

CompTel  ASCENT

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CompTel  ASCENT

2004 Annual Report



CompTel/ASCENT was formed in November 2003 by the merger of the two leading trade associations in the competitive telecommunications industry, the Competitive Telecommunications Association (CompTel) and the Association of Communications Enterprises (ASCENT). With 350 members, CompTel/ASCENT is the largest association representing competitive facilities-based service providers, emerging VoIP providers, integrated communications companies, and their supplier partners. CompTel/ASCENT members are building and deploying packet and IP-based networks to provide competitive voice, data and video services in the U.S. and around the world. The association, based in Washington, D.C., includes companies of all sizes and profiles, from the largest next-generation network operators to small, entrepreneurial companies.



2004 was a year of great change for our association and for the industry we represent. During this time, the association began to capitalize on the late 2003 merger of CompTel and ASCENT, with larger, twice-annual trade shows and the development of new business and educational opportunities for our members. The year also marked the continued growth of the association, with the announcement of a merger with the Association for Local Telecommunications Services (ALTS), which was scheduled to close in March 2005.

For our members, the year was defined by accelerating deployment of IP-based applications and networks. The technological revolution gained momentum as the Federal Communications Commission (FCC) eliminated a prominent market entry strategy on which a number of our members relied.

CompTel/ASCENT has accomplished much for which we can all be proud. The association is financially sound. Our membership is stable. And, most importantly, with your support, the association will continue to move forward as the leading advocate for entrepreneurs in the communications industry.

J. Sherman Henderson III
Chairman



While there was much change in the industry, 2004 also marked the beginning of a new chapter in the leadership of CompTel/ASCENT, when in November, I decided to step down after seven years of spearheading the association's activities.

I am proud to have served the members of this association. Together, we have engaged in a critical fight to preserve competitive alternatives in the communications industry. While we have not won every battle, the real measure of our success is that our members have survived and are now serving millions of customers despite the ongoing marketplace uncertainty.

During my tenure, we have successfully completed mergers with two other trade associations and initiated a third. Moreover, our trade shows have grown as the industry continued to strengthen. I am proud to leave for my successor a strong association in a vibrant industry.

H. Russell Frisby Jr.
CEO

board of directors



Large Member Companies

(From left to right) Joseph Ambersley, President, PAETEC South, PAETEC Communications and Vice Chairman/Treasurer of CompTel/ASCENT*; Susan Jin Davis, Vice President, Government and External Affairs, Covad Communications Co.; Barbara Peda, Senior Vice President, Product Marketing, AT&T Corp.; Rob Curtis, President, Z-Tel Network Services; Drew Walker, President, Business Services, ITC^DeltaCom Inc.*; Jim Lewis, Senior Vice President, Policy Planning, MCI.



Medium Member Companies

(From left to right) Dan Moffat, President and CEO, New Edge Networks; Jim Falvey, Senior Vice President, Regulatory Affairs, Xspedius Communications LLC; Richard E. Burk, President and CEO, nii Communications Ltd., and Vice Chairman of CompTel/ASCENT*; Jerry James, Executive Vice President, Enterprise Services, Grande Communications*; J. Sherman Henderson III, President and CEO, Lightyear Network Solutions LLC and Chairman of CompTel/ASCENT*. (Not shown, Joseph A. Gregori, CEO, InfoHighway Communications*)



Small Member Companies

(Seated from left to right) Lynn Refer, CEO, Looking Glass Networks; Philip L. Forbes, Executive Vice President and COO, USCarrier Telecom; Ron Contrado, President, Chairman and Founder, Homisco Inc.; David Malfara, President and CEO, Remi Communications. (Back row from left to right) William Capraro Jr., CEO, CIMCO Communications Inc.; David H. Kelley, President, PPL Telcom LLC; Thomas M. Coughlin, Chairman, Alliance Group Services*; Robert T. Hale Sr., Chairman, Granite Communications Inc.; Casey Wojciechowski, General Manager, American Farm Bureau Inc.

* Executive Committee member

opportunity

Valuable business and networking opportunities are the hallmark of CompTel/ASCENT's offerings for its 350 members. From exhibiting at the annual Spring and Fall trade expos or speaking on panel discussions before standing-room-only crowds, to meeting new customers at conventions or finding new employees via the CompTel/ASCENT Career Center, the association delivers to its members high-quality resources needed to build their businesses and expand their marketshare.

Following the November 2003 merger with ASCENT, the association's trade expos and conventions have attracted a larger, broader array of attendees and exhibitors (see chart, page 5) The first combined CompTel/ASCENT show – the Spring 2004 Convention & Expo in Anaheim, Calif. – attracted a sold out crowd of 140 exhibitors and 2,300 attendees. The convention featured a keynote address by FCC Commissioner Kevin J. Martin. At this event, the association also bestowed its annual Champion of Competition award on Commissioner Martin and George Vinall, executive vice president of business development at Talk America who has a quarter-century history of working for competitive telecommunications carriers.

Hurricane Ivan forced the postponement of the Fall 2004 Convention & Expo in Miami Beach. Despite this, the rescheduled event, held six weeks later in Orlando, was an unparalleled success. The show attracted 100 exhibitors and more than 2,300 attendees – a 40 percent increase from the previous year. Interest in CompTel/ASCENT shows continued to grow because attendees recognized they are able to generate quality sales leads and close multi-million dollar business deals. Attendees also learned about business, technological and regulatory trends from an impressive array of speakers, including Dr. David R. Huber, chairman and CEO of Broadwing Corp., who delivered the keynote address.

At both the Spring and Fall conventions and trade expos special emphasis was put on voice over Internet protocol (VoIP), a broadband application that is transforming the communications industry. In addition to a variety of educational workshops, sessions and networking events at the conventions, CompTel/ASCENT debuted its VoIP Showcase on the trade show floor. The VoIP Showcase highlighted those exhibitors providing the IP-related products and services vital to carriers entering the VoIP market.

Future Conventions & Expos

2005

February 14-17

Spring 2005 Convention & Expo
New Orleans

October 9-12

Fall 2005 Convention & Expo
Orlando

2006

March 19-22

Spring 2006 Convention & Expo
San Diego

October 8-11

Fall 2006 Convention & Expo
Orlando

"Both for established companies and new providers, CompTel/ASCENT is the one telecom show for everyone."

Larry Leiken
VoiceLog

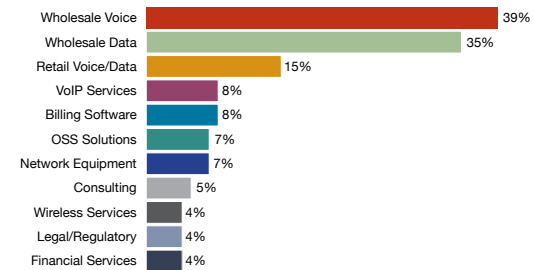
o p p o r t u n i t y

In an effort to help keep members up-to-date on the latest trends, CompTel/ASCENT entered into a number of partnerships with like-minded associations, research and training firms, and the media. For instance, the International Packet Communications Consortium offered CompTel/ASCENT members discounted membership to their group and assisted with development of sessions at our conventions. Throughout the year, CompTel/ASCENT also delivered discounted subscriptions to the industry's top trade publications through special "Members Only" arrangements with the association's media partners. And finally, in November, CompTel/ASCENT arranged with the New York Society of Security Analysts to provide members the opportunity to give corporate presentations to institutional investors, security analysts and investment bankers at its "New Era in Telecom" conference.

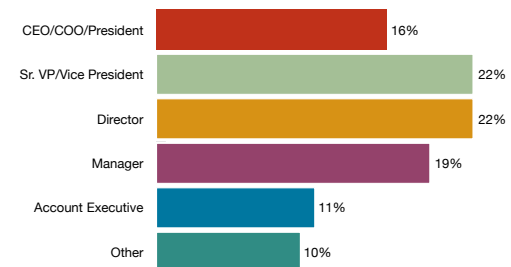
CompTel/ASCENT launched a number of new products in 2004, including issue-specific audio conferences (see page 9) and the Career Center. The CompTel/ASCENT Career Center – available through the association's web site – offers a centralized location where members can post open positions for free and job seekers can visit to see the latest openings and apply online.

convention & expo demographics

service offerings



member job title



CEO Council

In its second year of existence, the CEO Council has grown to more than 90 members, representing publicly held and private telecom service providers and vendors of equipment, software and services.

Through the CEO Council, the competitive telecom industry's top executives have the opportunity to interact with their peers; discuss industry, business, operations and policy issues; and develop powerful constituencies for lobbying and advocacy.

The CEO Council's thrice-annual meetings, led by Progress Telecom President and CEO Ronald J. Mudry, include a high-quality agenda featuring prominent financial, technology and regulatory speakers and spirited discussion of issues impacting the industry.



a d v o c a c y

For almost 25 years, CompTel/ASCENT has been the leading advocate for the interests of competitive telecommunications companies. The association represents its members before the FCC, Congress, state regulators and legislators, in the courts and before international agencies.

For the association and its members, 2004 was a challenging year on the regulatory front as the industry was fraught with continued uncertainty. For most of the year the industry focused on unceasing battles over the FCC's Triennial Review Order and the related stay, court appeals and remand proceedings.

CompTel/ASCENT worked closely with the FCC, Bush Administration officials, and other policymakers in an effort to preserve pro-competitive regulations governing use of key portions of the incumbent telcos' networks, such as loops, transport, the unbundled network element platform (UNE-P) and special access.

The association also honed its advocacy messaging through focus groups conducted by Hart Research, which recommended ways that competitive telecom companies could counteract the multimillion dollar lobbying and advertising campaign upon which the Bell companies embarked last year.

The association's members took an active role in advocacy efforts, as well. Through a grassroots campaign, competitive carriers and their customers generated more than 80,000 letters to the FCC and members of Congress stressing the importance of choice to American consumers and the nation's continued economic development.

(continued on page 7)

Members' contributions to the cause did not stop there. During 2004, they contributed a record \$54,541 to the CompTel/ASCENT Political Action Committee (PAC), bringing the total to more than \$67,000. Throughout the year, CompTel/ASCENT contributed approximately \$64,000 to 45 Congressional campaigns and committees.

Despite the industry's efforts, in June the U.S. Solicitor General and FCC opted not to appeal the D.C. Circuit's decision in the USTA II case, which foreclosed competitors' access to the Bells' unbundled network elements. As a result, uncertainty continued through the remainder of the year, while the industry waited for the FCC to develop permanent rules on remand.

The rules, which were announced in December, resulted in a seismic shift in the way competitive providers could connect to the incumbent telcos' networks and the costs they incur for doing so.

In addition to the unbundling rule changes, the Bells initiated a series of forbearance petitions in 2004 with the intent of seeking further deregulation for telephony and broadband network offerings. Decisions on these petitions are anticipated in 2005.

Despite the regulatory setbacks with regard to UNEs, CompTel/ASCENT members began looking to the future as they deployed voice over Internet protocol (VoIP) offerings. With adoption of its VoIP Principles in March, the association paved the way for policy advocacy efforts on this front. Using the Principles as its guide, CompTel/ASCENT worked with key members of Congress to tailor legislation on VoIP-related issues and comment in the FCC's notice of proposed rulemaking on IP-enabled services.

In 2004, two of CompTel/ASCENT's long-time policy advocates – H. Russell Frisby Jr. and Carol Ann Bischoff – announced that they would be leaving the association.

Frisby, the association's CEO, announced in November that he was stepping down after seven years at the helm (see page 3).

Bischoff, who most recently served as the Chief Legal Officer, decided in the Fall to leave the association in order to spend more time with her two young daughters.

In her eight years with the association, Bischoff directed the regulatory and legal programs and led all international activities. She also



served on the North American Numbering Council and the Rural Task Force, to which she was appointed by former FCC Chairman William Kennard.

CompTel/ASCENT wishes to express its appreciation for Frisby's and Bischoff's dedication and service to the competitive telecommunications industry.

To further its advocacy on IP-related issues, CompTel/ASCENT joined the Internet Innovation Alliance – a broad-based coalition of businesses and non-profits committed to widespread usage and availability of broadband.

VoIP was not the only issue on Capitol Hill. CompTel/ASCENT worked closely with leadership and staff of the House and Senate Judiciary Committees advocating the need for clarification of conflicting views on antitrust remedies available to the telecommunications industry as a result of the Trinko case. These efforts resulted in the introduction of legislation by Chairman of the House Judiciary Committee Rep. F. James Sensenbrenner Jr. (R-Wisc.) and Ranking Member Rep. John Conyers Jr. (D-Mich.).

CompTel/ASCENT remained active on the international stage, as well. The association and its members continued to be a primary resource for the United States Trade Representative in its annual review of all U.S. trade agreements related to telecommunications products and services. Moreover, as a result of CompTel/ASCENT's advocacy, the FCC issued a Notice of Inquiry on the effect of excessive foreign mobile termination rates on U.S. consumers and competition.

The association also met with regulatory and diplomatic offices from a number of countries – Colombia, Ecuador, France, Germany, India, Japan, and Peru – to discuss issues ranging from competition, draft telecom legislation and free trade agreements to licensing, pricing and international cable capacity.

**WE SELDOM
APPRECIATE
WHAT WE HAVE
UNTIL WE
LOSE IT.**

education

Education is a key component of CompTel/ASCENT's mission.

In 2004, the confluence of business, regulatory and technology issues began to have a dramatic impact on the telecommunications marketplace. In an industry that is experiencing such rapid change, it was vital for our members to understand current trends and have information at hand so they could make the critical decisions necessary to maintain a successful business.

CompTel/ASCENT honed its educational offerings throughout the year, enhancing sessions at its twice-annual conventions to better serve the association's members and adding mid-year workshops and audio conferences to round out its annual programming.

In 2004, CompTel/ASCENT expanded the educational portion of its shows to include four concurrent tracks of sessions over the course of two days. To assist with content development and speaker procurement, the association entered into partnerships with a number of groups, including Cisco Systems Inc. and the International Packet Communications Consortium.

The educational sessions at the shows tackled a number of timely topics and led to lively debate amongst participants and attendees. The issues



addressed included global wholesale opportunities, optical communications, billing and operational support systems, managed services, Ethernet technology, customer and network strategies, and investment and finance trends.

Moreover, at the Spring and Fall conventions, the association offered workshops on business and regulatory issues, led by subject-matter experts. These workshops explored the new regulatory landscape, the evolution of the UNE-P provider, and how best to serve enterprise customers.

CompTel/ASCENT shows continued to attract top-notch keynote speakers, FCC Commissioner Kevin Martin and Dr. David Huber, Chairman and CEO of Broadwing Corp. In 2004, CompTel/ASCENT was proud to present agendas featuring the perspectives of federal regulators and dozens of the industry's leading executives, including those from Cisco Systems, City Signal, Level 3 Communications, Mpower Communications, New Edge Networks, NexTone, OnFiber Communications, Onvoy, PointOne, Progress Telecom, Vonage, and WiTel Communications, among others.

CompTel/ASCENT augmented its educational efforts with topic-specific workshops and audio conferences throughout the year.

As VoIP and other IP-centric services began to take center stage in 2004, the association hosted a VoIP workshop – entitled “Advancing the Business of VoIP” – in Washington, D.C. in May. The standing-room-only crowd at this intense,

interactive event learned vital information about consumer expectations, necessary network upgrades and customer migration strategies related to VoIP. A luncheon keynote – which focused on regulatory issues impacting VoIP – was delivered by Jeffrey Carlisle, the senior deputy bureau chief for the FCC's Wireline Competition Bureau.

The VoIP workshop was followed in late June by a webinar on the costs, challenges and rewards of UNE-P to VoIP migration, co-hosted with The Northridge Group.

To address regulatory and commercial negotiation issues related to the Triennial Review Order, CompTel/ASCENT and a number of its law firm partners led a special conference call attended by member company executives and policy attorneys.

CompTel/ASCENT also presented an audio conference designed to assist the association's many small businesses. The audio conference – led by Creative Benefits Inc. – provided information on controlling the cost of medical insurance through self-insurance prescription cards.

Through the association's partnerships with other organizations, CompTel/ASCENT members had the opportunity to attend other industry shows events and to receive white papers, trade journals and magazines, and research materials at special rates.

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communication

CompTel/ASCENT prides itself on its communications activities, whether it is raising the profile of the association and its members through the media or delivering vital information to the membership via internal channels, such as its weekly e-newsletter or web site.

Throughout 2004, CompTel/ASCENT executives provided expert commentary for numerous publications, offering analysis and opinion on domestic telecom regulation and legislative issues. The association and its spokespersons were featured prominently in national publications such as *BusinessWeek*, *Industry Standard*, *New York Times*, *USA Today*, and *Wall Street Journal*. Moreover, CompTel/ASCENT was cited as a source in wire service reports, regional newspapers, local business journals and industry trade magazines.

The association was a valued source for the international media as well. As a result of its prominent involvement in international telecommunications policy debates, CompTel/ASCENT garnered coverage in publications such as *Asia CommsDay Global*, *The Australian*, *BusinessLine*, *Communications Day*, *Economic Times*, *India Business Times*, *Mail on Sunday*, and the *New Zealand Herald*.

During regulatory battles that ensued in 2004, CompTel/ASCENT also took the lead in delivering competitive providers messages to the public through op-eds and letters to the editor in dozens of local and regional newspapers, and trade

publications including *Phone+* magazine. Moreover, the association spearheaded a policy advocacy advertising campaign that was featured in *The Hill*, *Roll Call*, *Washington Post*, and *Washington Times*.

Aiding in the policy advocacy arena were the efforts of the CompTel/ASCENT PR Task Force, which is comprised of public relations professionals from member companies. The PR Task Force worked together to develop and disseminate cohesive messaging for use by the entire industry and provided valuable support in the association's grassroots efforts at various times during the year.

The PR Task Force's work, however, was not limited to only policy matters. The group met monthly to discuss ways in which CompTel/ASCENT and its members could work together to have their success stories published and develop other means in which the association and its members could take advantage of other publicity and promotional activities.

Significant enhancements also were made to the CompTel/ASCENT web site throughout the year in order to provide more comprehensive information to the general public about the association's mission and to keep our membership up-to-date on the variety of services and opportunities available to them through the association.

For instance, in 2004 the Members Only section of the web site was augmented to include more content, such as policy advocacy messaging documents,

summaries of key regulatory proceedings and business service discounts available through other members and affinity programs.

2004 also saw the introduction of Member Profiles as a way to promote and celebrate the achievements of our entrepreneurial service provider and supplier members. The Member Profile is prominently displayed each month on the main page of the CompTel/ASCENT web site and featured in the association's e-newsletter, *The Connection*.

Currently in its second full year of production, *The Connection* has served as a valuable tool for chronicling the association's advocacy, trade show and marketing activities. More importantly, the newsletter is a vehicle through which CompTel/ASCENT members' news about new products, services or business deals is delivered to a highly targeted base of more than 4,000 subscribers each week, including top executives, sales and marketing, the press and key industry policymakers.

Publicity opportunities also were offered in conjunction with CompTel/ASCENT twice-annual conventions and trade expos. In addition to having access to the media and industry analysts in attendance at these events, members and exhibitors were able to feature their news in the *Show Daily*. Produced in conjunction with the association's media partner Virgo Publishing Inc., the *Show Daily* is distributed to all attendees for two consecutive days during each show.

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financials

2004

summary balance sheet

Cash & Investments	3,874,582
Prepaid Expenses, Other Current Assets	203,816
Restricted Investments	86,513
Property, Equipment, Long-Term Assets	174,882
TOTAL ASSETS	4,339,793
Accounts Payable & Accrued Expenses	308,807
Bank Note Payable	0
Deferred Revenue & Lease Obligations	1,920,465
Long-Term Liabilities	120,628
TOTAL Liabilities	2,349,900
TOTAL Unrestricted Net Assets	1,989,893
TOTAL LIABILITIES & UNRESTRICTED NET ASSETS	4,339,793

summary statement of activities

Meetings & Conferences	2,871,157
Membership	2,080,795
Investment Income, Other Income	328,004
TOTAL REVENUE	5,279,956
Meetings & Conferences	1,876,970
Policy & Legislative	1,868,469
Public Relations	198,673
Membership & Other Programs	686,548
Management & General	343,172
CompTel/ASCENT Business Solutions	14,873
TOTAL EXPENSES	4,988,705
CHANGE IN UNRESTRICTED ASSETS	291,251

1-800-Reconex Inc.	Coastel Telephone Co.	GlobalNet International	Mpower Communications Corp.	StoverLaw
3PV - Third Party Verification	Columbia Transcom NEON Transcom	Go Solutions Inc.	NECA Services	Superior Spectrum
Abovenet Communications	Communication Technology Inc.	Grande Communications	NEON Communications Inc.	Swidler, Berlin, Shereff & Friedman
ACC Business Inc.	CommuniTech Services	Granite Telecommunications	Net.Com	SwissFone, Inc.
Acceris Communications Corp.	Comptel Services	Gray Cary	Netspoke	Switch & Data Facilities Co.
Access Comm Corp.	Computer Intelligence2 Inc.	Gregory M. Casey	NetworkIP	Syniverse Technologies
Access One Inc.	Computer Voice Systems	Hatteras Networks	NeuStar Inc.	T-Systems ICSS
Access Point Inc.	ComTec Inc.	Helcin Law Group	Neutral Tandem	Talk America Inc.
ACCCtion Communications	Concretio.Com	Heritage Communications	New Edge Networks	Taqua Inc.
Aecxx Communications LLC	ConnectNow! TeleComm	HKCOLO	New Global Telecom	TARGUSinfo Corp.
ACI Billing Services ACN	Consolidated Edison Communications Inc.	Homisco	New Paradigm Resources Group	Tax Partners
Advantage Telcom	Consolidated Operator Services	Hostopia.Com Inc.	NewTel Holdings LLC	TCAST Communications Inc.
Affordaphone Inc.	Consumer Cellular Inc.	HTLIT	NexTone Communications Inc.	TCO Network Inc.
AGL Networks	Contact Communications	IDT	Nii Communications Ltd.	TDC Carrier Services USA Inc.
Allegiance Telecom Inc.	CopperCom	IEX Corp.	Norlight Telecommunications	TEC Services
Alliance Group Services Inc.	Corecomm-ATX Inc.	ILD Telecommunications Inc.	Nortel Networks	TEC Co.
ALLTEL	CoStreet Communications	Indiana Fiber Works	North American Telecommunication Corp.	Technologies Management Inc.
Alpheus Communications	Covad Communications Co.	Infiniroute Networks	Northern Telephone & Data	Tekelec
American Discount Telecom	Covaro Networks Inc.	Info Directions Inc.	Northwest Telephone	Telecom Products International
American Farm Bureau	Covista Communications	InfoHighway Communications Corp.	NOS Communications Inc.	Telebeam Telephone Systems Inc.
American Fiber Systems	Creative Interconnect	INFONXX	Novatel Ltd.	Telecare
American Long Lines	Communications LLC	Institute Of Telecom Resellers	Ntera Holdings	Telecom Compliance Services
American Telecommunications Systems Inc.	CTSI	Integra Telecom	NTS Communications, Inc.	Telecommunication & Information Management Consultants
American Telesis	Custom Network Solutions Inc.	Integrated Communication Solutions LLC	NTT USA Inc.	Telekenex
Americatel Corp.	CustomCall Data Systems Inc.	Integretel Inc.	NuVox Communications	Teligent Inc.
AmeriMex Communications	Dakota Information Systems	Intele-Card News	OnFiber Communications Inc.	Telispire
AMI Communications	Daniels & Associates	Intelecom Solutions	Onvoy	Telseon
APAC	Daleen Technologies	InterGlobe Communications	Openet Telecom	Telstar International
Arbinet	Data Access America	International Business Xchange	OPEX Communications	Telution Inc.
AT&T	Data Net Systems LLC	International Prepaid Communications Association	Oregon Telecom Inc.	TevaTel
ATL Telecom Services	DATAMATX	International Telecom Ltd.	OSG Billing Services	The Northridge Group Inc.
Atlantax Systems Inc.	DataProse Billing Solutions	Interoute	Pacific LightNet Inc.	The Pager & Phone Co.
Atlantic-ACM	David Taylor & Associates LLC	Interstate Fibernet	PAETEC Communications	Thermo Credit LLC
ATX	Davis Wright Tremaine LLP	Intrado	Paradigm Cable & Networking Services	TMC Communications
AxessConnect	DCA	Inventive Technology Ltd.	Partner Communications LLC	TNCI Inc.
Back Office Support Systems Inc.	DCI Voice Solutions	Iowa Network Services	Peak Communications Inc.	TON Services
Band-X, Inc.	DDR Broadband Networks	IRIS Networks	Perceptive Vision Inc.	Transaction Network Services
BCE Nexxia	Dialmex	ITC/DeltaCom	PhoenixSoft Inc.	Transcom Communications Corp.
BCN Telecom Inc.	Dickstein, Shapiro, Morin & Oshinsky	Jenner & Block LLC	Phone + Magazine	Transworld Network Corporation
Bell Canada	Direct Line Communications	JODE Corp.	PhoneCo	Trinsic Communications
Bell West	DSCI Corp.	Jupiter Telecommunications	Piper Rudnick LLP	UDP
BellSouth	DSET Corp.	Dun & Bradstreet	PointOne	UNICOM
Billing Concepts	Dun & Bradstreet	Eagle Teleconferencing Services	PowerNet Global Communications	United Telecom Council
BillSoft Inc.	Eagle Teleconferencing Services	Easton Telecom Services Inc.	PPL Telecom LLC	Universal Access Inc.
Birch Telecom Inc.	Easton Telecom Services Inc.	ECI Conference Call Services	Preferred Long Distance	US Signal Company LLC
Bridgecom International Inc.	ECI Conference Call Services	Edison Carrier Solutions	Premiere Conferencing	U.S.Tel
Broadmargin	Edison Carrier Solutions	EnRoute Telecom	Profitec Billing Services Inc.	USCarrier Telecom
Broadview Networks	EnRoute Telecom	Enventis Telecom Inc.	Progress Telecom	VCOM Solutions
Broadvox	Enventis Telecom Inc.	Epik Communications	Progressive Concepts Inc.	VeriSign
Broadwing Corp.	Epik Communications	Equistar	Qualmax	Vero Systems Inc.
BT Americas Inc.	Equistar	Equinox Information Systems	Quick Tel Inc.	Verso Technologies
BullsEye Telecom Inc.	Equinox Information Systems	EUR Systems	Qwest Communications	Virtual Back Office Software
C-CAMS Inc.	EUR Systems	European Competitive	Reliance Communications Inc.	Viziqor Solutions
Call America	European Competitive	Telecommunications Association	Remi Communications	Voicecom
Callipso	Telecommunications Association	EXpeTel Communications	RiverRock Systems	VoiceLog
CALTEL	EXpeTel Communications	Express Phone Service Inc.	RK Baulch & Associates LLC	Voiceware Systems
Candice Clark Consulting	Express Phone Service Inc.	Fat Pipe Magazine	RKP Steering Group	Volo Communications Inc.
Cantor Fitzgerald Telecom Services	Fat Pipe Magazine	FiberNet Telecom Group Inc.	ROK Telecoms	Vonage Holdings
Capsule Communications Inc.	FiberNet Telecom Group Inc.	Fibertech Networks LLC	Sandy Beaches Software	Vycera Communications
Carmel Solutions	Fibertech Networks LLC	First Communications	Santera Systems	WCI
Casey & Gentz LLP	First Communications	Foster & Malish LLP	SDN Communications	Westel
Cassara Management Group Inc.	Foster & Malish LLP	FPL Fibernet	Select Connect Communications	White Rock Networks
Cat Communications International Inc.	FPL Fibernet	France Telecom Long Distance - USA	sentitO Networks	Wholesale Carrier Services
CCMI	France Telecom Long Distance - USA	Freedom Communications	Shaw Pittman, LLP	WiTel Communications Group Inc.
CenturyTel Long Distance Inc.	Freedom Communications	Frontline Communications International Inc.	Sirius Telecommunications Inc.	Wisor Telecom
Ceterus Networks	Frontline Communications International Inc.	GE BPS	South Central Wireless	Womble Carlyle Sandridge & Rice
CIMCO Communications	GE BPS	General Communication Inc.	SouthEast Telephone	WorldNet Telecommunications
Cinergy Communications	General Communication Inc.	GeoResults Inc.	Sparks Communications	XO Communications Inc.
Cirilium Holdings Inc.	GeoResults Inc.	GH Associates	Spectrotel	Xspedius Communications
Cisco Systems	GH Associates	Global Crossing	Spirit Telecom	Xspedius Fiber Group
City Signal Communications	Global Crossing	Global Crossing International Ltd.	Sprint	XTel Communications Inc.
Citynet	Global Crossing International Ltd.	Global Internetworking	SRP Telecom	Z-Tel Communications
Cleartel Communications Inc.	Global Internetworking		StellarRad Systems LLC	
CMC Telecom Inc.			Step 9 Corp.	

NEW DIRECTIVES

NEW DIRECTION

NEW WORLD

TWO THOUSAND AND FIVE ANNUAL REPORT



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COMPTEL

25th Anniversary

COMPTEL has a 25-year history as the leading trade association for the competitive communications marketplace. With more than 350 members, COMPTEL has long served as the strong, unified advocate for the competitive communications industry before Congress, the White House and federal and state regulatory authorities.

COMPTEL originated in 1981 as the Association of Long Distance Telephone Companies (ALTEL) to promote competition with AT&T. In 1984, ALTEL merged with the American Council of Competitive Communications (ACCC) and expanded its membership to include local service providers, wireless communications companies and Internet service providers. At that time, the association's name was changed to the Competitive Telecommunications Association (COMPTEL). Then, in 1999, COMPTEL merged with America's Carriers Telecommunications Association (ACTA).

More recently, in March 2005, the association merged with the Association for Local Telecommunications Services (ALTS). ALTS was created in 1987 to represent companies that build, own and operate competitive local networks. This merger was preceded by the November 2003 union with the Association of Communications Enterprises (ASCENT).

COMPTEL was a particularly effective lobbying force during the development and implementation of the Telecommunications Act of 1996. Through the mobilization of its membership, the association was instrumental in improving the language of the legislation in order to advance the interests of competitive telecommunications carriers. The association's most significant victory was ensuring that the Act included opportunities for its members to compete in the local telephone market through resale, the purchase of unbundled network elements, and/or facilities-based interconnection.

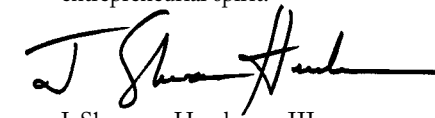
The association has spent the years since the Act's passage working to ensure that opportunities to provide competitive communications services become a reality. Entering today's new era of communications and convergence, COMPTEL is committed to ACTION – advocating for laws and regulations based on the principle of "Advancing Communications Through Innovation and Open Networks".



2005 marked an important year for COMPTEL and the competitive communications industry. Following our merger with ALTS in March, COMPTEL welcomed a new President and CEO, Earl Comstock. Earl brings a tremendous amount of experience to the association and has already proven himself to be an effective and thoughtful leader.

COMPTEL members continued to bring innovative technologies and services to consumers and businesses throughout the United States despite regulatory challenges and an uncertain marketplace. We have continued as an industry to bring the best value to the consumers of America which includes residential and commercial users. We've done a tremendous job growing this business.

In the fall, COMPTEL unveiled a new logo to further position itself as the "Communications Association of Choice." With the unwavering support of our members, we remain a driving force in the communications industry and we will continue to represent and advocate for competition, consumer choice and the entrepreneurial spirit.



J. Sherman Henderson III
Chairman



I was delighted and honored to accept the position of President and CEO of COMPTEL in June of 2005. COMPTEL and the members it represents are more important than ever to the communications industry. We are the innovators and entrepreneurs behind the technological revolution in broadband and IP services that is taking place.

We are the only trade association that represents a broad cross section of the competitive industry, and we stand as the most significant voice in support of competition and innovation, and in opposition to the re-monopolization of the communications market.

I look forward to continuing to work with our members to educate our nation's policymakers on the need to maintain reasonably-priced access to the bottleneck monopoly facilities necessary to allow true voice and broadband competition.



Earl Comstock
President & CEO

BOARD OF DIRECTORS

Chairman

J. Sherman Henderson III
President and CEO
Lightyear Network Solutions, LLC

Vice Chairman

Carl J. Grivner
CEO
XO Communications

Vice Chairman/Treasurer

Joseph Ambersley
President, PAETEC South
PAETEC Communications

Executive Committee

James Akerhielm
CEO
NuVox Communications

William Capraro Jr.

President and CEO
CIMCO Communications Inc.

Thomas M. Coughlin

Chairman
Alliance Group Services

Cindy Schonhaut

Director, Federal Regulatory Affairs
Level 3 Communications Inc.

Board of Directors

Peter D. Aquino

President and CEO
RCN Corporation

Penny Bewick

Vice President, External Affairs
New Edge Networks

Jim Butman

President, CLEC Operations
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Ron Contrado

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Homisco Inc.

James A. Courter

Vice Chairman and CEO
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Aaron Cowell

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Susan Jin Davis

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Covad Communications

Tony Distefano

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Jim Falvey

Senior Vice President, Regulatory Affairs
Xspedius Communications

Phil Forbes

EVP & CTO
USCarrier Telecom LLC

James F. Geiger

President and CEO
Cbeyond Communications

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Executive Vice President
VOX Communications Corp.

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President
PPL Telecom, LLC

David Malfara

President and CEO
Remi Communications

Russell C. Merbeth

Federal Counsel
Eschelon Telecom Inc.

Lynn Refer

CEO
Looking Glass Networks

Gary Storm

President, CEO and Founder
VCOM Solutions

John Sumpter

Vice President, Regulatory
Pac-West Telecomm Inc.

Jerry Watts

Vice President, Government and Industry Affairs
ITC^DeltaCom Inc.

Scott Widham

President, Sales and Marketing
Broadwing Communications

OPPORTUNITY

COMPTEL's twice-annual Conventions & Expos as well as the association's special events, which are held throughout the year, have provided invaluable networking opportunities and educational and technical support for our members.

The merger of CompTel/ASCENT and ALTS in 2005 created a tremendous opportunity for the two associations to come together and speak with one voice for the competitive communications industry, and to combine valuable resources and improve member benefits. COMPTEL's meetings and conventions have long been considered among the best in the industry. But now with the merged entity in full operation, the shows are better than ever, providing numerous opportunities to stay on top of industry trends, share information and network with peers and customers.

Demonstrating the innovative spirit and commitment to investment of the competitive communications industry, the COMPTEL Spring 2005 Convention & Expo attracted more than 2,800 attendees to its event in New Orleans. Attendance was up 20 percent over 2004 and 40 percent since 2003.

There was a flurry of activity and excitement on the trade show floor, which featured 145 exhibitors showcasing the latest network-based offerings, hardware components and software solutions, including dozens of companies that deliver Voice over Internet Protocol (VoIP) products and services. Educational sessions and workshops explored launching VoIP services, the future of CLEC business models, the impending rewrite of the 1996 Telecommunications Act and a variety of other critical operational and business issues.

COMPTEL's Fall 2005 Convention & Expo welcomed 140 exhibitors and 2500 attendees, and featured an expanded education agenda to include information on business, technology and

Future Conventions & Expos

2006

March 19-22

**Spring 2006 Convention & Expo
San Diego**

October 8-11

**Fall 2006 Convention & Expo
Orlando**

2007

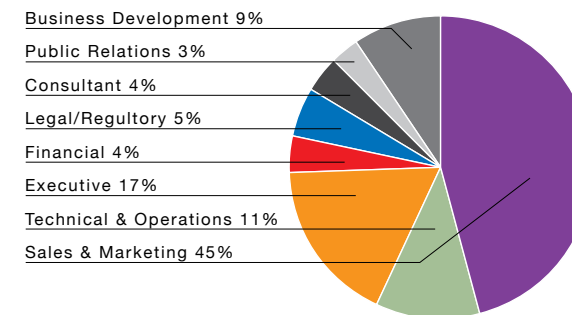
February 27- March 2

**Spring 2007 Convention & Expo
Las Vegas**

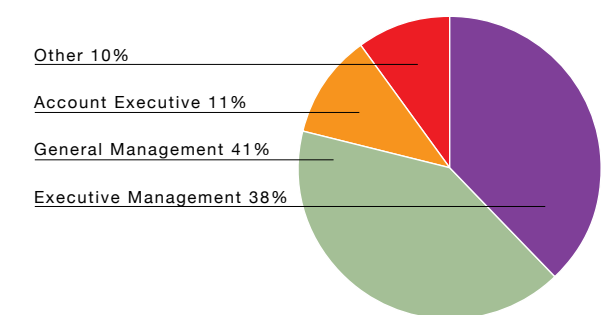
October 7-10

**Fall 2007 Convention & Expo
Dallas**

ATTENDEE JOB FUNCTION



ATTENDEE JOB TITLE



OPPORTUNITY

regulatory issues now converging in the marketplace. It also marked the first association show for COMPTEL's new President and CEO, Earl Comstock.

Debuting at the fall show were new educational opportunities for attendees. Chief Technology Officers in the telecom industry were invited to attend the first-ever CTO Forum. The special half-day event gave CTOs the opportunity to hear how other carriers have implemented

technological innovations in service integration and network architectures to create real business opportunities and address customer needs. CTOs were also able to meet with vendors and explain to them what products are needed by the industry.

Another new addition to the fall program was the Broadband Wireless Pavilion, which featured a track of educational sessions focused on broadband wireless issues. COMPTEL partnered

with Shorecliff Communications – publishers of Broadband Wireless Business magazine – to host the event.

On the international front, IP Libre held the IP Communications Summit in conjunction with the fall show. The exclusive summit was attended by leading regulators of Latin America, Spain, Portugal and the U.S., as well as VoIP service providers to exchange ideas regarding IP communications and its development region wide.

ADVOCACY



For nearly 25 years, COMPTEL has served as an advocate for the competitive telecommunications industry before Congress, the White House, and the Federal Communications Commission. COMPTEL is active in state regulatory and legislative proceedings, as well as beyond U.S. borders through information submitted to the United States Trade Representative (USTR) as part of World Trade Organization (WTO) proceedings.

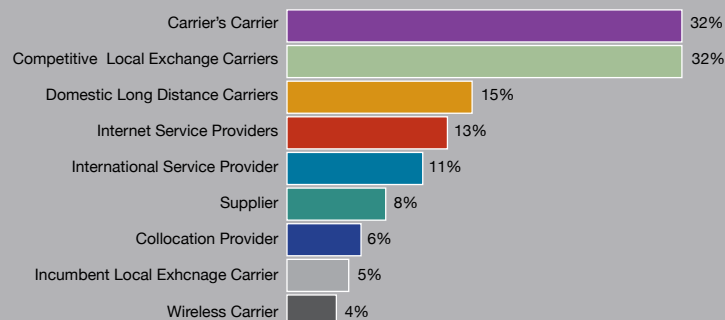
As a fierce advocate for the principles of a competitive communications marketplace, COMPTEL is active in proceedings underway at the FCC and state regulatory agencies, before Congress and the Bush Administration, in the international arena, and in the courts. COMPTEL focuses its policy advocacy efforts on five key areas: 1) network access; 2) cost-based pricing; 3) enforcement; 4) rights-of-way; and 5) international market access.

2005 marked another challenging year for the competitive communications industry with the federal government approving the mergers of SBC Communications and AT&T and Verizon Communications and MCI. COMPTEL tirelessly fought to block the mergers from happening, warning lawmakers that they were paving the way for the re-monopolization of the communications industry.

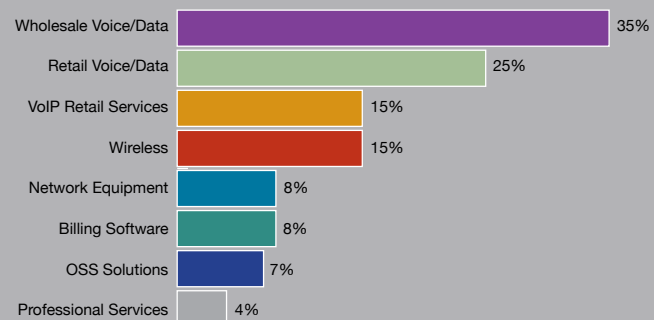
Despite these regulatory setbacks, COMPTEL continues to fight on behalf of competitive carriers before the FCC, Congress and the courts. The association worked with communications firms in conducting focus groups around the country to hone its messaging.

CONVENTION & EXPO DEMOGRAPHICS

INDUSTRY SECTOR



SERVICE OFFERINGS



In its third year of existence, the CEO Council has grown to more than 100 members, representing publicly held and private telecom service providers and vendors of equipment, software and services.

The COMPTEL CEO Council is designed to bring together top executives from competitive telecommunications service providers and their supplier partners in order to provide a forum to network and discuss business, technology and policy issues. The CEO Council meets three times a year – at the association's annual Spring and Fall conventions, and once in Washington, D.C.

The CEO Council meetings include a high-quality agenda featuring prominent financial, technology and regulatory speakers and spirited discussion of issues impacting the industry.

COMPTEL and its member companies continued to take an active role in advocacy efforts directed toward members of Congress, stressing the important role competitive carriers play in the communications industry and the growth of the nation's economy. In addition, during 2005, members contributed \$67,000 to the COMPTEL Political Action Committee (PAC), bringing the total to more than \$83,000.

COMPTEL remained active on the global front as well throughout 2005. The association continued to play an important role in keeping

the Office of the United States Trade Representative (USTR) abreast of international anticompetitive behavior, urging the agency to vigorously enforce the obligations of our trading partners to foster true competition in the international communications marketplace.

The association noted that its members continue to encounter market barriers to entry overseas, including: (1) fixed-to-mobile termination rates that far exceed cost and are discriminatory; and (2) excessive pricing and discriminatory provisioning of local access leased lines and lack of

access to unbundled high speed network elements. USTR subsequently took measures to address these concerns.

COMPTEL further became involved with efforts by the European Union and the European Commission to enforce mandatory data retention on communications service providers. COMPTEL argued against the mandatory collection and retention of huge amounts of traffic data carriers usually don't store for their own billing purposes. The association urged European regulators to hold a workshop to discuss al-

ternative solutions to providing law enforcement agencies with communications data for criminal investigations.

In its ongoing efforts to improve policy environments abroad for its members, COMPTEL launched its new IP Communications Summit as part of the Fall 2005 Convention, which was held in Orlando. The summit focused on the emerging Internet Protocol (IP) market in Latin America. The event was co-hosted by COMPTEL and IP Libre, which supports the adoption and proliferation of IP technology in

Latin America, the U.S. Hispanic market, Spain and Portugal.

COMPTEL encourages its active and vocal membership to participate in its committees – regulatory, legislative, international, and the meetings council, and PR task force. These committees are vital in helping the association formulate its positions and policy strategies as new industry trends develop. COMPTEL also hosts a CEO Council, which provides top executives a forum to network and discuss business, technology and policy issues impacting their companies and the industry.

COMPTEL Welcomes New Leadership

Earl Comstock joined COMPTEL in June 2005 as President and CEO. Prior to joining COMPTEL, Mr. Comstock was a partner at Sher & Blackwell, heading up the firm's telecommunications practice and representing Internet service providers, backbone providers, wireless cable operators, competitive local exchange carriers, and others before Congress, the Federal Communications Commission (FCC) and Executive Branch agencies.

Prior to joining Sher & Blackwell, Mr. Comstock spent 10 years working in the United States Senate. He served as a special counsel for telecommunications for the Senate Commerce Committee in 1995-1996, during which time he was one of the principal staff responsible for negotiating and drafting key provisions of the Telecommunications Act of 1996. From 1992 to 1997 he was chief counsel and legislative director for Senator Ted Stevens (R-Alaska), current Chairman of the Senate Commerce, Science and Transportation Committee. During this period he participated in every major piece of communications legislation enacted by Congress, from the Cable Consumer Protection Act in 1992 through the Internet Tax Freedom Act in 1997-1998.

"The opportunities for idea and information exchange COMPTEL provides Broadwing is worth its weight in gold. COMPTEL also affords Broadwing with a cost effective method of navigating the complicated field of public policy matters."

Scott Widham, President, Broadwing Communications

Keeping members informed has always been a top priority for COMPTTEL, and the association throughout 2005 continued to take measures to improve and expand on educational opportunities for its members to ensure that they are armed with the tools and resources necessary to meet the demands of the marketplace.

The educational agenda at the Fall 2005 Convention and Expo in Orlando was significantly expanded to include information

on business, technology and regulatory issues that are now converging in the marketplace. The show kicked off with the popular CEO Forum, at which top industry executives shared their insights about market challenges and their visions for the future. The event was followed by a general session on wholesale market trends.

The Fall show presented six concurrent tracks, covering next-generation and optical networks, VoIP technology, wireless broadband,

OSS/BSS, emerging markets, and business strategies. The show concluded with a Regulatory Workshop and a CTO Forum, which included sessions on VoIP/IMS interconnects and new business models they enable, service interaction management, managing next-generation IP networks, and a CTO and vendor roundtable.

COMPTTEL's educational and networking opportunities didn't stop at the conventions and trade shows. In December, the association held

a widely attended Executive Business & Policy Summit in Washington. The event featured a Q&A between FCC Chairman Kevin J. Martin and COMPTTEL's Comstock at the summit's opening lunch. It was a tremendous success, drawing a large and diverse crowd of reporters, lawmakers, regulators, analysts and other industry experts.

The association also offered free webinars throughout the year, including one entitled "E911 and VoIP: The Order, The Obligations, The Solutions." The event, which was held in partnership with TMC, addressed the FCC's E911 Order and its impact on VoIP providers and included perspectives from leading telecom legal and regulatory experts.

In addition, COMPTTEL launched the Preferred Partner Program, which provides members with discounts on professional and business services, such as consulting, compliance, legal and regulatory support, billing and custom research.

The Program was designed with COMPTTEL's small carrier members in mind, making more affordable many of the services that would enhance their operations and give them a stronger foundation for success. The Program featured discount-priced services from COMPTTEL professional associate members, including Concretio, Dickstein Shapiro Morin & Oshinsky, HTTL Technologies, Miller Isar Inc., New Paradigm Resources Inc., Shaw Pittman and VoiceLog.



"COMPTTEL continues to play a vital role in the growth of the competitive communications industry by providing one voice for regulatory and legislative action."

**Russ Merbeth, Federal Counsel,
Eschelon Telecom**



COMMUNICATION

COMPTEL's communications department works tirelessly to raise the profile of the association and its members on local, national and global levels through a variety of media outlets. In addition, the department strives to deliver vital information to its members to ensure clear and concise messaging throughout the association's advocacy and business channels.

COMPTEL and its policy and business development executives were featured in several publications throughout 2005, providing a strong and unified voice for the competitive communications industry. The knowledge and expertise of the association's leadership is deeply respected and widely utilized by members of the press and the Wall Street community.

All member companies' PR reps are invited to participate in COMPTEL's PR Task Force, which meets monthly via conference call and helps to develop cohesive messages for the association and its members' policy advocacy efforts. The task force further provides information on publicity and promotional opportunities, such as those made available through COMPTEL's weekly e-newsletter, the *Connection*.

Now in its third year of production, the *Connection* continues to serve as a valuable tool for members to keep abreast of regulatory and legislative activities in Washington that affect COMPTEL's membership, and to learn of new ways to improve outreach and advocacy efforts. The newsletter also includes important informa-

tion on upcoming events as well as COMPTEL and other industry news.

Another component of the *Connection* is the bi-monthly "Member Profile," which is featured on COMPTEL's website as well as in the newsletter. The member profiles provide an opportunity to highlight the innovative and entrepreneurial efforts of our diverse membership.

COMPTEL also offers publicity opportunities in conjunction with its Spring and Fall convention and trade expos. In addition to having access to the media and industry analysts in attendance at these events, members and exhibitors are able to feature their news in the *Show Daily*, the official publication of the COMPTEL shows.

COMMITTEES

Regulatory Committee

The Regulatory Committee tracks pending proceedings before the Federal Communications Commission, the Department of Justice, state regulatory agencies, and the courts, and discusses how these proceedings will affect COMPTEL members' day-to-day and long-term business operations. This committee also plays a large role in advancing the policy positions of the association.

Legislative Committee

The Legislative Committee monitors the U.S. Congress and state legislatures. In 2006, the primary focus of the Committee will be proposed federal legislation to amend the 1996 Act. The Legislative Committee also organizes strategically timed letters, briefings and visits to Capitol Hill.

International Communications Committee

The International Communications Committee tracks global telecommunications trends and U.S. foreign trade mission opportunities, and monitors implementation of the World Trade Organization's (WTO) historic telecommunications trade agreement and related action by the U.S. Congress and the Federal Executive Branch, including the Departments of Commerce and State, the Office of the United States Trade Representative, the FCC, and foreign regulatory authorities.

Meetings Council

The Meetings Council provides a forum for members to share their expertise and offer suggestions on how the association's conferences and exhibitions can be enhanced to address the needs of competitive markets now and into the future.

PR Task Force

The PR Task Force offers members the opportunity to work together to develop messaging and public relations initiatives focused on key issues facing the competitive telecommunications industry.



2005 SUMMARY BALANCE SHEET

Cash & Investments	4,362,136
Prepaid Expenses, Other Current Assets	187,459
Restricted Investments	87,795
Property, Equipment, Long-Term Assets	165,530
Total Assets	4,802,920

Accounts Payable & Accrued Expenses	453,748
Bank Note Payable	0
Deferred Revenue & Lease Obligations	1,562,665
Long-Term Liabilities	128,846
Total Liabilities	2,145,259
Total Unrestricted Net Assets	2,657,661
Total Liabilities & Unrestricted Net Assets	4,802,920

SUMMARY STATEMENT OF ACTIVITIES

Meetings & Conferences	3,204,040
Membership	2,842,442
Investment Income, Other Income	327,636
Total Revenue	6,374,118

Meetings & Conferences	1,690,758
Policy & Legislative	2,882,568
Public Relations	267,543
Membership & Other Programs	612,576
Management & General	620,838
Total Expenses	6,074,283
Change in Unrestricted Assets	299,835

COMPTEL MEMBERS

1-800-Reconex, Inc.	Columbia Capital	Globalcom, Inc.	Mpathix	Switch & Data Facilities Co.
3PV - Third Party Verification	Columbia Transcom	GlobalNet Carrier Services	Mpower Communications Corp.	Sylantro Systems
Abovenet Communications	NEON Transcom	Go Solutions, Inc.	Multipoint International	Syniverse Technologies
Acceris Communications Corp.	CommPartners	Grande Communications	NationsLine	T-Systems ICSS
Access One, Inc.	Communication Technology Inc.	Granite Telecommunications	NEON Communications, Inc.	Talk America, Inc.
Access Point Inc.	CommuniTech Services	Great Works Internet	Net.Com	Taqua, Inc.
Accxx Communications, L.L.C.	Computer Voice Systems	Grid4 Communications	Netrake	TARGUSinfo Corporation
ACI Billing Services	ComTec, Inc.	Harris, Wiltshire & Grannis, LLP	Network Telephone Company	TCAST Communications Inc
ACN	Comtel Telcom Assets	Hatteras Networks	NetworkIP	TCO Network, Inc.
Advanced Software Concepts	Concretio	Helein Law Group	NeuStar, Inc.	TDC Carrier Services USA, Inc.
Advantage Telcom	Consolidated Communications	Homisco	Neutral Tandem	TDS METROCUM
AGL Networks	Consolidated Edison Communications, Inc.	Hostopia.Com Inc.	New Edge Networks	TDS Telecom
Alepo	Consumer Cellular, Inc.	HTLT	New Global Telecom	Technologies Management, Inc.
Alliance Group Services, Inc.	Control Point Solutions	IDT Corporation	New Paradigm Resources Group	Tekelec
ALLTEL	Conversent Communications	IEX Corporation	NewCross Technologies, Inc.	Telcom Products International
Alpheus Communications	CopperCom	ILD Telecommunications, Inc.	NexTone Communications, Inc.	TelCove
American Fiber Systems	CoStreet Communications	Independent Optical Network	Nii Communications, Ltd.	Telecom Compliance Services
American Telecommunications Systems, Inc.	Covad Communications Company	Indiana Fiber Works	Norlight Telecommunications	Telecommunication & Information Mgmt
American Telesis	Covaro Networks, Inc.	Info Directions, Inc.	North Central Equity, LLC	Consultants
AmeriMex Communications	Covista Communications	INFONXX	Northern Telephone & Data	TelePacific Communications
AMI Communications	Creative Interconnect Communications, LLC	Ingo	Northwest Telephone	TeliaSonera International Carrier
Andiamo Telecom	CTC Communications	Institute Of Telecom Resellers	NTT USA, Inc.	Telution, Inc.
ANI Networks	CTSI	Integra Telecom	Nuvox Communications	TexaTel
Arbinet	Custom Network Solutions, Inc.	Integretel, Inc.	OneEighty Communications	The Northridge Group, Inc.
Arrival Communications	CustomCall Data Systems, Inc.	InterGlobe Communications	OnFiber Communications, Inc.	The Pager Company
AterwWynne LLP	Daniels & Associates	InterMetro Communications	Onvoy	Thermo Credit, LLC
Atlantic Communication Products, Inc.	DataProse Billing Solutions	International Prepaid Communications	Openet Telecom	TON Services
Atlantic-ACM	David Taylor & Associates, LLC	Association	Oregon Telecom, Inc.	Transaction Network Services
ATX Communications	Davis Wright Tremaine LLP	Interoute	OSG Billing Services	Transcom Holdings, Inc.
BCE Nexxia	DCA	Interstate Fibernet	Pac-West	TransNexus
BCN Telecom, Inc.	DCI Voice Solutions	Iowa Network Services	Pacific LightNet Inc.	Transworld Network Corporation
Bell Canada	DDR Broadband Networks	IRIS Networks	PacketFront	Tri-M Communications, Inc.
Bell West	Dickstein, Shapiro, Morin & Oshinsky	ITC/DeltaCom	PAETEC Communications	Trinsic Communications
BellSouth	Digital Realty Trust	Kelley, Drye & Warren	Paradyne	Turin Networks
BeQuick Software, Inc.	Direct Line Communications	Kentucky Data Link, Inc.	PCCW Global	Tyco Telecommunications (US) Inc.
Billing Concepts	DLA Piper Rudnick Gray Cary US LLP	KMC Telecom Solutions	Peak Communications, Inc.	UDP
BillSoft, Inc.	DSCI Corporation	Konfer Technologies, Inc.	Perceptive Vision, Inc.	UNICOM
Blackfoot Communications	DSET Corporation	Last Mile Connections	Personix	United Telecom Council
Blue Tie, Inc.	DukeNet Communications	LecStar Telecom	Phone + Magazine	US LEC Corporation
Bridgecom International, Inc.	Eagle Teleconferencing Services	Legent Communications Corporation	Pillsbury Winthrop Shaw Pittman, LLP	US Signal Company LLC
BroadRiver Communication Corporation	Earthlink	Level 3 Communications, Inc.	PointOne	USCarrier Telecom
Broadview Networks	Easton Telecom Services, Inc.	Lightspeed Telecom	PowerNet Global Communications	VANCO
Broadvox	Edison Carrier Solutions	LightSpeed Technologies	PPL Telecom, LLC	VCOM Solutions, Inc
Broadwing Communications, LLC	Enventis Telecom, Inc.	Lightyear Network Solutions, LLC	Preferred Long Distance	VeriSign
BT Americas, Inc.	Epik Communications	Line Systems, Inc.	Profitec Billing Services, Inc.	Vero Systems, Inc.
BullsEye Telecom, Inc.	Epixtar	Logix Communications	Progress Telecom	Vertek Corporation
C-CAMS Inc.	Equinox Information Systems	Long Distance Billing Service, Inc.	Qwest Communications	Virtual Back Office Software
Call America	Eschelon Telecom	Looking Glass Networks, Inc.	RCN Corporation	Viziqor Solutions
CALTEL	EUR Systems	LSSI Corp.	Reliance Communications, Inc.	Voicecom
Candice Clark Consulting	Eureka/InfoHighway	Magee Group, LLC	Remi Communications	VoiceLog
Capsule Communications Inc.	European Competitive Tele Assoc.	Marcatel International	RiverRock Systems	Voiceware Systems
Carmel Solutions	Express Phone Service, Inc.	Marietta FiberNet	RNK Telecom	Volo Communications, Inc.
Carter Ledyard & Milburn, LLP	FDN Communications	Martin Group, Inc.	Road America Motor Club	Vonage Holdings
Casey, Gentz & Magness, LLP	FiberLight, LLC.	MC Venture Partners	Sandy Beaches Software	VOX Communications Corp.
Cassara Management Group, Inc.	Fiberlink, LLC	MCG Capital	SDN Communications	VSNL America
Cavalier Telephone	FiberNet Telecom Group Inc.	McGraw Communications, Inc.	SegTEL	Vycera Communications
Cheyond Communications, LLC	Fibertech Networks, LLC	MCI	Sentito Networks	WCI
CCMI	First Avenue Networks Solutions	McLeodUSA Telecommunications	Sentori, Inc.	Westel
Ceterus Networks	First Communications	Megagate Broadband	SouthEast Telephone	White Rock Networks
CGM, LLC	Foster & Malish, LLP	Memphis Networx	Sparks Communications	Willkie Farr & Gallagher, LLP
Choice One Communications, Inc.	FPL Fibernet	MERA Systems	Spirit Telecom	WilTel Communications Group, Inc.
CIMCO Communications	France Telecom Long Distance - USA	MetaSwitch	Sprint	Wisor Telecom
Cinergy Communications	General Bandwidth	Metcom, Inc.	SRP Telecom	Womble Carlyle Sandridge & Rice
Cisco Systems	General Communication, Inc.	MerTel	StellarRad Systems, LLC	WorldNet Telecommunications
Citynet	GeoResults, Inc.	Microtech-tel	Step 9 Corporation	Xfone USA, Inc.
ClearTel Communications, Inc.	GH Associates	Mid-Maine Communications	StoverLaw	XO Communications, Inc.
CMC Telecom Inc.	GigaBeam Corporation	Midwest Telecom of America, Inc	Superior Technologies	Xspedius Communications
Coastal Technologies Group	Global Crossing	Miller Isar	Supra Telecom	XTel Communications, Inc.
Coastal Telephone Company	Global Crossing Int., Ltd.	Mintz, Levin, Cohn, Ferris, Glosky & Popeo, PC	Swidler, Berlin, Shereff & Friedman	Zhone Technologies
Cole, Raywid & Braverman	Global Internetworking		SwissFonc, Inc.	



2006 ANNUAL REPORT

>> IMAGINE



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COMPTEL members continue to be a driving force behind the development and deployment of next-generation, IP-based networks and services. Through competitive voice, video, and data offerings, our entrepreneurial and innovative members ensure that consumers and businesses throughout the United States and abroad have access to innovative technologies and services at affordable prices. 2006 marked COMPTEL's 25th Anniversary as the leading trade association representing competitive communications service providers. We are proud to work on behalf of this community before Congress, the Federal Communications Commission and the Courts, and we look forward to many more years as we advance our members' interests policy advocacy, trade shows, and educational and networking opportunities.

Earl Comstock
President & CEO

Officers/Members of the Executive Committee

Chairman
J. Sherman Henderson III
President & CEO
Lightyear Network
Solutions LLC

Vice Chairman
Jim Akerhielm
CEO
NuVox Communications

Treasurer
Joseph Ambersley
President, PAETEC South
PAETEC Communications

Executive Committee
Paget Alves
President, Strategic Markets
Sprint Nextel

Thomas M. Coughlin
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Directors

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William Capraro, Jr.
CEO
CIMCO Communications

Bettina Cardona
President & CEO
Fones4All

Ron Contrado
President
Homisco

Jim Prenetta
Executive Vice President and
General Counsel
One Communications

David Eckmann
Director, Core Business
Development, Legal &
Regulatory Affairs
FPL Fibernet, LLC

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Senior Vice President,
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James F. Geiger
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Ron Harden
Executive Vice President
VOX Communications

Paul Hobby
CEO
Alpheus Communications

David H. Kelley
President
PPL Telcom LLC

James Kirkland
SVP, Strategic Development &
General Counsel
Covad Communications

Matthew Gavin McCarty
Chief Legal Officer
Globalcom, Inc.

David Malfara
President & CEO
Remi Communications

Christopher Putala
Executive Vice President,
Public Policy
Earthlink

Jack Roberts
Vice President of Sales
USCarrier Telecom

Norman Rosenberg
CFO,
IDT Corp.

Gary Storm
President, CEO & Founder
VCOM Solutions

John Sumpter
Vice President,
Regulatory Affairs
Pac-West Telecomm

Jerry Watts
Vice President, Government &
Industry Affairs
ITC^DeltaCom

COMPTEL PLUS CONVENTIONS & EXPOS

The COMPTEL PLUS Conventions and EXPOs continue to draw large crowds from all sectors of the communications industry and serve as a place to network and learn about new and innovative technologies and services hitting the marketplace.

COMPTEL marked its 25th Anniversary as the leading industry association for competitive communications service providers at the COMPTEL PLUS Spring 2006 Convention & Expo in San Diego March 19-22. With more than 2400 attendees and 140 exhibitors, the event was a tremendous success.

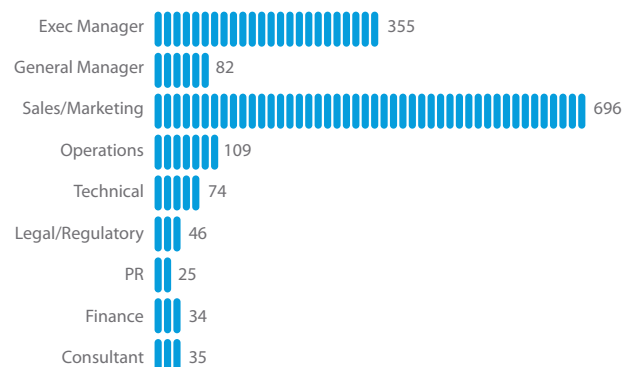
COMPTEL's Spring Show was jam-packed with educational and networking sessions and featured a new, online Deal Center that enabled show attendees to schedule one-on-one meetings in San Diego. Senator Ted Stevens, Chairman of the Senate Commerce, Science and Transportation Committee, delivered the keynote address, which was followed by a Q&A session between Earl Comstock, COMPTEL's President and CEO, and FCC Chairman Kevin J. Martin.

COMPTEL also honored F. James Sensenbrenner, Jr., Chairman of the House Committee on the Judiciary, with COMPTEL's "Champions of Competition" Award. In addition, music legend Kenny Loggins entertained the COMPTEL Spring Show attendees with a concert at San Diego's famed "4th & B" music venue.

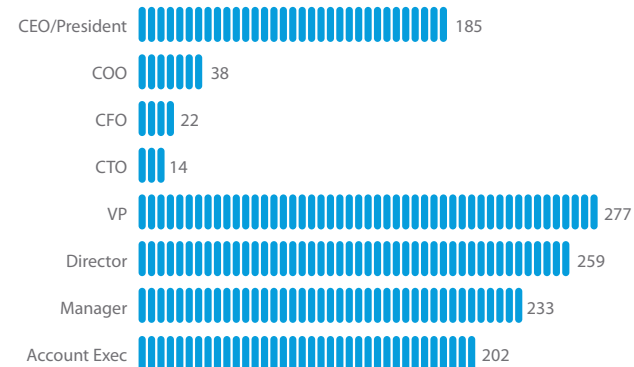
The success continued at the COMPTEL PLUS Fall 2006 Convention & EXPO. On the heels of PAETEC Corp.'s disclosure that it was merging with US LEC Corp., COMPTEL was pleased to welcome Arunas A. Chesonis, Chairman of the Board and CEO of PAETEC., as the keynote speaker at the Fall show, which was held Oct. 8-11 in Orlando. Chesonis drew a huge crowd, which went on to fill the EXPO hall for the duration of the show.

Educational sessions included financial and strategic actions for success, technology and business tracks, and a half-day regulatory workshop. Making its debut at the Fall Show was the "COMPTEL Classroom," which features sessions on cutting-edge technologies and services.

JOB FUNCTION



RESPONSIBILITY LEVEL



"If there were no organizations like COMPTEL, believe me, we'd all be out of business by now."

J Sherman Henderson III, President and CEO of Lightyear Network Solutions and Chairman of the Board of COMPTEL.

COMPTEL CEO COUNCIL

Now in its fourth year, the COMPTEL CEO Council continues to provide the opportunity to bring together top executives from member companies to network and discuss the state of the industry. The CEO Council meets three times a year, at COMPTEL's spring and fall conventions and once at the association's headquarters in Washington, D.C.

COMPTEL MARKETING COUNCIL

COMPTEL last year launched the COMPTEL Marketing Council (CMC). The CMC is a forum for chief marketing decision makers of COMPTEL's member companies to discuss cross-marketing initiatives and to address key show and member marketing priorities and opportunities.

The CMC mission is to create new ways for COMPTEL and its members to raise industry awareness and drive direct revenue opportunities between and amongst COMPTEL members and trade show exhibitors/sponsors, and within the communications marketplace.

FUTURE EVENTS

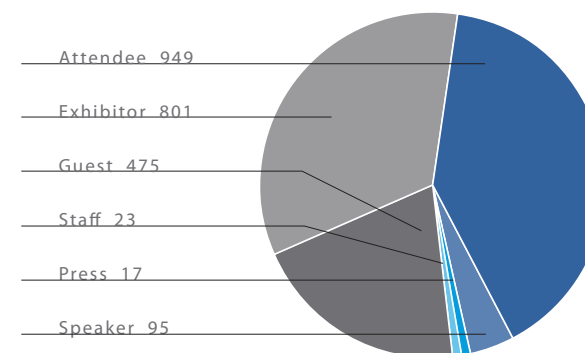
COMPTEL PLUS Spring 2007 Convention & EXPO
February 27-March 2, 2007
Las Vegas

COMPTEL PLUS Fall 2007 Convention & EXPO
October 7-10, 2007
Dallas

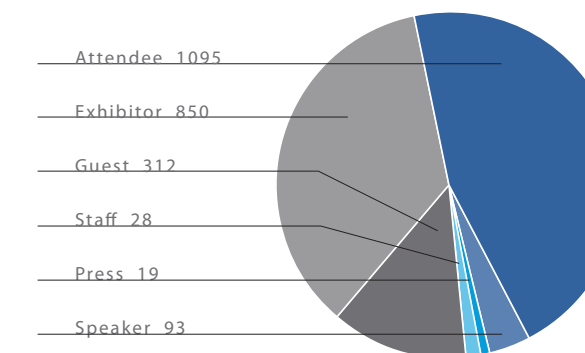
COMPTEL PLUS Spring 2008 Convention & EXPO
February 24-28, 2008
Nashville



FALL ATTENDANCE



SPRING ATTENDANCE



John Abraham, Managing Director–Global Capacity Group
 Francis X. Ahearn, CEO–McGraw Communications Inc.
 James W. Akerhielm, CEO–NuVox Communications
 Ray Allieri, President and CEO–CTC Communications
 Kenneth D. Anderson, Chairman and CEO–Fiberlink LLC
 Pete Aquino, President and CEO–RCN Corporation
 Janice Aune, President and CEO–Onvoy
 Charles “Chip” Barker, CEO–ACN Inc.

Scott Birdwell, CEO–Transcom Holdings
 Danny Bottoms, President and CEO
 –OnFiber Communications Inc.*
 David Brinkman, CEO–3PV – Third Party Verification Inc.
 Richard E. Brown, CEO–Access Point Inc.
 Edward J. Butler Jr., COO–PAETEC Communications Inc.
 Jim Butman, President–TDS METROCOM
 Brian E. Cafferty, CEO–Vero Systems Inc.
 William Capraro Jr., CEO–CIMCO Communications Inc.
 Hank Carabelli, President and CEO–Pac-West Telecomm Inc.
*Al Cinelli, Chairman–Cinergy Communications Corp.**
 Ron Contrado, CEO–Homisco
 Thomas M. Coughlin, Chairman–Alliance Group Services Inc.
 James A. Courter, Vice Chairman and CEO–IDT Corporation
 Randall Curran, CEO–Interstate Fibernet, a Deltacom Company
 (formerly ITC^DeltaCom)
 Jim Dalton, CEO–TransNexus
 William Brad Davis, President–DukeNetCommunications, LLC
 Jon A. DeLuca, President and CEO
 –FiberNet Telecom Group Inc.
 Jess. P. DiPasquale, President and CEO
 –Alliance Group Services Inc.
 Tony Distefano, CEO–Arrival Communications
 Ernest L. Ellis, President and COO
 –Thomson Tax and Accounting
 Brad Evans, Founder and CEO–Cavalier Telephone
 Richard Fehl, Executive Vice President and COO
 –AGL Networks
 John R. Galanti, President–DataNet Communications
 Michael Gallagher, CEO–FDN Communications
 Michael Gallagher, President and CEO–First Avenue Networks
 Jeffrey E. Ganek, Chairman and CEO–NeuStar Inc.
 James F. Geiger, President and CEO
 –Cbeyond Communications
 Richard C. Grange, President and CEO
 –New Global Telecom Inc.
 Elliott Derk, CEO–HTLT Telemanagement Ltd.
 Carl J. Grivner, CEO–XO Communications Inc.
 Robert E. Guth, Chairman, President and CEO–TelCove
 J. Sherman Henderson III, President and CEO
 –Lightyear Network Solutions, LLC
 Paul W. Hobby, Chairman and CEO–Alpheus Communications
 Charles E. Hoffman, President and CEO
 –Covad Communications Co.*
 J. Michael Holloway, President and CEO
 –PointOne Telecommunications Inc.*
 Rolla P. Huff, CEO–Mpower Communications Corp.
 Mark Ianni, President–FPL FiberNet, LLC
 Mark Iannuzzi–TelNet WorldWide, Inc.

Mark Ivie, CEO–Memphis Networkx LLC
 Michael Keenan, Co-founder and CEO
 –Global Internetworking
 David H. Kelley, President–PPL Telecom LLC*
 Rich Kendall, President & CEO–Sovernet Communications
 Doug Kim, General Manager–Edison Carrier Solutions
*Sam Kumar, President and CEO–Microtech-Tel Inc.**
 Gene “Skip” Lane, President and CEO
 –Razor IP, LLC (formerly Direct Line Communications)
 William G. LaPerch, President and CEO–AboveNet
 Michael S. Layer, President and CEO
 –US Carrier Telecom LLC
 David J. Malfara Sr., President and CEO
 –Remi Communications*
 John Marsch, Founder, Chairman and CEO
 –TMC Communications
 James Martin, President and CEO–Citynet
 Lonnie Martin, Founder and CEO–White Rock Networks
James P. Martino, President and CEO
 –Last Mile Connections Inc.
 Raul Martynek, President and CEO
 –Infohighway Communications Corp.
 Andrew Metcalfe, CEO–Northwest Telephone Inc.
 Michael Miller, President and CEO–FiberLight, LLC
 Robert Mocas, President–Easton Telecom Services
*Ronald J. Mudry, President and CEO–Progress Telecom**
 Brian T. Murphy, President and COO
 –First Communications LLC
 Dilip Naik, President and CEO–DSET Corp.
 William H. Oberlin, Chairman and CEO–BullsEye Telecom Inc.
 Jim C. Odom, President and CEO–Martin Group
 Keith Olsen, President and CEO–Switch and Data
 Frank Peregrine, Chairman and CEO
 –CustomCall Data Systems
 Donald R. Philbin Jr., COO
 –BSG Clearing Solutions (formerly Billing Concepts)
 Walter A. Prael, COO–Enventis Telecom Inc.
 John K. Purcell, President & CEO–Fibertech Networks LLC*
 David A. Puskala, President and CEO–Superior Technologies
 Ted Raffetto, CEO–Vanco Direct USA, LLC
 Lynn E. Refer, CEO–Looking Glass Networks Inc.*
 Mark Richard–Vox Communications
 Eric G. Roden, COO–Broadview Networks
 David G. Rusin, President & CEO
 –American Fiber Systems Inc.
 Dale R. Schmick, CEO–The Pager Company
 Lou Slaughter, Chairman and CEO–GigaBeam
 Dudley Slater, CEO–Integra Telecom
 David J. Smat, President–iNETWORKS Group Inc.
 Richard A. Smith, President and CEO–Eschelon Telecom Inc.
 Jeff Storey, President and CEO–WiTel Communications*
 Gary Storm, President, CEO and Founder–VCOM Solutions
 Charles D. Vogt, President and CEO–GENBAND
 John Warta, Chairman and CEO–Pacific LightNet Inc.*
 Scott Widham, President of Corporate Development
 –Broadwing Communications
 Colin Wood, Chairman–TransWorld Network Corp.
 Rian Wren, President and CEO–Neutral Tandem Inc.

* denotes CEO Council Charter Member
 Members of the CEO Council Executive Committee
 are italicized



Through policy advocacy before Congress, the Federal Communications Commission and the courts, COMPTTEL works tirelessly to ensure that competitive communications providers can continue to offer lower prices, better service, and greater innovation to consumers.

Throughout 2006, COMPTTEL was a leading opponent of proposed legislation that sought to overhaul our nation's communications laws and threatened the preservation of Net neutrality rules and competitive carriers' access to incumbent networks. Despite some setbacks along the way, the year ended without passage of the legislation, leaving the core principles of nondiscrimination and open access that have been the driving force behind the growth of the communications industry in tact.

COMPTTEL was also very active before the courts in 2006, again advocating on behalf of the competitors and the core principles of nondiscrimination and fair interconnection rights. Beginning in May of last year, the U.S. District Court for the District of Columbia launched a thorough review of the SBC/AT&T and Verizon/MCI mergers and whether entry of the consent decrees, settling the merger complaints, would serve the public interest.

The proceeding, also referred to as the Tunney Act case, was a result of recent changes made to federal antitrust law that enabled the Court to conduct a more thorough review to determine whether the consent decrees negotiated by the U.S. Department of Justice and the Bell companies will restore the competition the Department alleges will be lost as a result of the mergers. COMPTTEL played an integral role in challenging the merger consent decrees and was granted leave to participate as amicus curiae in the proceeding and assist the court in its public interest determination.

We were pleased that the court recognized the value of allowing COMPTTEL to participate in the proceeding. The federal court made it very clear that it had no intention of rubber stamping the Bell company mergers.

Another proceeding COMPTTEL was involved in was the challenge of the FCC's Wireline Broadband Order, which declared wireline broadband Internet access service to be an information service. COMPTTEL filed its brief with the U.S. Court of Appeals for the Third Circuit in April of last year, and the National Alliance for Media Arts and Culture, the Office of Communications of the United Church of Christ Inc., and the Center for Digital Democracy joined COMPTTEL in the brief as intervenors.

While the competitive communications industry made significant gains before Congress and the courts, competitors and consumers were dealt additional blows before the Administration and regulators at the Federal Communications Commission (FCC). Last fall, the Justice Department chose to give its blessing to the proposed merger of AT&T and BellSouth without imposing any conditions, and the FCC by year-end had given its approval, as well, clearing yet another hurdle for the Bell companies to re-monopolize the communications industry.

Despite this setback, COMPTTEL continued to vigorously fight for merger conditions that would help mitigate the harms posed by the transaction and provide some stability for competitors. More should have been done to protect consumers and competition, however, AT&T's private interests were allowed to take precedence over the public interest.

Verizon Communications in March of 2006 received sweeping relief from federal and state regulation of its high-capacity broadband voice and data services simply by filing a forbearance petition with the Federal Communications Commission. Section 10 of the Telecommunications Act of 1996 gives the FCC the authority to forbear from applying provisions of the Act and its rules, if the federal agency determines that they are no longer necessary.

The relief granted Verizon paved the way for the other Bell companies, as well as the large independent incumbent phone companies, to file for similar relief. This broad deregulation is likely to subject consumers to higher prices, fewer choices, and less innovation. COMPTTEL, on behalf of its members and the competitive communications industry as a whole, is currently challenging the FCC's decision before the U.S. Court of Appeals for the District of Columbia.

COMPTTEL encourages its members to play an active role in the association's advocacy efforts to encourage pro-consumer and pro-competitive oversight of the communications industry, not just in the United States but overseas, as well.

CHAMPIONS OF COMPETITION

The Champions of Competition Hall of Fame is a permanent tribute to industry leaders, lawmakers, technologists and other significant industry contributors to commemorate and honor their commitment to promoting and preserving competition in the telecommunications industry.

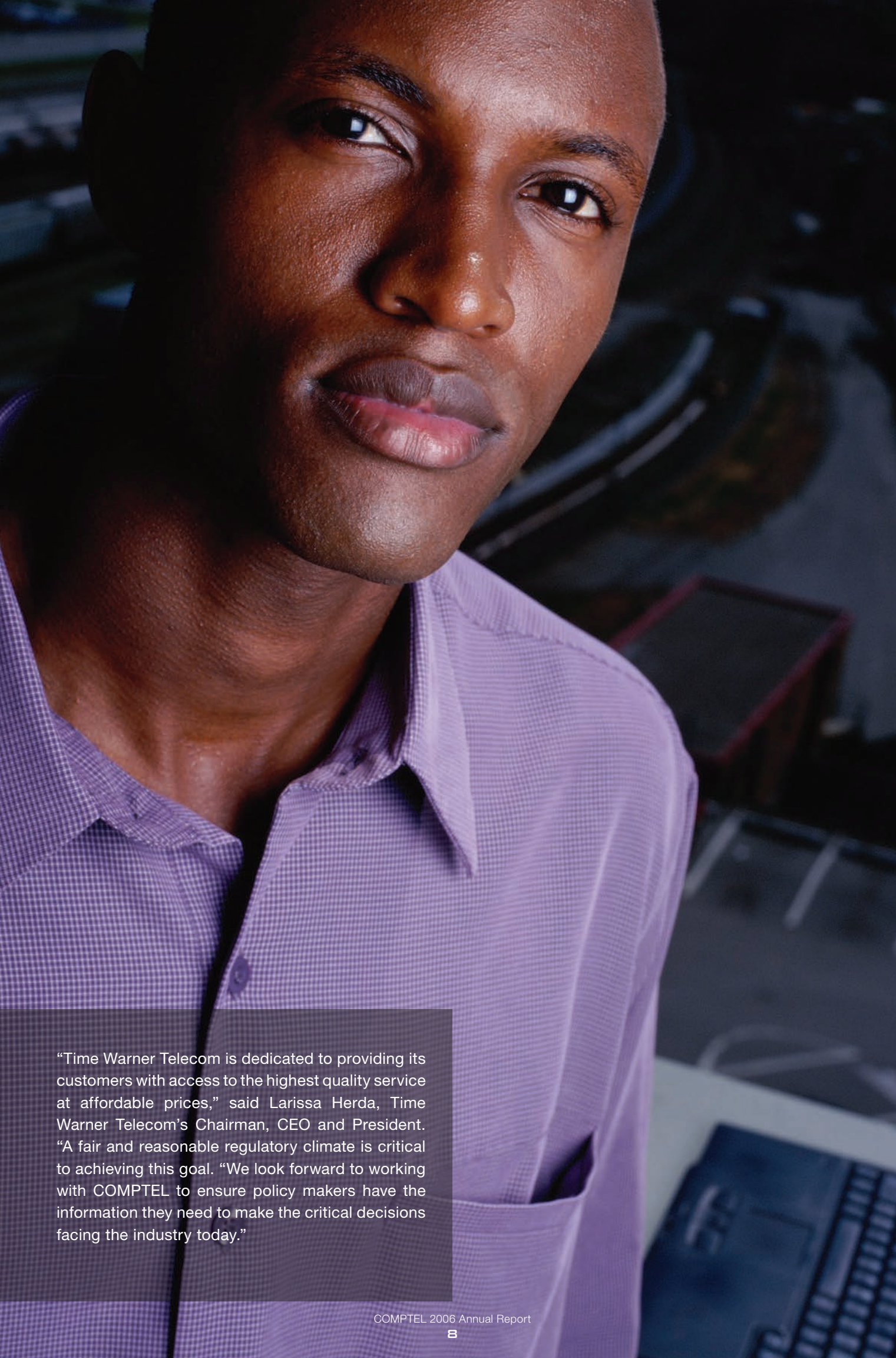
Champions of Competition award winners are selected annually by COMPTTEL's Board of Directors. In 2006, COMPTTEL honored F. James Sensenbrenner, Jr. (R-Wis.), Chairman of the House Committee on the Judiciary, with its Champion of Competition award. Chairman Sensenbrenner's tremendous efforts to advance competition and consumer choice were publicly recognized at the association's Spring Convention & EXPO in San Diego last March.

Past Champions of Competition have included Senator Ted Stevens (R-Alaska), Chairman of the Senate Commerce, Science and Transportation Committee; the Honorable Charles "Chip" Pickering Jr. (R-Miss), United States House of Representatives; and FCC Chairman Kevin J. Martin.

McDowell Leaves COMPTTEL for FCC

The Senate in March of last year confirmed Robert M. McDowell, COMPTTEL's Senior Vice President and Assistant General Counsel, to serve as Commissioner on the Federal Communications Commission. (Include picture of Rob)





IMAGINE >> MEMBERSHIP

Based in Washington, D.C., COMPTTEL is the leading industry association representing competitive communications service providers and their supplier partners. COMPTTEL members are entrepreneurial companies driving technological innovation and creating economic growth through competitive voice, video, and data offerings and the development and deployment of next-generation, IP-based networks and services. COMPTTEL advances its members' interests through trade shows, networking, education, and policy advocacy before Congress, the Federal Communications Commission and the courts. COMPTTEL works to ensure that competitive communications providers can continue to offer lower prices, better service, and greater innovation to consumers.

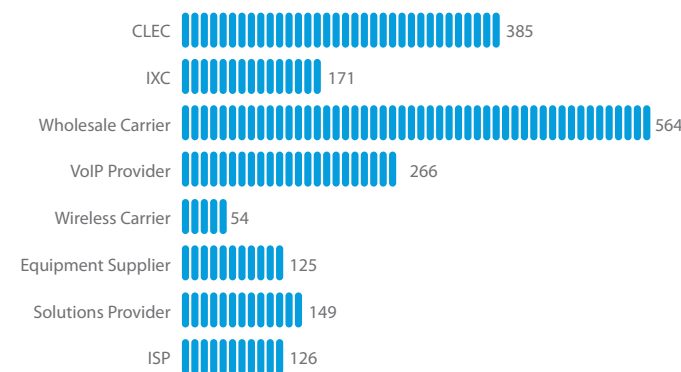
WHY BE A MEMBER OF COMPTTEL?

COMPTTEL provides a broad range of resources to assist its members in obtaining the tools necessary to compete in an ever-changing marketplace, and to understand how new technologies and services, as well as policy changes, will affect day-to-day and long-term business operations.

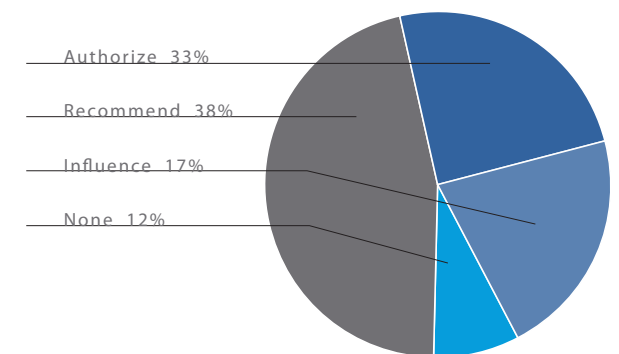
- From information on activities before the U.S. Congress and state legislatures to pending proceedings before the Federal Communications Commission, the Department of Justice, state regulatory agencies, and the courts, COMPTTEL is your one-stop shop for staying up-to-date on what's happening in the communications industry.
- Get your company the recognition it deserves through our website, association newsletters and magazines, and additional marketing and public relations efforts.
- Join us at our widely-recognized COMPTTEL PLUS Fall and Spring Conventions & EXPOs and (1) network with top industry players; (2) showcase your products and services; (3) increase the visibility of your company; (4) expand your sales opportunities; (5) discover the latest innovative technologies sweeping the marketplace; and (6) gain a competitive edge.

"Time Warner Telecom is dedicated to providing its customers with access to the highest quality service at affordable prices," said Larissa Herda, Time Warner Telecom's Chairman, CEO and President. "A fair and reasonable regulatory climate is critical to achieving this goal. "We look forward to working with COMPTTEL to ensure policy makers have the information they need to make the critical decisions facing the industry today."

COMPANY TYPE



COMPANY TYPE



"Cisco believes strongly in supporting the telecommunications industry and its representative associations. Via COMPTTEL, Cisco can effectively reach the competitive telecom constituents, and participate in this vital, vibrant community."



IMAGINE >> COMMUNICATION

COMPTEL President and CEO Earl Comstock made several appearances on television and radio last year. TV spots included a segment concerning the importance of preserving Net neutrality on PBS's "Moyers on America," hosted by Bill Moyers. Comstock further addressed the issue as the featured guest on C-SPAN's show "The Communicators," which is a weekly series featuring half-hour, one-on-one interviews with leaders shaping the communications industry.

Comstock and COMPTEL's policy team appeared on Bloomberg radio, as well as in Bloomberg's online publications, the Wall Street Journal, the Washington Post, the New York Times, the Los Angeles Times, USA Today, Forbes and many other main stream and trade publications.

2006 marked the fourth year of production of the COMPTEL Connection, the association's weekly e-newsletter that includes updates on COMPTEL's regulatory and legislative activities, as well as upcoming events and news from our member companies.

Always looking for new ways to keep our members informed and provide additional marketing and sponsorship opportunities, COMPTEL was pleased to launch two additional publications last year – COMPTEL VELOCITY and the COMPTEL INSIDER.

COMPTEL and its media partner, Virgo Publishing, joined forces last year for the launch of COMPTEL VELOCITY, an eight-page editorial supplement that runs on a quarterly basis in xchange Magazine. VELOCITY features articles spotlighting COMPTEL members and how they are reinventing their companies in the rapidly changing communications marketplace, updates and analysis on policy developments in Washington before the FCC, Congress and the Courts, and news briefs on networking and educational opportunities available through the association. COMPTEL member companies have the opportunity to sponsor the individual issues and receive exclusive coverage of their company by xchange editors.

The COMPTEL INSIDER was launched in advance of the COMPTEL PLUS Fall 2006 Convention & EXPO as another e-newsletter designed to keep registered attendees abreast of show news and events to ensure they get the most out of their time at COMPTEL PLUS.

COMPTEL's Communications Department encourages its member companies to take advantage of the many publicity opportunities the association offers through its publications and at its Spring and Fall shows, as well as other events throughout the year in Washington and in the states.

COMPTEL continued to make news throughout 2006 at the local, national, and global levels. The association's leadership and policy team are highly respected among media outlets and are frequently contacted to share their expertise and comment on behalf of the competitive communications industry.

ASSETS

	2006	2005
Cash & Cash Equivalents	\$2,840,895	\$2,875,737
Accounts Receivable	124,039	57,503
Prepaid Expenses	310,190	129,956
Investments	1,795,065	1,486,399
Property & Equipment, Net	369,354	36,684
Restricted Investment	90,514	87,795
Deferred Compensation	147,845	128,846
Total Assets	\$5,677,902	\$4,802,920

LIABILITIES AND NET ASSETS

Accounts Payable & Accrued Expenses	\$272,620	\$453,748
Deferred Revenue	1,413,158	1,562,665
Deferred Lease Incentive - Current	39,926	-
Deferred Lease Incentive - Long Term	232,900	-
Deferred Compensation	147,845	128,846
Total Liabilities	2,106,449	2,145,259
Net Assets - Unrestricted	3,571,453	2,657,661
Total Liabilities & Net Assets	\$5,677,902	\$4,802,920

3PV - Third Party Verification	Core Communications	InfoHighway Communications	RCN Corporation
Abovenet Communications	CoStreet Communications	Ingo	Remi Communications
Accedian Networks Inc.	Covad Communications Co.	Integra Telecom	RiverRock Systems
Acceris Communications	Covista Communications	Integretel, Inc.	RNK Telecom
Access Point Inc.	Creative Interconnect	Intelliverse (formerly Voicecom)	Road America Motor Club
Acme Packet	Communications, LLC	InterGlobe Communications	Sandy Beaches Software
ACN	CTC Communications	Interlink Global Corp.	Sansay, Inc.
Actelis Networks, Inc.	(sub of One Communications)	InterMetro Communications	SegTEL
Adaption Technologies	CTSI	(formerly Dakota Information	Sentito Networks
Advanced Software Concepts	Custom Network Solutions, Inc.	Systems)	Sentori, Inc.
(ASC)	CustomCall Data Systems, Inc.	Internet Society	SouthEast Telephone
Advantage Telcom	D2C Telecom	Interoute	Spirit Telecom
AGL Networks	Dagda Mor Media	Interstate Fibernet, a Deltacom	Sprint
AITech (Advanced Integrated	Daniels & Associates	Company	SRP Telecom
Technologies, Inc.)	Davis Wright Tremaine LLP	Iowa Network Services	Step 9 Corporation
Alliance Group Services, Inc.	DCA Services, Inc.	IRIS Networks	StoverLaw
ALLTEL / Windstream	DCI Voice Solutions	ITS Communications	Switch & Data Facilities Co.
Communications	DDR Broadband Networks	Kelley Drye Collier Shannon	Syniverse Technologies
Alpheus Communications	Dickstein Shapiro	Kentucky Data Link, Inc. (KDL)	Sysmaster Corporation
Altman Vilandrie & Company	Digital Realty Trust	Last Mile Connections	Taqua, Inc.
American Fiber Systems	DLA Piper Rudnick Gray Cary US	Law Office of Clay Deanhardt	TCAST Communications Inc
AmeriMex Communications	LLP	LightSpeed Technologies	TCO Network, Inc.
AMI Communications	DSET Corporation	Lightyear Network Solutions, LLC	TDS METROCOM
Andiamo Telecom	DukeNet Communications	Line Systems, Inc.	TDS Telecom
ANI Networks	Dynavar Corporation	Logix Communications	Tech Valley Communications
Arbinet	Eagle Teleconference Service	Marcatel International	Technologies Management, Inc.
Arrival Communications	Earthlink	Martin Group, Inc.	Technology Law Group, LLC
Atlantic Communication Products,	Easton Telecom Services, LLC	McGraw Communications, Inc.	Tekelec
Inc.	ECI Telecom	McLeodUSA Telecommunications	Telecove (acquired By Level 3)
Atlantic-ACM	Edgewater Networks	Megagate Broadband	TelePacific Communications
Atrica, Inc.	Edison Carrier Solutions	Memphis Network	TeliaSonera International Carrier
BalsamWest FiberNET, LLC	Endeavor Telecom	NERA Systems	Telispire
BB&T Capital Markets	Enventis Telecom, Inc.	MetaSwitch	TelNet Worldwide
BCE Nexxia	Epik Communications	MetTel	Telstra Incorporated
BCN Telecom, Inc.	Equinox Information Systems	Microtech-tel	TexaTel
(formerly NUI Telecom)	Eschelon Telecom, Inc.	Midwest Telecom of America, Inc	The Conference Group
BellSouth	Eschelon Telecom, Inc.	Miller Isar	The Northridge Group, Inc.
BeQuick Software, Inc.	EUR Systems	Mintz, Levin, Cohn, Ferris,	The Pager Company
BillSoft, Inc.	European Competitive Tele Assoc.	Glovsky & Popeo, PC	The Telx Group, Inc.
Bingham McCutchen LLP	ECTA	Mpower Communications Corp.	Thermo Credit, LLC
(formerly Swidler Berlin)	Everyone.net	(acquired By TelePacific)	Thomson Tax and Accounting
Blackfoot Communications	Excel Telecommunications	Multipoint International	(formerly Telecom Compliance
Blue Tie, Inc.	(formerly Comtel Telcom Assets)	NCIC Operator Services	Services)
BridgeWave Communications	FDN Communications	NEON Communications, Inc.	Transaction Network Services
Bright House Networks	FiberLight, LLC.	Network Insight	Transcom Holdings, Inc.
BroadRiver Communication	Fiberlink, LLC	NetworkIP	TransNexus
Corporation	FiberNet Telecom Group Inc.	NeuStar, Inc.	Transworld Network Corporation
Broadview Networks	Fibertech Networks, LLC	Neutral Tandem	Tri-M Communications, Inc. D/b/a
Broadwing Communications, LLC	FiberTower Corporation	New Edge Networks	TMC Communications
BSG Clearing Solutions	FibroLAN	New Global Telecom	Trinsic Communications
(formerly Billing Concepts)	First Communications	New Paradigm Resources Group	(formerly Z-Tel Communications)
BT Americas, Inc	Fleischman and Walsh	NewCross Technologies, Inc.	Turin Networks
Buccino & Associates, Inc.	Fones4All	NexTone Communications, Inc.	UDP
BullsEye Telecom, Inc.	Forte Telecommunications	Norlight Telecommunications	United Telecom Council
C-CAMS Inc.	Consulting, Inc.	Northern Telephone & Data (NTD)	US Signal Company LLC
CALTEL	FPL Fibernet	NTI (Northwest Telephone, Inc.)	USCarrier Telecom
Candice Clark Consulting	France Telecom Long Distance	NTT USA, Inc.	VANCO Direct USA
- USA	Funds for Learning	Nuvox Communications	VCOM Solutions, Inc
CarrierCOM LP	GENBAND	One Communications, Inc	VeriSign
Casey, Gentz & Magness, LLP	General Communication, Inc. (GCI)	(formerly Choice One)	Vero Systems, Inc.
Cassara Management Group, Inc.	GeoResults, Inc.	OneEighty Communications	Vertek Corporation
Cavalier Telephone	GH Associates	OneEighty Networks	Vonage Holdings
Cbeyond Communications, LLC	GigaBeam Corporation	OnFiber Communications, Inc.	VOX Communications Corp.
CCMI	Global Capacity Group, Inc.	(sub of Qwest Communications)	VSNL America
Champion Optical Network	Global Internetworking	Onvoy	WBS Connect
Engineering	Globalcom, Inc.	OSG Billing Services	WCI
CIMCO Communications	GlobalTouch Telecom	Pac-West	Westel
Cinergy Communications	Grande Communications	Pacific LightNet Inc.	White Rock Networks
Cisco Systems	Great Works Internet	PAETEC Communications	Williams Mullen, PC
CIT Group, Inc.	Grid4 Communications	Paradyne (sub of Zhone)	Womble Carlyle Sandridge & Rice
Citynet	Hatteras Networks	Performance Technologies	WorldNet Telecommunications
ClearTel Communications, Inc.	HKCOLO	Phone + Magazine	Xfone.USA, Inc.
Coastal Technologies Group	Homisco	PointOne	(formerly EXpeTel
Cole, Raywid & Braverman	HTLT Technologies	Power & Telephone Supply Co.	Communications)
Columbia Capital	Hypercube LLC	PPL Telcom, LLC	XO Communications, Inc.
Communications Data Group	IDT Corporation	Preferred Long Distance	Xspedius Communications
Compliance Solutions, Inc.	ILD Telecommunications, Inc.	Profitec Billing Services, Inc.	XTel Communications, Inc.
ComTec, Inc	Independent Optical Network	Progress Telecom	Zhone Technologies
Connexion Technologies	Indiana Fiber Works	(sub of Level 3 Communications)	
Consolidated Communications	INetworks Group, Inc.	Qwest Communications	
Control Point Solutions	Info Directions, Inc.	Razor IP, LLC	
(formerly Broad:margin)		(formerly Direct Line	
CopperCom		Communications)	