 Mbps/10 Mbps
E-Mail	4	3 (@Home sign-up) or 7 (AT&T sign up)	4
IP Address	1 (Dynamic)	1 (Dynamic)	1 (Dynamic)
Shared Web Hosting Included	Included	\$25.00 per month with a \$50.00 installation charge for Web Hosting	Not offered
Data Storage	5 MB	10 MB per e-mail account	10MB for personal home page
Domain Name Registration	No, however tech support can facilitate initial contact with 3rd party provider	Not offered	Not offered
Local Voice Service Included	Not Available	Basic Local: \$10.00, unlimited local calling Local Only: \$19.95, unlimited local calling, Caller ID, Call Waiting, and 3-Way Calling	Not included, available at extra cost depending on which calling features the customer wants
Long Distance Service Included	No (available at an additional cost) \$ .07 interstate and in-state with Adelphia Advantage package \$ .08 interstate and in-state otherwise	180 Minute Block of Time: \$30.95 300 Minute Block of Time: \$36.95	Not Available
Voice/Data Discount	N/A	Add \$5.00 monthly service charge per line for additional lines on the same package	Yes
Remote/Backup Dial Account	Not offered	Not offered	Not offered
Online Account Management	Yes	Yes	No
Content	Newsgroups	Excite@Home	Newsgroups
Price			
Monthly Recurring Charge	\$39.95 for Adelphia cable customers and \$49.95 for non-cable customers; \$79.95 for Adelphia customers as combined with digital cable in Adelphia Advantage package	@Home sign up: \$45.95 If user rents modem: AT&T sign up: \$45.95 @Home sign up paying annually: \$36.62 If user supplies modem: AT&T sign up: \$35.95 @Home sign up paying annually: \$27.45	\$39.95
Installation Charge	\$49.95	Combination of self and professional installation: Free AT&T sign up: install is \$49.95 @Home sign up: install is \$149.95	\$99
Equipment Charge	\$0	\$0 or customer supplies own equipment	Modem is included with the plan, Ethernet and NIC cards are extra
ISP Charge	\$0	\$0	\$0
Contract	None	No contract but more favorable monthly service fees with annual prepay	Month-to-month or 1 Year
Early Termination Fee	N/A	N/A	\$99.85 for customers who sign up for 1 Year contract
Promotions	1 free month of service for customers who refer another paying customer Free installation \$5.00 off of monthly service fee	Free basic installation (self-installation except for service connection) @Home sign up: free first month service AT&T@Home sign up: \$19.95 for 1st 3 months of service	Installation charge is currently being waived for customers who sign up for a 1 Year contract.
Additional Pricing Information	No	\$24.95 for Ethernet adapter, if required	Ethernet and NIC cards typically range in price from \$45 to \$110
Service			
Equipment Installer	Adelphia	AT&T Broadband, Self	RCN
Order Interval	3 Days	3 to 15 Days	7 - 10 Business Days
Technical Support	24 x 7 Telephone, Email	24 x 7 Telephone, Chat, E-mail	24 x 7 Telephone
Integrated Billing	Cable/Internet services together Long distance is billed separately	No	No, voice and data services come on separate bills
Sales Channel			
Telephone	Yes	Yes	Yes
Online	Yes	Yes	Yes
OEM	No	No	No
Retail	Cable Modem Only	Cable Modem Only	No

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**FIXED WIRELESS COMPETITIVE PRODUCT MATRIX - (AOL, EarthLink)**

Fixed Wireless Providers	AOL Plus Powered by DirecPC (PC's Only)	EarthLink Powered by DirecPC (PC's Only)
Product		
Technology	One Way Fixed Wireless	Fixed Wireless
Speed (Upstream/Downstream)	Up to 400 Kbps / Dial Up	Up to 400 Kbps / Up to 128 Kbps
E-Mail Accounts	7	6 (Additional mailboxes are \$4.95 per month per mailbox)
IP Addresses	1 (Dynamic)	1 (Dynamic)
Shared Web Hosting Included	Not offered	Up to 6 web pages
Data Storage	20 MB per mailbox (140 total)	10 MB for Mailboxes / 6MB per web page
Domain Name Registration	1 Year \$13.95/yr 2 Years \$13.45/yr 3 Years \$12.95/yr 5 Years \$11.95/yr 8 Years \$10.45/yr 10 Years \$8.95/yr	Not offered
Primary DNS	Not offered	Not offered
Secondary DNS	Not offered	Not offered
Local Voice Service Included	Not Available	Not Available
Long Distance Service Included	Not Available	Not Available
Voice/Data Discount	N/A	N/A
Online Account Management	Included	Included
Content	Newsgroup Access, DirecDuo Satellite TV (for additional cost)	Newsgroup Access, DirecDuo Satellite TV (for additional cost)
Price		
Monthly Recurring Charge	\$19.95	\$69.95
Installation Charge	Free with Promotion Varies depending on Installer	\$250 (\$325 for DirecDuo Service)
Equipment Charge	\$149 (\$199 for DirecDuo)	\$649 (\$679 for DirecDuo Service)
ISP Charge	\$23.90 per month \$19.95 if you prepay for 1 year (\$239.40)	\$0
Contract	No Term	1 Year
Early Termination Fee	N/A	\$399
Promotions	1 Free Month Service Free Installation (Offer expires 7/25/01)	No
Additional Pricing Elements	PC platform Only 1 Computer Only Must be enrolled in AOL unlimited plan Requires dial up access and analog modem in addition to Satellite Dish and Modem	20 Hours free Dial up access per month PC Platform Only 1 Computer Only
Services		
Equipment Installer	Hughes DirecPC	Hughes DirecPC
Order Interval	15 - 30 Days	10 - 20 Days
Technical Support	24x7 (Telephone, Email)	24x7 (Telephone, Email)
Integrated Billing	No	No
Service Level Agreements	No	No
Sales Channel		
Telephone	Yes	Yes
Online	Yes	Yes
OEM	No	No
Retail	Yes	No

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