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[21861001]

Although two Baby Bells showed strong growth in access lines , usage and unregulated business revenue , one reported a modest gain in third-quarter net while the other posted a small drop .

[21861002]

Ameritech Corp. 's earnings increased 2.8 % , after strong revenue gains were offset somewhat by refunds and rate reductions imposed by regulators in its Midwest territory .

[21861003]

BellSouth Corp. 's third-quarter earnings dropped 3.8 % as a result of debt refinancing , the recent acquisition of a cellular and paging property and rate reductions in its Southeast territory .

[21861004]

BellSouth

[21861006]

For the third quarter , total operating revenue grew 2.6 % to \$ 3.55 billion from \$ 3.46 billion .

[21861007]

Total operating expenses increased 3.5 % to \$ 2.78 billion from \$ 2.69 billion .

[21861008]

Overall access minutes of use increased 10.3 % and toll messages jumped 5.2 % .

[21861009]

BellSouth Chairman and Chief Executive Officer John L. Clendenin said three factors accounted for the drop in third-quarter earnings .

[21861010]

The refinancing of \$ 481 million in long-term debt reduced net income by \$ 22 million , or five cents a share , but in the long run will save more than \$ 250 million in interest costs .

[21861011]

The company previously said that the recent acquisition of Mobile Communications Corp. of America would dilute 1989 earnings by about 3 % .

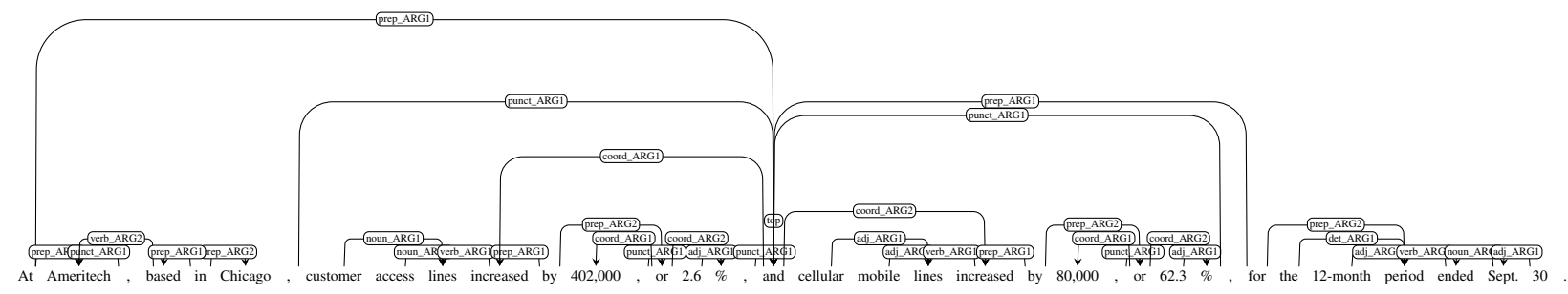
[21861012]

In addition , earnings were reduced by rate reductions in Florida , Kentucky , Alabama , Tennessee and Louisiana .

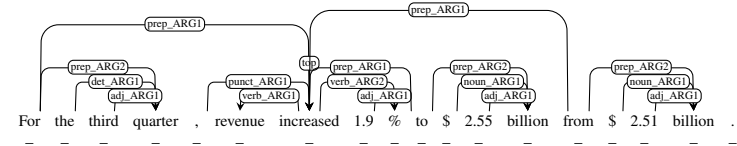
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Ameritech

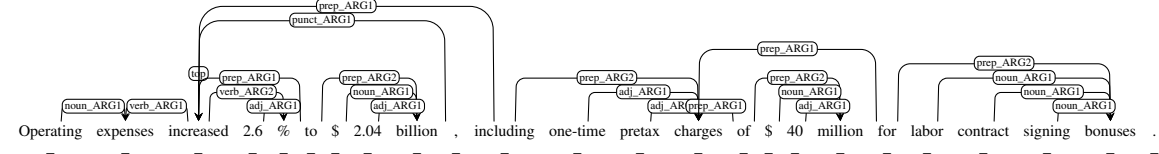
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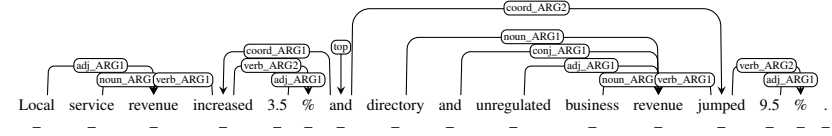
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