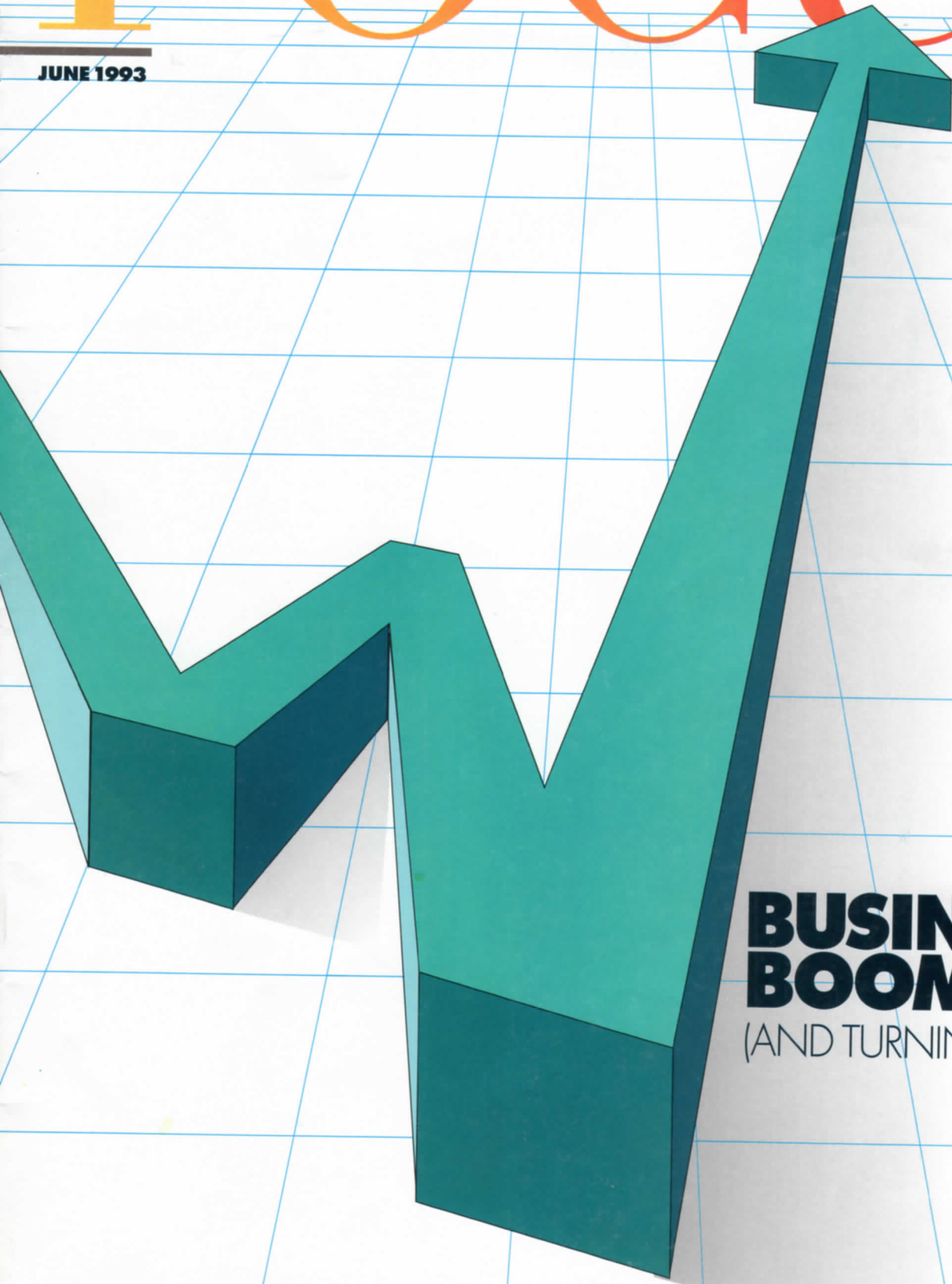


FOR AND ABOUT THE PEOPLE OF AT&T

FOCUS

JUNE 1993



**BUSINESSES
BOOMING**
(AND TURNING AROUND)



By Pat Bridgman

JUST BECAUSE IT'S JUNE ... June's the month for weddings. So we have a couple of wedding stories for you...and a pop quiz: AT&T has 312,523 employees. How many are husbands? The answer's at the end of this page. **THEY COULD LOOK IT UP ...** For the first time ever, AT&T is mailing free copies of its 800-number directories to non-AT&T customers. Now nearly half a million Sprint and MCI customers will know the joys of 800-4CAVIAR, 800-BYABOOT and 800-322LOVE. Some 1.5 million AT&T customers get this useful compendium, too. **HOME IMPROVEMENT ...** NCR's Dayton, Ohio, complex is getting a \$12 million makeover, including remodeling of the former financial-terminal manufacturing facility and general spiffification of the United States Marketing Group's HQ. **ON A CLEAR DAY YOU CAN SEE HONG KONG ...** Actually, now that AT&T's Videophone 2500 is available there, you can see Hong Kong any day for the cost of a standard voice-only call. Videophone 2500 will be available in 25 countries by year-end. **THE "I DO" PLAN ...** It took 50 hours of long-distance sweet talk (over AT&T, of course), but Ernestine Shriver said "yes" when former beau Wager Shumaker popped the question. Now in their 80s, the couple hadn't seen each other for 63 years. They were married May 1.

ALONG THE SAME LINES ... Candy Hegedis and Kevin Engelhardt had an AT&T long-distance courtship, too—she in Iowa and he with the Marines in Okinawa, Saudi Arabia and Kuwait. "Thanks to AT&T we've had good service through the years, and now we also have a wonderful new daughter-in-law," Kevin's mother wrote, inviting Bob Allen to the April 24 wedding. **CAN'T OVERTAX THIS SYSTEM ...** AT&T will provide its largest networked Audix system so far to the U.S. Internal Revenue Service. The \$30 million voice-messaging network has the potential to connect as many as 150,000 users nationwide. **AT&T WPROWADZA DLA KLIENTÓW MÓWIACYCHPO POLSKU NOWY, DARMOWY NUMER 800 ...** Polish-speaking customers can now call 800-826-2600 for personalized assistance in Polish concerning AT&T products and services, billing inquiries, long-distance rates, etc. Another new number, 800-542-2025, provides assistance in Russian. **FACE IT ...** Management Recruiters Int'l meets face-to-face with 250,000 job seekers every year—many of them a costly plane ride away. That's why they've signed on with AT&T for Accunet Switched Digital Video Service. The network will be the first of its kind in the search industry and one of the largest private videoconferencing networks in the world. **AT&T REALLY RATED ...** when Total Research company asked consumers to rate 180 brands on quality. As reported in Brandweek magazine, AT&T long distance ranked sixth; MCI 162nd; Sprint 166th. Last year AT&T LD ranked 10th. Good news, too, for AT&T Universal Card, which ranked 27th, 16 points higher than last year, becoming "the most highly regarded credit card on the market." Who got top spot? Disneyland/Disney World. **THE ANSWER: "JEOPARDY" ...** The question: Name a TV show that will come to you via Telstar 401. A number of syndicated-TV-show distributors have signed up for space on Telstar 401, the next-generation AT&T communications satellite scheduled for launch this November. Also bouncing off our bird will be "Wheel of Fortune," "Entertainment Tonight," "Empty Nest" and "Live with Regis and Kathie Lee." **CFC FREE AT LAST! ...** April 14, AT&T announced that it had eliminated virtually all ozone-depleting substances from its consumer and business product manufacturing—two-and-a-half years ahead of a worldwide ban on these substances. **CAN YOU BELIEVE IT? ...** AT&T has only four husbands: Christie Husband, a bill processing clerk in Charlotte, N.C.; Diane Husband, an operator in Santa Rosa, Calif.; Gary Husband, an MTS-I at Bell Labs in Naperville, Ill.; and Bill Husband, director of Technology Planning for Capital Corp. in Bloomfield Hills, Mich. **CIAO FOR NOW!**



Scott Goldsmith



Wager Shumaker proposed to Ernestine Shriver, top photo, after a 50-hour, long-distance courtship. "I guess that makes me a phone-order bride," Ernestine says. The Engelhardts, below, got engaged with a little help from AT&T, too.

FOCUS

small
words



June 1993

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For 10 years, from the Arabian Desert to bustling Hong Kong, AT&T *USADirect* Service has been a boon for U.S. travelers.

18 COVER STORY: HOW TO TURN AROUND A BUSINESS

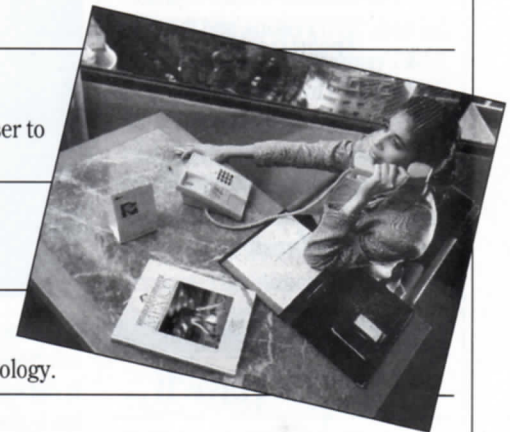
A look at how the people of three AT&T groups turned their business around.

24 ONE GIANT STEP

The People's Republic of China's historic pact with AT&T takes it one step closer to modernization.

28 FOCUS ON OKLAHOMA CITY

A look at AT&T in Oklahoma City, Okla.



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Bold new advertising campaign targets younger audience, touts upcoming technology.

34 PENSIONS AND PROMISES

Promising pensions is easy. Helping companies keep their word is a lot harder. But AT&T Actuarial Sciences Associates Inc. is up to the challenge.

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8 UP FRONT

In the news up front this month, Boston hosted AT&T's 108th Annual Meeting of Shareholders; company and union representatives met to share ideas about Workplace of the Future; the Polish PTT awarded Network Systems International its largest single contract; Consumer Products and Universal Card Services name new presidents; quarterly results are announced; and students learn about the differences between deaf people and hearing people.

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AT&T's Brand of TLC

The East Coast was bombarded by a severe storm system in March. My husband, who is also an AT&T employee, got "called out" with the AT&T Cable Hazard group to repair regenerator stations damaged by the storm. Due to the bad weather conditions, he and his partner were stranded in the mountains. Unfortunately, my husband also grew ill and had to be hospitalized.

I've written this letter to praise his boss, Tom Perkins, and the other AT&T employees my husband works with. They were genuinely concerned and followed up with action to help in any way needed. I cannot begin to express my gratitude and appreciation for all the "TLC."

Barbara Westbrook
Atlanta

The "I"s Have It

After reading March/April's cover story, and being bombarded by print and television advertising over the past few weeks, I only can conclude that AT&T is desperately trying to be obtuse and obscure, and not easy to do business with. What is "The i Plan?" I don't know. I certainly couldn't find out from the article or the ads. Instead of being given an outline of possible plans and savings or features, we are left in the dark, only to be told to call an 800 number. This number wasn't even given in the article or in any accompanying sidebar.

Remember, *Focus* readers are not just employees of AT&T, we are customers too. I resent the lack of information that is presented in advertising and company outlets, such as *Focus*. Most people prefer to have the opportunity to study a sales pitch at leisure. Why should we have to talk to a sales

representative just to get some information? For me, "The i Plan" is not informative, illuminating or intriguing. Instead, it's irritating.

Alan Weiss
Murray Hill, N.J.

[The following response is from Rosanna Innes, Consumer Communications Services marketing manager:

The i Plan provides an integrated umbrella for our communications in the consumer marketplace, whether in advertising or direct customer contacts. The introductory advertising is intended to set the stage for future ads, which will be more specific. We are using our sales and service representatives to deliver The i Plan for our customers because we believe that through personalized contacts we are best able to deliver new and simplified ways to help. That is what The i Plan is all about. You can reach one of our customer representatives by calling 800-222-0300.

We appreciate your suggestion regarding further information on the i Plan to study at leisure. Brochures on some i Plan components are available with more planned in the future.]

Mixed Feelings

I read the article on AIDS education (February) with mixed feelings. Naturally, I'm delighted that AIDS education is taking place. Our employees need correct and practical information to replace the myths surrounding AIDS transmission and care.

I am dismayed, however, at the implication that AIDS education has become more important now that the number of heterosexual AIDS patients is increasing in the United States. Unfortunately, this is the prevalent attitude that has allowed the needless death of tens of thousands of AIDS victims of all affectional orientations.

A fact many Americans often

overlook is that AIDS always has been primarily transmitted by the heterosexual community in most of the world.

James Deacon
Naperville, Ill.

On Being Environmentally Sound

I always appreciate seeing environmental topics in our employee publications. A great many of us share a feeling of tremendous obligation to restore and protect our once-beautiful home and feel that it would be difficult to do too much in this direction. So when this very large, very successful and very powerful company does good things for the environment, it is a source of encouragement.

I would like to suggest that we focus beyond the public recognition coming to AT&T and



Tommy Thompson/BlackStar



An AT&T Cable Hazard crew revisits a mountain area near Atlanta where they repaired storm-damaged regenerator stations during March's "blizzard of '93." Pictured in warmer weather, from left, are Jake Jacobs, Bill Westbrook, "Spike" (John) McCarthy and Tom Perkins.

concentrate on the "stuff" we have yet to do. A major opportunity lies right outside the door. To preserve a costly, artificial landscape, the grounds of company buildings, both owned and rented, are regularly drenched with herbicides and pesticides. This process harms wildlife, probably including us, sheds poisoned water into our rivers and kills the soil.

Facilities-management groups have undertaken serious cost-cutting measures, which has meant that some of the mowing regimens have been slowed down to save money. With a small amount of vision and planning, AT&T now has an opportunity to remake the look of our workplace on the model of the native landscapes that greeted the first settlers to arrive here. There is a cost to do this, but these landscapes repay those costs in just a few years because maintenance costs are drastically cut. At the same time, they restore support for a wonderful variety of plant and ani-

mal life—which can have only a nourishing effect on the people who work here.

A few other companies have taken the lead in this area and it has brought them glowing praise in the media. I would encourage AT&T to see the value in making a change.

Mary Ellen Snyder
Oak Brook, Ill.

An Invitation

In the December issue of *Focus* you published an uncritical article promoting E-Prime, a speech and writing style in which the verb "to be" is avoided at all cost.

Readers who are interested in a more critical treatment of this fad are invited to read Martin Gardner's "Notes of a Fringe-Watcher" in the Spring 1993 issue of *The Skeptical Inquirer*.

Gardner comments on the history of the E-Prime "move-

ment" and on various E-Prime factions. He also points out that "there is no empirical evidence that persons who speak the language have become healthier or happier or learned to think more clearly." I agree with his observation that "Translating ordinary language into E-Prime ... strikes me as almost as useless as translating English into words that avoid the letter E."

Readers can contact *The Skeptical Inquirer* at P.O. Box 703, Buffalo, NY 14226-0703.

Joe Miller
Holmdel, N.J.

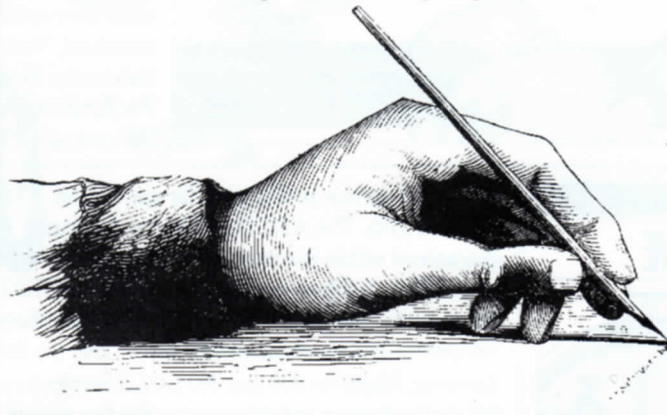
Correction

The "AT&T and the Environment" story (May) stated, "By year-end 1992, AT&T had reduced its CFC emissions by 76 percent. ..." It should have stated that AT&T had reduced its CFC emissions by 86 percent. We regret the error.—The Editors

Pen Those Thoughts

Focus is your publication. Its editors value your input, your suggestions and your opinions, both positive and negative. This is just a reminder to keep those cards and letters coming.

And, in case you're wondering, all signed letters will be treated as having been submitted for publication. When you write, please include the name of your business unit, your work location and telephone number. The editors, of course, reserve the right to edit all letters for space and clarity. Send all correspondence to: *Focus*, Room 2233H1, 295 N. Maple Ave., Basking Ridge, NJ 07920.



IABC Gold Quill Award Winner
1989, 1990, 1992, 1993
AT&T Transmission Systems and AT&T Universal Card Services are 1992 winners of the Malcolm Baldrige National Quality Award.

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Focus offers translations of any article in the publication into any of seven languages: Spanish, French, German, Dutch, Chinese, Japanese and Thai. Make requests by phone or fax to Carrie Calnan (access code) +1-908-221-3041 or fax (access code) +1-908-766-1705.

Got a story idea? Fax it to us on a single sheet at 908-766-1705.



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US

KEMPER CONTRACT

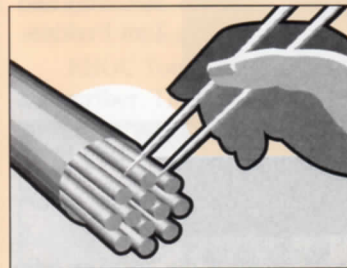
Kemper Service Company has awarded a five-year, \$60 million contract to AT&T for a custom-designed, integrated voice and data network. The network will link Kemper's 350 locations nationwide and enhance their current network. The contract renews a 1990 agreement between Kemper and AT&T for AT&T's Virtual Telecommunications Network Service. AT&T also will provide Kemper with centralized, state-of-the-art service management to oversee network performance, consolidated billing and network maintenance.

WIRING WISCONSIN

AT&T has invested \$44 million in a second switching center in the Dairy State. The new switching system in Madison, Wisc., will increase AT&T's call-carrying capacity and make its network faster and more reliable.

OVER THE HORIZON

A new fiber-optic cable company has made it to the Land of the Rising Sun. AT&T Yazaki Fiber Optic Cable Company Ltd., a joint venture between Yazaki of Japan and AT&T Network Cable Systems, will manufacture and sell fiber-optic cable for use in telecommunications and data communications in Japan. Operations began in April in Numazu City, Japan. AT&T owns 51 percent of the new company and Yazaki, 49 percent.



LOOKING SHARP

With a wave of the wand and a shake of the hand, AT&T steps into the world of wizards—Sharp electronic Wizards, that is. AT&T and Sharp have joined to market a version of Sharp's Wizard line of electronic pocket organizers. The new organizers will allow people to send and receive messages over the air. Under the agreement, AT&T will supply a radio communications device the size of a credit card that plugs into the pocket organizer and links it to AT&T's Easylink Services.

UNDERSEA CONNECTION

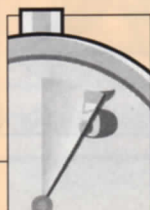
AT&T has activated service on the first undersea fiber-optic telecommunications system between the United States and New Zealand. This connection becomes the latest piece in a web that will ring the Pacific Ocean with fiber-optic cables by 1995. The \$265 million PacRimEast cable system spans 7,850 kilometers between Takapuna, New Zealand, and Oahu, Hawaii. The PacRimEast already connects Australia with New Zealand and Hawaii



with California. All three cable systems offer a continuous fiber-optic route between the United States mainland, New Zealand and Australia. AT&T Submarine Systems installed more than half of PacRimEast under a \$132 million contract awarded by the system's 33 owners.

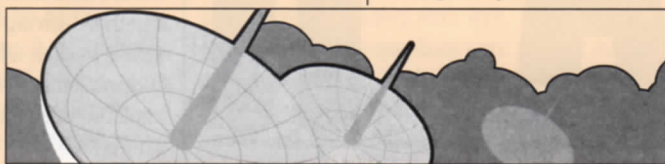
FREE FIX IN FIVE

If their 800 service is disrupted for any reason, AT&T 800 customers can be back in business in a flash. The AT&T 800 Service Assurance Policy now provides alternative service guaranteed within five minutes of a disruption. Whatever the cause of the problem may be, AT&T can either reroute calls to another AT&T 800 number designated by the customer, install temporary 800 service or route callers to a voice announcement. All AT&T 800 service customers automatically receive the five-minute guarantee without charge. However, *Megacom* 800 and 800 *GOLD* Services customers must pre-plan the alternate call destinations in order to receive the five-minute guarantee.



THEM

RETAIL RELAYS



Montgomery Ward & Co. has enlisted Hughes Network Systems to install and service satellite networking equipment at its 350 retail locations. Under the multimillion-dollar contract, Hughes will install a one-meter Personal Earth Station Very Small Aperture terminal (VSAT) atop each Montgomery Ward location. The VSATs will beam encoded data from each location to a

Hughes satellite hovering 23,000 miles above the earth for transmission to a hub earth station at Montgomery Ward's Chicago headquarters. The new network will support key operations such as check and credit authorization, inventory management, sales volume reporting and pricing changes.

CHINA TAPS ERICSSON

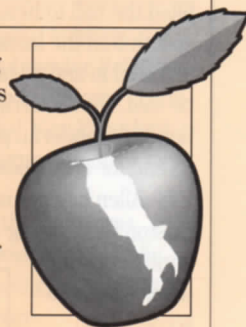
Sweden's Ericsson has been awarded a \$150 million contract to expand the cellular telephone network in the Guangdong Province of China. The equipment, to be delivered in the third quarter of 1993, will give the network the capacity to serve 240,000 additional subscribers—doubling the capacity of the present network. The contract includes radio channels, mobile switching centers, databases and radio link equipment.

MCI HAS "NO FAULT"

MCI's "no fault," five-minute, 800 Guardian guarantees alternate service within five minutes if a customer's 800 service is disrupted, regardless of the service disruption's source.

NEW YORK ITALIAN STYLE

Italian tourists who are Big Apple-bound can get Sprint prepaid calling cards if they book their trip with Gastaldi Tours. Gastaldi Tours, Italy's largest organizer of travel-group tours to the United States, is giving a card that has 20 units worth of calling time to its customers going to New York City. Travelers can use the prepaid calling card to make domestic or international calls from any touch-tone phone in the United States. Usage instructions and the toll-free U.S. access number are printed on the card in Italian. Pre-recorded messages the caller hears while calling also are in Italian.



LISSOING LONG DISTANCE

Look out J.R. Ewing. Rod Cutsinger, a Houston entrepreneur who has a track record of starting and selling companies ranging from oil firms to a funeral service company, has launched a new long-distance company. Vadacom steps into the Texas long-distance arena with 293 other registered long-distance carriers. Vadacom markets to midsize businesses spending \$1,000 to \$50,000 a month for long distance. It claims to offer more flexibility and more custom features designed for smaller companies than its larger competitors.

WIRELESS WATCHDOG



Fujitsu Cellular Mobile Telephone now offers an enhanced protection plan for its PCX cellular phone. The new plan, called PCX Protect, provides customers with 24 months of coverage against theft, loss or such accidents as coffee spills or dropping the phone. PCX Protect was offered free to customers who had PCX phones shipped from Fujitsu before May 31, 1993. The protection plan has no deductible and also covers most Fujitsu cellular accessories used with the PCX.

(Competitive information supplied by the AT&T Information Research Center. If you would like to submit an item for this column, send it to Elaine Jundos, Focus, Rm. 2230H2, 295 North Maple Ave., Basking Ridge, NJ 07920.)

AT&T'S ANNUAL MEETING

IT WAS A VERY GOOD YEAR

Boston's Hynes Convention Center bulged at its seams on April 21 when AT&T Chairman Bob Allen called the company's 108th annual meeting to order in the city where, he noted, "it all began" for the communications and computer industries.

Nearly 1,400 shareowners filled the hall to hear Allen's perspective on the business they've invested in and its future, which, he said, "holds terrific opportunities and wonderful possibilities for us and for our children."

Allen even his visit to Boston the evening before the annual meeting when he joined some 1,500 employees and their families at a special family night preview in the center's large meeting hall and sprawling hallways where dozens of exhibits were on display. AT&T business units showed off the latest cutting-edge technologies including Bell Labs work with High Definition TV; NCR's automated teller machines/smart card, electronic scanning and desktop appliance units; Consumer Products'

personal communicator and VideoPhone; and a display of Network Systems' cellular technology advances. Dominating the center of the room were the two Malcolm Baldrige National Quality Awards won last year by AT&T's Transmission Systems and Universal Card units.

Other crowd-pleasers were three Boston-area sports celebrities—former Red Sox slugger Jim Rice, retired Celtics star John "Hondo" Havlicek and '92 Olympic figure skating bronze medalist Nancy Kerrigan—who all signed autographs and posed for pictures for much of the two-and-a-half-hour event.

Allen told the family night gathering that 1992 was a very good year for AT&T employees and shareowners alike, saying "We should all be pleased with our

achievements, our rising stock price and our plans for the future." He thanked employees and said he could stand before shareowners with confidence because of the fine work throughout the year by AT&T people around the world.

Prior to his talk to employ-

ees, Allen was presented a "Baldrige" jacket by Production Associate Cheryl Muise of the company's Merrimack Valley Works in North Andover, Mass., where 7,000 AT&T employees played a major role in winning the coveted award for their business unit in 1992.

The Chairman used the spirit of Massachusetts' Patriots' Day celebration and the Boston Marathon, which was run the day before, to make his point that AT&T is leading its own "revolution" to transform society with information age technologies, "and we're going to fire more than a few shots heard round the world!"

Noting AT&T is also running a marathon, he said, "For many years we were running uphill and against the wind, and often we were in the middle of the pack. Today, we're among the leaders, and we've hit our stride. But there are plenty of competitors breathing down our neck and quite a few ready to give us an elbow. And there are miles to go and many hills ahead. So we can't let up."

He also shared with employees what he told shareowners the next day about how AT&T's strategy will win in the computing and communications marketplace. "Networking is the thing. No one—no company in the world—

has a network that can compare to AT&T's in quality, capability, global reach, reliability, speed—you name it.

"And no company ... brings to the marketplace such a complete range of products, services, R&D and networking capability. Our competitors have some of the pieces but they don't offer it all. With our resources, AT&T will fulfill its mission to become the world's best at bringing people together—giving them easy access to each other and to the information and services they want and need anytime, anywhere."

Following his visit with employees and their families, Allen hosted chief executives from 25 of AT&T's biggest business customers in the region at Boston's Museum of Fine Arts. Earlier in the day, the Chairman

'No one—no company in the world—has a network that can compare to AT&T's.'



Photos by George Riley

met with union leaders representing the International Brotherhood of Electrical Workers and The Communications Workers of America.

Annual meeting day also included an early breakfast meeting at which Chief Financial Officer Alex Mandl briefed securities analysts on corporate earnings and the financial viability of the company.

A press briefing followed where Allen previewed his shareowner comments with national and local media. The press conference was telecast, as was the annual meeting later, over the AT&T television network to employee locations around the world. Allen announced first-quarter earnings of 74 cents a share with income during the same period of \$996 million. However, as was expected, he noted, the com-

pany reported a loss for the first quarter as a result of a previously announced charge for retiree health and other benefits. Allen added that these results also included a one-time gain from a change in accounting for income taxes.

"Accounting changes aside," Allen told the reporters, "this was a good quarter and I am confident it augurs well for the rest of the year." He pointed out that the loss was a paper loss and does not affect cash flow, the ability to pay dividends or R&D funding.

Allen focused his shareowner remarks on "the mainstay of our strategy ... continuing to be the world's premier global networking company." He described the strategic relationship among AT&T's business units, saying, "Each must be profitable in its own right. But

each also must directly or indirectly contribute to increasing usage of our global network." The company, he said, is "vigorously pursuing" opportunities in the global information industry, which is expected to grow to \$1.4 trillion in the next few years.

Acknowledging that AT&T's global mission is ambitious, Allen emphasized that the company's values, Our Common Bond—respect for individuals, dedication to helping customers, the highest standards of integrity, innovation and teamwork—are critical because they bring about the behavior that is essential to global success.

Before Allen turned the meeting over to questions and comments from shareowners, the audience was treated to a look into the not-too-distant future in a film that illustrates AT&T's exciting 21st century applications of networked computing, wireless messaging, visual communications and voice and audio processing technologies.

Shareowners then took the floor to ask the chairman questions or offer comments which covered a wide range of concerns dealing with company business

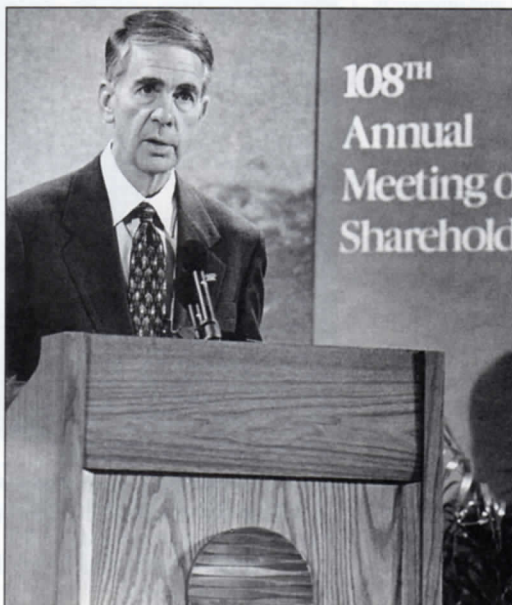
ventures, employee pensions, long-distance competition, advertising, management/union relations and, yes, dividend increases! Several shareowners expressed dismay over comedian Rodney Dangerfield's appearance in AT&T TV commercials. Allen told the owners that the TV spots in that particular ad campaign had ended.

In other business, shareowners voted down by wide margins the five shareowner proposals that involved additional executive pay disclosure, reducing the size of the board, endorsement of certain environmental principles, establishment of a facilities closing committee and union representation on the board.

The chairman also announced that Ambassador Carla Hills, chairman and chief executive officer of Hills & Company, International Consultants, and former U.S. trade representative, had agreed to join the board of directors. She would be elected to the board at its May 19 meeting, Allen said.

Before Allen adjourned the meeting, a shareowner suggested the meeting return to Boston next year because she had had such a good time.

—Terry Romano



Far right, Bob Allen visits with employees at Consumer Products' exhibit booth. At right, Allen addresses shareholders at the annual meeting in Boston.

WORKPLACE OF THE FUTURE

WORKING TOGETHER

The best idea most people have of the workplace of the future might come from the Jetsons. On the old cartoon, George Jetson's boss, Mr. Spacely, used to badger poor George about his performance, and the relationship was not enlightened at all.

But AT&T's Workplace of the Future is no cartoon situation comedy. It's one of the most progressive formal agreements a company and its unions have established—the three-year contract signed last year established the initiative—and it's beginning to take shape now.

Through Workplace of the Future, the company, the Communications Workers of America and the International Brotherhood of Electrical Workers seek to redesign how work is done at AT&T. This redesign should give employees greater say in decisions affecting their jobs and greater employment security and should yield work processes that allow the company to move swiftly and efficiently in markets that seem to change almost daily.

The company and unions, who will select their own representatives for different planning and work activities, will mutually agree on roles and responsibilities, objectives and goals, training requirements and providers. The effort is under way, although to many people it's still only a term—many are waiting to see what it actually "looks like" in their work locations.

Indeed, Workplace of the Future will mean different things to people in different places, depending on the work they do, the size of their work forces and other variables. And their own definitions

may change over time as market conditions and needs of the business change. Most important, people on both sides recognize these facts. They're working together to make the concept a reality.

RENDEZVOUS
IN RANDOLPH

Nearly 1,000 company and union representatives met in Randolph, N.J., for two days in March to begin sharing ideas and information about what Workplace of the Future means and how it will be fulfilled. They heard speakers talk about their ideas and then broke off in groups to talk about their own ideas. Conferees' reactions were often subdued but optimistic.

"It appears to be a good way to change the way we do business," says Karl Busl, president of CWA Local 2252 in Oakton, Va. "In some areas I think it will work

right away, and in others some managers will have to be dragged kicking and screaming into it. But it should get us out of what has been an adversarial relationship and give the unions more of a say in decisions that affect employees."

Robert Munden, a communications technician and member of CWA Local 7603 in Boise, Idaho, agrees. "Workplace of the Future has a lot of potential for both sides, but it takes a change in attitudes. A lot more remains to be seen, but I think we're making progress."

Jean Akers, manager of an operator services center in Dallas, was encouraged by the conference and what she heard. "The best part was seeing the union and company work together. It's going to be a struggle because of the different backgrounds, but I believe both sides are going to do what's right. What I would like to see is more

trust in us from the union members. We want what's best for everyone, too."

Just figuring out what everyone should do in the new model may be difficult for some time. Rob Polete, a Network Services Division district manager based in Worthington, Ohio, says he and union members there sometimes disagree on how different parts of Workplace of the Future guidelines apply to their situation.

"We've had some discussions about what some of the language means," Polete says. "We have a sense of urgency to see these disputes resolved, and we're looking for more guidance."

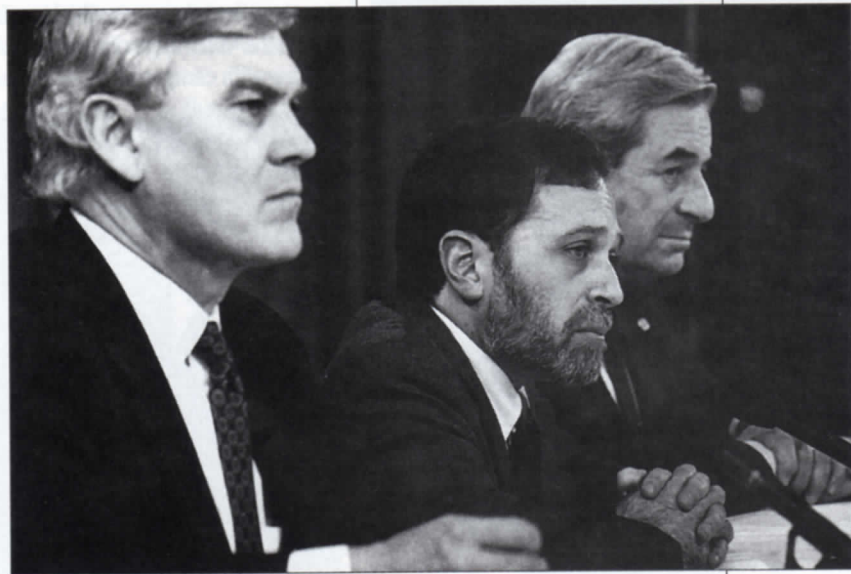
THE REICH STUFF

If the conferees in Randolph were looking for encouragement, they got it from none other than U.S. Secretary of Labor Robert Reich. The secretary, who prefers to call his organization the "department of the American work force," had the conferees in the palm of his hand with a speech he gave on the first day of the conference.

Speaking of the need for modern companies to embrace a "high-value" mode of operation characterized by customization, flexibility, service and quality, Reich said, "That organization is not a top-down bureaucratic organization. In it, workers and managers work so closely together that sometimes it's impossible to tell the difference. ...

"You, here, ... you are getting on with the job that needs to be got on with. And for that reason, I'm here; and for that reason, I salute you and wish you the very best of luck. America is watching."

—Jon Mellor



At a press conference for Workplace of the Future: from left, Bill Ketchum, vice president-AT&T Labor Relations, U.S. Secretary of Labor Robert Reich and Morty Bahr, president-Communications Workers of America.

POLAND

NEW FACTORY AND A BIG SALE IN POLAND

AT&T's international strategy holds that investing in countries is crucial to making sales.

That strategy was validated again in late March when the Polish PTT, Telekomunikacja Polska (TPSA), awarded AT&T Network Systems International (AT&T-NSI) its largest single contract in Poland—an order for \$100 million in telecommunications systems to help the country modernize its telephone network.

The sale came just four months after AT&T bought a factory in central Poland. "We bought the factory to position AT&T as a long-term supplier to the Polish network," says Jan Boerrigter, AT&T-NSI account director for Poland.

AT&T purchased 80 percent of the shares of Telfa, S.A., in Bydgoszcz, Poland, last November and agreed to renovate the factory. Telfa is one of the three principal suppliers to the TPSA and as part of the deal AT&T has received approval from the Polish government to supply the public telecommunications market in Poland.

The factory, which employs about 1,200 people, will produce 5ESS digital switching systems by the third quarter of this year.

A \$600 MILLION DEAL?

The purchase also was prompted by a "framework" agreement under which Poland has indicated interest in buying \$600 million in telecommunications equipment from AT&T over the next several years, Boerrigter says. However, despite the agreement, AT&T must competitively bid for each contract in a market dominated by stiff competition.

Poland is replacing its existing analog lines with digital lines and adding more lines overall. Currently there are only four million tele-

phone lines for the country's population of 38 million people. Poland's goal is to have 12 to 13 million lines by the year 2002—or to add more than one million lines a year.

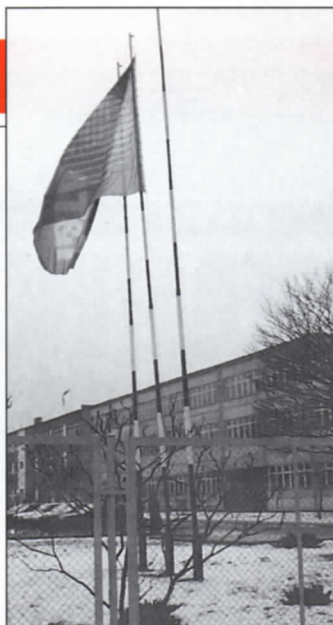
Since 1990, AT&T-NSI has installed 5ESS switches, transmission equipment and fiber cable and built an entire overlay network for businesses in the Warsaw area. The latest contract calls for more than 200,000 digital telephone lines, transmission systems, operations systems for network management and fiber cable equipment for optical communications for the port city of Gdansk in northern Poland.

STRATEGIC INTENT

One challenge AT&T must meet in doing business with Poland is creative financing, says Boerrigter, who is based in Hilversum, the Netherlands, but spends most of his time in Poland. In this case the sales agreement calls for equipment to be paid for from the revenues it generates. "If the telephone doesn't ring, the customer doesn't get money and we don't get paid," Boerrigter says.

Boerrigter sees the sales in the context of a larger picture—strategic intent. "Bob Allen speaks of realizing up to half of all AT&T's revenues from outside the United States by the year 2000," he says. (The 1992 figure was 24.3 percent.) The New York Times sees the sale in a larger context, too. "Winning contracts of any size could position AT&T for more lucrative business later," said the paper in an article announcing the \$100 million sale.

—Cathy Fee



AT&T's purchase of the AT&T Telfa Network Systems Plant, top, in Bydgoszcz, below, helped win business in Poland.

TRANSITION

CEO HUNT ENDS... HUNT BEGINS

AT&T's Universal Card Services last month named David K. Hunt, a 23-year veteran of the credit card industry, as president and chief executive.

Hunt, formerly of Signet Bank, succeeds Paul Kahn, who resigned in February after leading AT&T Universal Card Services to its current position as the nation's second most popular credit card issuer.

While with Signet, Hunt led the Virginia-based financial institution to become one of the industry's top 15 card issuers.

"I'm well aware AT&T started Universal Card Services as a way of deepening its relationships with its long-distance customers," says Hunt. "That will remain our strategy—and I will be personally committed to the continued success of the Universal Card."

TRANSITION

SUN EXECUTIVE NOW SHINES AT CONSUMER PRODUCTS

Carl Ledbetter, an executive with Sun Microsystems, was named president of AT&T Consumer Products in April. He succeeds Ken Bertaccini, whose assignment as senior vice president and chief quality officer of AT&T was announced in January.

"We were looking for someone with experience like Carl's in view of the rapid advancement of our Consumer Products business into new categories such as personal communicators," says Bob Kavner, AT&T group executive-Communications Products.

Ledbetter has a dozen years' experience in marketing and engineering in the computer business. "He has a strong grasp of technology," adds Kavner, "which is essential to our continued development of new consumer applications in today's merging environment of telecommunications, computers and consumer electronics."

Ledbetter has been a corporate vice president of Sun Microsystems and general manager of SunSelect, one of the \$4 billion computer maker's eight operating divisions.

QUARTERLY RESULTS

STRONG OPERATING RESULTS OUTWEIGH PAPER LOSS

AT&T recorded a paper loss of \$5.64 billion, or minus \$4.19 per share, for the first quarter of 1993. But securities analysts and the news media looked beyond the bottom line and saw strong operating results.

The company had said earlier that we would book in the first quarter a \$7 billion charge against earnings to cover the future costs of retiree health and other benefits. This was prompted by a new accounting rule, which affects all U.S. corporations.

Without this charge and an accounting change for income taxes that resulted in a one-time gain earnings were \$996 million or 74 cents per share, compared with \$883 million or 67 cents per share for first-quarter 1992.

The quarter's results were announced just prior to the 108th annual meeting of AT&T shareowners held April 21 in Boston. Meeting with the press and then with shareowners, Chairman Bob Allen was decidedly upbeat. "Accounting changes aside, this was a good quarter, and I am confident it augurs well for the rest of the year," he said.

Chief Financial Officer Alex Mandl also talked with securities analysts before the meeting. He highlighted the nearly 13 percent increase in operating income and 2 percent growth in revenues. Revenue drivers were financial and long-distance services and sales of network telecommunications products and microelectronic components.

Long-distance calling volumes grew about 5 percent.

Revenues from communications products and systems were flat, although our PBX business has become more profitable. Sales of Network Systems products increased 4.5 percent over the year-ago quarter, with revenues from international sales jumping 8 percent.

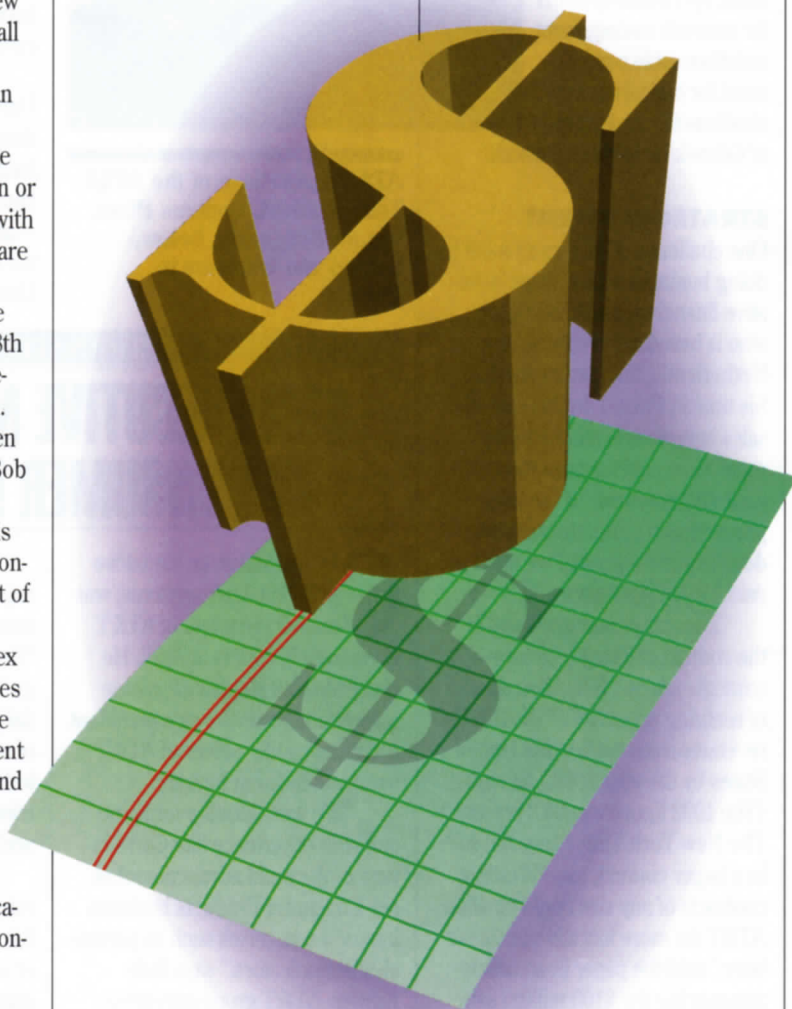
NCR's revenues of \$1.48 billion were down about 3.4 percent

from the 1992 first quarter, reflecting weak overseas demand and general industry softness. However, orders are strong for many new NCR products.

AT&T's operating expenses for the quarter rose 3.3 percent.

"We continue to target earnings growth of at least 10 percent this year," Mandl told analysts.

"We feel very good about our



prospects for 1993."

Bolstering his optimism is our profitable long-distance business. "Our marketing initiatives such as *The i Plan* and increased sales support are already having an impact, and we expect to achieve our goal of growing with the market," he said.

"Our product businesses are on track ... and our financial services business is continuing its robust, profitable growth."

Analysts were generally pleased with our performance.

Blake Bath of Sanford C. Bernstein & Co. called the results "very solid" and said AT&T is "doing a great job, and this is a great business."

Oppenheimer & Company's Michael Elling was bullish, too, saying AT&T "is probably the best-positioned company in the world today."

Daniel Reingold of Merrill Lynch & Co. predicted AT&T's "stock could trade in the mid-60s over the next six months."

Going Global

"**G**lobal" was the watchword for AT&T's 1993 first quarter. AT&T's international activities ranged from the company's largest foreign venture ever in China to a contract to provide services and equipment to Nauru, the world's smallest independent country. Ventures in the Czech Republic, Taiwan, Thailand and Poland also made news. AT&T also continued its trend of partnerships and joint ventures on this side of the Atlantic. AT&T bought a 20 percent stake in Canadian long-distance carrier Unitel and made its first step toward investing \$3.8 billion in cellular phone giant McCaw. Technological advances and partnerships continued, with a new technique for etching circuit patterns on silicon wafers, a collabora-

tion with two other companies on Asynchronous Transfer Mode or ATM and a video/PC technology. On the services side, AT&T introduced The i Plan for residential long-distance customers and expanded *InterSpan* services for small businesses. Personnel changes making headlines included the departures of Paul Kahn and Gil Williamson from the top spots at Universal Card and NCR, the appointment of Jerre Stead as NCR chief and Ken Bertaccini's new position as chief quality officer. The details follow:

■ JANUARY

4 AT&T Submarine Systems says it will supply undersea fiber-optic cable to Simplex Wire & Cable in a contract valued at as much as \$500 million.

5 AT&T cuts price of *VideoPhone* 2500 to \$1,000 from \$1,500.

6 AT&T and Novell say they will jointly develop and market a product to link business telephone systems with computer networks.

7 AT&T announces it has bought a 20 percent stake in Canada's upstart long-distance carrier, Unitel Communications.

7 AT&T unveils a new digital cordless phone, the 9350, with four times the range of conventional cordless models.

11 AT&T charges MCI with infringing on 10 AT&T patents.

12 AT&T joins with Cisco Systems and Stratacom to collaborate on a high-capacity switching technology called Asynchronous Transfer Mode or ATM. AT&T Network Systems also unveils an ATM data switch called the GCNS 2000 that can handle traffic moving at 20 billion bits per second.

18 AT&T and Compression Labs announce plans to develop a device that would sit on a home television set and decipher movies and other video services over telephone lines.

28 AT&T announces \$1.04 billion growth in total revenues for the fourth quarter of 1992, an increase

of 6.3 percent over 1991's fourth quarter. Product sales, aided by strong growth in financial services and higher rentals and other services were contributing factors.

28 AT&T Network Systems says it has formed a 70 percent-owned joint venture with the Czech telecommunications company Tesla A.S. of Prague to market and sell AT&T's digital transmission equipment for the Czech market.

■ FEBRUARY

8 Apple, Sony, Motorola, Matsushita, Philips and AT&T announce an unprecedented alliance to develop standards and common technology for personal communicators. The companies will join as equity partners in the start-up firm General Magic. AT&T and EO will build a communications network for the devices through EasyLink Services.

10 AT&T files lawsuits against MCI, Sprint and WiTel, seeking damages it claims it sustained because the three competitors haven't been making their rates public by filing tariffs with the FCC.

16 AT&T says it expects to take a charge of about \$7 billion in the first quarter to reflect accumulated retiree health-cost liabilities.

18 AT&T introduces The i Plan, offering special rewards to loyal residential long-distance customers and competitive pricing based on each customer's usage.

23 AT&T buys \$400 million in McCaw Cellular stock, the first step in its plan to invest \$3.8 billion in the cellular phone giant.

23 AT&T announces a sweeping agreement to help modernize China's phone system—the largest foreign venture ever for AT&T.

24 AT&T and Taiwan's Economic Ministry sign a letter of intent to set up joint ventures that would improve telecommunications in Taiwan.

24 NCR demonstrates its new automated teller machine with two-way video, data and audio capabilities—the first product it and AT&T

have developed jointly since their \$7.48 billion marriage two years ago.

24 AT&T signs a \$100 million, seven-year deal with Worldspan Travel to build a telephone network to carry computer data between the company and the agencies it serves.

25 AT&T says two of its units received a contract worth as much as \$273 million from TelecomAsia to modernize Thailand's telecommunications network.

28 NCR says it pulled its various marketing operations into a single worldwide division, separating them from the U.S. sales force and changing the reporting structure of some overseas operations.

■ MARCH

2 AT&T says it has teamed up with M.I.T. and Digital Equipment to build a communications network far faster than current fiber optics.

3 AT&T says it will offer toll-free telephone service that's available on demand.

3 AT&T announces that Nauru, the world's smallest independent country, signed a \$5 million deal with AT&T for state-of-the-art telephone service.

8 Global communications giant British Telecom asks the U.S. government for permission to set up an international telephone network linking businesses in the U.S. and other countries.

9 MCI, Sprint and WiTel accuse AT&T of bullying business customers into sticking with its services, including toll-free 800 lines.

9 AT&T and Best West International say Best Western will distribute AT&T's *TeleTicket* Service Worldwide.

10 AT&T and Huntington Bancshares say they are dropping plans to market a proprietary screen-based phone, the SmartPhone; instead, AT&T will come out with a line of Smart Phones next year that can be used by a caller to gain access to any

transaction service.

10 AT&T says it has signed a \$30 million contract to provide cellular-network equipment to China's Yunnan province.

10 AT&T says Kemper insurance company has awarded it a five-year, \$60 million contract for a custom-designed, integrated voice and data network linking 350 locations nationwide.

10 The Canadian arm of software giant Microsoft has formed an alliance with AT&T to give computer users access to AT&T's global electronic mail network.

18 AT&T says it will make available to 10 additional countries *InterSpan* Frame Relay and related services, which offer to any business high-speed computer communications and special customer-service telephone lines.

22 AT&T unveils Personal Video System Model 70, a system that allows people to see each other in a corner of their computer screen while discussing business, sharing software and revising documents.

23 AT&T introduces *InterSpan* Transaction Access Service, a toll-free service to provide faster connections for electronic authorization of credit cards.

24 AT&T says it will get a series of custom network agreements totaling more than \$200 million in sales from Ford Motor Co., Amoco, Air Products and Chemicals and Policy Management Systems.

26 AT&T says it is forming a joint venture with a Chinese company, Megga International Holdings, to market telephones, facsimile machines and other telecommunications products in China.

30 AT&T says it has received a \$100 million contract for telecommunications equipment for the Polish telephone company.

30 AT&T says it has agreed to buy a majority interest in Telenet, a distributor of telecommunications products to businesses in the Czech Republic.

—Rebecca Shore

DIVERSITY

PASSING NOTES IN CLASS

John and Michael struck up an instant friendship when they first met. They compared Nintendo scores, shared comic books and complained about school—familiar activities for most 10- and 11-year-olds.

The fact that Michael is deaf and John isn't never got in the way of their fun.

The boys met as pen-pals through the AT&T Backs Communication and Diversity in Education (ABCDE) project. From Oct. 1, 1992, to this Jan. 21, students at the Marie Katzenbach School for the Deaf in West Trenton, N.J., and the William Halloran School in Elizabeth, N.J., learned about the differences between deaf people and hearing people.

"One of our goals was to show students that they can communicate despite differences. We also wanted to offer them technol-

ogy that could help them do so," says Cynthia Gabrielski, the ABCDE project's manager.

Initiated by a group of Consumer Communications Services (CCS) managers in the Consumer Long Distance organization, the ABCDE project provided both schools with a Telecommunications Device for the Deaf (TDD), fax machines, telephones and computers with electronic mail hookups.

Students from each school were paired up with buddies from the other. They could send faxes or e-mail messages to each other once a week during the two hours set aside for the ABCDE project.

With the help of 13 AT&T volunteers from 10 organizations across CCS and Bell Labs, teachers used a curriculum developed by AT&T to teach students the

fundamentals of communication. Topics ranged from how sound travels to the workings of the telephone. Halloran students learned sign language and monitored their progress by exchanging videotapes with the Katzenbach school.

"Both sets of children expanded their approach on ways to communicate with someone else," Gabrielski says.

AT&T technology provided a new world of communication to the students and their parents. Many children had never used fax machines or e-mail before. But TDDs were a special revelation for the Katzenbach students, who were able to communicate with their parents for the first time ever on the

phone with help from the assistants at the New Jersey Relay Center in Hamilton, N.J. "It was an emotional experience for many of them," Gabrielski says.

During the 10-week program, the students met face-to-face on two

occasions, visiting the New Jersey Relay Center and each other's schools. Halloran students had a chance to show off their newly learned sign-language skills.

Parents and teachers marveled at the children's interest and enthusiasm for the program. Several children kept in touch with their new friends after the program ended. "Many of the children expressed an interest in working with the deaf community. Some even thought they may want to work for AT&T," says Gabrielski.

Both schools will retain the equipment until the end of the school year, and the company is reviewing plans to repeat the program. "Seeing everyone involved benefit from this project was the biggest reward," Gabrielski says. "I was proud to see AT&T technology and know-how work together to benefit the children and their families and have such an impact on their lives."

—Elaine Jundos

'One of our goals was to show students that they can communicate despite differences.'



John Breaky

□ By Tom Savonick

A SHOW FOR CBS ... Broadcast television has always been a tough business. Here's how one AT&T sales group broke down barriers to make a great sale. **FIRST, SET THE SCENE ...** CBS and AT&T had a history of doing business together until the '80s when CBS began dividing its business among AT&T, MCI and Sprint. Then in 1990, CBS issued an RFP for outbound services. Seven carriers responded aggressively, and CBS shifted almost all of its business to MCI. At the time, CBS mentioned price and service as factors in its decision to sign a three-year contract with MCI. When AT&T heard the outcome, we tried to respond with competitive pricing in a Tariff 15, but CBS naturally shied from regulatory delays. So we lost the business. **THEN, THICKEN THE PLOT ...** Late in '92, CBS issued a new RFP, but AT&T's chances to get back the business appeared slim. "We were told by a CBS executive that we shouldn't even bother bidding because we hadn't played a part in its business for the last three years," says Tim Finnegan, Business Network Sales branch manager in New York. But the branch team spotted an opening in the RFP. It covered traditional services—inbound, outbound, data and private-line—and newer services such as frame relay and video conferencing. The RFP also requested information about any additional innovations that could help CBS' business. Innovation is where AT&T outstrips the competition. **NEXT, BRING IN THE INNOVATIONS ...** "AT&T is uniquely qualified to partner with CBS because of our strength in video distribution, which is CBS' core business application," says Florence Weiss, Business Network Sales national account manager in New York. "We pointed to a broad spectrum of video products, services and applications that are key initiatives at Bell Labs and within the business units. We talked about video compression, hybrid satellite/terrestrial networking, video-on-demand services, direct-to-home services and desktop-video to home services." After getting CBS' attention with the proposal, Weiss and Finnegan brought in help to develop a winning strategy. From Business Network Sales came Scott Perry, eastern region vice president, and Ken Foster, New York sales vice president. From Business Long Distance Services came Rick Roscitt, vice president, and Brian Maloney, division manager, Contract Tariffs. The team took key CBS folks to AT&T's Network Operations Center (NOC) in Bedminster, N.J., for a two-day retreat. "We acquainted CBS with the new AT&T," Finnegan says, "and showed them the enhanced capability of SDN and network reliability, particularly FASTAR. We took a tour of the NOC and looked at some of the specific products and services CBS had mentioned in its RFP. That's when CBS understood there's more to the relationship than just price." CBS and AT&T also learned an important lesson during the Bedminster meetings. "We learned how to communicate with each other," Weiss says. "We brought to life the services we mentioned on paper. We brought in managers of the services mentioned in our proposal. For example, Glen Starr, division manager for SDN, presented the evolution of SDN and plans for the future. Bob McCarthy talked about switched digital services. CBS folks were able to talk one-on-one with our managers. Everything was customized to their needs and it really opened their eyes." **THE GRAND FINALE ...** AT&T got back CBS' business in a three-year deal valued at \$15 million. The contract covers SDN, *Accunet* digital services, 800 service and opens the door for future dealings, including a global network offer for AT&T to support the 1994 Winter Olympics in Lillehammer, Norway. **NOW, ROLL THE CREDITS ...** Success with CBS gets attributed to cooperation on several levels. On one level, Maloney attributes the success to cooperation between local and corporate groups: "We really did have a crackerjack sales team here. I'm happy to see sales and headquarters working so well together to come up with a winning offer." On another level, Finnegan credits cooperation among branch groups and across business units: "The effort came from more than a single account team. The entire branch, everyone associated with the broadcast and entertainment industry, contributed their expertise: the national account managers, account executives, systems managers and system consultants. We went 'out of the box' by packaging a total AT&T solution with input from Global Business Communications Systems, Paradyne, Network Systems, *Interspan* Frame Relay Services, Global Video, AT&T Calling Card, *Skynet* and *Accunet* T.45 for broadcast video." Now please, a large, appreciative hand for the entire ensemble. Boffo show, folks.



Lucy Johnson

CBS recognizes a good show when it sees one. It especially liked the AT&T show featuring, from left, Jim Lechner, Florence Weiss and Tim Finnegan.

Homeward B

For 10 Years, from the Arabian Desert to bustling Hong Kong, AT&T USADirect Service has been a boon for U.S. travelers.

Ellen Stevens has listened to U.S. sailors an ocean away in Hong Kong proudly announce, "The fleet's in. Expect a lot of calls." She remembers polite Korean children calling in on AT&T's USADirect lines to practice their English. "And I still get calls from kids around the world who want to speak with Michael Jackson," says Stevens, an AT&T operator in Modesto, Calif., who handles USADirect calls.

On the East Coast, thousands of miles away from Modesto, AT&T's Empire operator services office in New York seemingly doubles as a sports desk at times. "Who won the World Series? Who won the Stanley Cup? Who won the Super Bowl?" USADirect callers want to know. More often, they're just relieved to reach an operator in the United States who speaks English—someone who can complete their calls.

But one thing is certain—whether the call is for a sports score or weather report, whether it's for closing a business deal or for seeking help in an emergency, even a battlefield call home during war—USADirect is a proven international link to home and office, to family and friends.

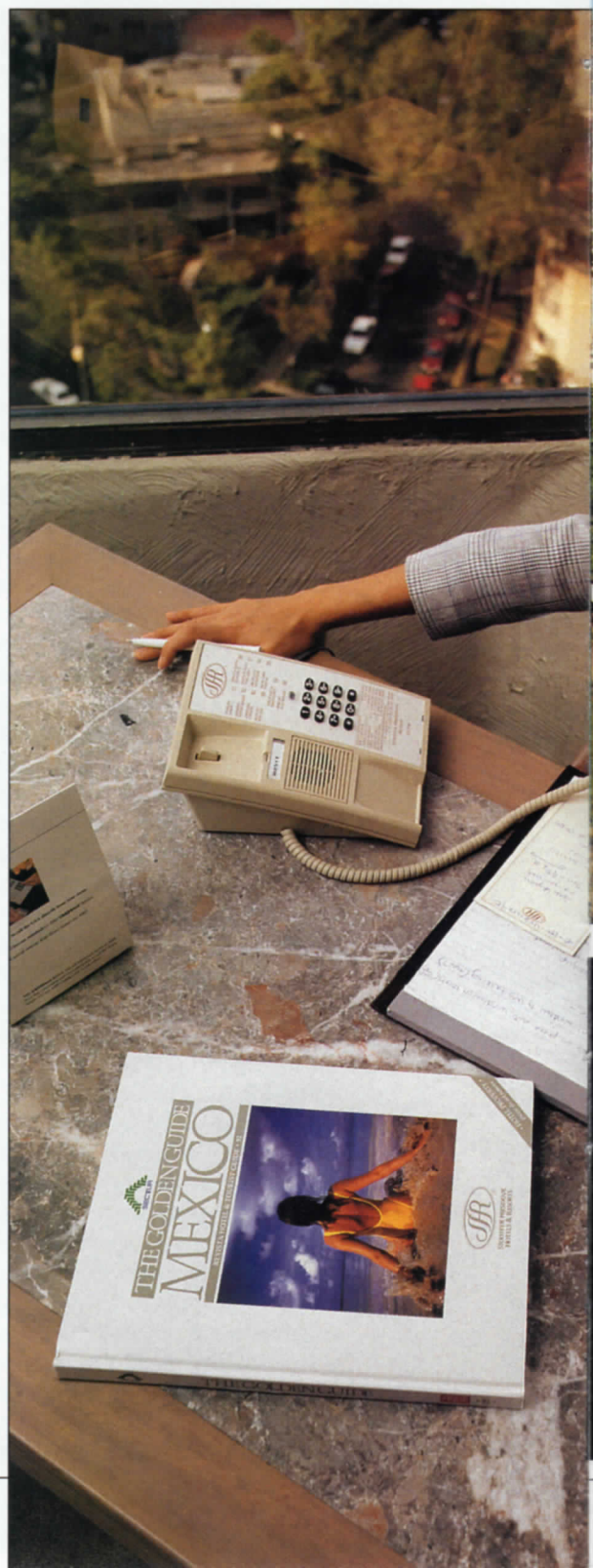
For a decade, USADirect Service has provided customers with fast, easy and economical telephone access to the United States from other countries. Today, the service is used by U.S. travelers, military personnel, U.S. citizens

living abroad and, in some cases, citizens of other countries. Callers simply dial a special access code, and they're connected automatically to an AT&T operator skilled in completing calls anytime to anywhere in the United States, Puerto Rico and the U.S. Virgin Islands and between 58 other countries using AT&T World Connect Service.

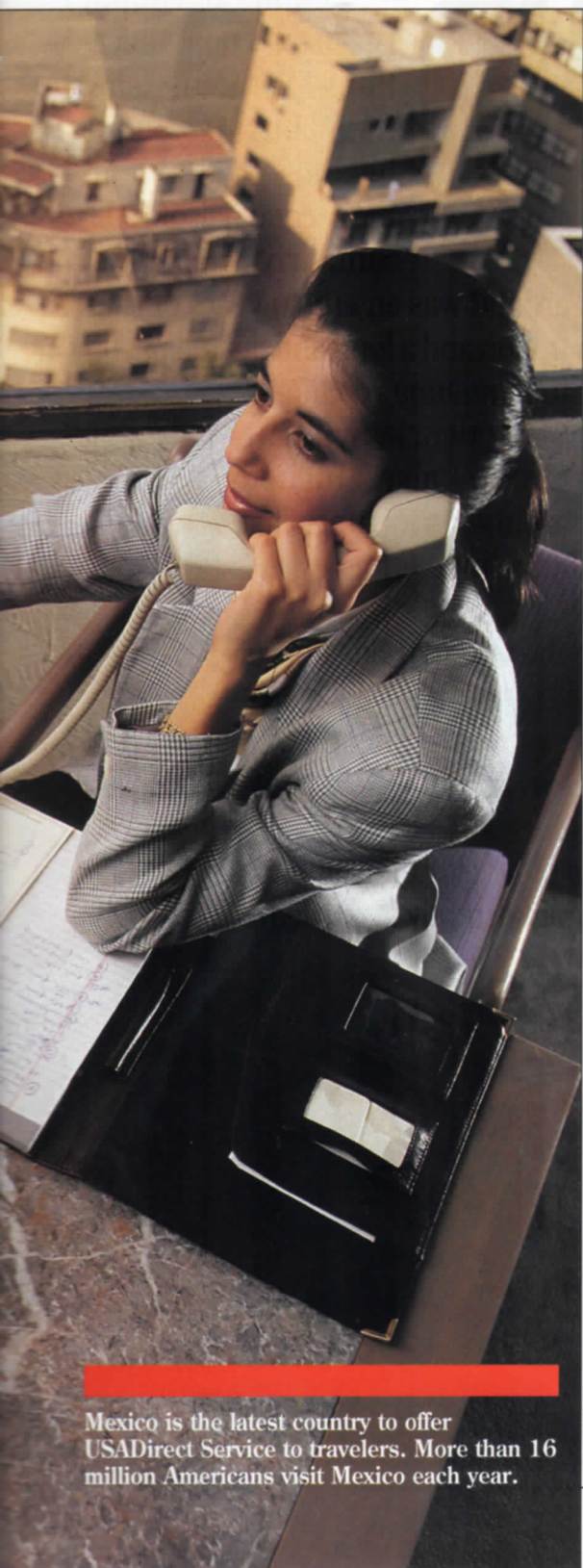
The service helps eliminate the confusion of dealing with foreign languages and currencies and can even help minimize hotel surcharges when placing international calls. There are no sign-up charges or subscription fees for USADirect Service and calls can be billed to the AT&T Calling Card, AT&T Universal Card, a local phone company card or placed collect.

For these customers, whether they're wearing uniforms, bathing suits or business attire, "USADirect is a piece of America that travels with them," says Mike Dimperio, product manager for AT&T USADirect Service, Morristown, N.J. "The service takes what people are familiar with in the United States in terms of using the telephone—direct dial, the AT&T Calling Card, operators and the familiar AT&T bong tone—and extends that ease of calling globally."

What do customers think of the service? "It's the best thing since the invention of the wheel," says one. "I never have any trouble



ound



when I call from Zimbabwe," says another. "The rates are economical." "Your operators are polite. The service is excellent," others say.

"Today, USADirect is the best and most widely available service of its kind," Dimperio says.

AT&T launched what eventually was to become USADirect Service at Subic Bay, Philippines, in 1983. It was a service specifically directed at young sailors arriving in port after months at sea. They needed an easy way to call home.

Since then the service has grown by leaps and bounds. It's now available from 123 countries and areas. Today, AT&T offers AT&T Direct Services (see related story on this page), and USADirect Service can be used to access a slew of services, all growing from the first program put in place just 10 years ago.

In Australia, for example, USADirect is celebrating its seventh service anniversary, says Jonathan Rust, AT&T Consumer Market manager in Australia. Down Under, USADirect has registered double-digit growth every year, says Rust, who's always finding ways to promote the service.

"It's convenient, the rates are favorable, and the caller doesn't have to fumble with change or decipher the local currency," he adds. In a world wired with different phone systems and where people speak hundreds of languages, USADirect offers peace of mind in what could become a traumatic and expensive experience for a traveler picking up a telephone.

According to Dimperio, that ease of calling is perhaps the single most important factor in the meteoric growth of USADirect. "The service is virtually the same wherever you are in the world," he says. "That alone has created enormous growth and acceptance. As U.S. business expands and conducts trade with all the different countries of the world, as travelers embark on longer and longer trips and visit more and more countries, USADirect will be there to help."

—John Brooks

Richard Cunningham

Mexico is the latest country to offer USADirect Service to travelers. More than 16 million Americans visit Mexico each year.

AT&T DIRECT SERVICES

AT&T Direct Services help eliminate the need to deal with unfamiliar telephone systems, languages and currencies.

■ **AT&T USADirect Service** provides travelers with fast, convenient and economical access to the United States from more than 123 countries and areas with the help of English-speaking AT&T operators. In many countries, AT&T USADirect can be reached from virtually any phone by calling a toll-free access number. The service also offers access to U.S. directory assistance and to AT&T-provided 800 numbers in the United States, including many travel agents, airlines and hotels.

■ **AT&T USADirect In-Language Service** provides an easy and affordable way for residents of certain countries to call the United States with the help of AT&T operators who speak their languages and can help place the calls. Service is available in eight languages: Chinese (Mandarin), Pilipino, French, French Creole, Hindi, Hungarian, Polish and Spanish.

■ **AT&T World Connect Service** lets customers call within and between 58 countries with assistance from English-speaking AT&T operators.

USADirect also provides access to these services:

■ **AT&T Military Saver Card Option** is a global calling plan directed at U.S. Service people outside the United States. The offer provides an easy way to save on AT&T Calling Card calls.

■ **AT&T Language Line Services** provides on-line translations in more than 140 languages through professional interpreters.

■ **AT&T Message Service** allows customers to record and send a one-minute message in their own voices for delivery at any specified time—immediately or up to seven days from the time recorded.

■ **AT&T Classic Teleconference Service** provides access to operator-assisted teleconferencing services. Customers can connect from three to more than 500 locations in more than 270 countries and territories.

■ **AT&T Fax Mailbox** allows customers to access their electronic mailboxes while traveling to retrieve their faxes at their convenience.

A wallet card providing dialing instructions and access codes for AT&T Direct Services is included in this issue of *Focus*.

HOW TO TURN AROUND A BUSINESS

When Data Communications Services' financial results printed out last summer, showing that the strategic business unit had finally broken into the black, it was almost anticlimactic. Years of hard work and a painful transformation had produced a steady climb out of the red, and the moment of truth was never in doubt.

People at Global Business Communications Systems saw their business unit become profitable in the second half of 1992. Similarly, their turn-

around was an end to years of frustration and a long-anticipated payoff to tumultuous change.

Network Systems Group also turned around its fortunes last

year after a disappointing 1991. It never dropped into the red, but a huge effort by the group's people resulted in a dramatic turnaround.

No one would think it possible, in a few pages, to do justice to the tens of thousands of people who pushed these three parts of AT&T to their personal bests so impressively. But a closer look reveals common methods the teams used, methods others might find useful. Cost reductions, benchmarking and changing work processes were used in each case to capture and recapture profits in highly competitive markets.

Perhaps more important, each turnaround involved people of all levels determined to make their success stories happen. People became energized, engaged, motivated to leave behind old operating procedures and move forward.



And You
Can't Do It
Without
Really Trying

THEY CALLED IT BREAK-THRU '92

Data Communications Services (DCS), a strategic business unit of Business Communications Services, supplies business customers with data-communications services, network-management services and satellite services. In 1988, when it began its journey as Business Special Services, it lost about \$750 million. It picked up its new, more descriptive name last year when it became profitable.

Director Woody Kerkeslager began the task of turning DCS

toward profitability in November 1988; Vice President John Petrillo replaced him in October 1990 and continued the progress. In 1991, Vice President Stan Kabala stepped in to lead the 7,000-plus people of DCS the rest of the way. (As this article went to press, Kabala was named chief technical officer for Business Communications Services, and Jim Cosgrove, a vice president with Network Systems, was named to replace Kabala.)

In 1992, DCS profits would have put the unit well into the Fortune 100 if DCS were an independent company. And it's just getting started.

"We've identified the opportunity for this business to make

two or three times as much as it's currently making," Kabala says. DCS became profitable by cutting costs—revenues were constant or shrinking until late 1992—but the unit will need increased revenue to make profit growth a reality.

DCS sustained growing revenues for the first time in the latter part of 1992, and the first part of 1993 shows improvement over the same period last year.

"At the same time," Kabala says, "we're maintaining the same kind of focus on the cost side that made us profitable, so now, as they say, 'We have to walk and chew gum at the same time.'"

DCS's cost-cutting had several components, but the largest by far was inventory reduction—specifically, charges for access

from local telephone companies and for core-network facilities from AT&T's Network Services Division (NSD), which together represent nearly half of DCS's operating budget. From 1991 to 1992, DCS cut access and facilities charges by \$300 million.

"We asked ourselves if we could purchase and use access more efficiently than we were," says Bill West, NSD access management vice president. The answer was yes, and the method used to get there was a project called Opportunity Stock, which enlisted hundreds of people across inbound and outbound work centers, engineering, the NSD on-site work force and other work groups.

Through Opportunity Stock,



Above, DCS technician C.K. Alley checks a line. He works in Birmingham, Ala., one of five DCS maintenance centers. Despite consolidations, DCS operations people have improved on-time and repair performance. At left, NSD access-management people meet in Bedminster, N.J. From left, Angel Rivera, Rick Williams and Peggy Whitfield.

NSD approached local telephone companies and convinced them that they should offer volume discounts. Because AT&T is the largest access customer in the industry, it qualified for the best prices. For example, between January and December, these discounts reduced DCS's average monthly cost for an *Accunet* T1.5 circuit by \$135. With tens of thousands of such circuits, DCS saves several million dollars a month through this effort alone.

DCS also discovered that its high-capacity facilities were underused. A T1.5 channel carries 24 voice-grade circuits. If DCS needs only 10 circuits, the unit still pays for the 14 idle ones. Spare capacity is always needed to fill customers' orders quickly, but nearly 50 percent of DCS's capacity was idle in 1991.

NSD and DCS asset managers moved quickly to consolidate DCS's traffic onto a much smaller number of facilities and turned the resultant empty channels over to business units that needed more capacity and had been planning to install new facilities, saving capital expenses for the other organizations in the process.

NSD also helped DCS build a foundation for increasing revenues by dramatically improving service reliability and customer perceptions of DCS's performance.

"This didn't all happen easily," West says. "It required a tremendous amount of communication and work, and people often felt overloaded with all the things they had to get done. But we have a lot of pride in what we accomplished and that we had a key role in DCS's turnaround."

Rick Williams, division manager for DCS access planning, adds, "The relationship between NSD and DCS hasn't always been lovey-dovey. We were able to prove to each other that, working together, we can make a significant impact. We have enormous, unbelievable power when focusing on common business projects."

Another major contribution to DCS's profit picture came, more or less, compliments of the unit's competitors when DCS benchmarked itself against other industry leaders. "This helped redirect our actions, so we weren't shooting

at the wrong targets," Kabala says. "We started shooting at targets that others had demonstrated were achievable."

Rich Roca, head of DCS's development and engineering team, led his team, in its partnership with operations and product management, to redesign much of the technology DCS uses internally and sells to customers.

"We needed to determine what parts of our business were up to snuff, and none of them was," Roca says. "Our best-in-class competitors were more efficient in maintenance, provisioning, research and development, marketing, selling—you name it.

"We also discovered we were the only ones losing money in the data communications industry," he continues. "This knowledge galvanized everybody."

As the videotape produced to commemorate DCS's turnaround would say, "Everything was broken ... except the people."

Kabala points to "process management" as the discipline that gave the newly galvanized people direction. "Process management gave us a detailed understanding of how work gets done, allowing us to improve

our quality of service."

Process management helped sharply reduce service outages, customer trouble reports and customer defections. "We more frequently tell customers what's going on when they do have trouble," Kabala says. "We give them more credible feedback, we find out what they value, and we design our processes to repeatedly give them what they expect. The result: We don't have to spend as much money to hold onto customers, and the rate at which we're winning them back has been improved."

Cutting the time it takes to get new products to market is another way DCS has won back customers. Though not first to sell frame-relay services, DCS has caught up to the marketplace with development practices, cutting product rollouts to six months from announcement dates.

"For the first time, we're beginning to emerge as a leader in the marketplace," Kabala says.

DCS also leads the market with its *Accunet* products, which received some-

thing of a makeover to recoup market-share losses of the late '80s. Product managers expanded their market research and reassessed the positioning of their existing offerings. They reallocated development costs from products with limited potential to those that had greater potential and could command prices yielding larger profit margins.

In the midst of all its eye-opening product and process work, the unit also discovered it had too many people. Many jobs were eliminated and others relocated to make the unit competitive.

"There are still some pockets where the workload and the number of employees don't match, and we're trying to balance those," Kabala says. "But we think we've got about the right number of people.

"If we grow the business the way I know we can, I hope we'll need more people. This is the fastest-growing segment of the telecommunications industry, and we ought to be able to grow with it. If we are successful, we shouldn't have to worry about the size of the business."

—Jon Mellor

**'WE'RE
EMERGING AS A
LEADER IN THE
MARKETPLACE.'**

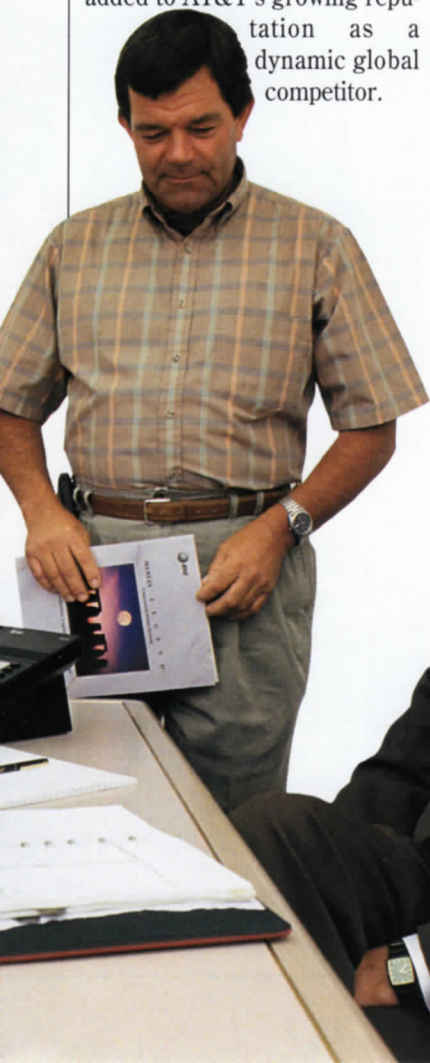


A GBCS sales team visits customer Centex Corp., in Florida. From left, System Consultant Jim Crawford, Centex's Lauren Glass, System Technician Dave Martin and Senior Account Executive Ron Phelps.

ONE PLUS ONE EQUALS ONE BIG WINNER

Devoted readers of *Focus* may remember a December 1992 article [Living Locomotives, Page 19] that outlined Global Business Communications Systems' (GBCS) third-quarter climb into the black. Good news for GBCS continued through the fourth quarter for the business unit, newly formed by a merger of Business Communications Systems (BC Systems) and General Business Systems (GBS).

Both business units were on their way to profitability before the merger. And, although '92 still resulted in a net loss, the profitable third and fourth quarters translated into a success and added to AT&T's growing reputation as a dynamic global competitor.



BC Systems' turnaround got a jump-start in the fall of 1990, when then-president Jack

Bucter formed a turnaround team, headed by Barry Karafin, now vice president-marketing and strategic planning. BC Systems' leaders presented a plan to AT&T's Management Executive Committee the following April. The plan had three broad objectives: Simplify the business, re-engineer processes and drive responsibility for profit and loss closer to the customer. It worked.

"Starting in the second quarter of '91, we were right on plan," Karafin says. "We didn't miss a month on a year-to-date basis."

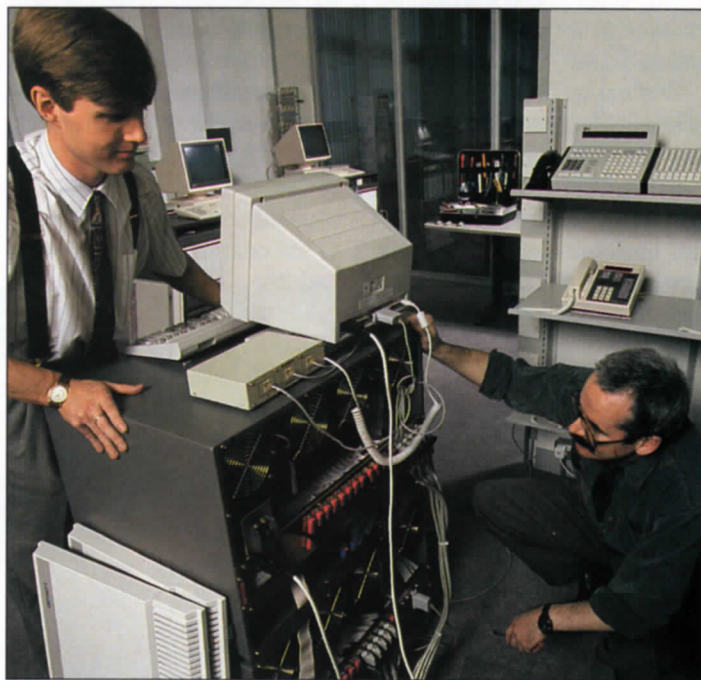
Pat Russo, a vice president with BC Systems when the turnaround plan was developed, has been president of GBCS since May 1 of this year, when Jerre Stead left that position to head up NCR. "We needed to get more focused on our core business, including our service business," Russo says. "In some cases this

meant we stopped doing some things not tied to our core businesses. Once we began to see financial health, we started aggressively focusing on ways to profitably grow the business."

GBS, meanwhile, had begun its own turnaround, prompted by

tions and complaints. Each gets a response within two business days.

A new profit-sharing plan for GBCS associates, quarterly associate meetings broadcast from different GBCS locations, face-to-face meetings with business-unit



In Farnborough, England, GBCS's Tim Barber, left, and Ian Groves set up a Definity telecommunications system.

significant erosion of its large rental base. The unit had come back on its own and would have been profitable in '92 without the merger.

In the midst of the business units' turnaround efforts, Stead arrived, and, in essence, shifted them into overdrive. The merger and its attendant changes created a momentum that produced a year far better than anticipated.

As with Data Communications Services, the critical factor for what would become GBCS was an engaged work force, and Stead helped provide it.

An "Ask the President" program begun by Stead has been tremendously successful. Every month, 300 or so "associates" call or write with questions, sugges-

leaders and several new associate newsletters have combined to reach more people than ever before and give them more information than ever before.

"Goalposts," a monthly two-page newsletter, includes status reports for the profit-sharing plan and charts showing the business unit's revenue, costs, expenses, measured operating income and economic value added (EVA), all expressed as percentages of commitments.

This wealth of information gives associates an uncommonly thorough picture of their performance.

They responded to the effort in kind. Results of an associate-satisfaction survey of all 26,000 GBCS people exceeded goals for

1992 and met stretch goals set for 1993.

Armed with more information and better morale, associates produced the business unit's first increases in revenue in the third and fourth quarters of '92, held market share even while raising some prices and doubled revenues from outside the United States.

"People feel good about themselves again," says Lynda Beighley, communications vice president for GBCS. "Rumors that AT&T was going to sell off this business unit are long past. People like hearing Bob Allen and other leaders speak favorably about improvements here. They like hearing securities analysts talk about our contributions to the stock. They know they're part of a vital organization that's a gateway to AT&T's future."

GBCS's recent announcement with NCR and AT&T Microelectronics of new visual communications products points the way to that future. It's a growth-after-the-shrinking move, and the latest in a series of adjustments designed to improve the business unit's product line.

Just as important is the way in which GBCS now sells its products. Each field office has its own profit-and-loss responsibility.

"We have pushed responsibility, authority and accountability for bottom-line performance out to the field, and we've never done that before," Russo says. "Our sales organization was measured on revenue, and our services organization was measured on expense.

"Now our field sales-and-services operation is measured on profitability. That, along with associate satisfaction, customer satisfaction, revenue growth and measured operating income, determines compensation. The behavior change this has produced in our field people is

absolutely remarkable."

Jim Walker headed sales and services first for GBS and then for GBCS's Small Business Division and became leader of all GBCS sales and services operations April 1. He adds, "Our headquarters staff four years ago was 400 people; now it's 70. The field managers now decide how to deploy the sales-and-services force, which markets we serve or don't serve, what pricing packages we can offer, what our headcount should look like—it's important that the people in front of the customers are the ones making the decisions."

"Turning around a business is very, very tough, no matter how you look at it," Russo says. "But we have wonderful people, and, given the right information and the right insights, they will do what's right for the business 10 times out of 10. They're demonstrating that they can more than handle it.

"It's a tough road. We're not where we want to be yet, but we've made a tremendous amount of progress, and we're a lot further than we were a couple of years ago. It feels good."

—Jon Mellor

TURNING ON A DIME

1991 was a big bump in the road for Network Systems, which, on the whole, had always been successful. So Network Systems' "turnaround" is a different kind of story.

After turning in 1991 financial results that Network Systems President Bill Marx called "deeply disappointing," Marx and the other leaders of the business took a hard look at Network Systems. "What we

saw—and what we knew about the changes in the industry—forced us to say out loud that what had always worked for us didn't work any more," Marx says.

To meet—and beat—the competition was going to take hard work. So, in January of 1992, Network Systems chartered a re-engineering team to take a look at the business, putting special emphasis on its cost structure and on market opportunities.

The team asked five questions:



Are our product-development cycles and costs competitive? Are our sales and delivery capabilities and costs competitive? Do we have an effective support infrastructure? Do we have an integrated vision and game plan? Are we exercising the leadership to turn around the business?

Rich McGinn, co-chairman of the team, says, "We measured every part of our business against companies considered best-in-class. That's the kind of company Network Sys-



At the Omaha Works, Network Cable Systems senior production specialists Robert Koster and Charles Ferguson prepare a coil of tin-plated wire for transport.

tems had to become."

By the end of 1992, Network Systems' focus on improving business processes yielded record revenue, profits and management of assets. "But this doesn't mean we can return to 'business as usual,'" says McGinn. "Our industry is continuing to change, and we've got to keep ahead of the changes."

Dramatic turnarounds took place within the group's five business units. For example, Jack Bucfer, president of Network Cable Systems, who had begun the turnaround at BC Systems, used the same formula in his new position. All five business units turned in positive measured operating income.

What made the difference? A strong tradition of quality principles helped. Quality has been part of the culture at Network Systems for many years, so the infrastructure to support change was already in place. New quality teams could be formed to refine critical processes. These teams used a discipline called Policy Deployment in combination with new initiatives proposed by the re-engineering team to identify problem areas.

They launched re-engineering projects and, in a number of cases, produced measurable results in just a few months. "For example, by the end of the year, both inventory and accounts receivable showed dramatic improvement," says Bob Van Saun, Asset Management vice president. Other re-engineering efforts addressed other areas in which Network Systems didn't measure up to industry benchmarks.

"There's no one magic bullet to fix a business, but if I had to point to the one thing that made the most difference, it would be that we began to engage our people in the business," Marx says.

Once a month, Marx has a conference call with what he now calls his Senior Leadership Team. The team used to be called the E-level team, and the change in name tells the story. By the end of the first quarter of 1993, all district managers and higher had attended a week-long

Strategy Forum created to help them understand Network Systems' strategy, its competitors' strategies and the outlook for the industry. By the end of the week, participants know that Network Systems needs consistent, profitable growth to remain competitive and that current behaviors cannot support that growth.

Communications with all employees at Network Systems changed as well. A bi-weekly newsletter and a quarterly broadcast and magazine now deliver credible, timely information to all employees. They help make the leadership and the goals of the business much more visible.



Violeta Barrios de Chamorro, president of Nicaragua, makes the inaugural call on AT&T's recently installed 5ESS switch in Granada, Nicaragua.

Recognizing that not all problems could be solved within the existing business unit structure, Network Systems created cross-business unit (BU) teams to focus on key technologies. One team includes members from three Network Systems BUs who are charged with developing a core platform for asynchronous transfer mode products critical to Network Systems' success.

Some of the new groups reach

beyond the boundaries of Network Systems. Kathy Anderson, Visual/Multimedia communications vice president, will lead resources from across the organization and work closely with other AT&T business units on the corporation's visual/multimedia-communications initiative.

Network Systems is hearing from outside the business that it's on the right track. "When Transmission Systems won the Malcolm Baldrige National Quality Award, it was an acknowledgement of what we know is working for our business," says Greg Hughes, president of the unit.

"In some ways we were fortunate that 1991 turned out the way it did," Marx says. "We had the opportunity to fix our business before it was really broken."

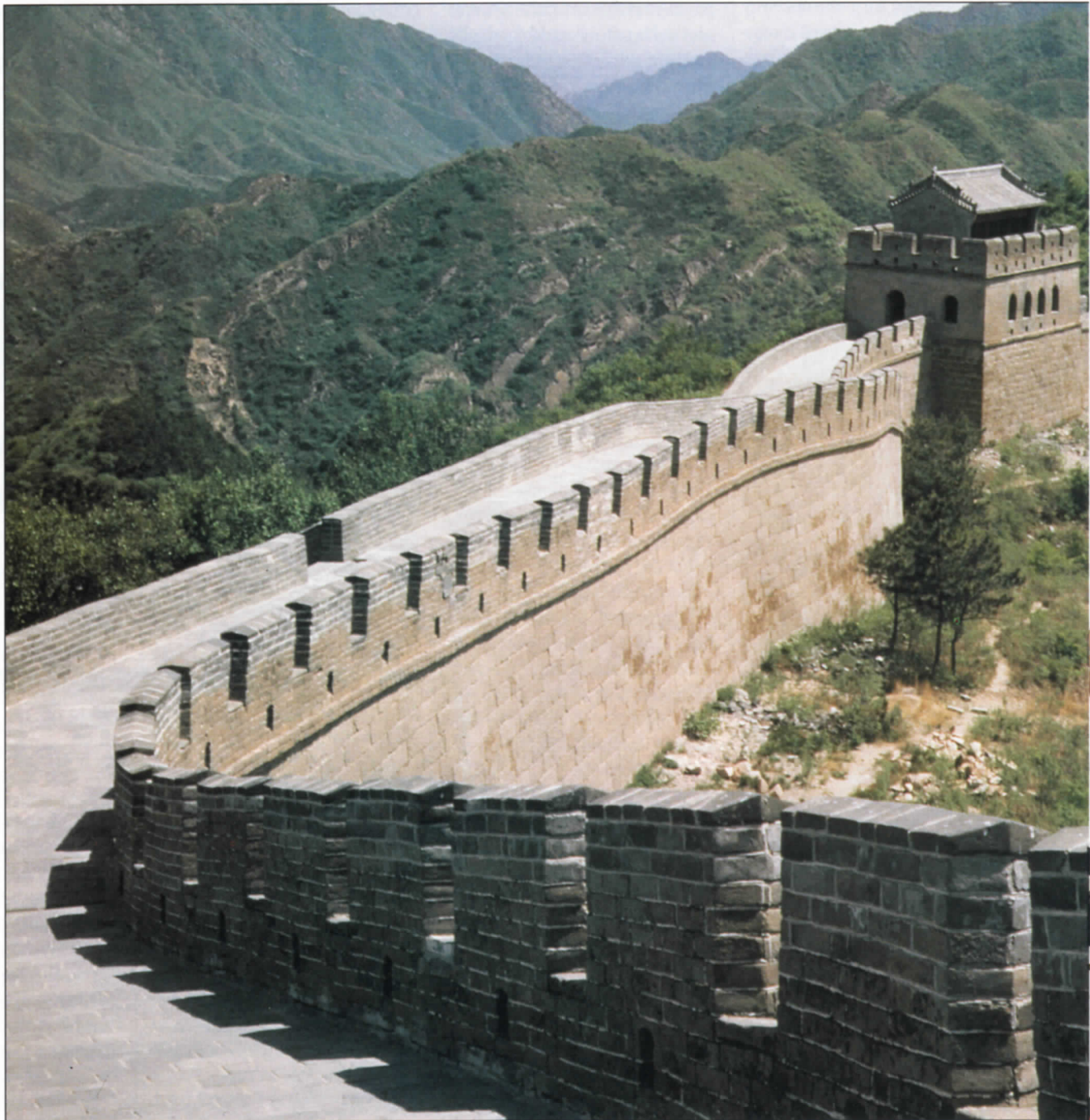
Is Network Systems finished making changes? Absolutely not, according to Bill Marx. "Every employee needs to understand that, while we made great progress in 1992, we're on a continuing journey. We need to grow the business in new markets such as cable television, both inside and outside the United

States. We need to keep our regional Bell company customers competitive by giving them new applications to meet their customers' needs.

"Robert Schuller, in his book 'Tough Times Never Last, but Tough People Do', said that success is a journey and not a destination. I couldn't agree more. And Network Systems is on a very exciting journey," says Marx.

—Beth Meier

ONE EN E GIANTS



STEP



Gamma Liaison

"The Giant is sleeping. Do not disturb him, for when he wakes he will stir the world."—Napoleon Bonaparte

Among the world's nations, there's no question that China has stirred. And on Feb. 23, AT&T felt it in a big way. On that day, AT&T and officials of the State Planning Commission of the People's Republic of China (PRC) signed an agreement to modernize one of the largest and fastest-growing telecommunications infrastructures in the world. This global agreement and memo-

randum of understanding (MOU) is the first in China's history.

The pact also represents the largest and most comprehensive global deal that AT&T has ever secured with any nation. The activities and agreements covered in the MOU are designed to expand and enhance the country's telecommunications infrastructure—China's key to economic strength.

And what's good for China is great for AT&T. The agreement will provide extensive and exciting opportunities for AT&T to access booming Chinese markets with a full range of telecommunications products and services.

It contemplates business activities, including local manufacturing in at least 10 areas: 5ESS switching, microelectronics, network management, research and development involving Bell Labs, optical transmission products, wireless (cellular) communications systems, customer premises equipment, training, systems integration of complex business solutions and network service offerings.

If executed fully, the agreement holds the promise that AT&T will become the largest telecommunications supplier in China. It provides a framework for estab-

lishing joint ventures with in-country companies, suppliers and manufacturers. And it promises the development of a local work force expected to grow to several thousand employees.

While the size of the deal, monetarily speaking, has yet to be determined, the MOU is strategically important to AT&T because of economic trends within the PRC.

NATION ON THE MOVE

China is one of the fastest growing telecommunications markets in the world. According to the Economist, China achieved real Gross National Product (GNP) growth of 12 percent in 1992 and could sustain double digit growth for the remaining 1990s, the fastest rate in Asia and probably the world. The country's economy is now \$500 billion, roughly one-tenth the U.S. economy. Some economists think these numbers are low. If the futurists are right, China will emerge as a superpower in the 21st century.

With economic growth, however, has come tremendous pressure to build a world-class telecommunications network. Geographically, China is roughly the same size as the United States. While China's population is five times greater, its teledensity—number of telephones per 100 people—is only 1.6 compared to 50 in the United States. China's goal is to increase its teledensity to 20 by the year 2000 and to double that to 40 by 2020.

It's an enormous task. To provide some perspective: To move teledensity one percentage point in China, 12 million new lines must be installed. For China to meet its goals, 15 to 17 million new lines must be installed annually over the next 27 years. If AT&T can capture half of these lines, the company will find itself serving a market larger than its entire customer base in the United States.

China is committed to doing it. This is not the country of just a few years ago, gripped by the "Great Leap Forward", "Cultural Revolution" and other failed efforts to create a militant Marxist state. China has also moved beyond the 1989 tragedy in Tiananmen Square,

The People's Republic of China's historic pact with AT&T takes it one step closer to modernization.

which had raised doubts about China's ability to move successfully toward a bright global future.

China is undergoing an amazing transformation, says Art Kobler, AT&T's international public regional director in Hong Kong, who was a U.S. diplomat in Asia for 24 years.

"In order to enter the 21st century as a strong, viable power, China knows it has to develop a market economy and open its doors to the outside world," he says.

It's already happening. In the past few years, China has seen tremendous economic growth and major changes in its citizens' lives. Average income of rural residents increased 370 percent from 1978 to 1990; the salaries of urban dwellers rose 250 percent.

"You can feel it in the streets," says Randy Tobias, AT&T vice chairman and the key negotiator of the pact.

"During my first trip to China in 1985, the Chinese got around town in carts, on bikes and on foot. People were all dressed alike in very drab colors, and no one smiled."

Now, he says, the streets are lined with modern buildings and clogged with automobiles, and people are smiling and upbeat—the change is apparent.

For AT&T, a milestone occurred last October when the United States and China signed a trade agreement that cleared the way for broad liberalization of the Chinese market. Before the trade agreement, AT&T was severely restricted in its ability to do business in China.

The agreement is likely to accelerate China's already explosive economic growth, which began over a decade ago. The reforms initiated by China's preeminent leader Deng Xiaoping in 1978 began in the countryside where 75 percent of China's population still reside. Xiaoping abolished collective farms and revived family-run farms. This move not only increased agricultural output and income dramatically, it also freed more than 100 million surplus farm workers to take new jobs in the

manufacturing and service sectors to meet the newly unleashed consumer demand.

"Throughout the country, more than a billion people began developing their potential," says Kobler. "Six hundred years ago China was an advanced country technologically and economically, but for a number of reasons, it fell behind the Western world. All of that is changing now."

In the mid-1980s, Xiaoping's reforms spread to urban industrial areas. And although much work remains to complete the transition to a market economy, the results thus far have vastly improved the choices—and welfare—of consumers, workers and investors.

AT&T'S STRATEGY

China has always had a great respect for history and relationships. In China, relationships—the foundation upon which business is conducted—are formed slowly through a combination of patience and trust.

AT&T has had offices in China since the early 1980s. Back then, the company went to China to learn more about Chinese society and to

foster personal business relationships with senior Chinese leaders. More than a decade ago, then AT&T Chairman Charlie Brown went to China. Jim Olson went there. And Bob Allen is expected back in China this summer when he will visit officials and employees in Beijing and Shanghai.

Although Tobias has formally visited the People's Republic of China four times, he's hosted countless delegations over the past few years.

With every visit, says the vice chairman, his insight deepened.

"I've learned a lot of things through my trips to China," he says. "The most important thing I learned is that not everyone in the world believes the center of the universe is Basking Ridge, N.J."

To do business in China, "we realized we had to put resources and decision makers there to understand the language, culture and business practices," says Tobias.

"We knew we had to establish an organization in China, with China, for China," he adds.

With that in mind, Tobias worked with Blaine Davis, vice

president-Business Development, and a handful of key AT&T employees to develop a focused strategy for China, while taking advantage of the foundation and relationships that AT&T had already established for doing business in this vast country.

The strategy that emerged was simple: Distinguish AT&T from every other company in the fiercely competitive Asia/Pacific region by positioning it as the only company with the experience, resources and technology needed to design, build and manage large and sophisticated networks.

"We knew we couldn't come at this from a single business unit perspective," Davis says. "No single business unit could represent AT&T. Clearly we had more—and needed to bring more to the table."

Having defined the strategy, AT&T went to work. In January, a multi-business-unit team met with PRC officials to discuss the potential areas of cooperation and to develop a collaborative vision of AT&T in China. Following this meeting, Tobias and the Operations Committee named the group the "Greater China Business



Development Council" and charged it with closing the deal.

The nine council managers were all Chinese Americans—people familiar with and sensitive to China's culture and fluent in the language. The move sent a powerful message to the Chinese government that AT&T was serious about being its partner and establishing a presence in China, with China, for China.

Chaired by Mei Wei Cheng, president, AT&T China Inc., the council put a total AT&T proposal on the table. At the heart of the proposal was a long-term strategic partnership. According to Cheng, a 21-year veteran of AT&T born in Taiwan but reared and schooled in the U.S., the Chinese government liked what it saw.

The PRC's State Planning Commission (SPC) proposed seven areas of cooperation between AT&T and the PRC. Vice Chairman Ye Qing of the SPC visited AT&T's executives in early February to exchange ideas on the partnership and to refine the mutual vision of AT&T in China.

Ten days later, the deal was signed.

"The Chinese government was impressed," Cheng says. "It demonstrated a lot of flexibility and trust, and we showcased our product and technological leadership and demonstrated a close working relationship between AT&T and the U.S. government."

Zou Jia Hua, vice premier-PRC and Randy Tobias met in February.



"We proved that we are interested in working as partners with the Chinese, the same way we work with our own government and other customers to enhance telecommunications. They knew we were serious about establishing a presence that is mutually beneficial," Cheng says.

"It was a combination of luck, timing, skill and dedication of many AT&T employees—we'll probably never know all of the people who, in some way or another, had a hand in the signing of this far-reaching agreement," Davis says. "We played to our real strength. Our expertise and capability matched their needs, and we both understood that."

For Tobias, the testimony came in late February when he met with Jiang Zemin, the seniormost leader in China's government. "On a personal level, it was an incredible trip," he said.

"Five years ago I wouldn't have been allowed to meet with the senior leader of China. "The gesture, he says, illustrated the agreement's importance to the Chinese government and the strong interest of the Chinese leadership in a major AT&T presence in China.

In turn, the AT&T team was impressed with the scrupulous ways of the Chinese leaders and business people.

"They are very careful and thoughtful in their business dealings," says Tobias. "Once you gain their trust, however, they are wonderful people to do business with. You know what's expected of you."

In fact, the partnership's success will depend on a number of factors—U.S.-China relations, technology licensing issues and the debate over renewal of China's "Most Favored Nation" status. Most important, it will depend on whether AT&T's business units can come together to deliver on

FOLLOW THE LEADER

In the world of telecommunications, basic equipment must come first. Without an infrastructure to switch and transmit voice and data, there is no need for fancy telephone products or services such as customized calling plans.

That's why AT&T's Network Systems Group, makers of complex telecommunications equipment, frequently takes the lead in AT&T's growth efforts in countries such as China where there's not enough infrastructure to keep up with growth. By establishing key relationships and installing telecommunications equipment, Network Systems opens the door for other AT&T business units to enter new markets and transact business with customers hungry for state-of-the-art services.

And Network Systems takes this responsibility seriously.

Today, all Network Systems business units are actively selling and deploying products widely in China. Network Systems revenues grew nearly eight-fold since 1990; the Transmission Systems business unit is the largest supplier of transmission equipment in that country, with a 25 percent market share; wireless systems have been installed in four provinces, and 200,000 lines are up and running on AT&T 5ESS switches.

Sales successes for Network Systems business units are abundant: Changchun, Hainan and Jilian for Switching Systems; Fujin and Guangdong for Network Cable Systems; Xian, Xinjiang and Yunnan for Network Wireless Systems, and Beijing and Guangdong for Transmission Systems.

Currently, Network Systems has three joint ventures in China: AT&T of Shanghai Ltd. (Transmission Systems), AT&T of China Ltd. (Transmission Systems) and AT&T of Beijing Optical Fiber Telecommunications Equipment Co. (Network Cable Systems). New products are being introduced to the joint ventures regularly, building a strong product and customer base for future growth.

But one of Network Systems' biggest successes in China is Transmission Systems. China has already deployed as broad a range of transmission products as any customer, Transmission Systems leads all other Network Systems business units in cumulative revenues from China and transmission products provide service in 26 of the 30 Post and Telecommunications Authorities—this presence is a key factor in the growth of Network Systems' international family.

the MOU's promise.

"I have every reason to believe that we can deliver on our 'One AT&T' strategy—it's a strength no competitor can match," Davis says. "It sends a clear signal to competitors that we are serious about globalizing and that we are going to use our strength and breadth to our maximum advantage."

That's good news for AT&T employees, too.

"Every time we create an opportunity in new markets, we enhance our ability to compete against other global companies," says Tobias. "If we can leverage our brand to enter new markets and gain new revenues, it will sus-

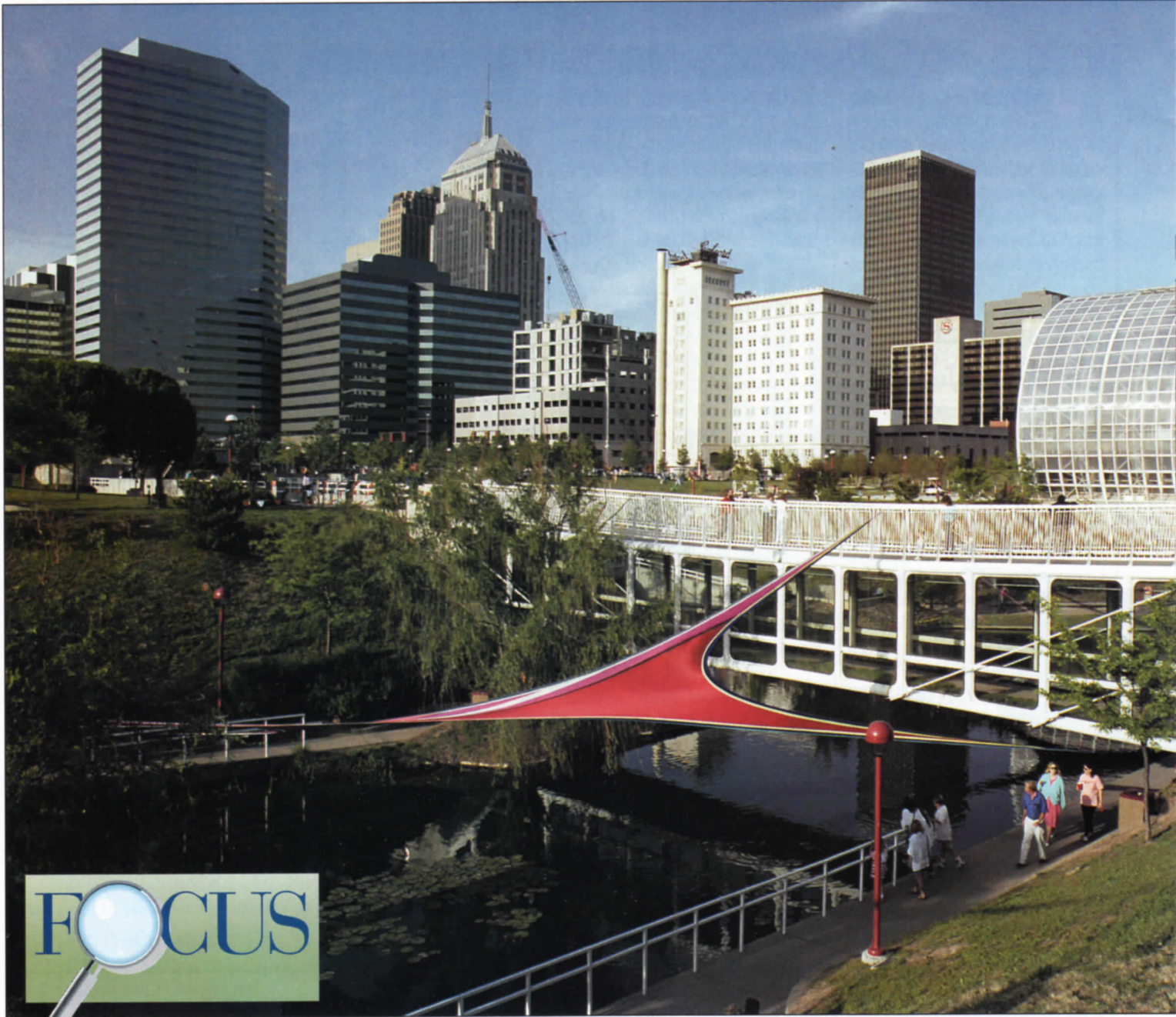
tain and create jobs in both the U.S. and China."

"We've got to be a major global player or we'll get eaten alive in our own market," he says. "This agreement makes us well positioned to follow through."

Having worked on the cross-business-unit team, Cheng has no doubt AT&T can do it.

"We saw a huge market and together developed a vision of AT&T in China and jumped right in," he says. "A group of dedicated people set their minds on something that they felt strongly about and acted. We minimized discussion and over-analysis—we just did what needed to be done."

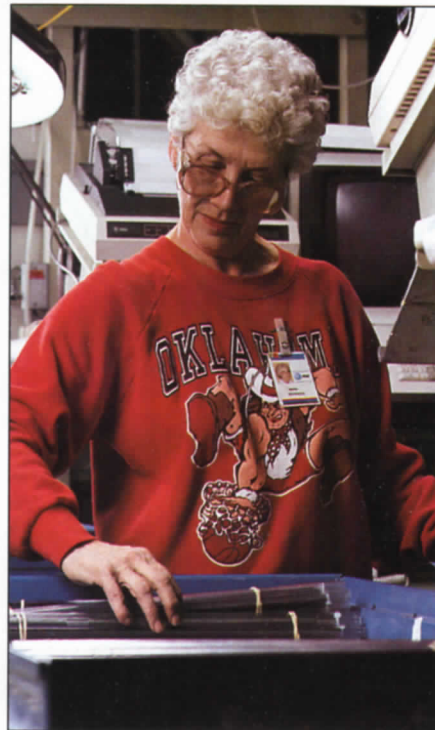
—Jill Christen-Belline



OKLAHOMA



ooooooooOklahoma,
where the wind comes
sweepin' down the
plain, and the waving
flags throughout AT&T's
Oklahoma City Works
signify intense
dedication to quality
and productivity.



1 Components come into the east end of the OKC Works and move westward during assembly. One of the first people in the process is Ramona Borassa, a selector who's been with AT&T 23 years. "I select the components that go into making our switches. Our computer tells us what parts are required for whatever it is we're making. The computer knows where all of these parts are, and it sends the crane to go get them." Components move from Ramona's station to be placed onto circuit boards.

OKLAHOMA CITY

2 Soon the circuit boards arrive in front of David Turner, process technician, who's a 15-year veteran at the OKC Works. "They come to me from the stencil machine, which puts on the solder paste and some of the components. Once they get to me, I make sure they're all on the board exactly the way they should be before they go through the oven. I make sure there's no missing components and make sure they're straight and not off the pad. In the oven, they bake and it makes them seal better." After several such assembly and test operations, boards are ready to go into 5ESS frames.



OKC FACTOIDS

FOUNDED: April 22, 1889 during the Great Land Run

AREA: 620 square miles, third-largest area among U.S. cities

POPULATION: 445,000 (1990 census)

ECONOMY: Livestock, farm products, aerospace, petroleum production, automotive and electronics

WIND SPEED: As the song says, the wind comes sweepin' down the plain at a yearly-average 12.8 miles per hour, putting Chicago, the so-called Windy City, to shame at a mere 10.3 mph.

AN OBSERVATION: OKC is more suburb than city. The original downtown area is now mostly office space, with few residences and little retail shopping. The rest of the city consists of a regular grid of ranch homes and apartments, with a shopping center at each major intersection.

3 Frame wiring has been the job of T. P. Nguyen, process technician, since she came to OKC from Vietnam 10 years ago. "We put the whole system together. I do wiring, put the power cables and data cables onto the frame. They put the circuit packs in next."



FIVE THINGS TO DO IN OKC

- 1. National Cowboy Hall of Fame**—Downstairs, cowboy memorabilia and historic recreations depicting life on the prairie. Upstairs, a nationally-renowned collection of historical and contemporary Western art. Featured artists include Frederic Remington, Charles Russell and James Earle Fraser.
- 2. Kirkpatrick Center**—Seven museums under one roof: galleries of art and artifacts, planetarium, aerospace, greenhouse and gardens, American Indian, photography and science. The science museum features 300 interactive exhibits for learning the fun way, by touching and seeing.
- 3. Oklahoma City Zoo**—One of the nation's 10 best zoos, featuring more than 2,000 animals displayed in 189 landscaped acres. Known particularly for hooved animals, apes, marine mammals and tigers. (You've never, ever been so close to a hippo.) Oklahoma City supports the zoo with a city-wide, one-eighth-percent sales tax.
- 4. Remington Park**—Oklahomans love horses, be they for rodeo, recreation or, in this case, racing. They even make it a family affair with swings, slides and kiddie rides in the track's infield. (18 and older to wager, though.)
- 5. Myriad Botanical Gardens**—Seventeen acres of lakes and gardens, highlighted by the Crystal Bridge Tropical Conservatory containing a 35-foot waterfall and elevated Skywalk.



AT&T IN OKLAHOMA CITY

- AT&T Oklahoma City Works manufacturing facility
- Other AT&T business units and divisions with offices in OKC include:
 - AT&T Federal Systems
 - AT&T Global Business Communications Systems
 - AT&T Network Systems
 - AT&T Network Operations Group
 - AT&T Government Relations
 - AT&T Business Network Sales
 - AT&T Consumer Communications Services

OKC PRICES

\$4.00

Adult admission to the zoo.

\$5.95

Lunch at a nice Western-motif restaurant, including soup or salad, chicken-fried steak, gravy, mashed potatoes, vegetable and an endless supply of hot rolls and apple fritters.

\$325

One month's rent on a typical two-bedroom apartment.

\$63,000

Purchase price of a three-bedroom, two-bath home in a good area.

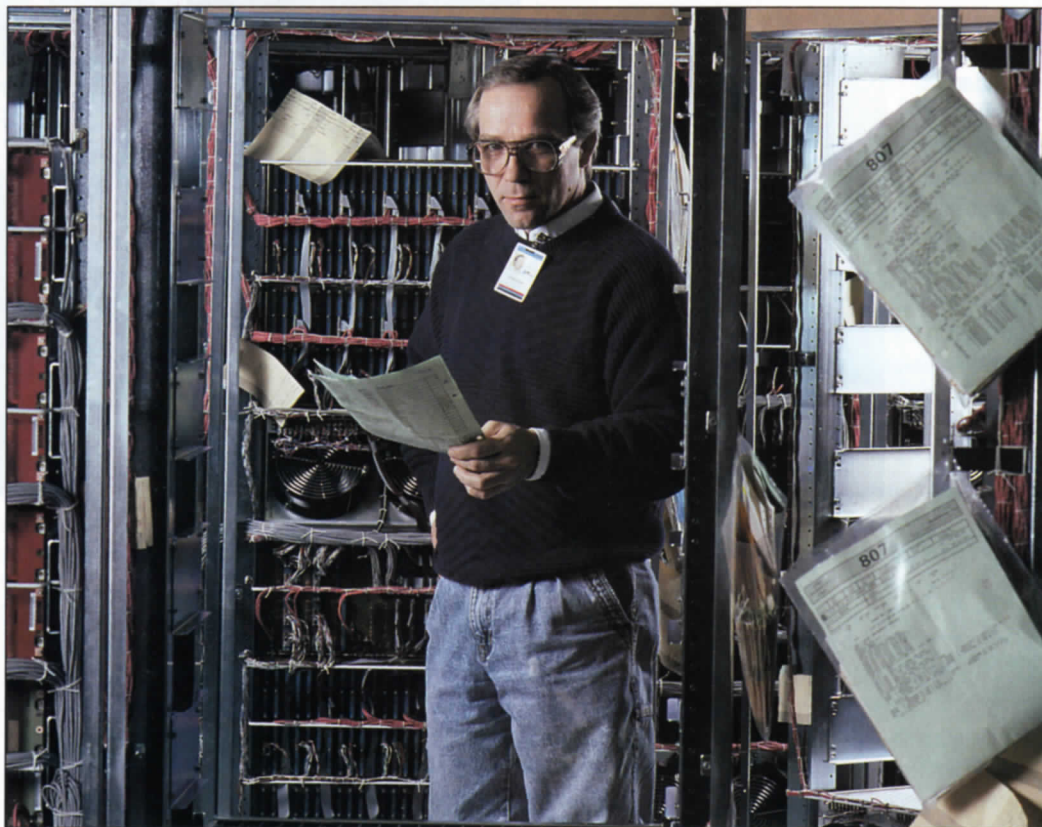
AT&T OKLAHOMA CITY WORKS

FOUNDED: October 1957

EMPLOYEES: 4,100

SIZE: 1.4 million square feet

PRODUCTS: 5ESS Switch, Subscriber Loop Carrier (abbreviated SLC and pronounced "slick"), 3B computers



4 One of the final procedures is testing by Arles Votaw, electronics specialist, who's been at the OKC Works 27 years. "We're the last stop before the 5ESS goes out the door. We test all the circuit packs, all the circuitry, all the backplanes, the fuses and the fan system." OKC Works folks obviously build a great product: On March 23, they celebrated manufacturing their 50-millionth line of 5ESS capacity. Way to be, OKC!

THREE AWARDS FOR QUALITY AND SAFETY

1. Malcolm Baldrige National Quality Award—presented to AT&T Transmission Systems for quality processes that make it an exemplary, competitive, American business. The two plants honored are Oklahoma City and Merrimack Valley in North Andover, Mass.

2. ISO—The OKC plant is certified by the International Standards Organization as building products that meet international quality requirements. Ninety-one countries require manufacturers to meet ISO standards.

3. OSHA STAR—Since 1989, the Oklahoma City Works has been accepted as a safety partner by the U.S. Dept. of Labor's Occupational Safety and Health Administration in its elite STAR Voluntary Protection Program. Admission to the program required rigorous review of the plant's environmental health and safety program.

In an effort to attract and keep a new generation of brand-loyal consumers, AT&T has launched an advertising campaign aimed squarely at 18- to 34-year-olds. Some are Baby Boomers at the tail-end of a generation that trend-spotters and marketeers have come to know and love. Some are part of an exotic new subspecies known as Baby Busters, Generation X, the Boomerang Gang.

Call them what you will, there are a lot of them, and they have money to spend.

But they didn't all grow up using AT&T the way their parents did. And while surveys show that they see AT&T as helpful and trustworthy, "innovative" doesn't come to mind.

"We want people to know just how innovative AT&T is," says Linda Urben, Corporate Advertising manager, New York City. "We've always employed the latest technology and made it easier to use: Everyone knows there's nothing easier than making a phone call. But today's customers expect more from technology. We'd like them to know we're their kind of company."

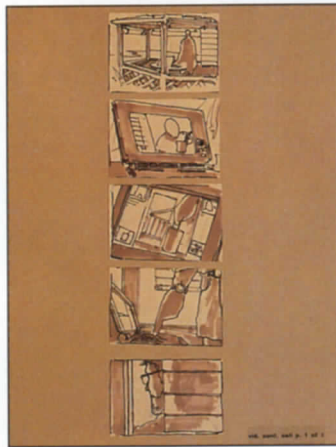
Enter AT&T's new "You Will" corporate advertising campaign. The TV, radio and print ads pose such questions as: "Have you ever tucked your baby in from a phone booth?" Then they provide the answer: "You will. And the company that will bring it to you—AT&T."

The ads feature new and

upcoming high-tech products and services that will fit seamlessly into people's lives and enable them to do things they never could before. The message: These powerful yet easy-to-use devices will improve the way you communicate, work and live, and you'll get them from a company you know and trust—AT&T.

In developing the campaign, the Corporate Advertising Group tested consumer reaction to an extensive list of products provided by business unit marketing people and Bell Laboratories. "We winnowed the list down to a dozen or so that produced a reaction along the lines of, 'Gee, that's exciting stuff. I didn't know AT&T did that,'" says Jim Speros, AT&T's brand management director.

The ads describe near-future capabilities—interactive distance learning, electronic information retrieval, interactive multimedia video, intelligent highway systems, video conferencing and video navigation for drivers—as well as a here-and-now personal communicator.



Brief vignettes tell consumers that soon they can improve their lives by sending faxes from the beach with a personal communicator, attending a meeting while at home by video conferencing on personal computers, paying road tolls without slowing down or buying concert tickets with a smart card.

Besides positioning AT&T as a helpful, high-tech company, the ads demonstrate the benefits of AT&T's global networking strategy.

In short, the ads are about what AT&T is about: being the world's best at bringing people together—giving them easy access to each other and to the information and services they want and need—anytime, anywhere.

—M. Hugh White

[The advertising group would like to hear employees' reactions to the new campaign. Contact Linda Urben via attmail !lurben.]



Photos by Ilona Lieberman

INTO THE

FUTURE



Ads begin with, from left, a storyboard, then move to shooting scenes like these of teens ordering concert tickets with a smart card from an AT&T/NCR ATM and to the studio simulation of a couple getting directions from an on-board video navigator during a rainstorm.

WHERE TO LOOK, LISTEN

AT&T's new "brand" advertising will run for the rest of 1993 on network and cable TV, at more than 2,500 movie theaters, in magazines and on radio. Places to look and listen include:

Television:

Arsenio Hall, Tonight Show, Late Night, Class of '96, Tribeca, The Simpsons, Star Trek: The Next Generation, Parker Lewis, Flying Blind, Comic Strip Live, Roc, MTV's Free Your Mind news specials, Comedy Central, ESPN Sports Center.

Magazines:

Newsweek, Sports Illustrated, US News & World Report, People, Rolling Stone, Elle, Allure, GQ, Stereo Review, Vogue, Details, Spin, Car and Driver.

National

radio programs: American Top 40, Flashback, Rockline, Hits Mix, Casey's Top 40.

Bold New Advertising Campaign Targets Younger Audience, Touts Upcoming Technology

Pensions & Pr

Promising pensions is easy. Helping companies to keep their word is a lot harder. But Mike Gulotta and ASA are up to the challenge.

Mike Gulotta has strong feelings about pensions—and about promises.

“My father worked 26 years for an electrical equipment manufacturer and gets only \$14 a month pension. That’s criminal. You don’t promise benefits and back off after realizing how expensive they are. Companies need to understand what’s being promised and then step up to that promise.”

As president and CEO of AT&T’s Actuarial Sciences Associates Inc. (ASA), Gulotta is in a good position to help companies keep their word. Today, nearly a decade after the group rescued itself from extinction when the Bell System broke up, ASA celebrates solid success and anticipates tough challenges.

So what is ASA and why do you care? ASA is a benefits consulting firm, the tiny, but agile and fast-growing branch of AT&T’s Corporate Finance Organization that helps ensure pension and benefit dollars will be there when employees need them. The advice the group provides today will affect whether AT&T will pay for your CAT scan 30 years hence.

But that assumes doctors will do CAT scans in the year 2023. And that’s what makes ASA’s job so, as Gulotta would say “challenging.”

With a staff of 138, including 40 actuaries and 10 attorneys, ASA designs employee pension, profit-sharing and welfare-benefit plans, as well as executive compensation programs for AT&T and other clients worldwide.

They weigh knowns and

unknowns and make recommendations involving staggering sums of money over long periods of time based on educated predictions.

THE HISTORY OF ASA

To understand where ASA is today, it helps to know its history. For about five decades the group provided pension services for the Bell System. At divestiture in 1984, ASA, then only 17 employees strong, was charged with allocating \$54 billion

(that’s right, billion) from Bell System pension funds to new funds being formed by the regional Bell operating companies (RBOCs).

Amazingly, they finished the job on friendly terms with the RBOCs. “We divided the assets fairly,” says Gulotta, then chief actuary. “Then we asked ourselves, ‘Does AT&T need 17 people as future-oriented as we are?’” AT&T answered “yes” by approving ASA’s business case.

The RBOCs were the ideal

first clients—they needed help to manage their new pension plans. “We were in a great position. We knew the RBOCs’ plans, regulatory environment and benefit philosophies better than others did,” Gulotta recalls.

AT&T gave ASA \$75,000 in seed money. Today, says Gulotta, ASA is one of the top 20 consulting firms in the United States. The business has grown four times over and could be sold for more than 200 times AT&T’s initial investment.

Revenue and profits show a



Mike Gulotta

Mike Gaffney

omises

steady growth that exceeds expectations every year. Revenue has soared from \$4 million in 1986 to \$19.4 million for 1992. Profits have grown 35 percent annually.

While AT&T is the largest of ASA's 65 clients, others include the Coca-Cola Company, Xerox Corporation, W.R. Grace, Eli Lilly, as well as many regulated utilities.

THE MAIN MISSIONS

Two primary areas of ASA's expertise are pensions and welfare benefits, including health insurance. AT&T has a \$42 billion post-retirement benefit obligation for current active employees and retirees—\$29 billion of pension liability and \$13 billion of post-retirement health and related liabilities.

Thanks to a federal law passed about 20 years ago, pensions are insured. However, no such law safeguards retiree health insurance.

"With approximately \$39 billion of pension fund assets, AT&T people can rest assured our pension benefits are very secure, and we are moving quickly to protect retiree health insurance benefits," Gulotta says.

Based on ASA's recommendations, AT&T has taken bold steps to increase security in health insurance benefits. In 1991, it backed up the plan by accumulating assets in trust funds.

In 1989, it established realistic levels of benefit promises by setting limits on the health-care premiums it would pay for employees who retired after March 1990. For example, the cap is currently \$5,650 a year for a retiree under age 65 with dependents.

NEW STANDARDS

The cap was prompted by new accounting standards that require

companies to accrue reserves for the medical costs of retired employees and to separately accrue or reserve each year the estimated health-care costs for current employees when they retire. AT&T took a \$7 billion charge against earnings in the first quarter of 1993 as a result of the new rules.

"AT&T has little control as a corporation over what is happening to medical-care costs in the economy except through the design of its plan," explains Scott Macey, ASA's executive vice president and general counsel. With such big bucks at stake, "Staying close to policy issues in Washington is very important," says Macey, who testifies frequently.

FUTURE PLANS

One big challenge facing the country—and ASA—is health-care reform. "It's a given in this country. We're not effective in the way we deliver care," Gulotta says.

The changing health-care world spells opportunities for ASA, he says. Whatever system the Clinton administration settles on probably will be more information-driven. ASA could, for example, compile a data base to help clients choose effective providers.

Creative benefit packages require creative communication to both employees and retirees. And that's another area where ASA can grow. ASA recently bought a partial ownership in a benefits communication company, ASA Capital Vectors Inc., and plans to market its services to AT&T's Human Resources organization and to other clients, as well. "You need to have that human touch," Gulotta says. "You need to be able to communicate."

For Mike Gulotta, it's all part of stepping up to his promises.

CUSTOMER RANKS ASA

Bargaining was very much on Jean LaVecchia's mind in 1989.

Southern New England Telecommunications (SNET) and its 11,000 employees had endured a long strike over health-care benefits in 1986. No one wanted a repeat, least of all LaVecchia, then vice president of Human Resources for the New Haven, Connecticut-based company. "We couldn't go through another '86. We needed a mutually satisfying resolution."

With the help of ASA, SNET put a creative post-retirement health plan on the table in 1989 that was well-received by the union and its members.

A similar success followed in 1992: ASA helped SNET revamp its pension formula and introduce an innovative cash balance account. The beauty of the cash balance account is that it is similar to a savings account. Employees are aware of its value and can access some of their pensions and take them to another company if they leave SNET, LaVecchia says.

Not only did ASA create the popular plan, it helped bargain, communicate and sell it, she says.

ASA's creativity was no surprise to LaVecchia. Her association with the group dates back 10 years to when SNET, an independent phone company, was part of the Bell System.

"Lots of other consulting firms have wooed us over the years. But we are very happy with the ASA team," she says. "They really are a wonderful asset to AT&T. The service they give to their clients is top-notch. I would benchmark them 'best in class.'"

—Cathy Fee

HOW ASA HAS GROWN

	1985	1992*
EMPLOYEES	17 (10 actuaries, 1 attorney)	138 (40 actuaries, 10 attorneys)
REVENUE	\$2 million	\$19.4 million
CLIENTS	14	65

*including ASA Capital Vectors Inc.

ASA BOARD OF DIRECTORS

David Feldman, Donald Harrington, Lawrence Prendergast, Robert Scannell, Scott Macey, Michael Gulotta



**SEE NEW PLACES,
MEET NEW PEOPLE,
SAVE THE EARTH**

On her days off, **Mary Feay** spends her time safeguarding giant clams in Tongo, carnivores in Nepal and lemon sharks in Bimini.

"I feel like I'm living in a National Geographic special," says Mary, a supervisor in Network Systems, Naperville, Ill. Mary participates in expeditions offered by Earth-



Mary Feay battles through the forests of Costa Rica on her latest Earthwatch expedition.

watch, a national volunteer organization that provides funding and volunteers to field scientists worldwide.

Earthwatch's mission is to improve human understanding of the planet, the diversity of its inhabitants and the processes that affect the quality of life on earth.

Since 1985, Mary has traveled the globe helping Earthwatch with its scientific research.

Earthwatch projects range from archaeology to studying different cultures. Mary—a true animal fan—only goes on trips that involve animals. Her latest expedition in February took her to the tropical forests of Costa Rica. She and her husband, Bruce—who has shared 10 expeditions with her—gathered data on monkeys and their effects on their habitat.

The Feays' days started early—5:15 a.m., if they had the morning shift. The volunteers and the principal researcher chose one monkey to follow for 20 minutes. They recorded everything the monkey did in its habitat—eating, resting or playing. When the 20 minutes were up, the group relaxed for 20 minutes then started the whole process again with a different animal. That continued for six hours. In the afternoon, the second shift took over. Morning volunteers had the afternoon off to bird-watch, swim or just relax.

Earthwatch expeditions usually run two weeks with teams ranging from four to 25 people. Tents and local hotels are standard accommodations. Volunteers pay \$800 to \$2,500 per expedition, not including air fare, which helps defray research costs. Mary takes up to three expeditions a year. All costs and air fares are tax-deductible because they support scientific research.

She says she doesn't mind the cost, intense work or the not-so-accommodating accommodations. "I've traveled to many different countries and the markets and museums all began to look alike," Mary says. "Through Earthwatch, I make a difference and get to know people of other cultures."

Mary discovered Earthwatch through a friend. Now, Mary tries to sell Earthwatch to her friends and co-workers. She believes she's been instrumental in at least seven AT&T employees going on expeditions.

With her next trip already slated for July—she's flying to Zimbabwe to study pangolins, a kind of armored anteater—Mary intends to add a few more pages to her scrapbook. "After so many trips, I've stopped shopping. Now all I take back with me are pictures, memories and the knowledge that I've helped," she says.

For more information about Earthwatch, contact Mary Feay at atmail:hlplm:mrf or Earthwatch on 800-776-0188.

—Elaine Jundos

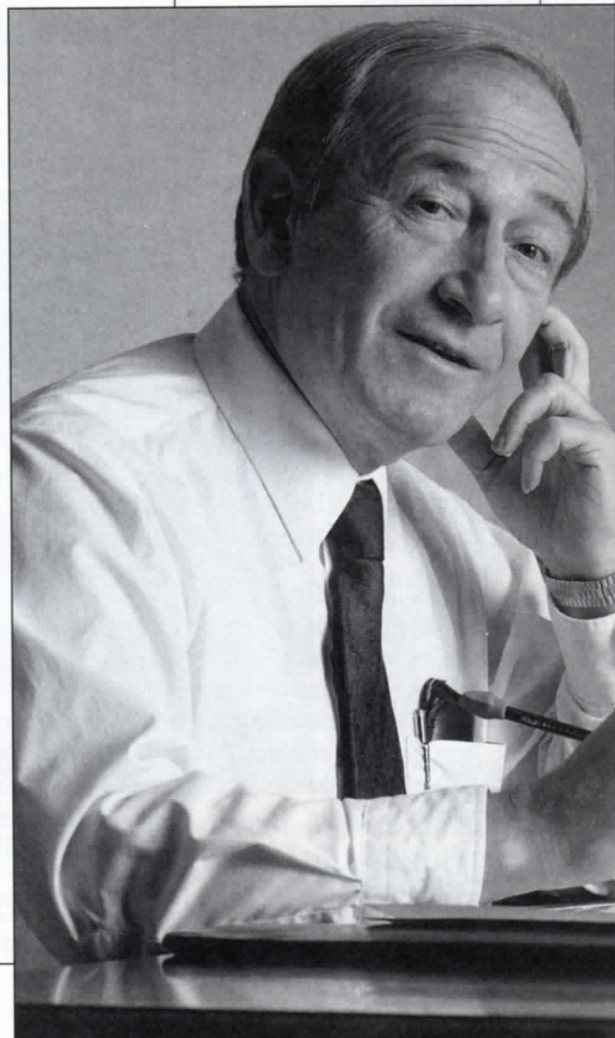
SOL BUCHSBAUM,

Bell Labs' **Solomon Buchsbaum**, senior vice president of Technology Systems, died March 8.

An adviser to five U.S. presidents and their administrations, Buchsbaum served on more than a dozen advisory councils concerned with matters of defense, energy and the state of American science. He received much recognition for this work, including the National Medal of Science presented to him by President Ronald Reagan in 1986.

Buchsbaum's life journey, from his struggle for survival in war-ravaged Europe to his success as a scientist and business leader, is an amazing saga.

In 1941, two years after the



SERVED AT&T AND THE NATION

Nazis invaded Poland, Jacob Buchsbaum, Sol's father, was "removed" along with other Jewish businessmen in the town of Stryj, and never heard from again. Two-and-a-half years later, all the other Jewish residents in the area—including 13-year old Sol, his mother, Berta, and one sister, Judy—were rounded up and jailed.

"Sol told me that, when the opportunity arrived, his mother told him and his sister to run away," recalls Phyllis Isenman Buchsbaum, Buchsbaum's wife of 37 years. "His sister refused to leave their mother, and he never saw either of them again."

In Warsaw, Buchsbaum obtained false papers giving him a

Christian name. "Sol was blond, and he survived by pretending that he wasn't Jewish," she says. "He worked in a Christian home in Warsaw until it was discovered that he was Jewish and he was asked to leave. He then found refuge in a Catholic orphanage, where he said they were very kind to him and no questions were asked. "Sol told me that he recited Mass there every week and even became an altar boy."

Although he didn't attend a regular school during these years, Phyllis says Buchsbaum later remarked, "I read and survived."

After the war, Buchsbaum emigrated to Canada, just two weeks before his 18th birthday. In Canada he taught himself English,

obtained his high school equivalency within a year and later supported himself by working in a hat factory.

"Sol told me he didn't want to stuff hats in boxes all his life," Phyllis recalls. "He was always very good with numbers, so he thought he might become an accountant." He applied for and received a one-year general studies scholarship to attend McGill University in Montreal. "Later that year an adviser informed him that a full scholarship was available in physics," she added. "He won the scholarship."

After earning a master's degree in physics at McGill, Buchsbaum entered MIT on another scholarship and earned his Ph.D. in 1957. Buchsbaum taught at MIT the following year while pursuing his prime research interest—microwave plasmas in magnetic fields.

In 1958, Buchsbaum accepted a research position at Bell Labs in Murray Hill, N.J. "In the beginning, he only expected to stay at Bell Labs for a few years. He thought he would return to the academic world and do research," Phyllis recalls. "But each time he had a chance to leave over the years, he always decided that nothing could be more exciting than the work he was already doing at Bell Labs."

"Sol was personally responsible for a wide range of projects that created many advances in telecommunications," says Bell Labs President John Mayo. "These projects include contributions in optical communications, digital signal processing, communications satellites, high-definition television and other visual communications, advanced telephone terminals, software and computers, and a wide range of military systems."

"Sol was a tower of strength at Bell Laboratories," Mayo adds. "We admired him greatly and will miss him a lot."

—Dan Van Atta
Murray Hill, N.J.



FIELDS Named PR VP

After helping to bring AT&T's Investor Relations program to national prominence, Financial Vice President **Curt Fields** is moving on to new challenges.

Last month, Fields was named vice president of Public Relations, focusing on AT&T's investor audience.

During his three-year tenure at Investor Relations, the program was cited by Institutional Investor magazine as one of the best of its kind nationally. Fields himself was chosen as Inside PR magazine's investor relations All-Star for 1992.

Since joining the company in 1976, Fields has held numerous operational, marketing and national account sales positions. He holds a degree in engineering from Princeton University and an MBA from the Wharton School.

Sol Buchsbaum



DAVE HOFFMAN

THE LONG AN

Write On

Two letters from readers suggest that I am “anti-vocabulary,” as one writer put it. She said: “If writers stopped using words like subsequently (later), delineate (draw) and other perfectly good words, we wouldn’t need to learn them. We could stop trying to increase our vocabularies, and dictionaries could omit the big words.”

The second writer said: “What difference does it make whether you say endeavor or try? Both mean the same thing.”

To reply, I could quote an old friend: “Never use a big word when a diminutive one will do.” But the writers deserve a serious answer: If you use a hard word when an easy one says the same thing, you risk losing a few readers. And even if the others do understand the hard word, why burden them unnecessarily? Bit by bit, the harder words slow your message. Worse, the reader may pay more attention to your language than to your message.

BE INVISIBLE

You should be invisible. Nothing should come between you and your reader, not even an extra syllable—preventative means exactly the same thing as preventive. People stretch oblige to obligate, mingle to intermingle, standard to standardized, often to oftentimes,

method to methodology, riders to ridership, life to lifestyle (a cliché) and visit to visitation.

A friend says you have to be dead to make a visitation.

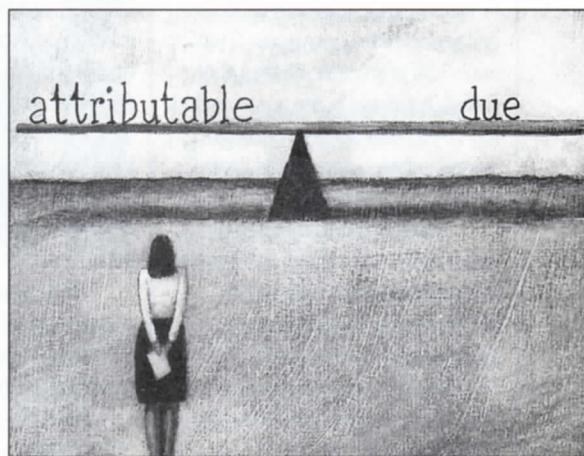
Long words, wooden ones and jargon help to define “officialese.” An authoritative or legalistic or scientific tone doesn’t make what you write official. The content makes it official, in clear, polite language. Officialese doesn’t mean business.

FLAG ‘OFFICIALESE’

Some “official” words act as red flags. When you begin a memo with “Effective immediately,” the immediate effect is resentment, sometimes fear. When you begin with “Pursuant to,” you suggest a message that people probably won’t understand or want to.

But the real threat in officialese is to your reader’s time, with words like predominantly (mostly), consequently (so), transpire (happen), implementation (doing, carrying out) and even prior to (before).

“Legalese”—whereas, hereinafter, the undersigned—blows smoke at people. It’s easy to imitate legal writing. Some of it has special meaning in legal documents, but not in general writing.



Lawyers write to avoid loopholes. They believe a qualifying statement must be in the same sentence as the point it modifies. So, to avoid loopholes, they avoid periods and write overlong sentences.

BAN BUZZWORDS

When he was Secretary of Commerce, the late Malcolm Baldrige embargoed a lot of overblown words, jargon and other clutter. He banned -ize words: finalize, maximize, minimize, optimize, prioritize, utilize, utilization. And he banned buzz words: interface, parameter, input, seminal, state of the art, thrust, upscale.

Big words alone don’t make writing sound official. Writing may bore people because of too much Latin language. Consider how we use our main languages, Latin-French and Anglo-Saxon or high English (in italics) and low English (in parentheses): *profound* (deep), *aid* (help), *present* (give),

PONDEROUS



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effect is resentment, sometimes fear. When you begin with “Pursuant to,” you suggest a message that people probably won’t understand or want to.

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D SHORT OF IT

solitary (lonely), *currently* (now), *approximately* (about), *temporal* (timely), *proximity* (near), *conceal* (hide), *ponderous* (weighty), *portion* (share), *residence* (home), *identical* (same), *initiate* (begin), *implement* (begin).

Look at those last two Latinate words at work—or at least in use: “The company filed a proposal with the commission, which, if approved, allows the company to implement a trial sales agency program and initiate joint marketing efforts.”

PURGE POMPOSITIVITY

Consider some pompous, abstract words and their short, concrete, specific synonyms: according to, in accordance with (says, under), alternatives (choices), ascertain (find, find out, make sure), attributable (due), augmentation (increase), characterize (call), cognizant (aware), concerning (on, about, for), consequently (so), contiguous (adjacent), des-

ignate (name), dimensions (size), extensive (large, wide, broad) facilities (plant, buildings), impede (hamper), implement (carry out, set up, do), indebtedness (debt), indication (sign), individuals (people), inherent (basic), initially (first, at first), instantaneously (instantly), limitation (limit), magnitude (size), vast/great/overwhelming majority (most), materialize (work out), notwithstanding (despite), numerous (many), optimal (best) paradigm (model), partially (partly), pecuniary (money),

preponderance (most), prestigious (famous, well-known), rationale (thinking, reason), remuneration (pay), salient (important), sanguine (hopeful), substantiate (prove, back up), terminate (end, fire, lay off), transpire (happen), underprivileged (poor), upgrade (improve), utilize, utilization (use), visualize, envision (see).

SHORT IS SWEET

A few last words. For contrast, consider this passage from “The Miracle of Language” by writer-

teacher Richard Lederer:

“When you speak and write, no law says you have to use big words. Short words are as good as long ones, and short, old words like sun and grass and home are best of all. A lot of small words, more than you might think, can meet your needs with a strength, grace and charm that large words lack.

“Big words can make the way dark for those who hear what you say and read what you write. They add fat to your prose. Small words are the ones we seem to have known since birth. They are like the hearth fire that warms the home, and they cast a clear light on big things: night and day, love and hate, war and peace, life and death.

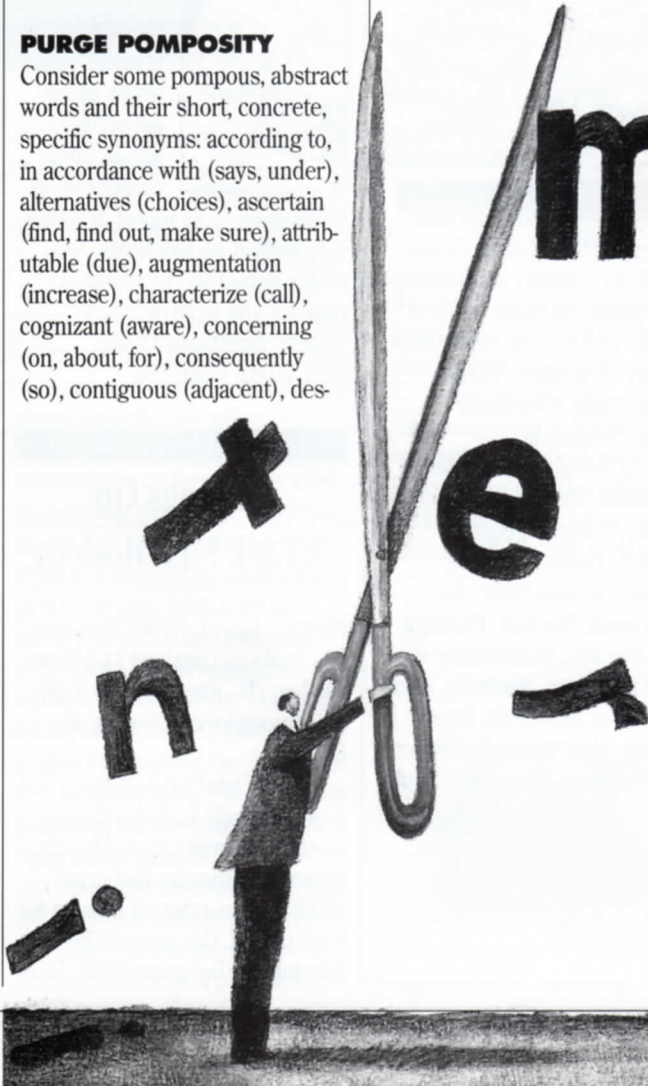
“If a long word says just what you want, do not fear to use it. But know that our tongue is rich in crisp, brisk, swift and short words. Make them the spine and heart of what you speak and write. Like fast friends, they will not let you down.”

For those of you who didn’t spot it, Lederer wrote that passage in words of one sound each.

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DeWitt Scott, a San Francisco Examiner senior editor and author of “Secrets of Successful Writing,” welcomes examples of good and bad writing. Write him at the Examiner: P.O. Box 7260, San Francisco, CA 94120.

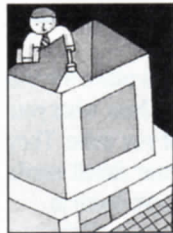
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New Reports From the IRC

The AT&T Information Research Center (IRC) has released the following new reports. To order, contact Shirley Nelson at 908-204-1123 or attmail:abcoav@nelson. Each order will be billed to your organization's budget. To subscribe to the IRC shared folder on AT&T Mail, type at <command> subscribe to lircnews:help.

AT&T Competitive Intelligence Sourcebook can help



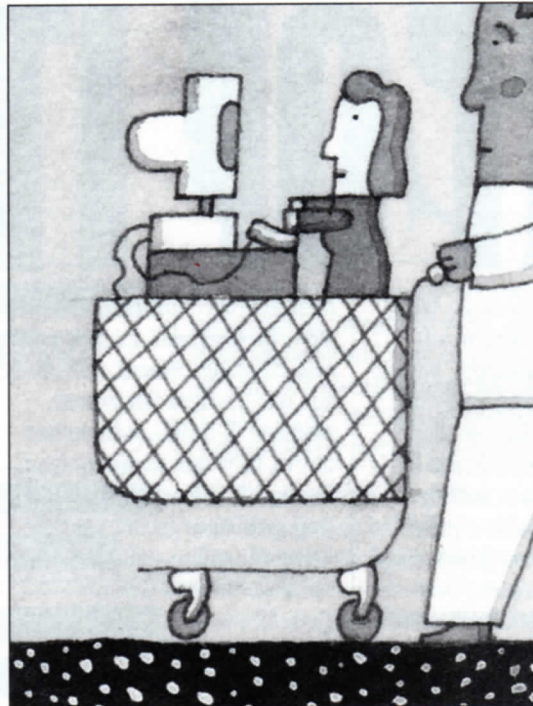
you locate internal and external sources for all types of competitive information, including financial data, product

descriptions, market research studies and competitor profiles. Domestic and international sources are cited. Order #IRC48050. Cost: \$75.

ATM Market. One of the hottest areas in broadband technology is Asynchronous Transfer Mode (ATM), an emerging technology that may



have an impact on all of AT&T's business units. This report, a compilation of consultants' opinions and key trade articles, will help you understand the market, the technology, user deployment strategies, vendor deployment strategies and other key issues. Order #IRC43032. Cost: \$125.



Outsourcing of network and data communications services is an emerging market. This report, a compilation of consultants' opinions and key trade publication articles, will help you understand market growth, users' preferences/plans and the domestic and international market outlook for outsourcing. Order #IRC43031. Cost: \$80.

Banking Industry Analysis



1993. This written report covers market trends, globalization and leading-edge technologies in the banking industry, including home banking, imaging, ATMs and outsourcing. Order #IRC45033. Cost: \$150.

Manager's Tool Kit publications offer practical guidance for basic business problems. Each report contains full-text articles from



leading management journals,

bibliographies and other related materials. The series includes: Leadership Skills for the 1990s, order #IRC49009; Effective Delegation, order #IRC49010; Reducing Time to Market: Accelerated Product Development, order #IRC49011. Cost: \$50 each.

Ukraine Country Profile



provides a comprehensive overview of the economic, political, regulatory and telecommunications environment in the Ukraine. Order #IRC44546. Country profiles are also available on these areas of strategic and tactical importance to AT&T: Argentina, Brazil, Canada, Chile, Colombia, Mexico, Venezuela, Bulgaria/Romania/Yugoslavia, CIS/Russia, Czechoslovakia, Hungary, Poland, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom, Australia, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, China, the Philippines, Singapore, South

Korea, Taiwan, Thailand, Saudi Arabia and Turkey. Cost: \$150 each.

Recently Enacted Federal



Telecom Legislation & FCC Regulations, Vol. #2 examines federal legislation and FCC regulations pertain-

ing to the Telephone Disclosure and Dispute Resolution Act, the Telephone Consumer Protection Act of 1992, Cable Television Consumer and Competition Act of 1992, and excerpts from the Energy Policy Act of 1992 pertaining to telecommuting. Order #IRC49010. Cost: \$100.

RBOC Touchtone/Rotary Subscriber.

The percentage of touchtone subscribers and the percentage of remaining rotary phone subscribers has an effect on our clients' businesses. This report provides information on touchtone and rotary subscribers to make it easy for you to answer customers' questions. Order #IRC41032. Cost: \$50.



Savings On AT&T Fax Modem

Effective June 1, AT&T Paradyne has made its DataPort 14.4/Fax modem (PC internal card) available to employees starting at \$209.

The DataPort 14.4 fax modem family includes three models: an internal card for the personal computer (list price \$299) and an external version for both the PC (list price \$339) and Macintosh (list price \$359). Only

the DataPort incorporates AT&T's exclusive Optical Line Interface to give you the best performance on good or even bad lines. All models include limited lifetime warranty, toll-free support and an integrated communications/fax software package for DOS and Windows or Macintosh. (Macintosh models also include Macintosh cables.)

To place your order, call 800-554-4996, ext. 8006, and identify yourself as an AT&T employee. Have your social security number ready. Payment can be made by check, money order or credit card.

Corporate Calling Card Group Relocates

The AT&T SDN Calling Card group has relocated to the new IMS Customer Service Center Headquarters in Lake Mary, Fla.

This group is responsible for the administration of SDN Calling Cards for AT&T employees worldwide.

For information or to get an application, contact: AT&T Corporate Calling Cards, 3200 Lake Emma Rd., Rm. 1D111, Lake Mary, FL 32746; phone 407-444-1660 or fax to 407-444-1192.

Keep Up With Wireless Technology Developments

The AT&T Library Network has introduced a publication called "Wireless Technology Focus," an easy, cost-effective way to keep up with rapid developments in the field of wireless communications. This publication, which is published



twice a month, covers such topics as the domestic and international marketplace, new products and services, technological advances, regulations, patents and upcoming conferences. It includes feature articles, news briefs and citations from journal articles, books and technical reports. Internal technical report and patent citations are also provided.

To subscribe, call 908-582-4840 and press option 7, or send e-

mail to library!info. Subscriptions cost \$4 an issue for electronic delivery and \$5 an issue for paper. The cost is billed directly to your organization's budget. Subscribers with LINUS passwords also will get free access to the LINUS wireless database, which includes items announced in the Wireless Technology Focus publication.

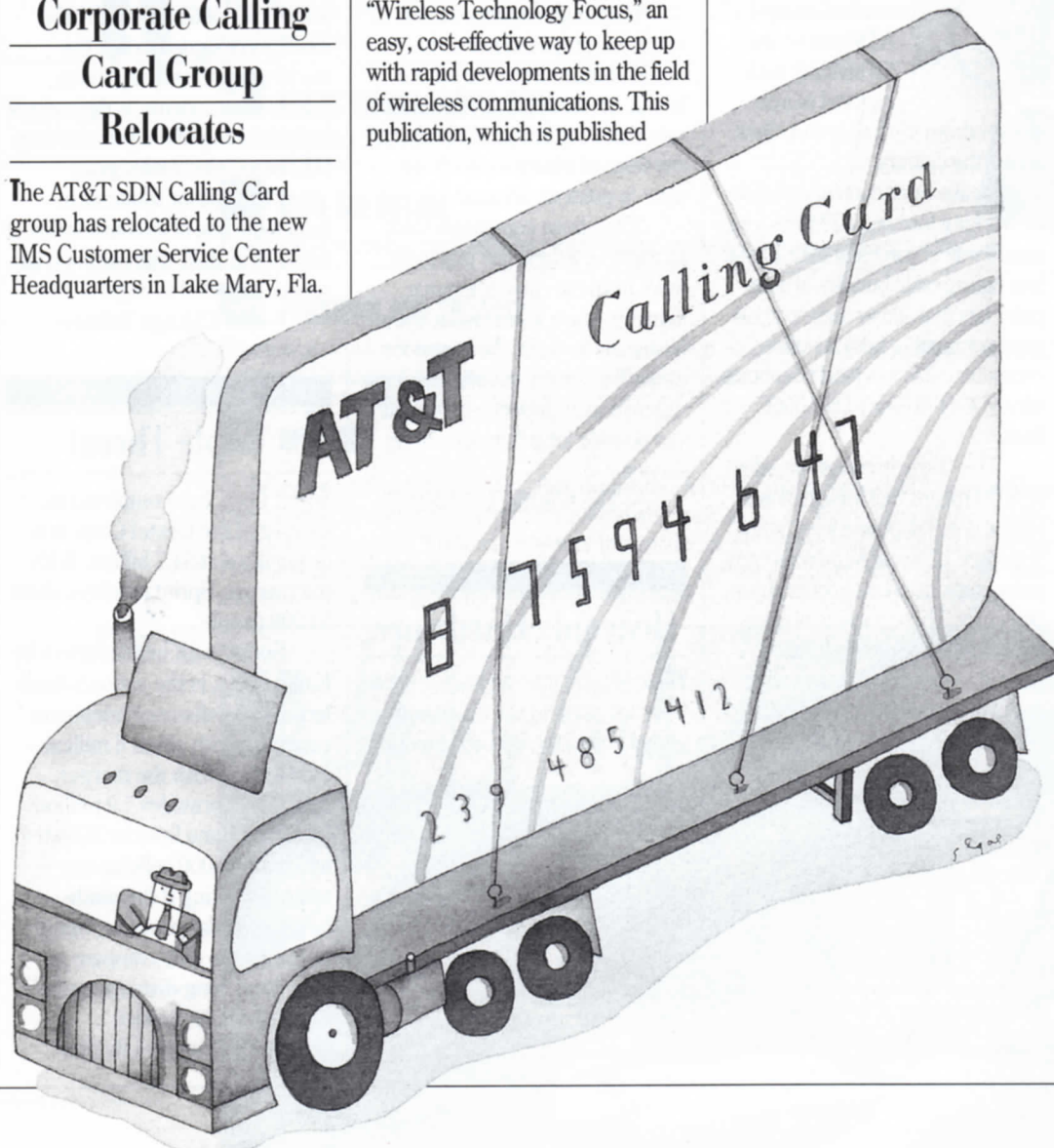
Business Communications Services Guide Updated

The AT&T Business Communications Services Guide, produced by AT&T's Consultant Liaison Program, has been updated to reflect changed and new AT&T business services. The 540-page update fits in the guide's original binder.

The following sections have been revised: All Domestic Digital Services, *Megacom* Service, *CustomNet* Service, Corporate Calling Cards, *MultiQuest* Broadcaster Service, *FIND AMERICA* Directory Services, International Facsimile, *USADirect* Service and Tariff Pricing.

The following sections have been added: *Megacom Plus*, *Megacom Optimum* Service, 800 *GOLD* Service, 800 Network Management Products, *NetPROTECT* Services, SDN *NetPROTECT* Service and *ACCUNET Fractional T45* Service.

To order your update, call the Customer Information Center at 800-432-6600 and request order #015-358-027 ADD. If you're calling from outside the United States, call 317-352-8557. If you're calling from Canada, call 800-255-1242.



Fiber-Optic Highways to the Home

The nation's biggest cable TV company said it will spend \$1.9 billion to pave local streets of the information superhighway carrying hundreds of channels along strands of glass.

Tele-Communications Inc. (TCI) already was replacing much of its copper-wire cable with fiber-optic lines. The plan speeds up that process. At least 90 percent of 9.5 million TCI customers will be tied in by the end of 1996.

Fiber-optic cable ... makes possible the TV menus of 500-plus channels that TCI, Time Warner Inc. and other cable companies are developing.

TVs, computers and telephones could blend together. Banking, shopping and working could be done more easily from home. It could also put cable companies or long-distance telephone companies in a position to offer local phone service.

—The Washington Times

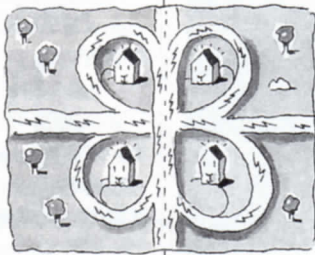
Network Nirvana

The most debated set of letters in the telecommunications business these days is not AT&T or MCI, but

ATM. And it has nothing to do with getting cash from an automated teller machine.

ATM, short for asynchronous transfer mode, is a futuristic format for packaging and transmitting computerized data and images over telephone lines. It is blazingly quick, able to send digitized information at more than 45,000 times the speed available on typical telephone lines. But the technology is also fiendishly expensive, at least so far.

Besides its speed, the main appeal of ATM is that it offers a single standardized way to transmit



information—whether electronic books, high-definition movies or three-dimensional medical images. ATM can be used for sending such material to a

worker down the hall or to a client across the country.

Unlike most current computer networking formats, ATM has a signature way of parceling information into manageable bundles of computer bits that allows these parcels to pass smoothly from an office computer cable to a local telephone wire to long-distance fiber-optic lines.

The "asynchronous" transfer in ATM means that information is loaded onto telephone lines out of sequence, allowing numerous computer conversations to occur simultaneously. These packets of information are reassembled in their normal sequence at the receiving end. This approach to transmitting computerized information, known

generically as packet switching, has been around for years. One of the breakthroughs with ATM is the uniform size of the packet, known in computer terms as a cell, which enables different computers made by different manufacturers to converse.

—The New York Times

Another Monopoly?

The nation's local telephone companies have offered to spend \$125 billion over the next seven years to build a grid of "information highways" covering the entire United States—provided that Washington lets them into cable TV and other now-forbidden businesses.

Over high-capacity digital wires, the proposed network would shuttle electronic schoolbooks, medical X-rays, movies, private video conferences—in short, any form of information—from point to point on demand.

The phone companies want an end to a federal law that bars them from the cable television industry—now a \$20 billion a year business—in their phone service areas. To a lesser extent, they want rights to manufacture equipment and provide long-distance phone service.

—The Washington Post

Heavenly Hardware

While Russia may be having problems adapting to the emerging global economy, it is no slouch



when it comes to putting hardware into the heavens.

If there were any doubts about that, they should have been dispelled recently when Motorola Inc., one of America's oldest electronics manufacturers, signed an unprecedented contract with a Russian firm to launch 21 of the satellites for Motorola's high-tech communications network of the future.

The Iridium network, which will consist of 66 low-earth-orbit satellites designed to link the world via wireless telephones, pagers and modems, is the technological darling of the Schaumburg, [Ill.]-based electronics giant.

Plans call for Motorola to launch the first of its constellation of satellites in 1996, with commercial service expected to begin in 1998.

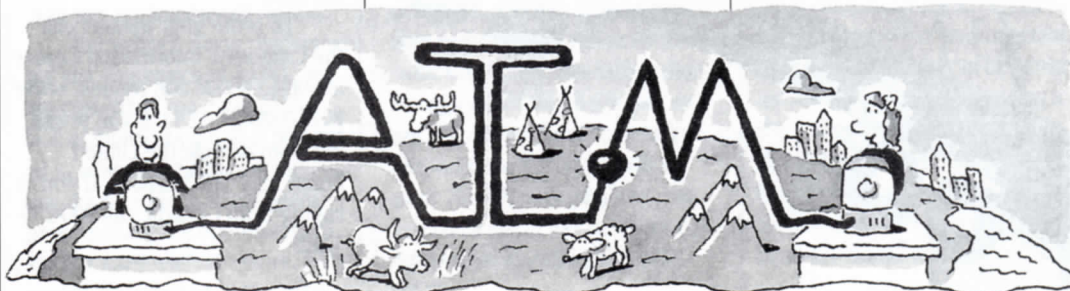
—The Chicago Tribune

Triple Threat

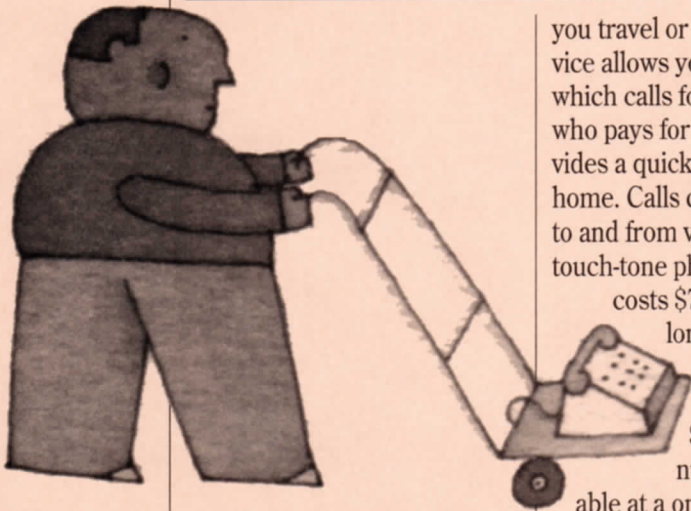
Sprint Corp. has completed its merger of the Centel Corp. in a deal valued at \$4.7 billion. With the merger, Sprint employs about 51,000 people.

Sprint, with headquarters in Kansas City, is the nation's third-largest long-distance telephone company, with about 6 million customers. With the merger, Sprint now provides 5.9 million local telephone lines in 19 states and has 400,000 cellular customers, making it the ninth-largest cellular provider. Sprint becomes the only company to offer local, long-distance and cellular telephone service.

—The Kansas City Star



EMPLOYEE PHONE DISCOUNTS INCLUDE TWO NEW SERVICES



The Inter-LATA Toll Discount Programs for AT&T employees have been expanded to include two new services:

- AT&T *EasyReach* 700 Service

- AT&T *Signature* 800 Service for the home

Starting with telephone bills dated May 1, long-distance charges on these services qualify for reimbursement. Installation and monthly service charges are not reimbursable.

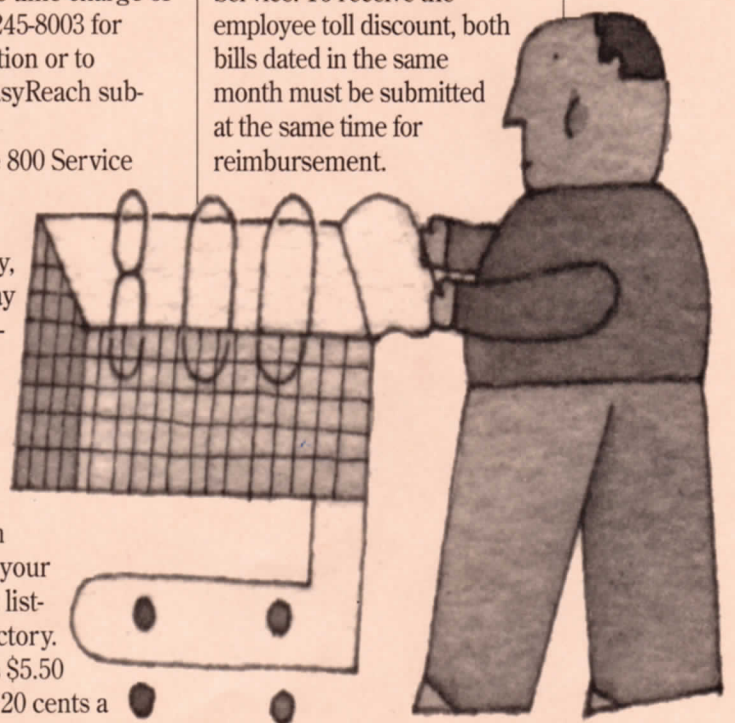
EasyReach offers a personal long-distance number that's yours for life, no matter where on the U.S. mainland

you travel or move. The service allows you to choose which calls follow you and who pays for them and provides a quick, easy way to call home. Calls can be forwarded to and from virtually any touch-tone phone. EasyReach costs \$7 a month, plus long-distance charges. The sign-up fee is \$10 and vanity numbers are available at a one-time charge of \$25. Call 800-245-8003 for more information or to become an EasyReach subscriber.

Signature 800 Service offers family members and friends an easy, convenient way to call you toll-free on your personal 800 number. Only people you give your number to can call you since your number is not listed in any directory. The service is \$5.50 a month, plus 20 cents a

minute for off-peak hours after 5 p.m. or on weekends. There is a \$10 installation charge, and vanity numbers are available if not already assigned. Call 800-828-3080 for further information or to order Signature 800 Service.

Calls made on EasyReach 700 Service are charged to the AT&T portion of the local telephone company bill. Customers receive a separate bill directly from AT&T for Signature 800 Service. To receive the employee toll discount, both bills dated in the same month must be submitted at the same time for reimbursement.



FIRST QUARTER EVA RESULTS AND APAs

AT&T's first quarter Economic Value Added (EVA) results of \$352 million is on course to meet our 1993 EVA target of \$2 billion. Growth in long distance services and sales of network telecommunications products contributed to the EVA results. EVA is a way of measuring shareholder value that considers all aspects of use of company resources, such as invested capital and the impact of income taxes.

1993 AT&T Performance Awards (APAs), paid in March 1994, will be calculated for eligible management employees as a percentage of their individual 1993 earned base salaries, based on AT&T's EVA performance. If we stay on course for the rest of 1993 and achieve 100 percent of our EVA target, APAs will be paid at 7.3 percent of individuals' salaries for Management Pay Plan employees (or the March

1993 dollar payout for their 12/31/92 salary grade, if greater) and 5.6 percent for Technical Personnel Plan employees.

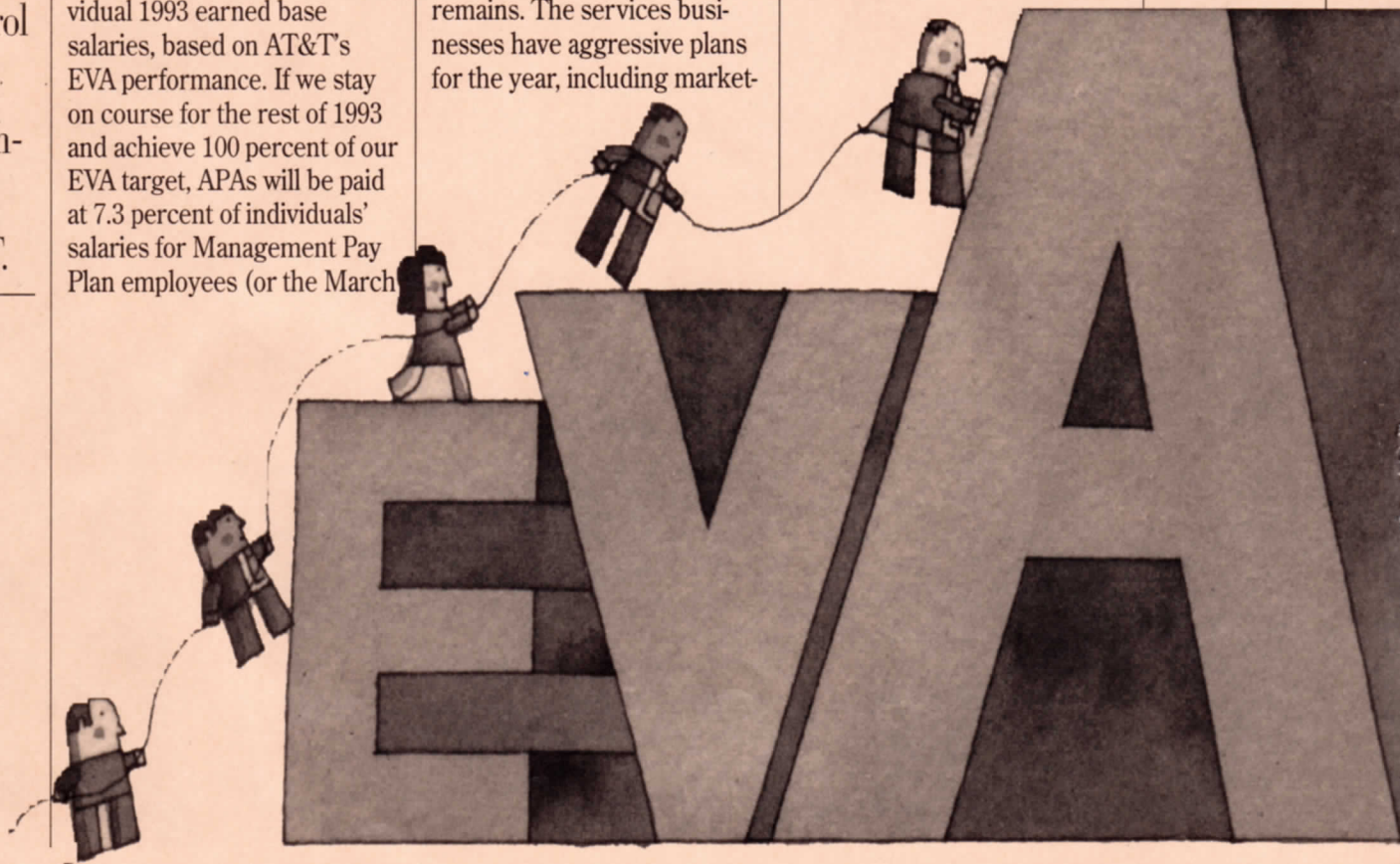
AT&T's EVA performance also affects the amount of money available for Merit Awards and Unit Performance Funding—additional incentive dollars for units that exceed their own financial targets. As our EVA results grow, more money is made available for each of these management incentive components.

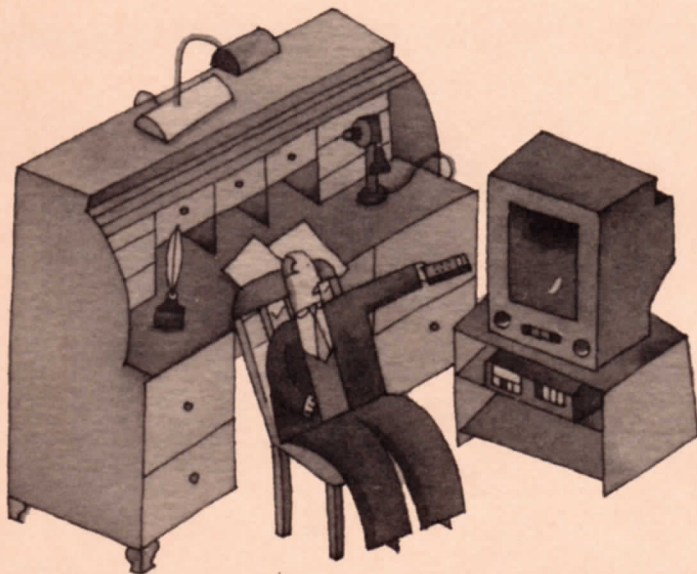
Although AT&T's EVA performance for the first quarter is on course to achieve the year-end target, much work remains. The services businesses have aggressive plans for the year, including market-

strengthening measures such as the i Plan and efforts centered on 800 portability. Expectations are high for AT&T's product businesses, which traditionally produce much of their revenue in the second half of the year. And, since all parts of the business are facing strong competition, there is a continuing need to control costs throughout AT&T to meet those challenges.

The April/May issue of Compensation & Benefits Update contains more specifics about EVA performance and APA.

There is a continuing need to control costs throughout AT&T.





"WORKPLACE OF THE FUTURE" CONFERENCE INFO AVAILABLE

Videos, transcripts and a post-conference report of the March 8 AT&T-CWA Workplace of the Future conference are available from the Customer Information Center (CIC). Items available include: the full conference video, about three hours long, \$30, order no. 010-311-135; an edited video, 30 minutes, \$15, order no. 010-311-138; a video of the keynote address by U.S. Labor Secretary Robert Reich, 30 minutes, \$10, order no. 010-311-137; a written transcript of the conference, \$10, order no. 010-311-136; and a post-conference report, \$10, order no. 010-311-139. To order, call 800-432-6600, or use the CIC catalog or the LINUS Library Network.

NEW SYSTEM HELPS FORMER EMPLOYEES

The AT&T Rehire System (ARS) helps place former regular or part-time occupational employees. To be eligible to participate, you must have left the company due to an involuntary termination within the last three years. Effective Jan. 4, 1993, former occupational employees who left the company or who have been granted a personal leave of absence or a foreign assignment leave because of an authorized hardship or who have an AT&T trailing spouse situation are also eligible.

These former employees can participate in ARS for up to

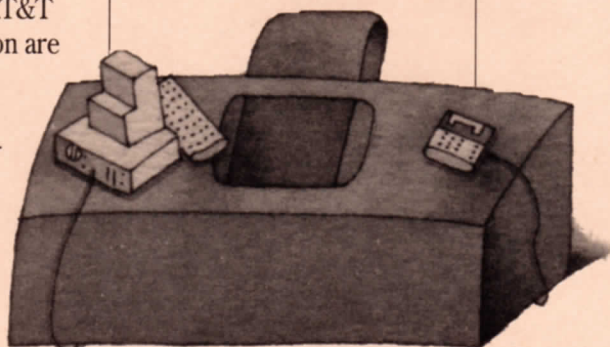
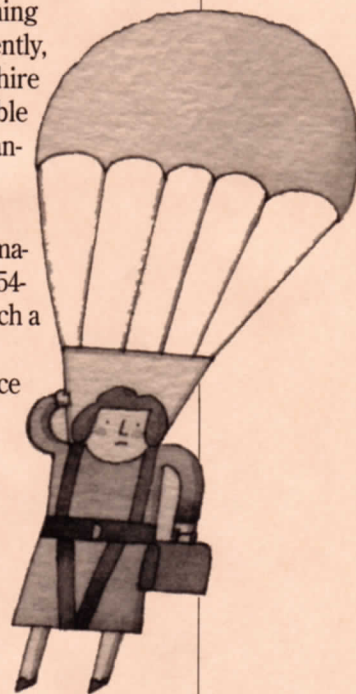
three years from the date of their terminations or from the first day of their leaves.

ARS uses the *Conversant* system, which enables former employees to call and ask about openings within AT&T. Information is available about full- and part-time work, work categories and local placement areas.

One advantage of hiring ARS participants is that they have more AT&T-related experience than candidates from outside the company.

ARS is a result of last year's bargaining efforts. Currently, there is no rehire system available for former management employees.

For information, call 800-554-4367, or to reach a Telecommunications Device for the Deaf, call 800-258-1124, Monday through Friday, 8 a.m. to 8 p.m. Eastern Time.



GETTING THE JUMP ON UNCLE SAM

Eleanor Archuleta has cared for her six-year-old grandson, Antonio, since he was born.

Eleanor works as a field engineer with Global Business Communications Services in Denver. As sole provider for Antonio, she relies on both AT&T's Health Care Reimbursement Account and the Child/Elder Care Reimbursement Account to help her save money on health and child-care bills.

Eleanor saves on taxes each year by having the \$5,000 she spends on day care taken out of her pay and deposited into a pre-tax child/elder care reimbursement account. Since Eleanor is paid monthly, one-twelfth of the total is deducted from her check each month. Eleanor submits her child-care expenses and obtains reimbursement up to her current account balance. Reimbursement takes about two weeks.

Because Antonio is under age 13, he qualifies for the child/elder care account. A spouse or other legal dependent who is mentally and/or physically incapable of self-care and who spends at least eight hours a day in the employee's

home also qualifies.

The child/elder Care reimbursement account lets employees set aside \$100 to \$5,000 each year to pay for such expenses as kindergarten or pre-school fees, a babysitter inside or outside the home or a housekeeper whose duties include dependent care.

Eleanor also takes advantage of the health care reimbursement account to handle out-of-pocket medical, vision care and dental expenses that she and Antonio incur.

The health care account allows employees to set aside \$100 to \$3,000 each year to pay eligible health care expenses for themselves and/or their qualified dependents. Unlike the child/elder care account which pays only after money is deposited into the account from the employee's paycheck, the health care account pays up to the full annual amount prior to its deposit, if required.

Eligible expenses include annual physical exams and well-baby care, medical or dental deductibles and co-payments that aren't paid under

the employee's or dependent's regular health or dental plans, and eye exams, eyeglasses and contact lenses not covered in full by the vision plan.

"The reimbursement accounts save me a tremendous amount, and it's a comfort to know that the money is there when I need it," Eleanor says.

Employees must take care to withhold only the amount they will spend. Money left in reimbursement accounts after all claims for the plan year have been paid must be forfeited according to Internal Revenue Service (IRS) rules. Changes to either account are limited to status changes specified under IRS guidelines.

Employees can enroll in one or both of the reimbursement accounts during the next annual open enrollment period. New employees become eligible on the first day of the month in which they complete six months of service and must sign up within 31 days after receiving enrollment materials.

For more information on the child/elder care or health care reimbursement accounts refer to your summary plan descriptions.

For more information, refer to your summary plan descriptions.

ADVENTURES OF A TELECOMMUTER

I t used to be that when someone said they were going to be working out of their house, you'd greet that announcement incredulously. "Oh, yeah, I'll bet! And which fishing lure are you going to be using this time?" But more and more people are actually working out of their homes these days, and without apologies to anyone, thank you. The fact is, there can be some very compelling reasons for working at home, quite apart from the obvious one of limiting the number of commuters on the road. It isn't appropriate for everyone, but over the last year, it's become quite appropriate for me on a part-time basis.

My current assignment requires a great deal of writing and participation in several conference calls per week. Both of these can be done better at home than in the office. There's an extra room where I can get away with a phone and PC. My wife is at work during the day and my one daughter who still lives at home attends a local college. So it's just me at home alone during the day, except for the family cat. Oh yeah, the cat. She has to be locked out of the room at times. Once when I stepped away for a minute, she decided to explore the PC. When I turned around, she was standing on the keyboard while the screen went crazy with random characters. But I digress.

I participate in a lot of conference calls. Several of the people in neighboring cubes at the office do too. Nobody wants to sit for two or three hours holding a phone receiver to his or her ear, so they use speaker-phones. And everyone in the vicinity can hear what's going on. I'm not innocent either. And sometimes my neighbors and I butt heads—I can't concentrate on my conference call because my neighbor's conference call is louder, so I turn up my volume. Then ... well, you get the picture. At home, there's no one to disturb.

I do training course development and write job aids; that requires concentration. At home I can be in a mental cocoon and get a lot more accomplished. Of course, I have to admit that I miss seeing the gang in the office, so it's nice being just a part-time telecommuter.

Working at home does require more discipline than working in the office. You have to get up and get going in the morning just as if you were heading into the office. (But it's nice to be able to don a sweatshirt instead of a tie.)

Your workday starts as soon as everyone's out of the house. Consider the time you'd normally spend commuting to the office as extra time to get more work done. (What about all those memos and instructions that you somehow never get around to reading beyond the first paragraph? This is an easy way to get started in the morning.) Sure, there can be more distractions—things not direct-

ly related to other people. There's that partially read book lying by your chair, the errands that you'd rather not put off until this evening and the lawn that needs mowing. I've discovered the importance of setting goals. What specifically do you want to accomplish today? Check your *Audix* messages regularly and let people know how to get to you when it's important. Being at home doesn't mean being out of touch. The other side is that you don't have to keep your nose to the grindstone all day. If things are progressing well, reward yourself with a mid-day break—take a walk or a short bike ride. Or go ahead and run that errand. It's amazing how that energizes you to get back to work.

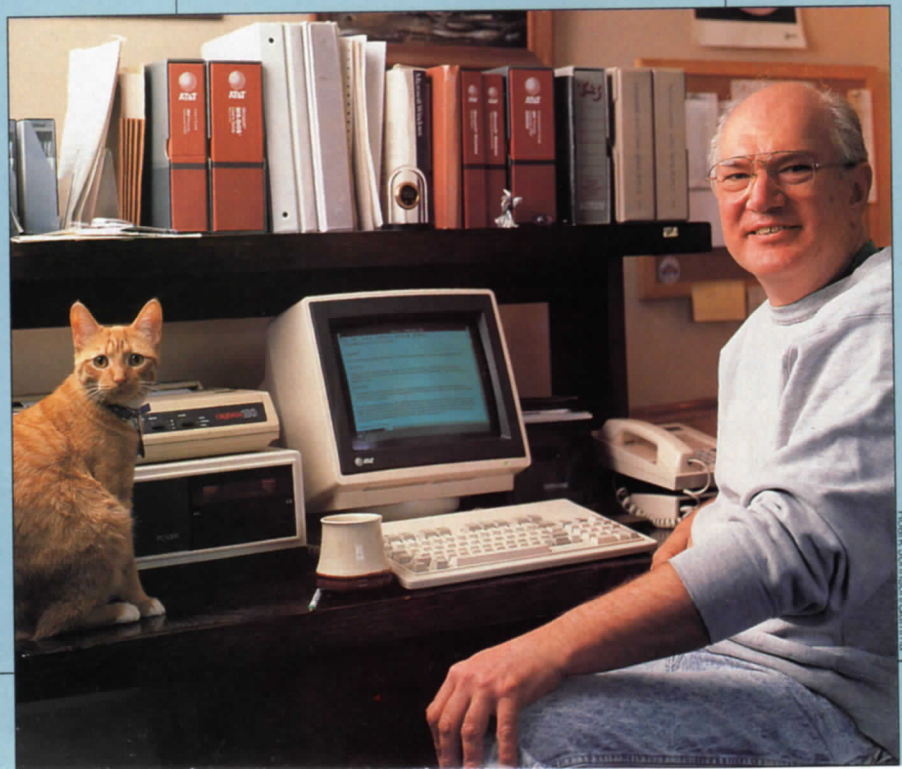
I have a modem and INAP password so that from home I can log into the 3B computer down at the office and exchange AT&T Mail messages. Currently, I don't have a separate business phone line; that can be a problem, especially when you don't get around to disabling the call-waiting feature on your phone. For example, there was the time I was trying to write a lengthy AT&T Mail message on-line, and invariably, each time as I got toward the end, an incoming call would knock me off-line. That meant beginning all over again. It happened not once, but three times. Different communications software should eliminate this problem. Access Plus would allow the reading and creation of messages off-line.

My conclusion is this—there are some very persuasive reasons to be a telecommuter. However, you have to have the right type of: 1) job, 2) home environment, 3) equipment/software at home, 4) work mentality.

If all these things come together, it can be a win-win situation for you and for AT&T.

—Jack Kramer
Information Management Services
Customer Training
Chicago

Jack Kramer
and Tabitha.



For your AT&T USADirect® Service/AT&T World Connect™ Service wallet card, please turn to the inside back cover of this magazine.



TEAR OUT CARD, FOLD, AND PLACE IN YOUR WALLET.

For additional wallet cards, call 1 800 331-1140, Ext. 100. Outside the U.S., use AT&T USADirect® Service and call collect: 412 553-7458, Ext. 100.

Special Features

USADirect® Service also gives you access to many special features. Using these features is as easy as placing a regular USADirect call. Simply follow the USADirect calling instructions on this card and use the numbers listed below.

U.S. Directory Assistance — Area Code + 555-1212

AT&T 800 Number Connections — Ask the AT&T Operator to connect you. Please note that 800 numbers are only toll free when dialed from within the U.S.

AT&T Language Line® Services — 800 843-8420

AT&T CLASSIC™ TeleConference Service — 800 232-1234

AT&T Message Service — 800 562-6275. For more information call 800 662-2588.

AT&T FAX Mailbox — To subscribe or for more information, call 800 446-2452.

Sequential Calling — Use a touch-tone phone and place your first call. Then press # after your party hangs up and follow the voice prompts.

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- If you are at a telephone that does not have access to automated service, simply wait for the English-speaking AT&T Operator to greet you.
- To reach USADirect® customer service, call 1 800 331-1140, Ext. 730 from the United States. When AT&T USADirect Service problems, call 1 800 331-1140, Ext. 959. (Cannot be used to place USADirect calls.)
- When calling from a hotel room, obtain an outside line before dialing the USADirect access number. Check with the hotel operator for any applicable surcharges on in-room calls. Hotel surcharges can be avoided by using public telephones.
- With AT&T USADirect® Service, use your regular AT&T Calling Card number, not the international number.

Notes

Look for specially marked telephones in airports, hotel lobbies, telephone centers, seaport/cruise docks, government agencies, and U.S. Military Bases. Lift the handset or press the special button to be connected to an English-speaking AT&T Operator in the U.S. Available in many dial access countries, plus Barbados, Ethiopia, Qatar, St. Lucia, Seychelles Is., Sierra Leone, Trinidad & Tobago, Turks & Caicos, Uganda, and Yemen. Also, you will find over 7,400 phones with the red 3C symbol throughout Europe. Using both types of telephones, you can access AT&T USADirect Service and bill your AT&T Calling Card or call collect.

Calling from a Special USADirect® Telephone



AT&T USADirect® Service/AT&T World Connect™ Service

AT&T USADirect® Service offers fast, convenient, economical access to the U.S., Puerto Rico, and the U.S. Virgin Islands from over 120 countries. With AT&T World Connect™ Service, you use USADirect® Service to place calls between any of the 59 countries highlighted on this card.

How to Use AT&T USADirect Service and AT&T World Connect Service:

- 1.** Dial the USADirect access number for the country you are calling from.
- 2.** An English voice prompt will ask for the telephone number you are calling. Enter the Area Code and the 7-digit number.
- 3.** After the tone enter your 14-digit AT&T Calling Card number, which includes your PIN.
- 4.** To call collect or to call between any of the highlighted World Connect™ countries, wait for the operator to place your call.

HELPING OUT

Four-year-old Elizabeth Timm had been living with her mother in the Southside Chicago Ronald McDonald House since August. Her two-year-old sister, Ashley, was checked into the University of Chicago Wyler Children's Hospital, undergoing a series of operations, including three liver transplants. Because the Timms' medical expenses were so high, they really couldn't afford for Elizabeth to phone her father back in Nashville, Tenn., very often. Then on Nov. 24, AT&T opened its lines for the first AT&T Family Phone call.

LONG-DISTANCE HUG

Offering Ronald McDonald House residents free long-distance calling anywhere in the world, the AT&T Family Phone program "gives families with seriously ill children the long-distance hug they need," says Ruth Peckenpaugh, house manager at the Chicago Ronald McDonald House.

By the end of 1993, all 126 U.S. Ronald McDonald Houses that choose to participate will be equipped with the big-button AT&T Family Phone. On the average, residents receive one free long-distance call per room, per day. The length of the call is usually five minutes but varies from house to house.

AT&T donated four million minutes of long-distance calling to the houses in 1993. Minutes are distributed among all the houses according to the number of rooms

in each house. House managers monitor the phone's usage and can turn the line off when not in use. "This project is consistent with AT&T's style of giving back to the community," says Stan Lacks, vice president of Consumer Long Distance, Basking Ridge, N.J. "We asked ourselves how we could help as many people nationally as we could. We came up with the AT&T Family Phone."

The AT&T Family Phone has received great acclaim from house managers and families alike. "I've received numerous thank-you notes from families. That phone call means a lot to the families. It's therapy for the child staying at the house," says Mary Kessler, project manager, Basking Ridge.

While this is considered a trial year for the AT&T Family Phone, Pat Fein, a district manager in Consumer Long Distance, Basking Ridge, hopes the project will continue. She and her team even have developed improvements such as an easier monitoring and account management system for house managers. Fein attributes the program's success to the team effort given by the McDonald's Corp. and AT&T, including Business Communications Services, Consumer Communications Services, Information Management Systems, Bell Labs, Public Relations and Law.

With the help of the McDonald's family, the AT&T family and it's Family Phone, the Timms and other families like them don't have to worry about keeping in touch.

—Elaine Jundos



STEPHEN E MILLER
P O BOX 37651
OMAHA NE 68137-0651

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*****5-DIGIT 68137



Elizabeth Timm makes the inaugural AT&T Family Phone call from the Chicago Ronald McDonald House to her father in Nashville, Tenn.