



Top U.S. ISPs by Subscriber: Q4 2002

As ISP consolidation continues, the ISP landscape is changing fast. Q4 2002 saw big changes, the greatest of which was Comcast's acquisition of AT&T Broadband.

by **ISP-Planet Staff**

[April 3, 2003]

The end of the year saw some large ISP acquisitions: Level 3 bought Genuity, United Online bought BlueLight from KMart, and there were numerous other deals as well.

The largest deal of all, of course, was the acquisition of AT&T's broadband arm by Comcast, which was billed as a merger. The resulting behemoth now claims 3.6 million subscribers and places fifth on our list of U.S. ISPs.

High profile acquisitions were not confined to the ISP space. The parent company of this website merged with Jupiter Research and is now called Jupitermedia Corporation. As a result, subscriber numbers from Jupiter Research now inform ISP-Planet's ISP rankings.

We use Jupiter Research estimates for Adelphia and Charter subscriber numbers, and, more importantly, for the total number of subscribers in the United States: 74.3 million subscribers.

[Go to page 2: Insight & Analysis >](#)

Rank	ISP	Subs. (millions)	Date & Source	Market Share
1	America Online	26.5	[Feb. 1, 2003] Corporate Communications	27.3%
2	MSN	9.0	[Mar. 21, 2003] Corporate Communications	9.3%
4	EarthLink	5.0	[Jan. 29, 2003] Press Release	5.1%
4	United Online [NetZero + Juno Online]	5.0	[Feb. 6, 2003] Press Release	5.2%
5	Comcast	3.6	[Feb. 27, 2003] Press Release	3.7%
6	SBC	2.2	[Mar. 14, 2003] SEC Filing	2.3%

7	Verizon	1.8	[Mar. 14, 2003] SEC Filing	1.8%
8	BellSouth	1.7	[Jan. 23, 2003] Press Release and corporate communications	1.8%
9	Cox	1.4	[Feb. 12, 2003] Press Release	1.4%
10	Charter [Jupiter Research estimate]	1.2	[Mar. 1, 2003] Jupiter Research	1.3%
12	Cablevision	.77	[Feb. 11, 2003] Press Release	0.8%
12	Qwest	.54	[Feb. 19, 2003] Press Release	0.6%
13	RCN	.44	[Mar. 13, 2003] Press Release	0.5%
14	Adelphia [Jupiter Research estimate]	.41	[[Mar. 1, 2003] Jupiter Research	0.4%
15	Covad	.38	[Mar. 11, 2003] Press Release	0.4%
16	Mediacom	.19	[Feb. 24, 2003] Press Release	0.2%
17	Hughes DIRECWAY	.16	[Mar. 11, 2003] SEC Filing	0.2%
18	Internet America	.11	[Feb. 14, 2003] SEC Filing	0.1%
20	Other U.S. ISPs	36.5		37.7%

Notes

AOL claims 35 million subscribers worldwide, of which 26,481,000 are within the U.S. The U.S. subscribers include 2,613,000 cable Internet subscribers. AOL chose not to disclose the size of its CompuServe service.

MSN claims 9 million subscribers, and did not disclose how many are dialup and how many are broadband subscribers.

EarthLink had 4,035,000 dialup subscribers, 779,000 broadband subscribers, and 175,000 webhosting accounts. The company reported that churn fell to 3.6 percent in the the fourth quarter.

United Online acquired Bluelight.com on November 4, 2002. Its current paid subscriber base of 2.18 million includes about 174,000 paid users from BlueLight. It also claims about 2.8 million free dialup users, for a total of about 5.0 million users.

AT&T chose not to disclose the size of its WorldNet service. Its broadband service was acquired by **Comcast**. The merged broadband subscriber base of AT&T and Comcast now totals 3.6 million, making Comcast the largest broadband provider in the U.S.

SBC reported 2,199,000 broadband customers in its SEC filing on March 14, 2003. The company did not disclose dialup subscriber numbers.

Verizon reported 1,790,000 DSL lines in its SEC filing on March 14, 2003. The company did not disclose its dialup subscriber numbers, but did say that nearly 570,000 customers subscribe to bundled plans that can include local phone, long distance phone, wireless, and Internet access on one bill, at a discount.

BellSouth was the only RBOC to disclose its dialup subscriber numbers. The company claimed 1,021,000 broadband customers and 700,923 dialup customers. It also said that 1,200,000 customers subscribe to a voice and data bundle that can include local phone, long distance phone, wireless, and Internet access on one bill, at a discount.

RCN had 143,529 cable Internet subscribers plus 147,388 dialup subscribers. Its Starpower joint venture added 16,874 cable Internet subscribers and 133,757 dialup subscribers. The company sold its incumbent cable franchise, which included 16,381 cable Internet subscribers. Its cash on hand is down from \$476 million at the start of the year to \$49 million at the end of 2002.

Covad disclosed more about its subscriber base than any other ISP. The company used \$24 million in the final quarter of 2002, ending with \$205 million in cash, cash equivalents, and short term investments. Churn dropped to 3.4 percent in Q4, down from 4.0 percent in Q3. The company ended the year with over 381,000 DSL lines.

Hughes shut down its DIRECT TV DSL service, but its DIRECWAY satellite broadband Internet service did well, ending the year with 138,000 residential and SOHO subscribers. However, the company said it would no longer advertise the service, because it wants to eliminate the cash costs of customer acquisition.

Removed from the list

AT&T Broadband was acquired by Comcast and is therefore no longer on the list, RoadRunner is listed as part of AOL, and AOL is longer disclosing CompuServe subscriber numbers. Although Hughes is shutting down its DSL operation, it still provides satellite service through DIRECWAY, claiming 158,000 subscribers as of December 31, 2002. We have added Mediacom, a cable provider, and Internet America, a Nasdaq-listed dialup ISP.