

pany funds. Crime is a president covering up illegal campaign contributions. And crime is an evil act, an act contrary to the public good.

There have been crimes against the country so immense, so expensive they seem almost malicious in intent. But Woodward and Bernstein have not reunited to investigate them, so it will probably never be known to what extent these awful decisions were motivated by good intentions, ignorance, spite, or greed.

The most serious of the crimes was divestiture. And the pity is it didn't have to be. Even if it was decided that the local operating companies should be separated from AT&T, why did it have to be done in such a ridiculous and costly manner by separating exchange and long distance service? Why couldn't the companies have been separately owned while retaining the integrated network? It could have been done through allocation of costs and revenues.

Then there would have been a "divestiture" without the serious decline in quality of service, the rise in local rates, or the billions of dollars lost.

But that's not how it was done and now the staggering price must be paid for these economic and technological crimes.

Here then, are the numbers, the costs of the crimes, the damage report in dollars and cents.

First there are the one-time initial costs for the telecommunications companies:

Actual direct costs of prosecuting and defending the anti-trust case plus estimated administrative costs for the subsequent separation of assets	<b>\$0.9 billion</b>
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Cost of providing equal access (\$20 billion by the local Bells and \$2.7 billion by AT&T, but it must be assumed about half was for plant modernization that would have been spent anyway)	<b>\$11.3 billion</b>
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## The cost of the Crimes

Capital confiscation resulting from the FCC's insistence on customer-owned equipment and the scrapping of Bell System terminal equipment—assuming \$40 worth of equipment per residence customer with 100 million customers and about half this equipment made obsolete, adding another \$2 billion for PBX and other business equipment	<b>\$4.0 billion</b>
Unnecessary duplication of intercity transmission facilities (such as new fiber optic waveguide systems built by US Sprint and MCI)	<b>\$5.0 billion</b>
Unnecessary toll switching systems to comply with the settlement rules banning joint ownership (using costs in Pennsylvania and assuming total nationwide costs at 20 times this)	<b>\$0.7 billion</b>
Operator services being duplicated by AT&T and the Baby Bells (again using the Pennsylvania costs and multiplying by 20)	<b>\$0.5 billion</b>
Cost of plant built to replace that dismantled so that inter- and intra-LATA separation could be achieved. (Pennsylvania costs times 20)	<b>\$1.6 billion</b>
Exchange bypass. These, are ongoing costs, but to date are estimated at-	<b>\$1.0 billion</b>
<b>Total:</b>	<b>\$25.0 billion</b>