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AT&T sets \$3 long distance minimum

THE ASSOCIATED PRESS

NEW YORK — AT&T Corp. will start charging long-distance customers a minimum of \$3 a month in a bid to pare losses from those who don't make a lot of calls.

The minimum charge takes effect today for new AT&T customers who sign up for calling plans, and on Jan. 1 for all current customers who change calling plans covering long-distance calls.

AT&T, the nation's largest long-distance company, said it loses \$300 million a year on the 15-20 percent of its 70 million customers who spend less than \$3 a month on long-distance calls. The company estimates 15 percent of new customers spend less than \$3 a month. The costs stem from such expenses as bill processing and customer service.

The minimum fee is part of a broad cost-cutting drive by AT&T chairman C. Michael Armstrong as he tries to revive lackluster revenues in the company's core telephone business.

Customers will pay the minimum charge only for those months when their long distance charges amount to less than \$3.

WHO SPENDS THE MOST ON ADS?

America's biggest advertisers, according to the latest figures from Advertising Age, are the following 10 (totals are for 1997):

- 1) Sears stores, which spent \$664.6 million
- 2) Chevrolet cars and trucks, \$656.3 million
- 3) McDonald's restaurants, \$580.5 million
- 4) Ford cars and trucks, \$569.9 million
- 5) Dodge cars and trucks, \$551.8 million
- 6) AT&T telephone services, \$475.9 million
- 7) Toyota cars and trucks, \$453.8 million
- 8) MCI telephone services, \$435 million
- 9) Burger King restaurants, \$427 million
- 10) Circuit City stores, \$400.1 million