



E. WAYNE WEEKS

This is our business: let's build together

his is a new publication for all AT&T Network Systems employees — nearly 66,000 of us - plus 6,500 AT&T Bell Laboratories people directly involved in our business. Network will strive to provide a common link through which we can share the continued evolution of a most incredible undertaking — the restructuring and redirection of one of the world's greatest companies.

Many employees have found this an energizing experience and are excited about what lies ahead. Others have found it tremendously draining and are apprehensive about what lies ahead. Most of us have known both feelings over the last two years. That's why clear, constant, two-way communication has never been more important. As a business entity, we need to understand who we are, where we're going, and what role each of us must play.

In the months ahead, Network will explore the mission of AT&T Network Systems, how we plan to achieve our overarching goal of customer satisfaction, and how well we are doing on that score. It will lay open the nature of our business, the challenges we face, and the future we're trying to create.

For example, AT&T Network Systems is the world's premier supplier of state-of-the-art systems to the telecommunications industry. We're the leader not only in total sales, but also in sales of most major product lines. Our goal is to stay in the lead through aggressive action to deliver to our customers the most satisfaction for the price.

That means moving fast to fix some problems that exist today - cost problems, for example. No matter how tightly we have controlled costs in the past, the target is always moving in a competitive environment. Every day, we must find ways to do our work and build our products more efficiently than the day before. Our jobs depend on it.

Another example: Network Systems is highly dependent on a small number of customers — the divested Bell companies as well as AT&T Communications (formerly Long Lines) — whom we know and understand very well. But we surely cannot take them for granted. They are actively seeking alternative suppliers and the most favorable economics for everything they buy. And even as we strive to serve these long-standing customers better than ever before, we also must pursue new markets, both domestically and abroad.

Global though our plans may be, achieving them is a more down-to-earth matter. Success depends directly on how well each of us performs each day.

At every level of the organization, the word must go out that new kinds of behavior are essential and will be rewarded. For instance, putting customer satisfaction always first means we must break down barriers to responsiveness wherever they exist. Enhancing productivity and lowering costs means that we must cut down and cut through red tape. New management systems and attitudes must be developed so we can push accountability, authority and decision-making further down into the

Even as we change some aspects of our business, we must get back to basics in other ways. We have made strides toward developing within our business highly professional marketing and sales capabilities. Nevertheless, we are still fundamentally a manufacturing company — that is, we make things that our customers want. If we slip up on the three basics that have long made us a great manufacturer - cost, quality and service - the best marketing force in the world won't bail us out.

Above all, perhaps, Network Systems employees must understand that, to a greater degree than ever before, we hold the key to our own futures. If we are successful, it will be because of the individual efforts of all of us. In return, this company remains

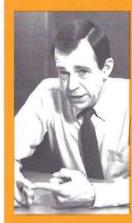
continued on page 4

Centrex team satisfies new customer needs

In the fast paced world of tele-MARKETING communications, a new product can become an old product in a few months. Yet, AT&T Network Systems has a system that's been around for more than 23 years and is as new as anything else in the marketplace. The product is Centrex, and its "newness" is the result of a commitment and an enormous cooperative effort on the part of people from market planning, product management, product development, account teams and marketing support organizations.

continued on page 4

Executive viewpoint



E. Wayne Weeks, Jr. President AT&T Network Systems

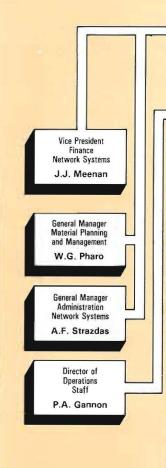
AT&T NETWORK SYSTEMS AT A GLANCE

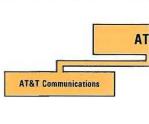
HEADQUARTERS 475 South Street, Morristown, NJ 07960	AT&T Network Systems' business is to design and engineer; manufacture and assemble; market; and install and service network telecommunications equipment. It is the largest supplier of telecommunications systems in the world
MANUFACTURING DIVISIONS	
CABLE AND WIRE	Principal Products
Atlanta Works 2000 Northeast Expressway, Norcross, GA 30071	Lightguide cable, copper exchange cables, lightguide cable termination, splicing closures, tool kits, test sets and other field apparatus
Baltlmore Works 2500 Broening Highway, Baltimore, MD 21224	Telephone cables, cords and wire telephone connector and protector apparatus (scheduled to close, products moving to other Cable and Wire plants)
Dmaha Works 120 & I Streets, Omaha, NE 68137	Outside plant wire and cable products: plenum cable, inside wire cable, and other wire and cable. Protector and outside plant: connectors, protectors, connecting blocks, closures, cabinets, cable terminals
Phoenix Works 505 N. 51st Avenue, Phoenix, AZ 85043	Exchange cable: pulp, aircore and waterproof; vinyl cable; switchboard and inside wire; connector cable; custom cable (cords and drop wire will begin in 1985)
Product Engineering and Control Center (PECC) 2000 Northeast Expressway, Norcross, GA 30071	Responsible for coordination and introduction of new products and processes into the manufacturing locations
AT&T Nassau Metals Staten Island, N.Y. 10307 P.O. Box 218, Gaston, SC 29053	Recycling subsidiary Precious and white metal recycling Copper recycling and extraction of precious metal and lead
SWITCHING EQUIPMENT	
Columbus Works 6200 E. Broad Street, Columbus, 0H 43213	4ESS™ and 2ESS™ switches, 1A processor, DATAKIT™ Virtual Circuit Switch, Remote Switching Systems (RSS), LADT, crossbar system, test sets, associated electromechanical and electronic apparatus, Operations Support Systems software development (located in N.J.)
Olkahoma City Works 7725 West Reno Avenue, Oklahoma City, OK 73125	5ESS ^{**} switching system, AT&T 3B computers, remreed switches and grids
Network Software Center 2600 Warrenville Rd., Lisle, IL 60532	Generic software development for switching systems, switching equipment engineering, prototype development and customer support and project management
Gold Star Semiconductor Seoul, Korea	Joint venture to manufacture switching equipment for the Republic of Korea
TRANSMISSION EQUIPMENT	
Merrimack Valley Works 1600 Osgood Street, North Andover, MA 01845	Lightwave transmission systems, channel banks, DACS, DR6, DR11, digital radio systems, AR6A analog long haul radio, L5 carrier bays and repeaters, digital interface frames, digital data circuit packs, TASI-E, Picturephone Meeting Service room controller, digital television lightwave systems, automated transmission terminal system, 2nd hybrid integrated circuits
North Carolina Works 3300 Lexington Rd., Winston-Salem, NC 27102	Digital Loop Carrier (SLC™ Carrier), Metallic Facilities Terminal (MFT), Digital Data System (DDS), fiber terminated SLC systems, AUTOPLEX™ mobile telecommunication system, Mechanized Loop Testing (MLT), and other Test/Maintenance/Surveillance System Equipment (TMSS) plus electronic components including resistors and capacitors

MARKETING AND CUSTOMER OPERATIONS ORGANIZATIONS

Responsible for sales and engineering of installation	Customer served
Northeastern Region Gateway II, Newark, NJ 07102	NYNEX and SNET
Eastern Region 225 Schilling Circle, Cockeysville, MD 21030	Bell Atlantic
Southern Region 6701 Roswell Rd., N.E., Atlanta, GA 30328	Bell South
Central Region 3800 Golf Rd., Rolling Meadows, IL 60008	Ameritech, Cincinnati Bell
Southwestern Region 1111 Woods Mill Rd., Ballwin, MO 63011	Southwestern Bell
Western Region 111 Havana St., Aurora, CO 80010	US West
Pacific Region 1090 East Duane Ave., Sunnyvale, CA 94086	Pacific Telesis
NATIONAL SALES ORGANIZATIONS	
AT&T Communications Sales 111 Madison Avenue, Morristown, NJ 07960	AT&T Communications
Network Systems Sales 475 South Street, Morristown, NJ 07960	Independent telephone companies, OCCs, distributors and the cellular radio market
MARKET PLANNING ORGANIZATIONS	
Market Planning and Management	Prepares market segment plans and business cases to specify customer product or service requirements and quantifies sales opportunities for new/revised products
Product Management	Prepares plans to ensure product line profitability and manages products over their life cycle. Works with AT&T Bell Laboratories, market planning, manufacturing and sales to provide offerings that effectively satisfy customer needs
Marketing Operations	Prepares support materials, sales/marketing plans, brochures, and exhibits at trade shows
Marketing Development Contracting	Supports the sales teams by providing contracting and proposal assistance
Product Planning Operations Systems	Develops Operations Support Systems
Network Service Operations and Planning	Coordinates the operations of the installation force, systems equipment engineering and other services

NETWORK SYS

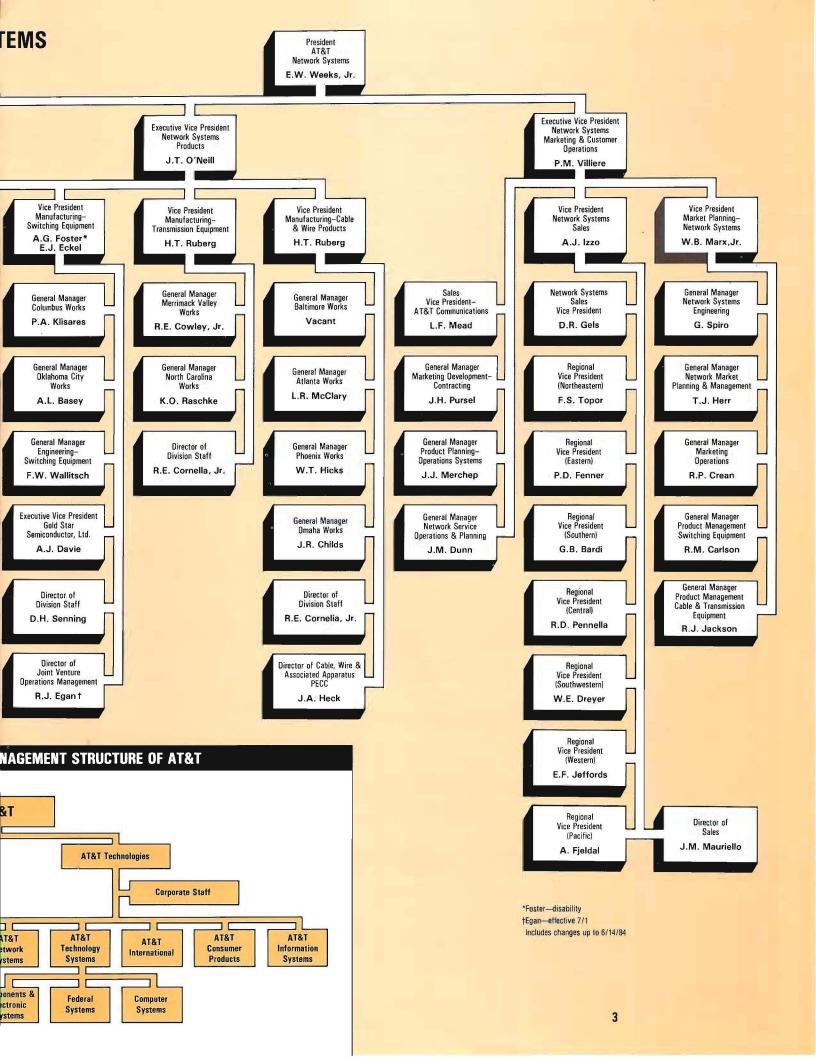






Co

MA



Right:

AT&T Network Systems installers "hot slide" a 5ESSTM switch into a South Central Bell office in Jackson, Mississippi on June 2. About eight tons of electronic switching equipment were moved from a temporary building to the permanent location while the switch was in full operation and without losing a single phone call. This was the first "hot slide" of a 5ESS switch.



Editor Mary Whelan

Associate Editor Linda Terminiello

Contributing Editor
Diane Rechel

Editorial Office (212) 669-2697 or (212) 669-3232 Cornet 222-Public Relations 222 Broadway New York, N.Y. 10038

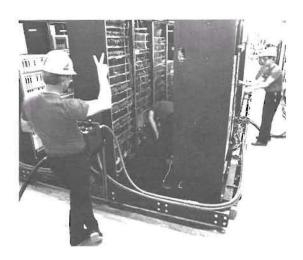
NETWORK is published every two weeks for AT&T Network Systems employees.

E. WAYNE WEEKS continued from page 1

wholly committed to treating its people right — motivating them to do their best and rewarding them accordingly.

If you find *Network* more business-oriented than employee publications you've received in the past, that's by design. It's dedicated to helping you become more aware of the significance of your job to the overall success of AT&T Network Systems. It's dedicated to giving you the information and insights you need to make your career as rewarding as possible. It's dedicated not to providing all the answers, but to setting forth the challenges which *you* must answer.

Make no mistake about it. This is your business.



CENTREX continued from page 1

"Just a few years ago Centrex looked like a dying product," said Rich Sanders, product manager, Local Space Division Switching Systems. "Then along came divestiture, and the world turned upside down. Our customers in the Bell operating companies needed to find new ways to generate revenues. Centrex was a perfect candidate."

Centrex is a set of telecommunications services which operates from the telephone companies' central offices. Today there are 5.5 million installed Centrex lines serving 12,000 businesses — representing 70 percent of the lines for businesses that have over 1,000 lines.

Hal Long, manager, Network Market Planning, explained that, with Centrex, the telephone company is able to retain account control of the business telecommunications and better serve its business customer needs. For end-users, there are many advantages to using Centrex services. Because it operates off switching equipment, it's very reliable and maintenance is the telephone company's responsibility.

"Centrex is an important revenue generator for the phone companies," Long said. "Because the telephone companies wanted it, we committed to an aggressive development and marketing program to enhance Centrex services."

Long explained that Network Systems' support of the operating companies' sales of Centrex seems to put this organization in competition with AT&T Information Systems which is selling some of the best PBX systems in the marketplace. "Of course, Centrex is a competing system, but it's also a different way to solve the same problem. The business system market is enormous. The reasons for selecting telecommunications solutions vary from business to business. There's demand for both approaches, and it would be naive of AT&T from a corporate perspective to presume to dictate one solution: General Motors makes both Pontiacs and Oldsmobiles. The end-user decides."

The Centrex Coordinating Committee, which has been operating for the past several months, consists of the many organizations responsible for enhancing Centrex services. The results are impressive. In May at the International Communications Association Convention, Network Systems unveiled an Advanced Communications package which integrates communications with office automation. At the heart of the package is the new family of AT&T 3B computers. Used with existing Centrex capabilities, it forms a complete telecommunications management system. The AT&T 3B computer can be installed on the customer's premises and used for general processing and office automation needs as well.

"The integration of the 3B computers into the package evolved from work the custom design group in the Southern Region was doing," Sanders said. The entire package represents the cooperation of Network Systems developers in Lisle and Atlanta, AT&T Bell Laboratories, AT&T Consumer Products and AT&T Computer Systems. The package offers improved facility management, message center service, real-time Station Message Detail Recording, and a user-friendly station rearrangement module. In addition, a new Electronic Key capability allows a user to activate Centrex features with a single button from a multi-line station set. This capability also reduces building wiring costs. AT&T Consumer Products has just introduced Centrex telephones, the WE® 1030 and WE® 1100 Network Terminals, which further enhance the system.

"We've been announcing new features all year," Sanders said. "Centrex with simultaneous voice/9.6 kbs data capabilities will be available in early 1985, and more Centrex features for the 5ESSTM local digital switch will be available soon. We have a great team working on this. It's a great service, and we're committed to making it better."