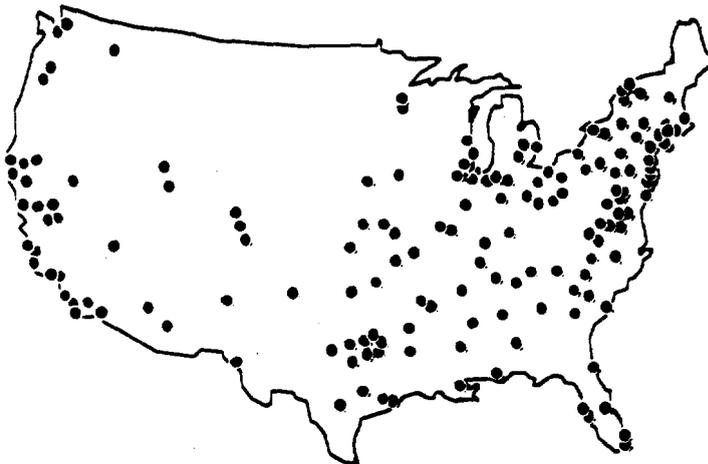


Reliable Local Service — Nationwide

MCImetro™ delivers service to your door over one of the most sophisticated and reliable networks ever built. We've invested in the newest digital equipment and state-of-the-art network architecture. And because MCImetro is backed by MCI®, a nationally recognized pioneer of telecommunication services, you'll find the same uncompromising standards of technical excellence — everywhere your business operates — all across America. We take local service seriously. We own and operate conduit and fiber cable facilities in more than 200 cities nationwide.



What's more. MCImetro's SONET fiber optic network architecture — the standard in every local network where MCImetro offers services — provides enormous capacity, superior flexibility and unmatched reliability. This means your service is monitored proactively, around the clock, to detect problems and initiate corrective action almost instantaneously — *before* a service failure actually occurs.

Capacity

- Transmission speeds up to 2.4 Gbps.
- Capacity for voice, data and real-time video applications.

Flexibility

- Faster service activation through remote turn-up after initial installation.
- High level of built-in redundancy and diversity, with two routing options *always* available.
- Non-intrusive testing allows circuits to be tested without being taken out of service.

Reliability

- Self-healing design re-routes traffic instantly in the event of equipment outage or fiber cuts.
- Remote trouble management allows repairs and service restorations to be accomplished more quickly.

Ask your MCImetro representative for more information about the bulletproof reliability of our service — including our guarantee.

A New Standard In Local Service

Now You Have A Choice

In cities across the U.S., we've listened to hundreds of businesses demanding more and better service from their local provider. That's why MCImetro™ introduces local communications services with these important differences:

Cutting-Edge Technology Unsurpassed Reliability

MCImetro delivers unparalleled communications flexibility right to your door. With communications assets in more than 200 cities nationwide, we're installing state-of-the-art SONET fiber optic networks and the latest digital switching equipment. Very simply, we're out to deliver bulletproof reliability for all your local voice, data and video communications needs.

Responsive Customer Support And Personal Service

MCImetro delivers the prompt, customer-focused service you'd expect from a leader in the industry. No more layers of phone company bureaucracy to get a simple answer. At MCImetro, you come first.

A National Standard Of Excellence

MCImetro is a wholly-owned subsidiary of MCI[®] so you can rely on the highest standard of service excellence and systems and network expertise — wherever your business operates.

An Eye Toward The Future

You can count on MCImetro to expand its service offerings throughout the U.S. as regulatory environments become pro-competitive. We will offer a full spectrum of basic and enhanced local telecommunications services. We're working with our customers today — as we build our seamless network — to ensure we deliver the products and services which they need to manage their business communications more efficiently. MCImetro is committed to making our customer's vision of the future a reality.

1-800-40-metro

Think

MCI Local Service

MCI is rolling out new local service across America. To find out more, select one of the fol

Tell me more about MCI Local Service for my:

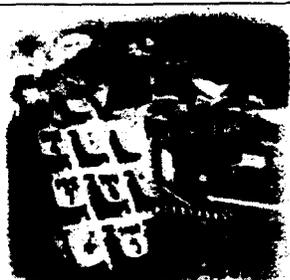
[Home](#)

[Small Business](#)

[Medium to Large Business](#)

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MCI Local Service



- About MCI Local Service
- Service Availability
- Early Success
- MCI: Friends of the Community
- Insight to Local Competition
- MCI Office Locator
- Find Out More

With the passing of the local telecommunications bill, you now have the right to choose a local carrier. And many people are selecting MCI Local Service.

When your company chooses MCI Local Service, you'll gain the benefits of one-stop shopping for all local and long distance voice, data and video services. Plus, you'll have the convenience of an integrated invoice that combines all of your local and long distance charges on one simple monthly statement. What's more, with MCI Local Service you'll get outstanding customer support, a reliable network, integrated communication services and monthly savings.

About MCI Local Service - MCI Local Service offers a variety of high-quality local telephone services over one of the most sophisticated and reliable networks ever built.

Service Availability - MCI Local Service is currently available in many cities across the United States, and will be available in additional cities throughout 1997. Find out here if MCI Local Service is available in your city.

Early Success - Many businesses are already enjoying the one-stop shopping convenience, integrated invoicing, and outstanding customer service that comes with MCI Local Service.

MCI: Friends of the Community - MCI sponsors a number of community events through the MCI Foundation, at the heart of which is a commitment to bringing opportunity and a better quality of life to communities.

Insight to Local Competition - MCI is working hard to bring local competition to cities across the U.S. In this section, you will find a wealth of information about the Telecommunications Act of 1996, the background behind the issues, and the legislation being passed to support it.

MCI Office Locator - Connect to our U.S. Office Locator to find the address of an MCI Regional Sales Office near you.

Find Out More - If you would like to request more information on MCI Local Service or to receive literature on our products, please fill out our information form, and we will help to determine the MCI Local Service options that meet your needs.



Michigan Branch

★ **Detroit**
One Towne Square, Suite 900
Southfield, MI. 48706
Main: 810-351-5330
800 Number: 800-274-4856
Fax: 810-351-5308
VNET: 445-9780

○ **Grand Rapids**
3196 Kraft Avenue S.E.,
Grand Rapids, MI. 49512
Main: 616-956-0592
800 Number: 800-888-0098
Fax: 616-956-9087
VNET: 543-5400



About MCI Local Service

A new standard in local service

Now you have a choice. Through MCI Local Service, businesses across the U.S. are receiving high-quality local telephone service over one of the most sophisticated and reliable networks ever built. At the same time, they are realizing all the benefits of having both their local and long distance service provided by just one company - MCI.

[MCI Local Service Options](#)

[Advantages of MCI's Integrated Service](#)

[What to Look For in a Local Provider](#)

[Network Reliability](#)

[Find Out More](#)



MCI Local Service Options

MCI Local Service Options | [Advantages of MCI's Integrated Service](#) | [What to Look For in a Local Provider](#) | [Network Reliability](#) | [Find Out More](#)

MCI offers a variety of local services to meet the varying needs of your business.

Local Line Service:

Feature-rich service over a single line

Local Trunk Service:

A comprehensive service
outstanding in the industry

Voice Messaging Services:

A productive way to streamline communications

Digital Gateway Services:

Optimized to maximize your efficiencies

Dedicated Access:

Flexible services provide network solutions

Everything you have today:

All this plus more

MCI Local Service: Local Line Service

MCI Local Line Service is a full-featured analog service, delivered over a single voice-grade communications channel and provisioned like a Centrex line. Local Line Service allows customers to choose from the following software-defined features at no additional cost:

Customer group dialing plans for internal, external and long distance speed dialing.

Direct Inward Dialing (DID), Direct Outward Dialing (DOD) and hunting.

Access codes to activate/deactivate features

Standard call-answering features like:

- Call Forwarding
- Call Hold
- Call Waiting
- Call Pick-up
- Call Park
- Call Transfer

Time-saving features such as:

- Speed Calling
- Conference Calling
- Three-way Calling

- Do Not Disturb

Cost-control features like:

- Accounting Codes
- Class of Service (COS)

Optional Features such as:

- Call Number Delivery
- Call Number Delivery Blocking
- Voice Messaging Services

Everything you have today.

Find Out More about MCI Local Service or Local Line services.

MCI Local Service: Local Trunk Service

For companies with a PBX or key system, MCI's Local Trunk Services provide both digital and analog services to meet your business needs today and tomorrow. The services gives customers the option to link equipment to trunks such as:

- Central Office trunks
- Direct Inward Dial trunks
- Direct Outward Dial trunks
- High-capacity trunks via T-1

The family of Local Trunk products include:

- Local Trunk - Basic: An analog line that can be configured for inbound, outbound, or two-way traffic.
- Local Trunk - DID: An inbound-only analog or digital trunk offering Direct Inward Dialing for such needs as 800, 888 or 900 number services.
- Local Trunk - Digital Interface: A high-capacity digital trunk providing the option of using all or part of 24 channels.

Everything you have today.

Find Out More about MCI Local Service or Local Trunk Services.

MCI Local Service: Voice Messaging Services

Depending on your business needs, MCI Local Service customers can choose from two Voice Messaging services: Voice Mail and Voice Mail with Call Assistant.

Voice Mail

Voice Mail is a vital component of day to day business. Does your Voice Mail offer the features that you need? You will never miss a call with the following features from MCI Local Service:

- Call Answering:** Automatically forwards calls to Voice Mail when your phone is busy or you can't answer it.
- Message Notification:** Alerts you to new messages so you never miss a call.
- Message Desk:** Allows you to access your messages from anywhere.

Administration Account: Streamlines the management of your Voice Mail system, regardless of how many local lines you have.

Message Retrieval and Review: Enables you to review and respond to your Voice Mail, 24 hours a day, 365 days a year.

Voice Mail with Call Assistant

Should your users want additional features, Voice Mail with Call Assistant includes all the features of Voice Mail, plus the following enhanced features:

Call Screening: Allows you to hear the voice of the caller so you can screen your calls.

Send Call Option: Enables you to send all of your calls directly to Voice Mail when you need time without disturbance.

Toll Saver: Lets you check for messages when out of the office, and avoid toll charges if you have no messages.

Find Out More about MCI Local Service and Voice Messaging Services.

MCI Local Service: Digital Gateway Services

MCI's Digital Gateway Service allows you to optimize excess capacity to access local and long distance services across dedicated T-1 channels. By utilizing unused channels on your company's T-1 line, MCI can provide local service right to your door. No other provider offers such an integrated, end-to-end solution.

Digital Gateway customers receive the following benefits:

Local usage contributes to long distance discounts.

One, integrated bill that combines all monthly charges.

One, toll-free 800 number to call for answers to any questions that you may have.

A dedicated local service account team dedicated to keeping you a satisfied customer.

Full utilization of Digital Gateway Channels.

Enhanced integration of products for MCI Vision and Vnet customers.

Find Out More about MCI Local Service and Digital Gateway Services.

MCI has dedicated access services to meet the needs of any business. Depending on your needs, choose from four levels of dedicated access offered by MCI - DS0, DS1 (or T-1), DS3, and OC3. MCI is prepared to serve your needs - whether you desire LAN connection or operate a major call center - MCI Local Service has an option for you.

MCI Local Service: Dedicated Access - DSO

MCI Local Service Dedicated Access - DS0, offers you a single 64 Kbps digital communications channel with the flexibility to operate in four modes:

Voice Grade Communications

Voice Grade Data Transmissions

Digital Data Service (DDS)

Clear Channel Digital Service

Applications:

- Tie lines between two key systems or PBXs
- Automatic ring-down or "hotline" services
- Off-premise extensions
- Direct data connections between any terminal and your host computer
- Direct access to any LAN
- Connection to a X.25 packet-switched services

Technical Specifications:

- Transmission Speed: 64 kbps maximum
- Wiring: 2 or 4 wire termination
- Number of Channels: 1

MCI Local Service: Dedicated Access - DS1

MCI Local Service Dedicated Access - DS1, offers a high capacity digital communications link for businesses with large or high volume needs. Also known as a T-1, is a 1.544 Mbps circuit that can be configured for channelized or unchannelized access.

Applications:

- PBX digital trunking
- LAN interconnection
- Video Conferencing
- Remote Terminal access
- Database Look-up
- Dedicated Access to SMDS, Frame Relay or other advanced data services

Technical Specifications:-

- Transmission Speed: 1.544 Mbps
- Wiring: 4-wire Standard DS1 Connection
- Signaling Format: ESF or SF
- Line Coding: AMI or B8ZS

MCI Local Service: Dedicated Access - DS3

If your business has very large communications needs, MCI Local Service Dedicated Access - DS3 services offers high-speed data streams for LAN inter-networking and mainframe connections.

DS3 offers a high capacity digital communications link that supports very large business applications, through a 45 Mbps circuit - the equivalent of 28 DS1 circuits, at less than half the cost.

Its also perfectly suited for businesses with very large voice communications needs - such as large travel and reservation or customer service operations.

Applications:

- Private corporate networks for voice and data
- Carrier-to-carrier high capacity links
- Full motion - TV quality video links for corporate broadcast systems

Dedicated access to long distance

SMDS Service

Dedicated or virtual private link access to Asynchronous Transfer Mode (ATM) switches and services

Technical Specifications:

Transmission Speed: 45 Mbps

Number of Channels: 672 DS0 65 Kbps channels, 28 DS1 Equivalents

MCI Local Service Dedicated Access - OC3

MCI Local Service Dedicated Access - OC3, is the highest level access option to meet the demands of the largest and most sophisticated communications applications. MCI is committed to serving the highest end telecommunications needs.

Dedicated Access - OC3, delivers a bandwidths of 155.52 Mbps, the optical equivalent of three DS3 circuits.

Applications:

Private corporate networks for voice and data

Carrier-to-carrier super high capacity links

Full motion, TV-quality video links for corporate broadcast systems

Dedicated access to long distance

Dedicated or virtual private line access to Asynchronous Transfer Mode (ATM) switches and services.

Technical Specifications:

Transmission Speed: 155.52 Mbps

Interface: OC3 Optical

Find Out More

Everything You Have Today

MCI Local Service provides you with the same comprehensive services provided by other local exchange carriers, including:

Telephone Number assignment

Universal Calling

- Local Calling

- IntraLATA Toll Calling

- IntraLATA Calling

Service Access Codes (800, 500, 700 numbers)

Emergency 911 Services

Operator and Directory Services

Telecommunications Relay Services

Inside Wiring

Equal Access

- IntraLATA

- InterLATA

Find Out More

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[[Calling & Card](#) | [Rewards](#) | [Paging & Cellular](#) | [Software](#) | [Online](#) | [Data & Networking](#) | [Consulting](#)]

Calling

Welcome to MCI Calling services for your home. Here you can explore the many ways MCI can save you money on long distance, and make calling when away from home more convenient.

MCI Home Phone Service

Finally, consumers have a choice of local telephone service. The one to choose? MCI Home Phone Service. MCI Home Phone Service offers you unlimited local and local toll calls for one low monthly charge. No more boundaries or restrictions-just one flat rate for a much larger calling area. You can enjoy the simplicity of MCI Home Phone Service on its own or in addition to any one of MCI's long distance plans.

Find out if [MCI Home Phone Service](#) is available in your area.

MCI Personal 500

Home, office, car, hotel, fax, or pager, MCI Personal 500 gives your callers a direct connection to you anywhere you are... anytime day or night. Wherever you are, your MCI Personal 500 number can automatically forward calls to you throughout the U.S., and in 250 countries and places worldwide. And when you can't answer, callers can leave messages in your private voice mailbox. You can hear them from any phone in the U.S.

To obtain MCI Personal 500 service, call 1-800-498-0972.

Find out more about [MCI Personal 500](#).

MCI Card with WorldPhone

The MCI Card is a fast, easy way to call anyone, anytime when you're away from home. And the MCI Card comes with built-in MCI Card StepSavers that make calling even simpler. Above all, the MCI Card gives you consistent pricing and low MCI rates so you can avoid expensive hotel charges and high-priced payphones.

The MCI Card and its WorldPhone service make it easy and affordable to call the U.S. from over 100 countries and to even call country-to-country in over 57 countries.

[Order an MCI Card online](#) or call 1-800-444-3333.

Find out more about [MCI Card with WorldPhone](#).

MCI Business Phone Service

Now Available in Your Area!

If your business is spending too much each month on local calling charges, MCI Business Phones Service may be the plan for you. For a low monthly charge of only \$20.00, MCI Business Phone Service gives you a comprehensive calling plan that includes your first phone line and 400 calls throughout your local calling area. Each additional phone line, including 400 calls, is just \$15.00 per month.* That's a 25% savings on multiple phone lines. Any additional local calls are billed at MCI's competitive rates.



MCI also knows that your workday isn't always 9 to 5. That's why MCI Business Phone Service is backed with 24 hour Customer Service, 7 days a week, ready to help with billing, maintenance and repair questions at any time.

For more information on MCI Business Phone Service, please call 1-800-317-3228. Or, if you would like a representative to contact you, please click [here](#).

* These rates are available on up to 20 business phone lines per customer.

MCI Business Phone Service Benefits Recap:



Low monthly charge includes one business phone line and 400 local calls.

25% savings on each additional phone line.

No rate per minute - talk as long as you like on each of your 400 calls - included in one simple monthly charge.

Available with any of MCI's long distance plans, or independently.

Business phone number remains exactly the same -- no extra digits to dial to take advantage of MCI service.

Standard listing in the Yellow and White Pages remains the same.

No need for new telephone wiring for transfer of existing service. If you decide to add extra lines, local technicians will be available to assist you.

MCI is available 24 hours a day, 7 days a week, to answer any billing, maintenance or repair questions. If you require on-site assistance with repairs, technicians are available to quickly service your needs.

MCI Business Phone Service Available Calling Features:

Additional MCI Business Phone Service calling features are available in most areas.

Call Waiting-Afraid you're missing important calls while you're on the phone? Let Call Waiting tell you when you have an incoming call. You can put the first caller on hold while you answer the incoming call, so you'll never have to worry about calls getting through.

Call Blocking-Sometimes you don't want to be disturbed. Call Blocking lets you program your phone to reject up to 10 phone numbers. If you get a call from one of these numbers, your phone won't even ring-and the caller will get a polite message saying that you're not taking calls.

Three-Way Calling-Ever feel like you need to be in two places at once? With Three-Way Calling, you can be. If you're already on the phone and want to add another person to the conversation, Three-Way Calling makes it easy. Talk to two people at once, or put one person on hold while having a private conversation with the other.

Speed Dial-Pressed for time? Speed Dial gives a shortcut to dialing numbers. Entering a code quickly connects you to one of 8 frequently dialed numbers you've selected.

Call Forwarding-Away from the office? On vacation? Sometimes it's important for people to reach you no matter where you are. Call Forwarding lets you take your MCI service with you wherever you go by automatically forwarding your calls to any number in the world.

Call Return-Can't get to the phone in time? Call Return lets you call back the last incoming call. You'll never miss a call again.



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MCI Home Phone Service

Now Available in Your Area!

MCI Home Phone Service is a comprehensive calling plan with unlimited local and local toll calling. MCI has eliminated the restrictions that can make local calling complicated and expensive. For one low monthly charge of \$24.95, you can call as often as you like, and talk as long as you like throughout an expanded calling area. Plus you will receive exceptional customer service, available 7 days a week, 24 hours a day.

See how MCI can expand your local calling area. Right click (or command-click for Macintosh users) on the map near your city to zoom in for a closer look. Each shaded area on the map represents an expanded calling area. With MCI Home Phone Service, your expanded calling area includes all of the local calls you currently make, plus all calls to anyone within your new expanded calling area. Everything is included in one low monthly charge. No additional local charges - no surprises.

For more information on MCI Home Phone Service, please call 1-800-689-0309. Or, if you would like a representative to contact you, please click [here](#).

FutureSplash Plug-in required

Windows Users:
Right-click to zoom

Macintosh Users:
Command-click to zoom

Click and drag to scroll the map.

MCI Home Phone Service Benefits Recap:



All local and local toll calls are included for one low monthly charge.
Simplifies calling by eliminating boundaries and restrictions.
No dialing extra digits to receive the benefits of MCI Home Phone Service.
No need for new telephone wiring for existing phone lines.
Available independently or with MCI's long distance service.
Keep your existing phone number, directory assistance, and access to 911 and 411
MCI Customer Service is available 24 hours a day, 7 days a week.

MCI Home Phone Service Available Calling Features:

Additional MCI Home Phone Service calling features are available in most areas.

Call Waiting-Afraid you're missing important calls while you're on the phone? Let Call Waiting tell you when you have an incoming call. You can put the first caller on hold while you answer the incoming call, so you'll never have to worry about calls



What to Look For in a Local Provider

[MCI Local Service Options](#) | [Advantages of MCI's Integrated Service](#) | [What to Look For in a Local Provider](#) | [Network Reliability](#) | [Find Out More](#)

Now that you have a choice in your local telecommunications service, you need to know what to look for in a local provider. You also need to know that just one company is setting the standard in providing both local and long distance service - that company is MCI.

Will your local provider offer one-stop-shopping for all of your telecommunications needs - including local service, long distance, Internet, paging and cellular - all from one company? MCI will.

Will you be able to combine your local service and long distance usage to take advantage of volume discounts to reduce your overall costs? You will with MCI.*

Will you receive an integrated invoice for local service and long distance service that is easy to understand and track and requires just one easy payment each month? With MCI you will.

Will you have a dedicated account representative to serve all of your communications needs and offer better solutions for your business? With MCI the answer is Yes!

Will you have a local service team of experts dedicated to giving complete attention to your local network needs? With MCI you will.

Will your local service provider offer SONET fiber optic network architecture, providing the capacity, flexibility, and reliability needed for today's communications? With MCI, the answer is Yes!

Will your network be self-healing and proactively monitored for both local and long distance to guard your business against network outages - 24 hours a day, 365 days a year? With MCI it will.

With MCI Local Service, the answer is Yes.

As an MCI Local Service customer, you'll receive:

- An integrated, feature-rich set of service offerings
- A single integrated invoice
- Enhancement of your MCI long distance volume discount
- End-to-end network trouble management
- Simplified communications management

[Find Out More](#)

* Cross-volume discounts not available when MCI furnishes local services utilizing resold facilities.

MCI Local Service: Network Reliability

[MCI Local Service Options](#) | [Advantages of MCI's Integrated Service](#) | [What to Look For in a Local Provider](#) | [Network Reliability](#) | [Find Out More](#)

MCI Local Service delivers your calls over one of the most sophisticated and reliable networks ever built. MCI has invested in the newest digital equipment and state-of-the-art network architecture. Together you'll find uncompromising standards of technical excellence -all across America.

What's more, MCI's SONET fiber optic ring architecture, the standard in which every MCI Local Service city is based, provides the highest level of network protection available against disasters.

Our SONET networks are designed in a self-healing fiber ring - which minimizes the risk of outages along the local network by utilizing a circular configuration in which two paths are available at all times. If a cut is detected anywhere along the ring, traffic automatically switches and is rerouted in the other direction.

The key advantage of SONET self-healing rings is that they switch traffic almost instantly. In most cases businesses and the application itself will not even realize a cut has occurred. SONET self healing rings represent a significant improvement over older network plans.

The enormous bandwidth of SONET offers a superior match for businesses where large amounts of data or information-intensive applications must be served. The rapid emergence of image-based applications, full motion video, video conferencing, and even still-screen video all demand the large bandwidth requirements enabled through a SONET transmission service.

The MCI network is one of the most sophisticated and reliable networks ever built. By design, our architecture allows us to proactively monitor your service around the clock to detect problems and initiate corrective action before a service failure actually occurs.

One example of how MCI Local Service is bringing our customers the highest standard of technology available for network reliability.

[Find Out More](#)



Advantages of MCI's Integrated Service

[MCI Local Service Options](#) | [Advantages of MCI's Integrated Service](#) | [What to Look For in a Local Provider](#) | [Network Reliability](#) | [Find Out More](#)

Now From Around the World to Just Around the Corner

Planning for tomorrow's business strategies requires a communications company, not just a phone service. The introduction of MCI Local Service helps you build the foundation for your corporation's future needs with services unlike those offered by other local service alternatives.



You'll receive:

24 Hour Customer Support - An MCI Account Manager dedicated to finding solutions to your business needs, plus one number to call to answer all your local and long distance questions.

One Integrated Invoice - A combined invoice for all your local and long distance services.

One Company - All your local and long distance voice, data, and video services from one source.

The Highest Quality - With industry leading SONET architecture, we offer service over one of the most sophisticated and reliable networks ever built.

Customized Local Service - Timesaving options and cost-control features that offer you sophisticated services.

[Find Out More](#)

LEVEL 1 - 179 OF 265 STORIES

Copyright 1996 Phoenix Newspapers, Inc.
THE ARIZONA REPUBLIC

November 5, 1996 Tuesday, Final Chaser

SECTION: BUSINESS; Pg. E1

LENGTH: 730 words

HEADLINE: MCI THINKS GLOBALLY, ACTS LOCALLY;
MERGER WOULD GIVE IT CASH TO PUSH INTO BABY BELL AREAS

BYLINE: By Hiawatha Bray, Boston Globe

DATELINE: NEW YORK

BODY:

British Telecommunications PLC's buyout of MCI Communications Corp. is already generating hype about the communications business going global.

Take this statement from the news release the companies issued Sunday to herald their \$20.8 billion deal, the biggest foreign takeover ever of a U.S. company:

"This merger creates the world's first global communications company, with trans-global customers, a multinational management team, dual transatlantic headquarters and shares traded on three stock exchanges globally."

But there's an interesting twist: This megadeal is just as much about competing in local phone markets across the United States as it is about wiring the rest of the world.

That's because the next big move for Washington, D.C.-based MCI is into the local telephone business now controlled almost exclusively by regional Baby Bells like US West and Nynex. It's a \$100 billion-plus market that has been thrown open to competition as part of a sweeping telecommunications bill signed into law in February.

MCI, very simply, will use British Telecommunications' fat checkbook to launch an offensive in big cities across the country while it defends against the Baby Bells' forays into long distance, the other significant change coming out of the new telecom law.

"MCI needs the infusion of capital to enter the next chapter of competition: local service, continuing to take market share from AT&T and to stem encroachment of the Bells into long distance," Ken McGee, an analyst at Gartner Group in Stamford, Conn., told Bloomberg Business News.

MCI has spent about \$1 billion building the network it needs to provide local services in two dozen major U.S. cities, including Phoenix. And it will have to spend billions more, plus bankroll a marketing onslaught. The idea is to persuade consumers to rely on MCI for all their communications services: local, long distance, cellular, even access to the Internet.

THE ARIZONA REPUBLIC, November 5, 1996

The experts call it "bundling," and the theory is that MCI can escape the bitter price war it is locked in with AT&T and Sprint Corp. by charging a premium for the convenience of one-stop shopping.

Bert Roberts, MCI's chairman and chief executive, said one of MCI-BT's prime targets is Nynex and Bell Atlantic Corp., which are in the process of merging.

But there is a hitch: Everyone else is pretty much betting on bundling, too. Not just AT&T and Sprint, but the Bells and even cable companies like Time Warner. The pursuit of a fatter profit has sparked a flurry of deals that is reshaping the industry. Besides Bell Atlantic's purchase of Nynex, AT&T shed its equipment and computer units to better focus on phones, and US West bought Continental Cablevision.

While investment bankers and shareholders have fared well, consumers have yet to see major benefits. Long-distance companies are only just beginning to offer local phone service, and the Baby Bells can't begin offering most kinds of long-distance service until they meet a checklist of requirements set by regulators intent on further prying open local markets to competition.

A recent court decision that blocked federal guidelines on telephone competition promises to slow the process even more.

MCI's Roberts says the legal issues will be resolved, and consumers will see deep price cuts over time.

Meanwhile, another prime target for MCI and BT will be the international long-distance market, where demand grew 300 percent between 1984 and 1994.

MCI and BT already run a joint venture, Concert Communications, that delivers international voice and data service for 3,000 of the world's largest corporations. Timothy Price, president of MCI's long-distance unit, said one goal of the MCI-BT merger is to begin offering the use of the Concert network to residential customers. The result, he said, would be lower costs as well as access to new services.

Still, these benefits won't materialize for months. For now, companies are busy marshaling their forces for the competitive wars ahead. According to Dave Goodtree, an analyst with Forrester Research in Cambridge, this was MCI's chief reason for doing the deal.

"I think the leadership of both these companies believe that, ultimately, this business will be made up of galactic carriers - five that play in every market in the world," said Goodtree. "If that's their view, they might as well be the first."

GRAPHIC: Color chart (see microfilm); BIG PHONE MARRIAGE: WHAT EACH SIDE BRINGS

LANGUAGE: ENGLISH

LOAD-DATE: December 4, 1996

LEVEL 1 - 163 OF 265 STORIES

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November 8, 1996

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HEADLINE: BT/MCI MERGER CREATES CARRIER BEHEMOTH

BODY:

BT has announced a \$ US22.1 billion takeover of US-based MCI in a move which will create the world's third largest capitalised telecommunications company, after Japan's NTT and AT&T. The new company will be called Concert and will operate under the BT and MCI brand names in the UK and US respectively but will use the Concert name to sell international services. A BT Australasia spokesperson was unable to tell Exchange what name the company would trade under in Australia, other than to say that: "for the moment business will be as usual and we will still be BT".

Concert will be incorporated in the UK and will replace both BT's and MCI's current stock market listings in late 1997. There is some confusion over the administration of Concert with British press reports claiming the company will be headquartered in London with BT chairman, Iain Vallance, the chairman of Concert. US and Australian press releases however say that there will be dual headquarters in London and Washington and that Vallance and the chairman and CEO of MCI, Bert Roberts, will be the co-chairmen of Concert. The BT spokesperson said that these issues have still not been clarified.

Concert's market capitalisation, according to the current value of BT and MCI combined, is approximately \$ US65 billion with a combined annual revenue of \$ US42 billion and an annual cash flow of \$ US12.3 billion. The new company now has 43 million customers in 70 countries.

BT acquired 20 percent of MCI in 1994 when the two companies established Concert Communications Services. Concert currently has 3,000 customers with \$ US1.5 billion in revenue under contract.

Vallance said: "The complementary strengths and skills of BT and MCI will enable Concert to take full advantage of the opportunities provided by the forthcoming liberalisation of telecommunications markets in the US and Europe. Roberts said: "Concert's scale will allow it to pursue major opportunities in new markets while maintaining the financial stability that comes from strong core businesses in the developed markets of the US and UK."

Media speculation since the weekend announcement of the merger has centred around the response of the other "mega telcos" - NTT, AT&T and Global One - and how the so-called "middle-tier" telcos will respond.

In Japan, the on-again/off-again breakup of NTT is likely to be finally scrapped, according to analysts spoken to by Exchange and quoted in the international press. Analysts from Jardine Fleming, GK Goh and Salomon