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PUBLIC CLECS DOUBLE THEIR MARKET CAP IN FIRST SIX MONTHS OF 2003

Uptick in Stock Values, Carriers' Emergence from Chapter 11, Show Evidence of a CLEC Revival

Washington, D.C. July 2, 2003 – The Association for Local Telecommunications Services (ALTS) today released an updated spreadsheet documenting the market capitalization of the publicly-traded CLECs. The spreadsheet shows that the publicly-traded CLECs more than doubled their market value from \$1.4 Billion at the end of 2002 to \$3 Billion on July 1, 2003.

“The increase in stock values of the publicly-traded CLECs over the first six months of this year is strong evidence of a revival of the CLEC industry,” said John Windhausen, Jr., President of ALTS. “As ALTS demonstrated with its Annual Report issued in April, the CLEC industry posted positive EBITDA in 2002 for the first time in its history. Today’s report shows that investors are rewarding the CLEC industry for this progress toward profitability by increasing their investments in CLEC stock.”

“While analogies to the ‘phoenix rising from the ashes’ exaggerate the CLECs’ decline and growth, there is clearly renewed enthusiasm for CLECs on Wall Street. Of course, the future of competition is still highly dependent on the decisions to be made in Washington and in states over the next year. But clearly investors are beginning to show confidence that competition can work if policy-makers allow it.”

The attached spreadsheet includes publicly-traded companies whose principal business is to provide competitive local exchange service. Thus the spreadsheet does not include the stocks of long distance, wireless, energy, cable or other companies that happen to have a CLEC affiliate

ALTS is the leading national industry association whose mission is to promote facilities-based local telecommunications competition. Located in Washington, D.C., the organization was created in 1987 and represents companies that build, own, and operate competitive local networks. For more information on ALTS, visit the ALTS Web site at www.alts.org.

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CLEC	Jan. 2, 03	Outstanding Stock	Market Cap 1/2/03	July 1, 03	Outstanding Stock	Market Cap 7/1/03
	Stock Price	(In Millions of Shares)	(in \$Millions)	Stock Price	(in millions)	(in \$Millions)
ATX (COMM.OB)	0.39	30.00	11.70	0.36	30.00	10.80
Allegiance (ALGXQ.OB)	0.63	124.80	78.62	0.06	124.80	7.49
ChoiceOne (CWON.OB)	0.20	42.30	8.46	0.30	44.00	13.20
Covad (COVD.OB)	1.08	223.00	240.84	0.97	223.70	216.99
DSL.Net (DSLN)	0.53	64.90	34.40	0.51	64.90	33.10
FiberNet Telecom Group (FTGX)	0.13	1050.00	136.50	1.06	35.20	37.31
Focal (FCOMQ.OB)	0.10	4.97	0.50	0.02	4.97	0.08
ICG (ICGX)	NA	NA		7.85	8.00	62.80
ITC Deltacom (ITCD.OB)	2.30	44.80	103.04	2.90	44.80	129.92
Mpower (MPOW.OB)	0.24	65.00	15.60	0.99	65.00	64.35
McLeodUSA (MCLD)	0.81	276.30	223.80	1.40	276.10	386.54
PacWest (PACW)	0.53	36.50	19.35	0.68	36.40	24.75
RCN (RCNC)	0.65	109.70	71.31	1.80	110.30	198.54
Talk America (TALK)	5.28	26.20	138.34	10.46	26.20	274.05
Time Warner Telecom (TWTC)	2.22	114.90	255.08	6.09	114.90	699.74
USLEC (CLEC)	2.18	26.90	58.64	3.73	26.90	100.34
XO Communications (XOCM.OB)	0.01	435.50	4.36	7.23	95.00	686.85
Z-Tel (ZTEL)	0.78	35.30	27.53	2.61	35.30	92.13
TOTAL CLEC Market Cap			1,428.06			3,038.98