



Disruptive Technology Is Sweeping Through the Telecommunications Industry

Bob Walter of Capitol City Illustrates How Companies Can Take Advantage of VoIP Networks

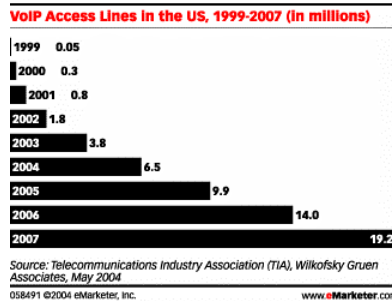
LINCOLN, NE — September 30, 2004 — Disruptive technologies are those that dramatically change the way we live and the way we conduct business. Recent examples include the Internet, wireless communications, handheld devices, and GPS tracking systems. Now, Voice over Internet Protocol (VoIP) is on the verge of having a similar impact in the business world. VoIP is sweeping through the telecommunications industry at an astonishing rate and in order for companies to prepare for the future it's critical for them to take a hard look at this technology today.

Unlike regular phone service, VoIP conversations are transformed into digital information and sent over a broadband data network. For example, VoIP calls connect to a server where voice information is truncated into packets and sent across the Internet bypassing the long distance carrier altogether. This essentially means that VoIP callers do not use traditional phone lines and can avoid expensive long-distance charges.

In addition to substantial cost savings, VoIP networks provide companies with extensive flexibility. Traditional phone service simply doesn't match the advanced features offered by VoIP. Unlike early versions of the technology, today's VoIP service offers much greater voice clarity and advanced features such as conferencing, dialing the phone from a PC, and video chat. Furthermore, employees who use VoIP are more productive regardless if they're at home or on the road. They can place and answer calls from any location using a VoIP handset. Features such as follow-me messaging enable employees to forward messages to

several numbers, and it's easy to access e-mail and voicemail from their PCs.

Growth expectations are extremely positive for VoIP. According to the Telecommunications Industry Association and Wilkofsky Gruen and Associates, VoIP access in the US will rise from 6.5 million lines this year to 19.2 million by the end of 2007.



The crucial decision in making the move to VoIP is selecting the right network. It's an extremely difficult task for IT departments to purchase equipment and simply plug into the Internet. Just because one can turn voice into data and connect to the Internet does not mean the call will be a success. In order to communicate using VoIP from any location whether in the US or overseas, companies have to use a private network to ensure proper connection. A provider's coverage is of particular importance. For example, if coverage is not available in specific areas employees may not be able to make calls to customers and vice versa.

Small to mid sized companies have a couple of options. For instance, they can directly tap into leading network providers such as Vancouver, Washington-based New Edge Networks with broadband coverage that spans the entire US or they can approach telecommunications consulting firms like San Diego's

Carrier Support Group. Their role is to analyze a company's needs and identify the right provider to match those needs.

VoIP is here and companies are tackling this important decision today to ensure their communications tomorrow. This disruptive technology has the awesome capability of increasing profitability and giving companies a competitive advantage in their marketplace. Soon, operating a business without VoIP will be like trying to market without a web site. The time is now and the future is VoIP.

ABOUT CAPITOL CITY TELEPHONE

Capitol City Telephone was founded in 1993 by Bob Walter to provide the highest levels of service to businesses in eastern Nebraska. Previously, Walter was a co-owner of Midwest Telephone and Sound for 11 years. Capitol City Telephone is a factory authorized dealer of a number of telephone systems, including ESI, NEC, and all Panasonic systems. Capitol City Telephone is a member of the Technology Assurance Group (TAG), the nation's leading organization of independently owned telecommunications companies. The TAG relationship enhances Capitol City Telephone's ability to provide its business customers with voice and data services on a national basis as well as access to a wide variety of products and the industry's best rates for long distance and Internet services. For more information on Capitol City Telephone, please call 402-467-2121 in Lincoln, or visit www.cctelephone.com.