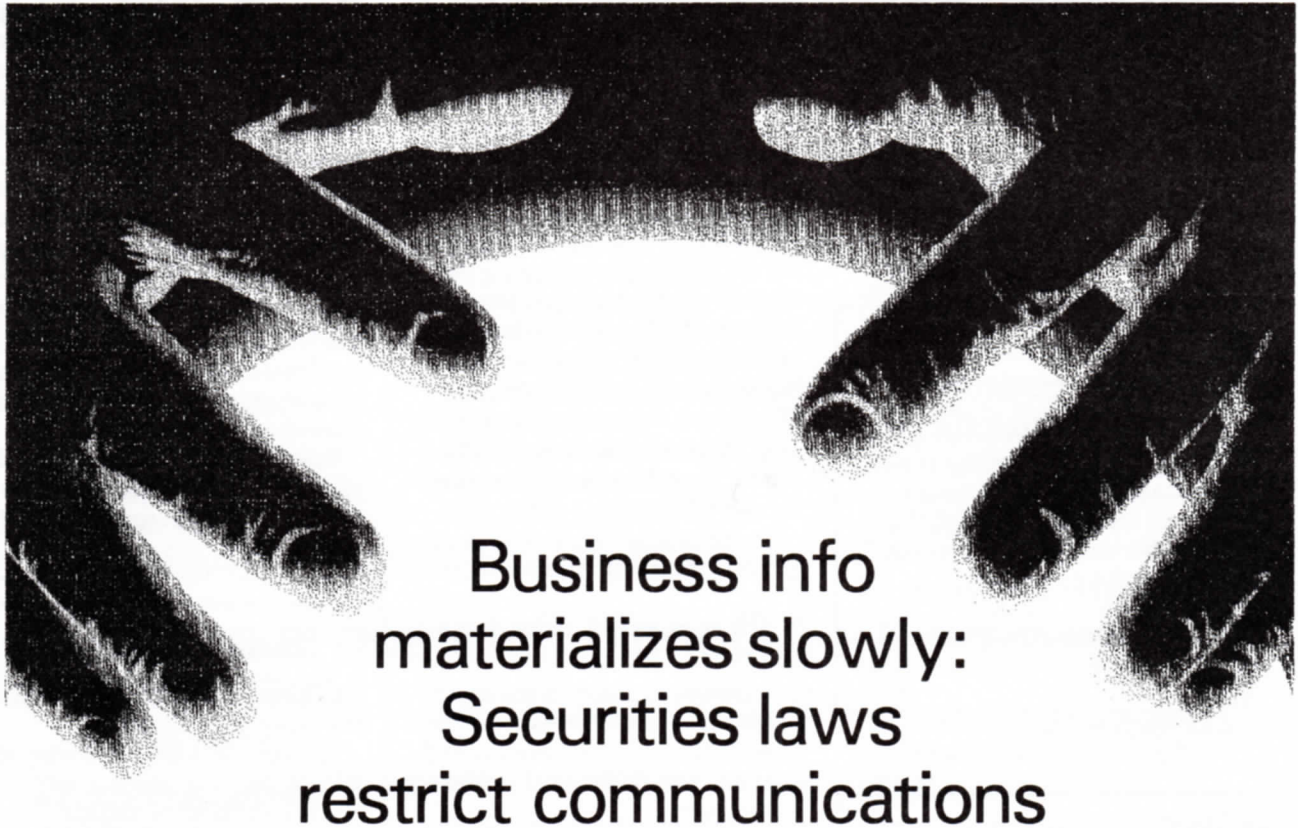


THE HEADLINER



Network Cable Systems, Omaha Works

January 1996



Our new chief executive officer has been named, the executive team's been assembled, and we know that company headquarters will be at the Bell Labs location in Murray Hill, N.J.

But at Headliner press time, there still was no word on a name for our systems and technology company. In fact, communications about the equipment company have taken a more cautious tone, despite a key commitment to share restructuring information with employees often and completely.

The reason? Because we intend to make an initial public offering (IPO) of some of the systems and technology company stock, securities laws prevent us from saying as much as we might otherwise like to about plans for the company.

The laws prohibit us from "marketing" the stock before a registration statement is filed with the Securities & Exchange Commission (SEC).

Examples of marketing the stock include talking about the future growth potential of the company, future market success and positioning the new company in any way that

appears we are trying to stimulate external interest in the company.

This applies to everyone—in print or in broadcast, with employees as well as with people outside the company.

After the registration statement for the public offering is filed with the SEC sometime near the end of January, it will provide a complete and balanced view of the systems and technology company and will be available to employees.

Early in the second quarter of 1996, when the IPO becomes "effective" and shares can be bought and sold, the constraints on communication will be only those normally attending public companies.

Cost of restructuring

Meanwhile, early in January AT&T Chairman Bob Allen announced that AT&T would take a post-tax charge of approximately \$4 billion against fourth-quarter earnings to cover the costs of restructuring itself into three

(Continued on Page 2)

RESTRUCTURING

'There is much work still to be done'

Have questions about restructuring?

AT&T's call-in center is still taking employees' questions about restructuring. Call this number on weekdays between 7 a.m. and 4 p.m. (CT):

1-800-336-6939

THE HEADLINER

The Headliner is an internal publication of the Omaha Works, produced monthly by the public relations department. It is printed by the Works print shop.

Your comments and suggestions are welcome and should be directed to:

Linda Ryan, Editor
Ext. 3795.

The next issue will be published on Feb. 21, 1996. All news items should be in to the PR office by no later than 9 a.m. Monday, Feb. 5, 1996.

(Continued from Page 1)
independent companies, designed to increase their competitiveness and efficiency.

The expenses include reductions of nearly 40,000 jobs over three years, with about 70 percent completed by the end of 1996. About 60 percent will be management and 40 percent will be occupational positions. Involuntary reductions likely would amount to about 30,000 of the total, but could be less if the company extends a voluntary separation package to employees previously not offered one.

About 7,400 managers have already left the company by accepting the voluntary Force Management Program (FMP) offer late last year. More than 2,400 of them were Network Systems employees. (Ninety-two management employees, most of them based at the Omaha Works, supported the copper apparatus and wire business. See a com-

plete list of their names on Page 8.)

The new systems and technology company's share of the force reductions is 23,000 positions, leaving the company with a projected 108,000 employees at the end of three years. The new AT&T will have 110,000 employees, after a force reduction of 17,000. (The third company to spin off—Global Information Solutions, which now calls itself NCR—announced last September it would phase out 8,500 jobs; a number *not* included in the 40,000 total.)

What about the Works?

"We do not plan any involuntary separation at the Omaha Works," said John Heindel, copper apparatus and wire vice-president. Business at the Omaha plant has been growing, he said, citing increases in orders domestically and internationally.

Heindel expects that most of the jobs vacated at the Omaha Works by employees who accepted the FMP

Donald Peterson is new CFO

Donald K. Peterson has been appointed executive vice-president and chief financial officer (CFO) of our new systems and technology company.

Peterson has been the CFO of AT&T's Communications Services Group since September 1995. Prior to that, he spent 19 years with Northern Telecom Ltd. in a number of key financial, sales and executive positions.

He will direct the systems and technology company's financial strategy and operations, and will help oversee its initial public offering scheduled for late in the first quarter or early in the second quarter of 1996.

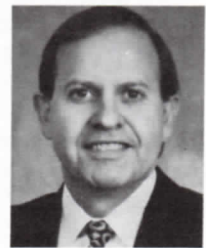
As president of NORTEL Communications Systems, Inc., (a subsidiary of Northern Telecom), he was responsible for sales direct to end users for PBX, key, packet switch and broadband products in

the United States, and for PBX and key products in Canada.

The new CFO has a bachelor of science degree in mechanical engineering from Worcester (Mass.) Polytechnic Institute and a masters in business administration from Dartmouth College's Amos Tuck School in Hanover, N.H.

Peterson is a Chartered Life Underwriter and a Chartered Financial Analyst. He also has been active in the community, working with

repertory theaters and with INROADS, Inc. In his leisure, he enjoys karate, travel and wood-working. He and his wife, Maureen, have two children.



Donald Peterson

RESTRUCTURING

offer will be filled within six months, by people whose jobs were eliminated at other AT&T facilities.

In a letter to all Network Systems employees (published in the Jan. 4, 1996 NETWORK!), NS President Dan Stanzione touched on the business environment that provides a basis for our actions that will shape our new company.

As a stand-alone entity amid fierce large and small global competitors, "we need to focus our efforts on high-margin, high-growth products and high-growth markets and geographic areas," he said.

"We will be evaluating our product portfolios in order to focus resources on the products that are strategically important for our future success," and "we will be making decisions to exit product families that are not strategic to

the future growth of the business." (For example, the previously announced decision to sell Paradyne.)

Stanzione stressed the need to streamline operations significantly to become more efficient, more cost effective and more responsive to our customers.

"These are not new efforts," he said. "But they are intensified by the formation of the new company and the challenges we faced in 1995.

"There is much work still to be done." ■

More...

▶▶AT&T's fourth-quarter profit rose 12 percent before a \$6.25 billion restructuring charge to reduce its workforce by 40,000 jobs and make other changes in preparation for splitting into three independent companies.

With the charge, AT&T lost \$2.68 billion, or \$1.67 a share, in the quarter that ended Dec. 31, 1995. Without the charge, AT&T earned \$1.5 billion or 94 cents a share. Revenue rose to \$22.1 billion from \$21.1 billion.

AT&T's communications equipment business experienced a 6 percent jump in fourth-quarter sales to \$7.51 billion.

▶▶AT&T Consumer Products announced it is closing its 338 Phone Center stores, and will rely on national and regional retailers and communications service providers to distribute its products. Affected are approximately 420 managers and 2,050 union-represented employees across the country.

Ninety-two stores are scheduled to close during February, 91 in March and the remaining 155 in April.

Locally, the Phone Center at the Westroads shopping center will close its doors on April 22.

▶▶AT&T Microelectronics is seeking a buyer for its interconnection products business which is headquartered in Richmond, Va., at the Richmond Works where approximately 1,950 people are employed.

"The sale of this business will allow Microelectronics to focus on product lines that offer the greatest opportunity and where we have a competitive advantage," said Curt Crawford, Microelectronics president.

▶▶AT&T's computer unit, AT&T Global Information Solutions, has changed its name back to NCR Corporation in advance of its being spun off as an independent company. It will have a brand new logo. ■



PRESS HERE

Faster, better service
to the customer
is at our fingertips.



Resolved: We will make better use of the Works' AUDIX® voice mail and messaging system during 1996.

Most Works phones are hooked up to AUDIX, which offers the convenience of an answering machine and a host of other features.

But at a time when the No. 1 priority in our new Systems and Technology Company is to make decisions faster and to sharpen our customer focus, the way we use (or don't use) AUDIX could be hampering our efforts.

Specifically, too many of us are not making effective use of the personal greeting we can record on the system—the greeting that callers hear when we do not personally answer the phone. If we view both internal and external callers as customers in need of assistance, in effect we're

making it more difficult for them to be served in a timely manner.

Ideally, a personal greeting should be updated daily (depending on job circumstances), letting callers know if we're at work that day and whether we'll be returning calls.

However, just a small fraction of employees who have access to AUDIX change their greetings daily, said Dick Runnels, who (until recently) was in charge of administering the system.

Not widely used

In fact, a large portion of employees don't change their greetings to indicate when they will be away on vacation or for other extended periods of time.

Still others choose not to record a personal message, opting to use AUDIX's system greeting... "We're sorry. The number you have called is not available."

What does that mean? Is it a valid number for the person being called? Is he or she there? Will your call be returned in 10 minutes or two weeks, if ever?

Callers waste time waiting for a reply from someone who's not at work, Runnels said. They become annoyed and try to contact others for the help they need, hoping to get a "live" voice on the other end of the line.

Our work often requires quick access and response. Whether we

work

in the office or in the shop, he said, it makes good business sense to leave timely and informative personal greetings on our AUDIX voice mail.

To help better serve our customers when they call, the following are some basic do's and don'ts on using the voice mail and messaging system.

Quick reference guides with helpful tips on using all of the AUDIX features (did you know you can assign different personal greetings for inside and outside plant calls?) have been ordered. The reference guides as well as pocket-size guides can be obtained from Rollie Miller in plant engineering, Ext. 3787. He has replaced Runnels, who recently accepted the company's Force Management Program offer.

The do's

▶ Do check your AUDIX messages regularly every day, especially after you've been on the phone.

▶ Do return calls on a timely basis. You might mention in your personal greeting when callers may expect to have their calls returned.

▶ Do make sure your personal greeting contains sufficient informa-

HEADLINE FEATURE

tion pertinent to your job circumstances. At the very least, give your full name and department or product area.

►Do update your greetings, preferably daily, and include specific information that will be helpful to the caller, such as:

-You're in the plant but will be away at meetings much of the day.

-You will not be at work for a day or longer, noting exact dates.

-If you will be away from work, say whether you will be checking for phone messages while gone and when you expect to return calls.

-If you have one, give your pager number as an alternate way for a caller to reach you.

-Give an alternate phone number to call for immediate assistance.

The don'ts

►Don't use AUDIX as a secretarial substitute. There are exceptions, of course, but in general you should answer your phone!

►Don't rely on the standard system greeting to answer your calls. Create your own personal greeting, properly identifying yourself and your department. You can create up to nine different personal greetings and save them on the system, activating the one pertinent to your job circumstances on any given day ("I'm in the office today" or "I'll be in and out of the office today but checking for messages," etc.)

►Don't wait until the end of the day to check for AUDIX messages. Although you may be able to delay returning some calls until later in the day, you could have an urgent call requiring your prompt response.

►Don't think of the AUDIX system as merely a tool to help you get missed messages. Use it to make it easier for your callers to get the information they need to do their jobs. ■

How to leave a greeting message

It's easy! Recording an up-to-date personal greeting for callers to hear on AUDIX takes just a minute or two of your time. Just follow these steps:

1. Once you get into AUDIX, **PRESS 3.**

This chooses "administer personal greeting."

2. **LISTEN TO THE GREETING NUMBER IN USE.**

It will be either a personal greeting numbered from 1 - 9, or the standard system greeting.

3. **PRESS 1.**

This chooses "to create or change a greeting."

4. **PRESS 1 AGAIN, OR ANY NUMBER FROM 1 - 9.**

You can store a different message on each number.

5. **SPEAK TO RECORD YOUR GREETING.**

6. **PRESS 1 TO STOP.**

At this point, you also can **PRESS 23 TO PLAY BACK**, or **PRESS *D TO DELETE AND RE-RECORD** (you go back to Step 5).

7. **PRESS *# TO APPROVE MESSAGE** when finished.

8. **PRESS 0** if you want the greeting used on **all** calls; **PRESS 1** if you want it used only when calls get a **busy** signal; **PRESS 2** if you want it used only when there is **no answer**; **HANG UP** and the greeting will be saved at the number assigned but **will not be activated**.



Play-back controls

Use these buttons on your phone while listening to or recording messages.

REWIND--Press 2

SOFTER--Press 7

PLAY/PAUSE--Press 3

SLOWER--Press 8

LOUDER--Press 4

FASTER--Press 9

BACK UP--Press 5

LISTEN/REPLAY--Press 0

ADVANCE--Press 6

SKIP--Press #

Safety glasses, side shields now mandatory

As of Jan. 15, 1996, the Works' policy on eye protection has changed.

Now everyone, including visitors, must wear safety glasses with side shields whenever they are in buildings where there are shop activities, with the exceptions of these areas: offices, cafeterias, restrooms, break areas and aisles.

Employees who use a vehicle in their work or for transportation, however, must wear side shields in the aisles when operating a vehicle.

The change in policy is designed to ensure better protection for employees, said safety supervisor Rich Schmitz. Before, side shields were not required in all shop work areas. This posed a problem when an employee, who worked in one area that didn't require side shields, went

into a work area that did.

Even for a moment, the employee would be left without proper eye protection, Schmitz said. It also was difficult for the safety organization to enforce eye safety rules before the new policy went into effect.

"Now there's no question about who should or shouldn't be wearing side shields, and when or where."

All employees were issued side shields with their safety glasses. If side shields have been lost, employees should see their supervisor about obtaining replacements.

Son appointed to West Point

When Gary Mortensen's son, Michael, turns 18 this summer, he won't be at home with his family to celebrate the occasion on the exact date. In fact, he won't get to see them until he's ready to turn 19.

In late June the plant engineer's son

will leave for eight weeks of boot camp before entering West Point Academy. Young Mortensen recently learned about his appointment to the academy. The Elmwood-Murdock High School senior had been nominated by Nebraska Sen. Jim Exon.

Once Michael leaves for boot camp, West Point rules forbid his seeing his parents and family for a year, although he can talk to them by phone, Gary Mortensen explained.

His father said Michael also has been nominated for an appointment to Annapolis Academy by Nebraska Sen. Bob Kerrey, but had not yet received notification about the outcome.

More winter still to come!

Not to discourage anyone, but we're barely at the halfway mark of the winter season. If sub-zero weather

(Continued on next page)

ETOP offers basic skills instruction

The ETOP (Enhanced Training Opportunities Program) Learning Center has just the answer for represented employees who find they may be just a little "rusty" at some of the basic skills they learned in school.

Through a contract with Metropolitan Community College, the learning center has added enhanced skills instructor Janet Dean to its staff.

"I see myself as an education partner who can help employees meet their goals," Dean said.

The basic skills she teaches—in math, English and writing—are skills that "mostly we've already learned but have become rusty at using them."

Dean said her classes can assist employees who seek or may find themselves in new job assignments that put a greater emphasis on one or more of the basic skills than, perhaps, a previous job required.

She has been teaching one-hour

"brush-up" workshops throughout January. A seven-week course to prepare students for the B-Tab qualifying exam began in late January.

A graduate of Creighton University with a bachelor of science degree, Dean taught at the Career Institute in Omaha and has been a basic skills instructor at Metro College.

Already she's making plans for new basic skills classes that might interest employees, based on response to the January one-hour workshops. In addition to class instruction, she also is available for individual instruction as needed.

Dean's daily office hours are flexible to accommodate represented employees whatever their shift times may be (employees must take instruction during their off-shift hours). Updated information about class times and dates are always posted outside of her office in the learning center, she said. Dean can

be reached on Ext. 3177, but she also invites employees to stop by her office to discuss their educational needs, too.



Photo by Linda Ryan

JANET DEAN...She's the person to seek if you want help to "brush up" on your basic skills.

NEWS IN BRIEF

(Continued from previous page)
the week of Jan. 22 didn't finish your car's battery once and for all, be forewarned.

One night that week, the Omaha Works arranged for free jumpstart service in the parking lots for employees whose cars would not start. About 30 of the total of 35 vehicles that wouldn't start were successfully jumpstarted.

On occasion and only under rare blizzard and extreme cold weather conditions, the Works has opted to provide such assistance, noted Jim LaFollette, manager of manufacturing support. However, for their own safety and well being, he urges employees to properly winterize their vehicles for the season that remains.

January service anniversaries

The following employees marked milestone service anniversaries during January 1996. The anniver-

sary date is given with service years following the employees' names.

- 1/1--Joan Hinkle, 30.
- 1/2--Sarah Vohs, 20; Merle Seeman, 5.
- 1/3--Sengphrachan Inthamone, 10; Norman Wemhoff, 30.
- 1/4--William Deegan, 35; Elden Nihsen, 30.
- 1/6--Joann Hrabik, 10; Bernadette Armbrust, 15.
- 1/7--Berdeena Chase, 25.
- 1/8--Harolyn Ostrand, 30.
- 1/9--Jeanette Harris, 20.
- 1/10--Richard Richter, 30; Jerry Levi, 30; Ladonald Jack, 25; Victor Volkart, 30; Donovan Kohls, 25.
- 1/12--Monnie Walters, 25.
- 1/19--Rosemary Jans, 20.
- 1/20--Willie Davis, 25.
- 1/22--Harvey Marx, 25.
- 1/23--Carnelle Green, 30; John Krance, 15.
- 1/24--Ronald Ashbrook, 30; Georgetta Callaghan, 30.
- 1/25--Gladys Aldrich, 30; David Gurney, 30; Jerry Gagner, 30.
- 1/26--Richard Barnes, 20; Donna Hutzell, 15.
- 1/27--Harold Bloodsworth, 35; Alice Schiefelbein, 25; Lillian Schott, 20.
- 1/28--Susan Dempsey, 5; Donna Nielsen, 15.
- 1/29--Jimmy Peterson, 25.

1/31--Andritta Flemings, 30; Rosser Callihan Jr., 30.

Indoor golf is fund raiser

Why wait for a spring thaw when you can play golf indoors and help raise money for the National Kidney Foundation of Nebraska, too?

The 6th Annual Winter Indoor Golf Tournament will be held on Saturday, Feb. 24, 1996, in the Brandeis Building, 16th and Douglas streets. Tee times are available between 8 a.m. and 2 p.m.

The tournament features an 18-hole course to challenge golfers of all ages and skill levels, complete with sand trap. Individual and team prizes will be awarded. Bring your own putter, or one will be provided.

Register by Feb. 1 and pay \$15; otherwise, pay a \$20 fee. To arrange a tee time, call the Kidney Foundation office at 572-3180.

In memoriam

Howard Curtis, senior production specialist in IBU 254-B, Dec. 10, 1995.

James Dostal, senior production specialist in IBU 23H-7, Jan. 23, 1996. ■

37th Annual WEOMA Club Bowling Tournament

ABC/WIBC Sanctioned
Western Bowl

March dates/times:

- 22nd--9 p.m.
- 23rd--noon & 3 p.m.
- 24th--9 a.m. & noon
- 29th--9 p.m.
- 30th--noon & 3 p.m.
- 31st--9 a.m. & noon

For details contact:

Tim O'Connor x3727
Ethel Payton x3727
Kathe Scott x3323

Volunteer help needed!



Pioneers' Annual Valentine Dinner/Dance

Saturday, February 17
Legion Hall Post 374

Dance to 'JMJ'

Tickets: \$15, Pioneer members
\$17, non-members

6 - 7 p.m. social hour
7 - 8 p.m. buffet dinner
8:30 p.m. - 12:30 a.m.
dancing

Watch for ticket sellers
in your work area or call:
Larry Cherry, x3523
Sally Swoboda, x3411

Change comes with FMP offer, too

They leave at a time when our business is about to undergo its biggest change ever, becoming a new company with a new name and operating totally independent of AT&T.

But the 92 individuals listed below have opted for some changes of their own in accepting the recent AT&T's voluntary Force Management Program (FMP) offer. All of them worked in Network Cable Systems' copper apparatus and wire business. Most of them were based here at the Omaha Works, but several others worked in Whippany, N.J., Atlanta, Indianapolis and even in Venezuela. (A total of approximately 7,400 management employees companywide chose to participate in the FMP out of about 76,000 who received the offer.)

Some plan to start their own businesses or go back to school to enter a new career field. Others plan to see how they like being retired and "work-free."

Either way, "it's really going to be

different," said planning engineer Fred Cottone, one who took the offer.

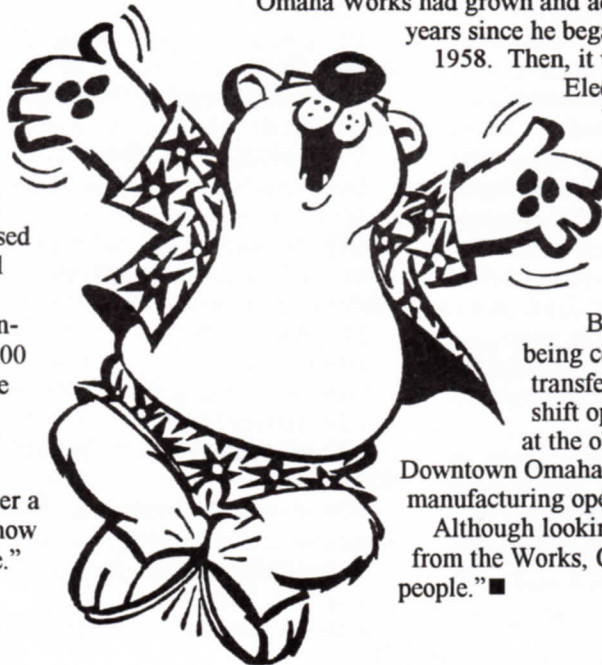
Before he left, Cottone reminisced about how the Omaha Works had grown and adapted to change over the years since he began working here in May 1958. Then, it was a brand new Western Electric plant.

"There were only six of us working on the night shift back then—an electrician (Cottone), a pipefitter, two boiler operators and two guards," he recalled.

Building construction was being completed as employees transferred to the Works for day-shift operations from their jobs at the old "A and B Buildings" in

Downtown Omaha—buildings where pilot manufacturing operations began in 1956.

Although looking forward to retirement from the Works, Cottone said, "I'll miss the people." ■



Susan Addison
Wyn Anderson
Joe Avery
Rutha Awbrey
Bill Baldwin
Dick Barry
Stephanie Bauer
Dennis Behrens
Tom Blair
Dorita Breiburg
Bob Carlson
Merv Carstens
James Cauthorn
Art Clausen
Rod Conser
Fred Cottone
Mack Curbeam
Lycurgas Curry
Don Dobbin
Roy Dohse
Bob Drach
Al Dusek
Rose Fitzpatrick
Giles Gardner
Bill Goodwin
Carl Greunke
Rachel Hartley
Paul Hartung

Leonard Hasler
Dick Hergenrader
Sid Hill
Walt Horne
Jerry Joels
Harold Jones
Merlyn Jones
Jim Kelly
Marc Kennedy
Ken Kline
Bob Koch
Forrest Lahman
Gene Lake
Jerry Levi
Frank Markesi
Richard Mass
Robert Mayfield
Pat McBride
Ken McClung
Matt McDonald
Dick McGaughey
Stan McIntosh
Gail Merrick
Larry Moody
Linda Moore
Bob Morris
Jim Murphy
Farah Naftchi

Betty Nath
Larry Nelson
Wes Nicholas
Neil Nuzum
Pat Oliver
Al Ott
Butch Ott
George Parkerson
Lula Perryman
John Pleskac
Dan Purigraski
Gary Reimers
Warren Rhines
Donna Rhodes
Howard Rhoten
Tom Robbins
Keith Rogers
Richard Runnels

James Salkeld
Laurie Sellin
Gary Shaw
Nate Shaw
Ed Shobe
Lonnie Sick
Charity Smith
Steve Smith
Roger Sprick
Dave Svendgaard
Leo Thietje
Charles Tillman
Sherry Van Nortwick
Augie Warnecker
Kurt Wattlelet
Bob Wollenburg
George Wooden
Don Zak

January retirements

Best wishes to these employees who retired from the Omaha Works in January 1996:

Harold Clanton, 36 years of service
Lucille Robertson, 26 years of service