

WILLIAM G. MCGOWAN Taking on the Impossible

WHEN?
1927 – 1992

VOCABULARY
Anti-trust suit monopoly
Venture capitalist



WHERE? Ashley, PA

EVENT Breaks AT&T
stronghold on phone service
Establishes Regenerative
Medical Institute at UPMC

Most of us know AT&T today through our cell phones, alongside competitors like Verizon and T-Mobile. For nearly 7 decades, however, AT&T—American Telegraph and Telephone controlled nearly all communication over phone lines. That included the phones used, the wire used, and just about everything else Americans needed to keep in touch with each other both local and long distance—a virtual monopoly. It wasn't until William (Bill) G. McGowan took his very small company, MCI, into an anti-trust lawsuit against AT&T that the door opened for other phone companies to compete with what was known as “Ma Bell”.

McGowan was born in 1927 in Ashley, Pa., and grew up there. After graduating from Hanover High school, he joined the Army as a medic and served during the Berlin Airlift while in Europe. Following his service, he entered King's College in Wilkes-Barre where he earned a degree in business and chemical engineering in 1952. With an interest in business, he decided to attend Harvard Business School though he had only enough money for one year. He planned on securing a scholarship for the rest of his education—which he did. Drawn to challenges, he established a consulting firm where he could rescue companies faced with serious financial difficulties.



According to Hagley Museum, McGowan later formed a new company that worked with NASA and Polaris submarines to develop a way to run diagnostic tests without damaging sensitive equipment. In 1968, McGowan met Jack Goeken and his company MCI—Microwave Communications, Inc. (Hagley Museum). Goeken was looking for financial help for his floundering company from the venture capitalist McGowan. Over several years McGowan reorganized the company and eventually ran into a roadblock with Ma Bell. MCI wanted to provide long distance service to its customers, but they would have to use the AT&T phone lines—at the cost of a lot of money (Klotz blog). So, McGowan filed an anti-trust lawsuit against AT&T in 1974. The case was finally settled in 1980 in MCI's favor. The giant AT&T was broken into smaller companies allowing new companies to compete. Under McGowan's leadership, MCI became the second largest long-distance carrier before eventually merging into what is now known as Verizon (Klotz blog).

While often cited as the head of the spear that took down the giant AT&T, McGowan also made significant contributions to medical innovation. After suffering a heart attack in 1986, his heart was so damaged that he received a new one. While recuperating at the University of Pittsburgh Medical Center, McGowan began thinking about how artificial organs could help supply the lack of donor organs. He



and his wife, Sue Gin, donated \$1 million dollars to UPMC to explore alternatives (UPMC). Now known as the McGowan Institute for Regenerative Medicine, the center explores the viability of not only using a patient's own tissue to grow organs but " also includes "biohybrid" organs (those that combine artificial and natural components), tissue engineering, and cellular therapies" (UPMC).

He and his wife are buried in St. Mary's cemetery in Hanover.

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[Hagley Museum](#)

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