

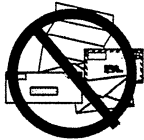
NETWORK

NEWS ABOUT NETWORK SYSTEMS, ITS PEOPLE, CUSTOMERS AND COMPETITORS

Of Interest

Junk Mail Patrol

Thanks to the efforts of Network Systems associates and their colleagues across Lucent, some 425,000 electronic junk mail messages are being blocked every week before they enter the Lucent network, according to the Chief Information Officer (CIO) organization. The CIO organization, working with experts from Bell Labs, has implemented the screening process that makes the blocking possible. Most junk mail falls into the categories of non-work related sales solicitations and get-rich-quick promotions, says the CIO. Employees should continue to send electronic junk mail they receive to junkmail@security.lucent.com. Questions about electronic security can be e-mailed to security@lucent.com. For more information about the junk mail problem, visit <http://www.security.lucent.com/alerts/junkmail.htm>.



Lucent Magazine Is Here

"The world is our market." That's the theme for the September issue of Lucent Magazine, which hits Lucent mailboxes and magazine racks this week. This issue contains an interview with Ben Verwaayen, Lucent's president of International, and examines opportunities for global growth. This issue also features an article about how competition and regulatory changes have changed the way our public network customers do business. If you don't receive your copy by

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Feature

Role of Program Management Organization Expands; Vice President Named

Network Systems President Dan Stanzione announced that Program Management, formerly part of North America and International services, is being realigned as a separate, officer-level organization. In addition, Stanzione named Bernie Meyers to the new position of vice president of Program Management, an officer-level post that reports directly to the president.

Meyers brings to his new assignment 25 years of project management expertise acquired at Bechtel Group, Inc., where he

served as senior vice president, along with 10 years of academic experience teaching engineering at the University of Iowa and University of Missouri. At Bechtel he was responsible for redesigning the engineering firm's execution philosophy as well as managing complicated projects, including the construction of two of the largest nuclear power plants in the United States.

"I am excited about joining Lucent," Meyers says. "Lucent is one of the most successful companies in the world and joining a new culture

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NS Announces

PCS Trade Show Announcements Focus on Needs of Wireless Network Customer

At the PCS '97 trade show in Dallas this week, Lucent made four announcements that demonstrate the company's focus on the needs of wireless network operators.



During a press briefing at the trade show, Scott Erickson, vice president, marketing and sales development for AMPS/PCS, and Doug Sabella, vice president, communications software, announced:

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★ **The establishment of Cooperative Innovations™, a new alliance program with companies that specialize in network-based applications that interoperate with Lucent's wireless infrastructure.**

★ **The addition of a wireless data capability to Lucent's IS-95 CDMA systems, known as cdmaONE™.**

★ **Enhancements to the cdmaONE platform that will help PCS service providers manage the increase in customers and network usage they've encountered.**

★ **TDMA software enhancements that let carriers segment their networks and offer new services tailored for high-volume business customers.**

Also of interest, IBM, in its own release, announced a new program for wireless service providers that gives them cost-effective "pay-as-you-go" access to the equipment and applications, such as customer care and billing, needed to run wireless services. That offering will employ Network Systems' 5ESS®-2000 platform to provide the switching capability and data needed for a variety of business applications. □



Program Management Role Expands

Continued from page 1

where people are doing well, and are working to do even better is fascinating."

The program management discipline has become increasingly more important as the telecom market place has heated up. According to Meyers, "In an unregulated market it is necessary to perform projects faster and cheaper and of higher quality than the competition. As a result, you need a methodology that allows you to control the scope, schedule and budget of projects much more tightly from the beginning to the end to assure that Network Systems is successful and profitable."

The Program Management organization Meyers pilots is integrated with the customer business unit (CBU) and customer teams, and has full profit/loss and execution responsibility for all major Network Systems contracts. At the present, Network Systems assigns program managers for select projects. The expanded Program Management organization will work closely with more customer teams on contracts from the pre-contract negotiation stage through to the collections stage. Each program manager will have responsibility for delivering, on time, what was promised in the contract, and for executing projects in a way that's profitable.

The Program Management organization is in the process of recruiting key program managers and other staff members. Meyers says program managers must have a number of attributes to succeed. "A program manager must understand the financial consequences of the deals we make, must be good with customers and has to be politically astute. In essence, program managers have to walk very quickly on water."

Network Systems employees interested in learning more about Program Management assignments should contact Lynn Edwards on 908-559-7072; lhedwards@lucent.com or Olivia Baumgartner on 908-559-7115; obaum@lucent.com.

Reporting to Meyers are:

- **Dan McWhorter, PM and Lucent/Bechtel Alliance**
- **Dave Jones, PM vice president, GTE Video Dial Tone**
- **Bill Sievers, Sprint Telecommunications Venture PM vice president**
- **Ronnie Lee Bennett, PM vice president, Year 2000 Program**
- **Bob Collins, Chief Financial Officer and Project Accounting**
- **Lynn Edwards, PM Human Resources Business Partner**
- **Dan Edwards, Contract Management**

Additional staffing announcements for United States and international CBUs will be made at a later date.

The North America and International services organizations, reporting to Rock Pennella and Greg Hughes respectively, will continue to execute all customer services, engineering, installation, and maintenance operations. They remain responsible for the profit/loss for all these professional services. □

—Alessandro Cornella

Look for
NETWORK!
on the Web

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Sept. 22, contact your mailroom. If your mailroom is unable to provide you with a copy, send an e-mail to **Barbara Takacs** at btakacs@lucent.com or call **908-582-5075**.

Check out this issue; see and hear from the following Network Systems employees:

Duane Brooks, Warren, N.J.

Joe Colson, Warren, N.J.

Philippe Debarsy, Le Plessis Robinson, France

Daisy Diaz, River Vale, N.J.

Dan Doll, Jacksonville, Florida

Valeria Fidelis, Sao Paulo, Brazil

Virgilo Freire, Sao Paulo, Brazil

Juan Giro, Madrid, Spain

Joe Leichtnam, Warren, N.J.

Christopher Levert, Richardson, Texas

Al Loots, Naperville, Ill.

Antonio Lopez, Sao Paulo, Brazil

Ralph Lui, Hong Kong

Beatriz Machado, Sao Paulo, Brazil

John Marinho, Whippany, New Jersey

Janice Nachtmann, San Ramon, California

Carol O'Keefe, San Ramon, California

David Poon, Hong Kong

Mike Rombach, San Ramon, California

Marc Schweig, Warren, N.J.

Mauro Weidig, Sao Paulo, Brazil

Denise Yadoya, Sao Paulo, Brazil

Colin Yan, Hong Kong

Last Chance For VIP Survey

If you have not yet registered your opinion by completing and returning the Network Systems 1997 Global VIP Survey, now is the time. The last day for receiving the surveys is **Sept. 19**. Fill out your survey today and make your opinions known.

Receiving NETWORK! on MS Exchange

If you currently subscribe to NETWORK! via the AT&T Mail shared folder and you are scheduled to be switched to Microsoft Exchange, you will no longer receive NETWORK! in your in-box. To continue receiving the publication by e-mail, send a request to alert@library.mt.lucent.com or by calling **732-582-4840 (option 2)**. Include your name, e-mail ID, phone number and human resources ID number.

Surplus Manufacturing Equipment

Surplus manufacturing equipment is now available for business use from Merrimack Valley Works at the Web site http://www2.mv.lucent.com/SURPLUS_ASSETS. Equipment not transferred internally will be offered to the general business public at the Web site <http://www.lucent.com/netsys/surplus>. Before making new expenditures, check out the site for such items as humidity chambers and ovens, sequencers, air compressors, insertion machines, adhesive machines, wire prep machines and commercial test equipment. For more information, contact **Sharon Muller** at **508-960-3385** or sharonmuller@lucent.com. □

NS in the News

The Bell Labs/NS Connection

Lucent has become the world's largest telecom manufacturer, ahead of Alcatel, with annual revenues well in excess of \$23 billion. Lucent's commercial drive is underpinned by some of the world's best technologists. Bell Labs, perhaps the most famous research facility in the world, is a key part of the company. The commercial connection is underlined, however, by the fact that **Dan Stanzione** is president of both the Labs and Network Systems division. An important decision was to set the budget for R&D as a moveable feast at 11 percent of revenues, with the budget for pure research at 1 percent of revenues. The result, according to Stanzione, is "less stability but more excitement," as researchers develop an intense interest in how revenues are growing. [*Financial Times (London), September 10*] □



Lucent Global Day of Caring

September 20, 1997



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Visit the Web sit at

<http://home.lucent.com/caring>

Industry Briefing

About Our Competition...

Corning

Corning Shares Slide on Fears over Fiber—Shares of Corning Inc. fell in active trade after an article in a Corning, N.Y. newspaper created concerns about the future of the company's hi-tech optical fiber business. *The Leader* newspaper reported that Corning's optical fiber business was facing serious threats overseas and on the domestic front, citing company sources. According to Corning sources cited by *The Leader*, new figures showed the North American market was much softer than expected. (*Reuter*, September 9)

Ciena

Ciena in the Market—Ciena has a big-time market cap, nearly \$5 billion. [Yet,] Ciena has one product, the aforementioned DWDM and, for all practical purposes, only two customers, Sprint and WorldCom. Neither customer is required to make a minimum purchase, and orders can be canceled by paying a termination fee. Which means that, yes, the revenue stream is sizable, but it's also awfully concentrated. Moreover, Ciena has competition and they're big fellows, the likes of Lucent, Ericsson, NEC, Northern Telecom, Alcatel, Pirelli. Ciena is ahead of its rivals, but probably by year's end a number of them will have caught up. Some of those competitors, further, are the company's suppliers. (*Barron's*, September 8)

Ericsson

Ericsson Acts to Retain Employees—Mobile specialist manufacturer, Ericsson, is to take steps to ensure its workforce is not stolen by rival companies. The company claims that as the result of its R&D programmes and current standing in the marketplace, its employees have become highly attractive to other employers. Hence Ericsson has come up with a scheme to enable employees to own part of the company and therefore benefit accordingly. The move is seen as indicative of a chronic skills-shortage within the mobile communications industry and shows how the market leaders—particularly within Europe—are especially vulnerable to employee 'poaching.' (*Digital Cellular Report*, August 27)

Northern Telecom

Major Expansion in Canada—Northern Telecom announced it will invest \$270 million to expand a centre for optical networks, creating 500 jobs in the Montreal area. (*Associated Press*, September 10)

Siemens

Siemens Wins Phone Order—German industrial group Siemens said its public telecommunications unit won an order in Malaysia [for installation of] digital phone switches that would provide one million new phone lines throughout Malaysia over the next five years, Siemens said. (*Reuters*, September 4)

BT Selects GPT and Siemens/Newbridge Alliance for Broadband Multiservice ATM—BT has selected GPT and the Siemens/Newbridge Alliance as the supplier for its new Broadband Multiservice Platform. (*PR News Wire via Dow Jones*, September 4)

About Our Customers...

Sprint PCS

Sprint PCS Buys Siemens CDMA Handsets—Sprint PCS signed a volume agreement to purchase Siemens Wireless Terminals' Code Division Multiple Access, or CDMA, handsets. Under the agreement, the companies said they will jointly design a handset that is easy to use, and will include a high-resolution color graphic display, long-battery life, voice memo capabilities and icon-based menu. (*Dow Jones News Service*, September 10)

About The Industry...

Chip Reduces Cost, Size of Base Stations—Lucent Technologies [Microelectronics Group unveiled] a chip for digital communications that's as much as 30 [percent] cheaper and requires one-fifth the power and memory of similar chips made by market leader Texas Instruments Inc., people familiar with Lucent's plans said. Lucent's new chip will be aimed at use in cellular

Continued on next page

Industry Briefing

Continued from previous page

phones, their base stations, and multichannel modem banks used by Internet service providers. People familiar with Lucent's new chip say that it could help reduce the size of wireless phone-base stations to the size of a smoke alarm from the size of a file cabinet. That should help reduce the costs for cellular-service providers and could translate into lower prices for consumers, these people say. (*Wall Street Journal*, September 8)

Innovation Drives U.S. Frame Relay Equipment Market—

According to a new report from Frost & Sullivan, the frame relay market will continue its healthy growth throughout the rest of the decade and into the next century. Frame relay access equipment became a billion dollar market last year and remains strong. (*European Broadband Networking News*, August 29)

Internet Long Distance No

Longer Needs a PC—Consumers can now make super-cheap, long-distance phone calls over the Internet without even touching a computer—creating a dangerous rival for long-distance companies. IDT unveiled Net2Phone Direct, a service that lets a consumer pick up a phone, dial a number and send the call through the Internet to another phone anywhere in the world. The cost [is] cheaper than traditional long-distance calling. (*USA Today*, September 8)

Internet Telephony Viability—

Voice over Internet companies must cooperate on operability standards to recreate single phone network [said Larry Fromm, a Dialogic vice president]. He also said transition from public switched networks to Internet telephony could take decades and stressed need for gateways to convert

from one to other in interim. (*Warren Publishing, Inc.*, September 4)

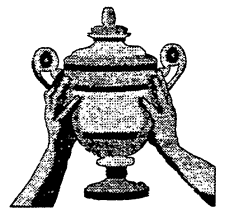
Small ISPs in Jeopardy?—

Gartner Group predicts the number [of Internet Service Providers] will shrink 90 [percent] in five years, leaving about 400 ISPs in 2002. Most ISPs simply won't be able to keep up. They'll either sell to the big players or bail out. Another problem for ISPs will center on bandwidth. Internet users will increasingly want higher bandwidth and fast, multimedia connections. They'll turn to cable modems or new phone company technology. ISPs probably won't be able to offer either, or will have to spend big bucks to do it. (*USA Today via Dow Jones*, September 4) □

Around NS

NS ATM System Gets Users' Choice Award

Lucent Technologies' GlobeView®-2000 Broadband System Interspan has won the 1997 Users' Choice Award from *Communications News Magazine*. The award is given to products chosen by the magazine's readers (telcommunications and networking product users) as being the most popular and having the most potential. The GlobeView 2000 is an ATM transfer mode that provides high-speed transport for AT&T's core interspan network. Both Lucent and AT&T were chosen to receive the award. □



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.

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