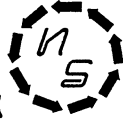


NETWORK!

FOR PEOPLE IN THE NETWORK SYSTEMS BUSINESS OF LUCENT TECHNOLOGIES

Around NS



Lucent in China

This week Hong Kong, the site of the regional headquarters for Lucent Technologies Asia/Pacific, became part of China once again. As many of our colleagues in Hong Kong take a five-day public holiday to mark the handover, NETWORK! takes a quick look at Lucent's presence in China.

Lucent in Hong Kong

Number of employees:

- 230 (total Lucent)

Some recent contracts:

- \$130 million contract with Pacific Link for a GSM network.
- \$100 million contract with New T&T for advanced infrastructure.
- Lucent installed Systimax cable at the convention center where the handover ceremonies took place this week.

Lucent in China

Number of employees:

- 1,800 (total Lucent)

Products:

- Lucent in China manufactures and sells a wide variety of products including the SLC® Carrier System, DACS, Synchronous Digital Hierarchy products, fiber and copper cable and Lucent Technologies 5ESS®-2000 switches.

Milestones:

- In May, Lucent established Bell Labs facilities in Beijing and Shanghai.
- Lucent recently completed the first ever Code Division Multiple Access (CDMA) wireless call in China. □

Executive Changes

New AT&T Customer Business Unit President Named

Jay Carter, formerly vice president, Customer Technical Support for Network Systems, has accepted the position of president, AT&T Customer Business Unit (ACBU) for Network Systems. Carter succeeds Joe Colson who was recently named president of Network Systems International Regions and Professional Services. In his new position, effective July 1, Carter will be responsible for all Network Systems sales, marketing and new business opportunities across AT&T's business. He will also be a member of the Network Systems Operations Council.

Before heading customer technical support, Carter led the Net-

work Systems/Asia Pacific customer team in achieving significant gains in revenue growth and profitability. Under Carter's leadership, the team successfully penetrated Asia/Pacific's wireless market.

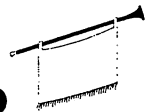
When asked about his new assignment, Carter said: "I'm delighted to be part of this fantastic team of people. The ACBU has achieved an unbelievable track record under Joe Colson's leadership these last several years, and I'm confident that will continue. I've enjoyed deep, long-standing relationships with many of AT&T's senior executives and look forward to treating AT&T like the valued customer that they are in Lucent Technologies." *Continued on next page*

NS Announces

Lucent Supplies Cabling to Hong Kong Convention Center

Lucent will provide the \$1 million communications infrastructure for the Hong Kong Convention and Exhibition Center—the site of the July 1 ceremony that marked Hong Kong's reversion to Chinese rule. The center is one of the largest cabling projects in Hong Kong. Lucent Technologies will provide

SYSTIMAX® Structured Connectivity Solutions (SCS), consisting of both copper and fiber cables. The 300 miles of cabling infrastructure now being installed at the Center is an end-to-end solution to meet the demands of the sophisticated international convention center.



July 3, 1997 Vol. 6 / Issue 29

What's Inside -

- | | |
|---------------------------------|---|
| 2.... Wireless LAN Standards | 3.... Army Picks Lucent |
| 2.... Expectations in Hong Kong | 3.... Bell Atlantic, Nynex Deal Nears End |
| 2.... Fiber Demand in China | |

Executive Changes

Continued from previous page

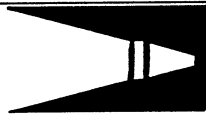
As previously announced, the Data Networking Unit that reported to Joe Colson will report to Network Systems President Dan Stanzione. The Customer Technical Support organization that reported to Carter will temporarily report to Jim Brewington, president, Product Realization. □

NS Announces

Lucent Backs Wireless LAN Standards

Lucent Technologies announced its full support of IEEE 802.11, a standard for wireless Local Area Networks (LANs) that allows products from different wireless LAN vendors to work together. The new standard, ratified by the IEEE Standards Activity Board last week, is expected to provide a significant boost for the wireless LAN industry by providing a stable platform for new product development that makes LAN users more comfortable with the technology and drives costs down. Lucent has participated in the development of IEEE 802.11 since its inception in 1990. Lucent Technologies has adopted a strategy to help its customers migrate smoothly from existing WaveLAN products to the industry standard and beyond. □

NS-CIO Spotlight



Oracle Software and Training Available

Lucent Technologies and Oracle Corporation have entered into an agreement that provides bulk acquisition of software on some Oracle products, and training on all Oracle products. For more information, visit this web site: <http://newcat.cq.lucent.com/ps/prod01.htm>.

To acquire software or obtain training credits contact the NS-CIO Oracle coordinator, Charlie Neppell, on neppell@lucent.com or 908 559-6090. □

In the News

Expectations in Hong Kong

(Excerpts from CNBC interview with Jay Carter, vice president, Customer Technical Support, Network Systems) CNBC: "How long will it take to get a sense of whether things are going to be business as usual or whether there is going to be a significant change [in Hong Kong]?"

Carter: "I think that if there are going to be changes they are going to be apparent over a longer period in the three- to five-year time frame. In the short term we really don't expect much in the way of change." CNBC: "Mr. Carter, how big a market is China?" Carter: "It is enormous. China every year adds more telephones than the entirety of Bell Atlantic today. So over twenty million telephones a year [are] being added." CNBC: "Your expectations is that your company will continue to grow?" Carter: "Oh absolutely, we want to be able to adapt our products and meet the needs of the local environment." (CNBC, June 30)

Fiber Demand in China

Lucent Technologies is in a rapid expansion mode in the Peoples Republic of China as China wrestles with a huge and growing demand for fiber that is requiring it to bring in offshore fiber in huge amounts. China now is considered the third largest market for optical fiber in the world. Bob Mohalley, vice president of business development for Lucent fiber optics, acknowledged that China is installing from 1.6 million to 2 million kilometers annually and that domestic production levels, led by Lucent's in-country joint ventures, only are producing some 600,000 kilometers. The result is that Lucent is rapidly scaling up its

Chinese production levels. (Fiber Optics News, June 23)

WinStar Going All-Wireless

Among competitive telecommunications service providers, WinStar Communications believes it is distinct in form, function and attitude. The company is not only attempting to offer a broad range of service offerings—local, long-distance, enhanced services and Internet access—it is doing it all with wireless technology. WinStar [turned] up a Lucent

Technologies 5ESS switching center in San Diego, its fourth in the past 20 days. (Telephony, June 23)

Two Lucent Operations Sold to Free Capacity

Aeroflex Inc. has bought two telecommunications components operations from Lucent Technologies for an undisclosed amount of cash, the electronics company said. The operations produce parts for use in telecommunications and cable television. One operation makes multichip modules. The other operation is focused on film integrated circuits, or thin-film interconnects. The operations will be moved from Lucent's North Andover, Mass., complex to an Aeroflex subsidiary. The operations being purchased include equipment, inventory, licenses and patents. The companies said the 70 Lucent workers in the two operations will be reassigned within Lucent. The sale will free up more capacity for Lucent to develop equipment for the transmission of voice, data and video. (Long Island Newsday, Home News & Tribune, Communications Daily, June 27) □



Lucent Announces

U.S. Army Picks Lucent for Switch Modernization Program

Lucent Technologies has been selected as a prime contractor for the U.S. Army's Digital Switched Systems Modernization Program (DSSMP). DSSMP is a ten-year, indefinite delivery/indefinite quantity contract to replace and upgrade Army switches worldwide. It also allows the Army to integrate its voice and data communications systems. The contract is open not only to the Army, but also to other defense and civilian agencies of the federal government. Lucent products available to the Army range from the 5ESS®-2000 and GlobeView®-2000 switches to the DEFINITY™ Enterprise Communications Server, Multimedia Communications eXchange Server (MMCX), Multipoint Conferencing Unit, SONET transmission equipment and WaveLAN™ system for wireless connectivity. In addition, the company provides total solutions, integrating products from a variety of other vendors. □

Letters to the editor



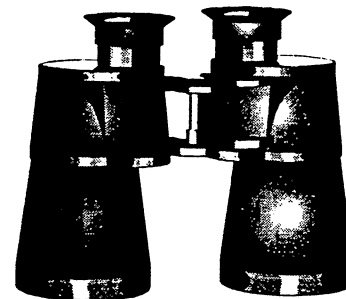
NETWORK! will publish signed letters as space permits – reserving the right to edit for clarity. Please include your name, work location, and a contact number where we can reach you. Opinions expressed in the Letters section do not necessarily reflect the views of Network Systems management. See our contact information at right.

Industry Watch

Bell Atlantic, Nynex Deal Nears End

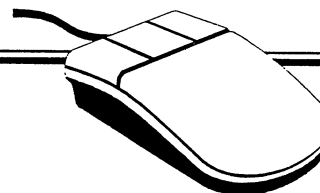
Bell Atlantic officials predicted smooth sailing through the final stages of the FCC's review of its proposed merger with Nynex. Bell Atlantic and Nynex are in the process of answering a complex series of questions from the FCC and anticipate receiving final approval sometime in July, said Karl Rookstool, director of internetworking at Bell Atlantic.

(*CommunicationsWeek*, June 23) □



Look for NETWORK! on the Web

<http://infoview.lucent.com/pubs/network>



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