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New York Times (1857-Current file); Jan 9, 1977; ProQuest Historical Newspapers The New York Times

pg. 122

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The technologies of computers and communications are moving ever closer together and that could lead inevitably to a head-on collision between two of the world's largest corporations: the American Telephone and Telegraph Company and the International Business Machines Corporation.

"It will be a classic confrontation with both giants having immense financial and technological resources," says Robert B. Forest, an official of Forest & Eylar, an international data processing company.

This battle of the giants will be for dominance over the information industry, which is expected to form the world's largest business as technologies encompassing everything from satellites to electric typewriters, computers, telephones, copiers, television and other electronic devices merge into one massive system.

The reason industry experts foresee a battle is simple: Computers are connected by communications equipment, and communications systems increasingly are terminating in computers. Both giants are already drifting into each other's territory to keep control over their primary business.

And while A.T.&T.—the nation's largest corporation with more than \$30 billion a year in revenues—and I.B.M.—eighth largest with sales about half of A.T.&T.—are squaring off, smaller competitors are nipping the flanks of the giants. These attackers include International Telephone and Telegraph, RCA and Sperry Rand as well as some of the smaller companies that make specialized devices to interconnect



A.T.&T. communication lines or I.B.M. computers.

The Federal Government is involved as both antagonist and referee. The Justice Department, the antagonist, is pressing antitrust actions against each of the giants. The case against I.B.M., brought in January 1969, is expected to be completed this spring. But it will be the 1980's by the time I.B.M. presents its defense and the case is adjudicated and appealed. The suit against Bell just started and cannot be finished until well into the 1980's.

But industry analysts do not expect the results of the case to be very useful in determining the future directions of the industry.

"The courts could make the best of all possible decisions, but it would be the best decision for the industry as it was in the 1960's, not as it will be in the future," says Jack Biddle of the I.B.M. case. He heads the Computer and Communications Industry Association, which calls for curbs on both I.B.M.

and A.T.&T.

Most industry analysts argue that the Bell decision could be even more outdated whenever it comes.

The Federal Communications Commission is the Government's referee in the no man's land between computers and communications. Rapidly changing technology makes the task "complicated beyond belief," says Richard E. Wiley, F.C.C. chairman.

That expanding technology also pushed the F.C.C. into modifying its traditional philosophy of regulated monopoly and moving to open the communications business—at least a bit.

The first step was the Carterfone decision, which said A.T.&T. could not arbitrarily deny customers the right to hook their own equipment onto Bell telephone lines. To an ordinary residential user this meant that a fancy, non-Bell telephone could be legally installed. But, more important, it created an industry to develop specialized communications equipment and serv-

ices for the business world—the interconnect industry.

In 1971 the F.C.C. authorized the creation of specialized common carriers to compete with Bell in providing long-distance private-line service for business. A year later the agency allowed them to route their private circuits via space satellites. Since then, during a time that costs of both communications and data processing were falling, I.B.M. and others have moved to get into the satellite business, while Bell and the interconnect concerns moved into the gray areas between the industries.

The first volley to be fired in the battle will be over "the Consumer Communications Reform Act," which goes before Congress this year. This bill asks Congress to reaffirm that the nation should be served by a single integrated telecommunications system—and that means A.T.&T. Bell contends that the other companies are trying to take the most profitable part of the communications business, which, it insists, could force Bell to raise costs for telephone service to the general public.

"Can we in this day and age seriously question the role of competition in the American economic system? I thought that was an issue the Congress and the courts had long ago decided in favor of the consumer," replies Richard Long, president of the North American Telephone Association, the interconnect industry's trade group.

The A.T.&T.-I.B.M. struggle "will be prolonged," says Mr. Forest, of the data-processing concern, "but there is a possibility there will be no losers because of the size of the potential market and the benefits that will accrue to consumers."