



The Pendulum

Thursday, October 17, 1985

Volume XII, No. 7



Blood Drive '85

Blood donor Becky Rogers anxiously awaits her final minutes in this year's blood drive as Red Cross worker Kathy Sebastian supervises a particularly busy session in Jordan Gym.

Sigma Tau Delta holds inductions

By Frank Isley
News Editor

Sigma Tau Delta, the National English Honor Society, held its annual banquet and induction of new members in second floor McEwen last Thursday.

The guest speaker after this year's banquet was Dr. Louis Budd, a former head of the English department at Duke University and author of several books on Mark Twain.

Those people inducted into Sigma Tau Delta this year were: Karen Burke, Ann Cralidis, Renee Evans, Sylvia Williamson, Beverly Way, Chris Janelle, Tad Helmstetler, Jane Kidwell, Katrina Snow, Bob Moser and Margaret O'Connell.

Local phone bills to increase 'substantially'

By Betsy Dranttel
Special to The Pendulum

B. Franklin Skinner, president of Southern Bell, told a Whitley auditorium audience last Tuesday night that local phone bills in North Carolina will have to increase "substantially" as a direct result of the deregulation of the telecommunications industry.

Skinner said that it costs the company "approximately \$30" to provide local service but that customers "pay only about half that amount" for the service.

"Without the revenues we used to realize from long-distance provided by AT&T, the price of local service will have to rise," he said.

Skinner, who spent the day on campus speaking to business classes, discussed the breakup of the AT&T monopoly and the subsequent deregulation of the telephone industry in his public lecture.

On Jan. 1, 1984, AT&T—once the largest monopoly corporation in the world—divested itself of its seven regional subsidiaries, including Southern Bell, as part of an out-of-court settlement of an antitrust suit brought by the U.S. Justice Department. Southern Bell became part of a new regional holding company, Bell South, which began with "about \$23 billion in assets," Skinner said.

Although deregulation was

"exactly the right thing to do at the time," Skinner said, he pointed out problems that have to be faced as a result.

For one thing, he said, Southern Bell cannot provide long-distance service beyond 50 to 70 miles; after that point, the call must be relayed by AT&T. Southern Bell thus is not able to offset what Skinner called "artificially low" local rates with the subsidies from "artificially high" long-distance charges. "No business can survive if it supplies service at a price lower than the service costs," he said.

While saying that providing "universal service at affordable rates" has always been a goal of the telephone company, Skinner

conceded that if local-service rates go much higher "we may be pushing the cost out of the reach of those who probably need it most"—referring to the elderly, the poor and those on fixed incomes.

He said that although some customers have begun to regret the deregulation of the telephone industry, it would be "impossible to return to the old days" when "Ma Bell" was the only telephone company around.

"What we need to work on," Skinner continued, is eventual "full deregulation," which he predicted is still years away. In the meantime, AT&T is competing with other long-distance services like MCI and GTE-

Sprint; and in 1987 Southern Bell will have its first competitors for local telephone service. "Many of these competitors do not have the same regulations or tariffs that the government has placed on us," Skinner said. "The competition should have to play by the same rules as we do."

Later, when questioned about future technologies and telecommunications service his company may be providing, Skinner said that "the elimination of most cables and wires" will be one noticeable change by the year 2000. "We will be turning to microwave and other forms of transmission," he explained.

INSIDE

**Cheerleaders
Stuntmen give
squad new twist
p.4**

**Football
No. 1 ranked Elon
beats Ferrum 21-8
p. 6**