

# RADIO TV REPORTS, INC.

4701 WILLARD AVENUE, CHEVY CHASE, MARYLAND 20815 656-4068

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FOR MCI TELECOMMUNICATIONS

PROGRAM News 7 STATION WJLA TV  
DATE December 13, 1982 6:00 PM CITY Washington, DC  
SUBJECT MCI Poses New Challenge to Bell

DONALD SALTZ: For the first time, MCI Communications will provide telephone services outside the United States. MCI has arranged with a group of Canadian phone companies for calls between the two companies [sic] over the MCI network. This will provide access to 60% of the telephones in Canada starting April 1st. And by that date, MCI also expects to offer some phone services to Europe.

Meanwhile, the Bell System's new unregulated subsidiary, American Bell, says it has plans for home video banking and shopping. American Bell starts business on January 1st, and that will include data processing and information retrieval.

American Bell will start out with 28,000 employees.

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FOR MCI TELECOMMUNICATIONS

PROGRAM Channel 4 News: 6:00 Report STATION WRC TV  
DATE December 13, 1982 6:00 PM CITY Washington, DC  
SUBJECT MCI Inaugurates New Service

JIM VANCE: MCI is challenging Ma Bell over its long distance service for a long time now. And Joe Krebs reports MCI today offered a new challenge.

JOE KREBS: Free holiday long distance phone calls. MCI has set up these telephones in shopping malls all over the country to advertise, to give out free samples of their long distance telephone service. It seems like the perfect thing for someone like me with eight brothers and sisters spread out all over the country.

Elsewhere this morning, MCI Chairman William McGowan was announcing his company's latest challenge to the Bell System: international long distance for MCI subscribers.

WILLIAM G. MCGOWAN: We're very proud of the fact that it is Canada. Canada has agreed that there will be switched voice international direct distance dialing between the United States and Canada.

KREBS: As now planned, the service would go into effect, U. S.-to-Canada, starting April 1st; Canada-to-the-U. S., July 1st. It would involve the cities of Calgary, Toronto, Ottawa and Montreal.

Hello, Maryellen. This is your brother, Joe.

Long distance is the fastest growing part of the telecommunications field. At the end of World War II, it was 6% of the business. Today it is 51%.

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Hey, Frank, this is Joe. Jane, Joe here. How are you doing?

Margie, this is Joe.

Close to 300,000 calls a day come through MCI's switching system here in Washington, part of the reason why MCI is the largest of the non-Bell long distance companies.

Hello, Robb, Joe. Hello, Betty, this is Joe. Sue, Joe here.

It is the largest by far, but not the only. There are three others that provide their own network; that is, cables, microwave or satellites, and some 200 smaller companies that buy service, like WATS lines, from the larger ones and resell it.

Hey, Cath, this is Joe.

All the competition, though, takes up about 5% of the long distance business. That leaves about 95% for Bell.

Hello, Mom, this is Joe. Joe Krebs, Channel 4 News?

VANCE: Tough for ma to remember sometimes with all those kids.

MCI says you can expect to save 10 to 20% when its long distance service to Canada becomes available. That will be early next year.

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FOR MCI TELECOMMUNICATIONS

PROGRAM Eyewitness News STATION WDVM TV  
CBS Network

DATE December 13, 1982 6:00 PM CITY Washington, DC

SUBJECT MCI Introduces Canadian Service

SHAUN BRIGGS: MCI will offer long distance service to Canada and will offer prices lower than AT&T.

It will be the first long distance service to another country other than via Ma Bell.

Until now, the competition for your long distance calls has been limited to the United States.

MCI had to wait for an FCC ruling last week allowing other companies to offer long distance service to other countries. Beginning April 1st, MCI will begin service to three Canadian area codes, the Toronto, Montreal and Ottawa areas. Americans can call there, and Canadians can also use MCI to call the States.

MCI president William McGowan says Canadian phone companies volunteered to offer the alternate service, unlike the lawsuit it took in this country for MCI to compete with AT&T. McGowan says by next year, service to other countries will be announced routinely.

WILLIAM G. MCGOWAN: A number of international and, obviously, overseas countries. So we've been working that process quite a bit.

BRIGGS: McGowan also talked about the other long distance companies springing up that are doing to MCI what MCI did to AT&T. That is, lease equipment and transmission lines from MCI or AT&T, and then turn around and offer even cheaper phone service.

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McGowan predicts that while they can make money now, eventually the companies who own the equipment will have the right or the need to jack up what they charge to use the equipment, and the companies that do not own equipment of their own will not be able to make a profit or offer that cheaper service.

By the way, MCI still leases from AT&T in some places, but is spending \$12 million a week on equipment to avoid just such a squeeze as he outlined.