

NETWORK!

AN ELECTRONIC NEWSLETTER FOR THE PEOPLE OF AT&T NETWORK SYSTEMS

In good hands

The announcement of the impending restructuring of AT&T was over in less than an hour, but the work that must be accomplished before the restructuring is complete will require almost round-the-clock efforts by people throughout AT&T who own parts of the overall effort.

While it's too early to report much progress, here is a list of who is working on which issues.

The original restructuring announcement to employees noted that Bob Allen would chair a Steering Committee for the transition composed of **Marilyn Laurie**, senior vice president - Public Relations; **Hal Burlingame**, senior vice president - Human Resources; **Rick Miller**, CFO; and **John Zeglis**, senior vice president and General Counsel. Supporting this steering committee is **Bob Holder**, vice president - Corporate Strategy, with the help of four transition project teams.

Continued on Page 2

Allen names leaders for two companies

Just three weeks ago, AT&T Chairman Bob Allen unveiled plans to separate AT&T into three publicly traded companies by the end of 1996. He said then that the transition would proceed rapidly. He kept his promise.

New leaders named

Early this morning, Allen announced the top leadership for the two communications companies created by the restructuring -- the "new" AT&T communications services unit and the new communications systems and technology company.

Allen announced that Henry B. Schacht, 60, a member of the AT&T Board of Directors and former chairman and chief executive officer of Cummins Engine Company, Inc. will become chairman and chief executive officer of the new \$20 billion communications systems and technology company. "I am extremely pleased that Henry

has agreed to take on this exciting new assignment," said Allen. "He brings a wealth of leadership and experience -- especially in the application of technology -- to our new enterprise, and an in-depth understanding of AT&T as a long-time member of our board of directors." Allen also praised Schacht's leadership style, saying it was the right style to unlock the potential of the new company.

McGinn named President and COO

Rich McGinn, 49, currently chief executive officer of NSG, will be president and chief operating officer of the new communications systems and technology company.

Schacht and McGinn will officially assume their new roles early in 1996, before the planned Initial Public Offering for approximately 15 percent of the new company's shares. In the meantime, Schacht will begin working immediately

Continued on Page 2

Core Transition Team - systems and technology company

AT&T Chairman Bob Allen named Rich McGinn, Network Systems CEO, the transition leader for the new systems and technology business. The other members of the team include:

- **Curt Artis** - VP Human Resources and Strategy Forum(NSG)
- **Jack Bucter** - President - Network Cable Systems (NSG)
- **Gerry Butters** - President GPN (NSG)
- **Curt Crawford** - President - AT&T Microelectronics
- **Carly Fiorina** - President North America (NSG)
- **Homa Firouztash** - VP, Marketing, Sales and Product Management (Consumer Products)

- **Bill O'Shea** - President International Regions and Professional Services/Program Mgmt (NSG)
- **Pat Russo** - President Global Business Communications Systems
- **Dan Stanzione** - President AT&T Bell Laboratories and AT&T Chief Technical Officer

Transition Function Team Leaders

Initial Public Offering - Rich Rawson - VP Law; Steve Carson - VP and CFO NSG; Lee Cutcliff - VP Law; Pete Rhinehart - VP and CFO MPG; Maureen Tart - VP and Controller; Marilyn Wasser - VP Law and Secretary; Larry Prendergast - VP and Treasurer.

International Regional Model - Bill O'Shea - Pres., Intl. Regions & Professional Svcs/Program

Continued on Page 2

Allen names leaders Continued from Page 1

with McGinn and the leadership team for the new systems and technology company. McGinn will continue to lead the transition process for the new company.

Allen noted that a top priority of the leadership teams announced today will be identifying and filling key positions in the two new companies. In addition, Schacht will work with the AT&T board's committee of directors to build a strong new board for the systems and technology company.

Meet Henry Schacht

Schacht has been a member of the AT&T board of directors since 1981, and currently serves as chairman of its public policy committee. His distinguished career at Cummins, the world's leading manufacturer of diesel engines, spanned more than 30 years, including 21 years as its chief executive officer.

He retired in February as chairman of Cummins. He is a director of CBS, Chase Manhattan Corp., the Chase Manhattan Bank and Alcoa and a trustee of the Ford Foundation and Yale University.

Schacht brings the perfect blend of "inside" and "outside" experience to his new post. From his 14-year tenure on the AT&T board, including the critical divestiture years, he has an insider's understanding of AT&T's business. From 30 years at Cummins -- and

21 years as the company's CEO, he brings leadership experience, especially in the application of technology in manufacturing, and a reputation for effective long-term planning.

After he led a dramatic business turnaround at Cummins, a story in *Business Week* said his tenure there was "defined by a passion for looking ahead ... Schacht invested in technology, expanded into new markets, and upgraded the skills of his employees." He brought benchmarking, quality initiatives and just-in-time inventory systems to Cummins, long before other companies did.

The "new" AT&T company

As previously announced, Bob Allen, 60, will continue as chairman and chief executive officer of the new AT&T, a \$50 billion communications services company.

Alex Mandl, 51, currently chief executive officer of AT&T's Communications Services Group, is president and chief operating officer - designate of the new AT&T.

Mandl's new role will be effective at the time AT&T completes its restructuring, which is expected to be January 1, 1997.

More to come

Network! will continue to report new developments as quickly as information becomes available. □

In good hands Continued from Page 1

Those project teams are:

Operations, dealing with divvying up buildings, systems, functions, intellectual property and other assets. Bob Holder heads this team in addition to serving as coordinator of the work of all four project teams.

Finance, dealing with financial issues, IPO preparations, etc. This team is headed by Maureen Tart, vice president and Controller, and Marilyn Wasser, vice president - Law and Secretary.

Human Resources, dealing with staffing, benefit and compensation

issues and support mechanisms.

Miriam Graddick, vice president - Executive Development and Multimedia Products Group HR, heads this team. Don Harrington, VP - Benefits, Compensation and Systems, will address the benefit and compensation plans.

Communications, dealing with planning of internal and external communications events and messages, is headed by Bill Oliver, vice president - Public Relations and Employee Communications. □

Transition Continued from Page 1

Mgt.; Lorraine Jurcik - International VP; Paul Wondrasch - senior VP International.

Public Relations - Kathy Fitzgerald - VP PR & Advertising; Dave Shaver - VP - PR MPG; Marilyn Laurie - senior vice president PR and Employee Information.

CIO - Doug Lewis - VP & CIO NSG; Bob Napier - GBCS CIO; Reno Bergonzi - VP & Division Exec, Corp ITS.

Law and Government Affairs - Rich Rawson - VP Law; Lee Cutcliff - VP Law; Gerry Lowrie - senior VP Federal Govt. Affairs.

Purchasing - Doug Lewis - VP & CIO NSG; Rock Pennella - VP GPN; Mfg & Cust Support & Chief Mfg. Officer; Dan Carroll - senior VP and Chief Procurement Officer.

Human Resources and Labor Relations - Curt Artis - VP HR & StrategyForum; Miriam Graddick - VP Executive HR & MPG; Hal Burlingame - senior VP HR.

Business Planning (document & process) - John Miller NS Strategy Officer; John Hanley - VP and Group Strategy Officer MPG; Dick Bodman - senior VP Corporate Strategy & Development.

Manufacturing Planning - Rock Pennella - VP GPN Mfg & Cust Support & Chief Mfg. Officer; Larry Seifert - VP Global Manufacturing & Engineering.

Real Estate - Curt Artis VP HR and Strategy Forum; Bill Ebben - VP & Chief Real Estate Officer.

Intellectual Property - Bob Martin - VP - Breakthrough Offers & GTO; Phil Neches - GTO; Mike Greene - VP Intellectual Property & Licensing Counsel.

Bell Labs Process & Architecture - Bob Martin - VP - Breakthrough Offers & GTO; Dan Stanzione - President AT&T Bell Labs & AT&T CTO.

Logistics & Distribution - John Pittman - VP Logistics, Quality & Business Process Mgmt.; Larry Seifert - Global Mfg & Engineering VP. □

Quality roundup

Bell Labs President's Quality Award

The Bell Labs PQA Committee announced two winners and three "special recognition" runners-up awards from the examination process for the 1994-95 AT&T Bell Laboratories President's Quality Award.

The winners are the 1B Processor Project Team from Global Public Networks, and the AN/SQQ-89(V) 10 Signal Processing Upgrade Development Team from Advanced Technology Systems(ATS) of the Multi-Media Product (MPG)and Services Group.

ATS is part of the new systems and technology company.

The 1B Processor team, based in Lisle and Naperville, Ill., was cited by examiners for "new process initiatives that enabled nearly flawless redesign and replacement of the heart of these network switching machines." The Signal Processing Upgrade team, based in Whippany, N.J., successfully demonstrated "well integrated and managed hierarchical process control methodologies."

Teams receiving special recognition for their quality efforts will be the Bell Laboratories Intellectual Property Law Organization, the 5ESS@Switch Project Team of the Network Systems Group and GBCS Intuity CONVERSANT System Project Team of MPG. GBCS ia also part of the new company.

Both winning teams and the special recognition runners-up will be recognized by Bell Labs President Dan Stanzione and other executives at the Bell Labs Quality Sympo-

sium in Holmdel, N.J., on Oct. 18. For more information on the Symposium, call Paula Falvo on (908) 764-6054.

5ESS Switch wins award

You know your quality is high when your customers recognize it. The 5ESS® 2000 Switch software project marked a milestone in its quality journey when it became the first software project to achieve Customer/Supplier Quality Process (CSQP) Recognition.

CSQP Recognition is awarded by the Regional Bell Operating Companies (RBOCs) to choose suppliers who meet their comprehensive set of requirements for software and hardware product and process quality, customer support and customer satisfaction.

Under the CSQP program, suppliers of telecommunications products partner with their customers to work toward quality accomplishments with continuous improvement. CSQP Recognition establishes direct customer contact to resolve quality issues normally addressed between AT&T and Bellcore. Communicating directly with the customer leads to actions that make sense and add value, while reducing cost.

Fred Lax, Network Infrastructure Product Group vice president, who accepted the award said that partnering with the customer means adding value to the product. "The feedback we get gives us the opportunity to learn, to grow and work with our customers, to meet their needs and improve that value," says Lax. □

CDMA wireless network trial in Indonesia

PT Komunikasi Selular Indonesia (Konselindo), a cellular service provider in Indonesia, became one of the first companies outside of the United States to trial code division multiple access (CDMA) technology for sending wireless calls.

Network Systems installed its AUTOPLEX® System 1000 cell sites for the trial, which is located in Bandung. Konselindo has networks in three cities - West Java, North Sumatra and Sulawesi. The trial will last a couple of months and allow Konselindo to evaluate CDMA technology for use in its network.

"The trial system allows us to test this promising new technology in the Indonesian environment," said Soedjono Kramadibrata, president of Konselindo. "Our experience with AT&T's CDMA system will help us make the right technology choice for our network."

Merits of CDMA

CDMA is being adopted around the world as a wireless industry standard to deliver digital cellular and personal communications services (PCS) because it offers economical, clear and secure wireless communications. CDMA eliminates most busy signals, dropped calls and cross-talk that results from system overcrowding.

CDMA increases the capacity of analog cellular networks by as much as eight times, and enables service providers to offer new applications and improved service quality to their customers.

Network Systems' wireless equipment group is the only equipment supplier that supports the breadth of wireless industry interfaces including CDMA, time division multiple access (TDMA), Global System for Mobile Communications (GSM) and AMPS. □

**Hold the date:
All-employee broadcast
October 27, 10 a.m. EDT**

FYI

Fall benefits enrollment - Point-of-Service (POS) update

US Healthcare and CIGNA HealthCare have recently finalized contracts with additional primary care physicians (PCPs) and providers and have produced supplements for some of their provider directories. The supplements will be mailed shortly to POS-eligible management and retired employees who live in areas where the POS carriers have updated their directories.

For more information, call the appropriate Member Services HelpLine: US Healthcare, 800-288-8742 or CIGNA HealthCare, 800-664-4288.

Mileage reimbursement changes

Effective Aug. 6, 1995, the reimbursement rate for incidental use of employee-owned vehicles in connection with AT&T business increased from 28 cents a mile to 30 cents a mile.

This increase is in accordance with the recent contract agreement between AT&T and its unions, and complies with 1995 Internal Revenue Services guidelines establishing 30 cents a mile as the maximum fixed mileage allowance that is non-reportable and non-taxable for federal income tax purposes.

ImagiNation Network discount

AT&T ImagiNation Network has a special offer for AT&T employees of 50 percent off its basic membership. AT&T employees get five hours of time per month for \$4.95, which is half off the regular price.

ImagiNation Network (INN), the leading provider of online games and entertainment, is offering AT&T employees this reduced rate for the first three months of membership. Call 800-331-1325 by Dec. 31, 1995 for more information or subscribe to the AT&T Mail shared folder: !imagination:form. The form will be automatically sent to your e-mail. □

Around the (new) business

Three GBCS products go global

Making good on its promise to make its products available in world markets, GBCS announced at Telecom '95 in Geneva global availability of three products.

The DEFINITY® PC attendant console for PBXs made its debut at Telecom. It is the first product of its kind to use Windows software. Intuity™ AUDIX® and the MERLIN LEGEND® with full ISDN capability, previously available in the U.S., went global at the show.

New cordless has greater range, improved privacy

AT&T Consumer Products announced the AT&T 9300 900 MHz digital phone with spread spectrum technology. It's the first ever digital 900MHz phone offered by AT&T, the leader in 46-49MHz cordless phones.

The AT&T 9300 increases calling range, eliminates channel crowding, and improves sound clarity and privacy. Shorter signal wavelengths can navigate around barriers such as walls, trees and

shrubbery, increasing range by at least 4 times over typical 46-49MHz phone. This means you can make calls from your neighbor's or from across the street.

Spread spectrum technology disperses the signal, alleviating interference and making it almost impossible to tap a call.

AT&T Microelectronics debuts interactive video chip

AT&T Microelectronics (AT&T ME) debuted the first set of integrated circuits able to transmit switched digital video (SDV) over ordinary phone wire.

AT&T ME said that leading vendors who were provided samples of the chips agree it is the technology of choice for planned installations around the world.

Because the platform includes compatible chips for either a set-top terminal or computer interface, the specifications have also won support from such leading interactive terminal providers as Divicom, Philips, Sony, Thomson Consumer Electronics and Zenith. □

MWBE recognition event

On Oct. 10, the Pacific Bell Customer Team recognized the contributions made by three MWBE computer resellers during the Reseller Excellence Recognition Event.

COMPUS Services Corporation, BASIS Inc., and Pacific Access Computers were recognized for

their work in helping to finalize the first phase of two major computer hardware deployments for Pacific Bell.

The three resellers provided hardware configurations, delivery coordinations and site preparations for Pacific Bell. □

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Do you have an opinion to share or a story suggestion? Write to Network!, AT&T Network Systems, Room 2S9, 475 South Street, Morristown, NJ 07962-1976. Fax to 201-606-3309. Send AT&T Mail !nsnews.

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