



Netwatch

By Jim Carroll

Your guide to business & accounting on the Internet

Not your parents' telephone

Ten years ago, I spoke to 300 telecom engineers at the annual conference of a now-defunct group known as the Canadian Business Telecommunications Alliance. I offered my thoughts on the trends that would affect their industry, and in doing so, made the observation

that within 10 to 20 years, most of the world's telephone systems will have moved to Internet technology.

You might imagine that my remarks were met with derision, if not outright anger, perhaps because the idea of an accountant explaining the future of something like the telephone system just seemed too bizarre at the time.

Fast forward to 2004 — telecom industry prospects are looking up and there is much talk of Voice over Internet Protocol (VoIP) technology. It seems I have been proven right. Through the next 10 years, we are going to witness significant change within the landscape of the telecommunications industry, as most telephones, switchboards and infra-

structure move over to Internet telephony. This will offer significant communications cost savings, new applications and new capabilities.

VoIP is not some far off technology — it is already in widespread use throughout many corporations, and an increasing number of services are becoming available to the public. For the past several months, I have had the opportunity to try VoIP on a daily basis through the services of Vonage, a company that is rocking the US telecom industry with its aggressive pricing plans — unlimited calling throughout North America for as little as US\$34.95 a month.

Here's how it works. Vonage provides you with a little device known as an ATA, or analog telephone adapter. Plug a regular telephone into the ATA, and then plug the ATA into your high-speed Internet connection. Pick up the phone, make a call and your voice is turned into Internet packets that are sent through your cable

modem or DSL high-speed Internet connection to the Vonage IP network. Eventually, Vonage routes the call back into the traditional telephone system — however, by using the Internet as much as possible, it is

able to slash the calling costs.

What is interesting beyond the cost savings are the things you can do with VoIP. For example, I can choose to have any voice mail messages automatically forwarded to my e-mail account. I can take my ATA with me when traveling, and if I have a high-speed Internet connection in my hotel room, I can bypass the high telephone charges normally associated with hotels. When I sign up for the service, I can choose to have a phone number in any area code in North America, so that I can appear to be doing business in multiple locales. I can call Hong Kong and talk for as low as 5¢ a minute, and Sydney, Australia, for 6¢. Not only that, but I can plug a fax machine into the second line of the ATA and take advantage of its free fax service.

Although not available in Canada at the time of writing, Vonage is a great example of what's to come with VoIP. Expect to see similar offerings from a variety of Canadian telephone and cable companies, as well as startups. One such example is the new TalkBroadband service from Primus.

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INTERNET TELEPHONY SITES

Vonage www.vonage.com

Primus www.primus.ca

CNet VoIP resources http://news.com.com/2001-7352_3-0.html