

CenturyLink Vaults to Top of U.S. Ethernet LEADERBOARD

Surpasses longtime market leader AT&T after acquisition of Level 3

BOSTON, MA, FEBRUARY 22, 2018 – Vertical Systems Group today announced that CenturyLink has captured the #1 spot on its latest LEADERBOARD of U.S. Ethernet market leaders. It is the first time a provider other than AT&T has led the benchmark ranking since 2005.

Seven companies achieved LEADERBOARD status for 2017 (*in rank order based on retail port share*): **CenturyLink, AT&T, Verizon, Spectrum Enterprise, Comcast, Windstream and Cox.**

CenturyLink's advance was driven by its November merger with Level 3, along with continued growth in Ethernet ports for both companies. Previously, Level 3 ranked second to AT&T and CenturyLink ranked fifth on the Mid-2017 U.S. Ethernet LEADERBOARD.

To qualify for the LEADERBOARD, network providers must have four percent (4%) or more of the U.S. Ethernet services market. Shares are measured by the number of billable retail customer ports in service as tracked by Vertical Systems Group.

"In addition to the shakeup at the top of the LEADERBOARD, U.S. Ethernet installations exceeded the milestone of one million ports in 2017," said Rick Malone, principal of Vertical Systems Group. "Overall, the fastest growing Ethernet deployments were driven by higher speed cloud connectivity and IP VPN access. Service providers cite price compression as a continuing challenge, as well as delayed network purchase decisions due to SD-WAN evaluations."

Highlights of Vertical's year-end 2017 U.S. Ethernet market share analysis:

- The U.S. retail Ethernet port base grew 13% in 2017 and finished the year with more than one million ports.
- Seven Ethernet providers qualified for the 2017 LEADERBOARD, as compared to nine in 2016. The two company exits were XO (acquired by Verizon) and Level 3 (merged with CenturyLink). As a result, the U.S. LEADERBOARD has no companies from the Competitive Provider segment for the first time.
- Four Incumbent Carriers (CenturyLink, AT&T, Verizon, Windstream) and three Cable MSOs (Spectrum Enterprise, Comcast, Cox) are represented on the latest LEADERBOARD.
- Comcast had the highest organic growth rate of the LEADERBOARD companies in 2017, growing its base of Ethernet ports appreciably without an acquisition.

- Six Ethernet providers qualified for the 2017 Challenge Tier, as compared to four in 2016. New entrants Frontier and GTT moved up into the Challenge Tier from the Market Player tier based in part on acquisitions of Ethernet assets. These companies join Altice USA, Cogent, Sprint and Zayo.
- Each of the seven LEADERBOARD companies has attained MEF CE 2.0 Ethernet services certification, and each employs MEF Carrier Ethernet Certified Professionals (MEF-CECPs). Spectrum Enterprise leads with more than 800 MEF-CECPs, followed by CenturyLink with greater than 500. Companies on the U.S. Ethernet LEADERBOARD plus Challenge Tier employ more than one-third of the 5,500+ MEF-CECPs worldwide.

In addition to the roster of LEADERBOARD providers, all other companies selling Ethernet services in the U.S. are segmented into two tiers as measured by port share. The first or **Challenge Tier** includes providers with between 1% and 4% share of the U.S. retail Ethernet market. For year-end 2017, the following six companies attained a position in the Challenge Tier (*in alphabetical order*): **Altice USA, Cogent, Frontier, GTT, Sprint and Zayo.**

The second or **Market Player** tier includes all providers with port share below 1%. Companies in the Market Player tier include the following providers (*in alphabetical order*): Alaska Communications, Alpheus Communications, American Telesis, Birch Communications, BT Global Services, Cincinnati Bell, Consolidated Communications, Crowne Castle, DQE Communications, Expedient, FiberLight, FirstLight, Global Cloud Xchange, Great Plains Communications, Hawaiian Telecom, Logix Fiber Networks, LS Networks, Lumos Networks, Masergy, MegaPath, Midco, NTT America, Orange Business, RCN Business, Tata, TDS Telecom, Telstra, TPx Communications, Unite Private Networks, US Signal, WOW!Business and other companies selling retail Ethernet services in the U.S. market.

Additional assets available online:



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