

DIVIDED WE GREW



MARCH 25 First AT&T 5ESS (Electronic Switching System) goes into operation in a Seneca, Ill., Illinois Bell office.

1982



JULY 20 Representative Timothy Wirth, D-Colo., withdraws H.R. 5158, a telecommunications bill that would have spun off AT&T's long-distance operations.

JANUARY 8 AT&T Chairman Charles Brown and Assistant Attorney General William Baxter announce signing of the 1982 Consent Decree, ending antitrust suit filed by U.S. Department of Justice in 1974, when John deButts was chairman. The new agreement, which modifies 1956 Consent Decree, is known as the Modified Final Judgment (MFJ). AT&T agrees to divest itself of its 22 local telephone companies while retaining Long Lines (long-distance services), Western Electric (equipment manufacturing) and Bell Laboratories. In return, the government removes restrictions of the 1956 decree, which limited AT&T to providing tariffed communications services and manufacturing equipment needed to provide those services, and barred the company from entering other fields. [Right: Baxter, Brown, then-General Counsel Howard Trienens.]



Ten years have passed since the chairman of the world's largest company made an announcement that altered history. New chapters of this history are still being written as AT&T extends its reach across the globe and the seven regional Bell companies, still known as the Baby Bells, continue their fight to end restrictions placed on them by the Consent Decree that broke up the Bell System. This chronology tells a dramatic story of trials and triumphs, of the transformation from Ma Bell to multinational competitor.

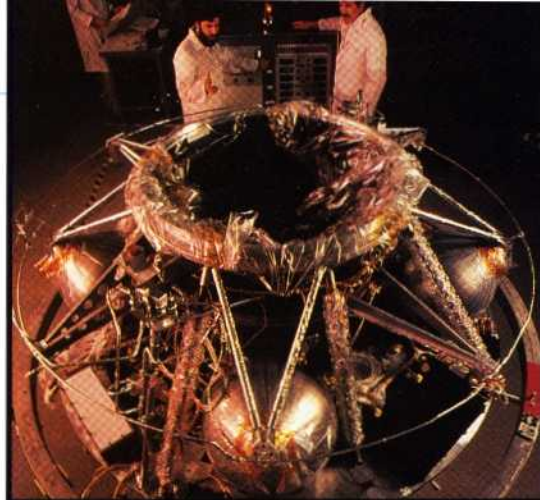
Despite critics who said the company was too large to get out of its own way, AT&T—in only 10 years—cut long-distance prices over 40 percent while proliferating services, improving the world's best telecommunications network, introducing innovative products and creating entire new businesses. Tomorrow's consumers may be as likely to associate AT&T with credit cards and computers as with long-distance calling.

Everything AT&T does is toward one goal: being the world's best at giving people easy access to each other and to the information and services they need, no matter where they are or what they're doing.

This look backward actually portends things to come. Bask in the glow of your accomplishments, by all means, but get ready for the next decade. If the first one is any indication, our work is cut out for us.

AUGUST 11 U.S. District Court Judge Harold Greene issues opinion on proposed agreement, asking for 10 modifications before approving it. These include restricting regional Bell companies from manufacturing telecommunications equipment, offering information services and offering long-distance service. Greene also suggests that the bell-shaped logo and Yellow Pages business remain with the divested units. AT&T accepts revisions without qualification.

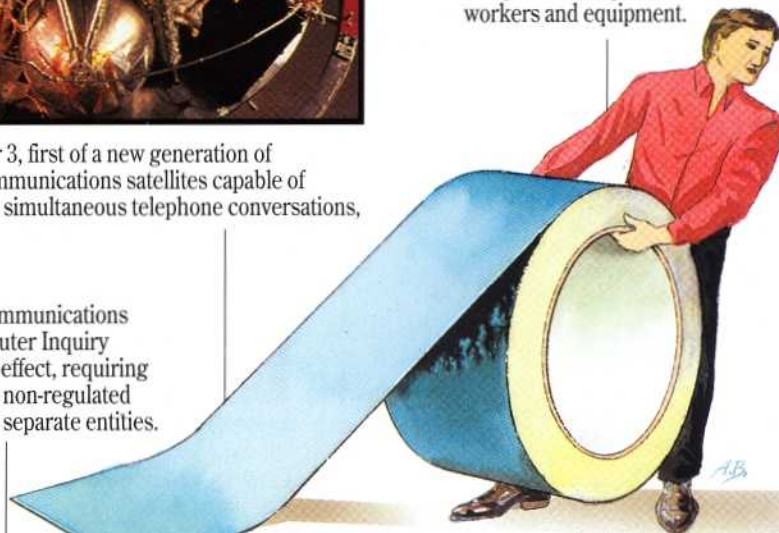
AUGUST 24 Judge Greene approves MFJ.



JULY 28 Telstar 3, first of a new generation of commercial telecommunications satellites capable of transmitting 93,600 simultaneous telephone conversations, is launched.

JANUARY 1 Federal Communications Commission's second Computer Inquiry ruling, known as CI-II, takes effect, requiring AT&T to offer regulated and non-regulated products and services in two separate entities.

OCTOBER 1 Functional divestiture begins within the company. Tape is laid on floors of switching offices shared by AT&T and local telephone companies to separate workers and equipment.



1983



DECEMBER 16 AT&T files a 471-page reorganization plan with U.S. District Court in Washington, spelling out the redistribution of the Bell System's \$158 billion in physical assets and 875 million shares of outstanding common stock. AT&T keeps 373,000 of 1 million employees and \$40 billion in assets. Shareowners retain their AT&T stock and receive one share of each of seven regional holding companies for every 10 shares of AT&T stock.



JULY 1 TAT-7, a submarine telecommunications cable installed by AT&T between Tuckerton, N.J., and Land's End, England, goes into service, increasing available circuits by more than 4,000. [Below: C.S. Long Lines.]



OCTOBER 3 AT&T files largest interstate long-distance rate plan in its history, proposing basic rate reduction of \$7.75 billion, including an average 10.5-percent decrease.

MARCH 14 AT&T asks FCC to waive two rules for service filings, beginning an ongoing process to reduce regulation of AT&T's tariffed services.

AUGUST 3 Chairman Charles Brown announces that the striated-globe logo used by subsidiary American Bell will become the AT&T corporate signature, in accordance with Judge Greene's order that AT&T give up the bell logo.





JANUARY 1 Divestiture: Decree to break up the Bell System goes into effect. AT&T and 22 local Bell operating companies begin splitting bills for local service, long distance and equipment rentals. AT&T takes over 120 million phone leases from Bell companies. AT&T has 373,000 employees, 100 outside the United States. [Above: AT&T Communications Chairman Morry Tanenbaum.]

NOVEMBER 21 Stock trading begins for the "new" AT&T and the seven regional holding companies. AT&T starts at \$19 per share.

APRIL 30 Saying divestiture and competition eliminate the need, AT&T asks FCC for relief from CI-II restrictions that prevent AT&T Information Systems from combining operations and marketing efforts with other AT&T units.

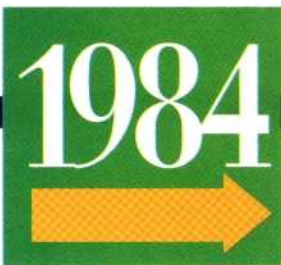
JUNE 7 Reach Out America, a nationwide optional calling plan for interstate long distance, takes effect. AT&T becomes the only long-distance provider to offer such a plan for consumers. Competitors go after the more lucrative business market.

JUNE 15 AT&T and 29 co-owners begin plans for TAT-8 to link Europe with North America using undersea fiber-optic cable designed by AT&T Bell Laboratories.

MAY 1 AT&T Bell Laboratories mathematician Narendra Karmarkar invents a major breakthrough in the large-scale decision-making process known as linear programming: the Karmarkar algorithm.



MARCH 27 AT&T officially enters general-purpose computer business with family of six 3B computers. AT&T's computer strategy is to push UNIX operating system and software development.

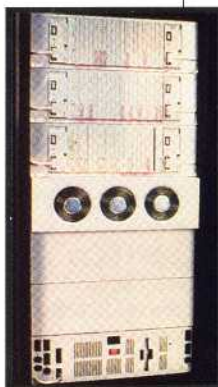


NOVEMBER 28 AT&T unveils the Card Caller public telephone, which accepts an AT&T calling card instead of coins.

MARCH 1 AT&T wins 10-year, \$489-million Defense Commercial Telecommunications Network contract to provide large, private, digital, integrated voice, data and video government network.

MAY 8 The Olympic torch run across the United States begins in New York. Before it ends in Los Angeles on July 28, 200 AT&T employees wearing the new corporate logo will carry the torch or escort torch carriers through 32 states, helped by hundreds of AT&T volunteers.

JANUARY 5 International 800 service begins between U.S. and Canada. (By December 1991, 1-800 Service reaches 57 countries.)



APRIL 26 System 75, a digital business PBX (private branch exchange), introduced.

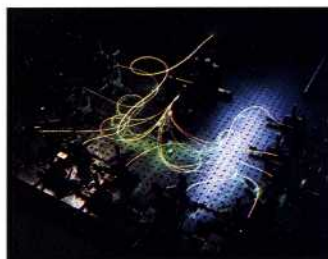


AUGUST 27 AT&T Technologies Chairman Jim Olson says 11,000 positions will be eliminated by end of 1984 to reduce costs.



JUNE 26 AT&T introduces its first personal computer, the PC 6300.

NOVEMBER 8 AT&T announces it will spend \$2 billion to upgrade its long-distance network and make it 40-percent digital by 1990. (By July 1989 the network was 95-percent digital; today it is virtually 100-percent digital.)



JANUARY 29 AT&T Bell Laboratories combines 10 laser beams on a single optical fiber, a new lightwave record.

JANUARY 1 AT&T Credit Corp. is formed to help AT&T customers finance equipment and services. AT&T begins its second post-divestiture year with 24 overseas sales offices selling products in 90 countries. Corporate goals are to diversify global product and service offerings, retain domestic long-distance leadership and strengthen computer market foothold.

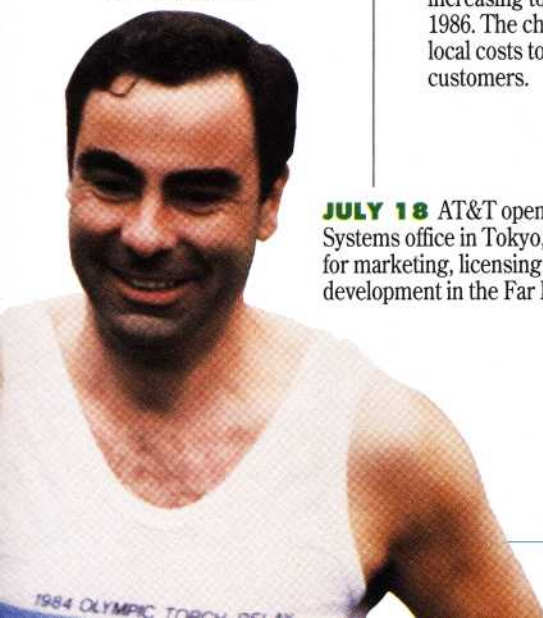
MARCH 14 The Netherlands names AT&T and Philips Telecommunications, a joint venture, primary supplier of digital switching equipment in plan to digitize its national telecommunications network.

APRIL 12 FCC waiver allows AT&T Information Systems to integrate manufacturing and certain other operations with AT&T Technologies. Large business systems, general business systems and consumer products units are formed, and a services division supports all.



JULY 14 AT&T Bell Laboratories introduces a more efficient technique for routing calls through the long-distance network, called dynamic non-hierarchical routing.

JULY 15 The national process of choosing a long-distance carrier, known as equal access, begins in Charleston, W. Va.



DECEMBER 19 FCC sets \$1 monthly subscriber line connection charge for residential and single-line business telephone customers, effective June 1, 1985, and increasing to \$2 on June 1, 1986. The charges shift more local costs to local telephone customers.

JULY 18 AT&T opens a UNIX Systems office in Tokyo, responsible for marketing, licensing and software development in the Far East.

JANUARY 16 Bob Allen, executive vice president-corporate administration and finance, becomes chairman of AT&T Information Systems, succeeding Chuck Marshall, who becomes executive vice president responsible for human resources and external affairs. Randy Tobias, senior vice president, is named chairman of AT&T Communications. Morris Tanenbaum, former chairman of AT&T Communications, is appointed executive vice president of AT&T.

MARCH 26 The AT&T UNIX personal computer and 28 UNIX software programs are introduced.



JANUARY 31 FCC proposes to end CII requirement that AT&T sell customer premises equipment and enhanced services through fully separate, unregulated subsidiaries.

MAY 16 Jim Olson is elected president and chief operating officer of AT&T, effective June 1.

JULY 3 Japan ENS Corp. formed by AT&T and 18 Japanese firms to provide value-added network service in Japan.

MAY 20 *Accunet*, a family of digital services, is introduced. It allows transmission of data, video and graphics through the AT&T network.

JUNE 1 Interstate long-distance rates cut 5.6 percent, saving customers \$1.1 billion a year.

AUGUST 21 AT&T Information Systems announces it will cut 24,000 jobs.

SEPTEMBER 9 New venture, AT&T Conversant Systems, is formed to develop systems for automated information delivery and control through speech.

OCTOBER 9 AT&T introduces the AT&T PC 6300 Plus, the first personal computer that can simultaneously run AT&T's powerful UNIX operating system and the MS-DOS operating system.

NOVEMBER 4 Software Defined Network, developed by Bell Labs, is announced. It allows business customers to use portions of AT&T's network as a private network.



JUNE 21 The National Security Agency awards AT&T a contract valued at \$946 million for 3B computers and software services.

MAY 23 AT&T Communications opens its first offices overseas—in London and Tokyo—to promote international voice and data services.

JULY 1 AT&T Technologies merger with AT&T Information Systems results from CI-II waivers.

SEPTEMBER 28 Direct-billing trial for residence long-distance customers begins in Minnesota.

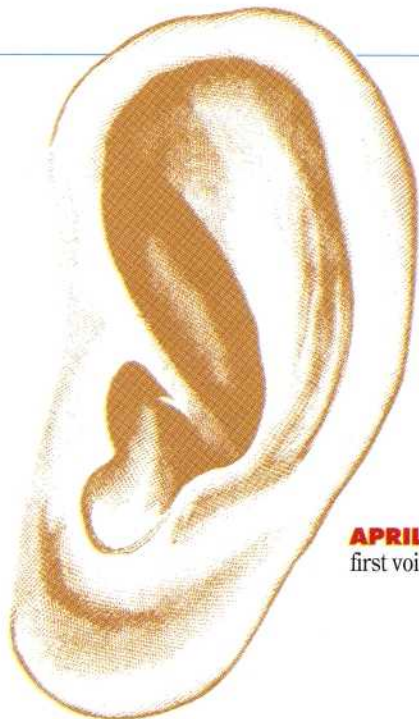
AUGUST 17 FCC allows Tariff 12 to go into effect. It will enable AT&T to offer combinations of tariffed and non-tariffed network services.

DECEMBER 4 The Spanish government approves an AT&T and Compania Telefonica Nacional de España joint venture, AT&T Microelectronica de España, to manufacture semiconductors for European market.



SEPTEMBER 18 FCC relieves AT&T Information Systems and AT&T Communications of CI-II structural separation regarding marketing of customer premises equipment. AT&T can now offer customers a single point of contact for equipment and network services.

JANUARY 22 AT&T opens factory in Singapore to manufacture telephones.



JULY 3 AT&T uses the Karmarkar algorithm to facilitate design of the company's long-distance network.

APRIL 22 AT&T introduces industry's first voice-recognition cellular telephone.

FEBRUARY 26 AT&T opens a sales office in Munich, West Germany, to offer chip technologies directly to European equipment manufacturers.

MAY 22 AT&T and four international partners announce plans for a second undersea trans-Atlantic fiber-optic cable, TAT-9.



SEPTEMBER 11 Olivetti and AT&T announce that Olivetti will manufacture and market AT&T's System 75 digital PBX in Italy.

AUGUST 3 Chairman Charles Brown retires.

MAY 14 Brussels selected as site of AT&T sales headquarters for Europe, Middle East and Africa.



FEBRUARY 25 AT&T Mail, a nationwide electronic messaging service, is introduced commercially.

JUNE 9 Bell Labs unveils a photonic switching chip, the first "optical transistor" prototype of a device that could become the primary component of an optical computer.

SEPTEMBER 1 Jim Olson is elected chairman. Bob Allen is named president; Randy Tobias is named vice chairman and head of AT&T Communications and AT&T Information Systems; Chuck Marshall and Morry Tanenbaum are named vice chairmen. AT&T Communications and AT&T Information Systems merge operations.

The two-year initial phase of equal access ends. Three of four customers choose AT&T.

MARCH 24 AT&T introduces the PC 7300, a UNIX personal computer for the office, along with 28 UNIX software programs.

JUNE 1 Interstate long-distance rates cut 11.8 percent, a \$2 billion annual savings for customers.

AT&T electronic typewriters go on sale.

MAY 15 FCC removes CI-II requirements related to enhanced network service offerings. AT&T Information Systems and AT&T Communications can develop, market and sell new enhanced network services once comparably efficient interconnections and open-network-architecture plans are approved.



OCTOBER 15 Olson announces "single-enterprise strategy."

DECEMBER 18 AT&T charges \$3.2 billion against 1986 earnings for plant consolidations, inventory write-downs and 27,400 job cuts.

OCTOBER 29 Olivetti agrees to develop and produce AT&T personal computers. Vittorio Cassoni, president of Olivetti Management of America, named senior vice president of AT&T's new data systems division.

MARCH 24 AT&T introduces 3B2/600 minicomputer.

FEBRUARY 2 In first triennial review of divestiture, the U.S. Department of Justice urges the court to allow Bell companies to manufacture telephone equipment, provide information services, offer long-distance services outside their regions and enter non-telecommunications businesses. AT&T opposes removal of manufacturing and long-distance bans.

JANUARY 1 Interstate long-distance rates are cut 11.2 percent, saving customers \$1.9 billion a year.

SEPTEMBER 10 Judge Greene refuses to remove or modify ban on Bell companies entering manufacturing or long-distance businesses, but allows them to provide information transmission services and to enter non-telecommunications businesses.

SEPTEMBER 9 AT&T joins Sematech, a consortium of 13 companies formed to regain world leadership for U.S. semiconductor manufacturing technology.

AUGUST 4 FCC proposes price-cap regulation for AT&T and the local exchange companies rather than profit limits on regulated operations. Congress and consumer advocates oppose, saying it will end rate reductions and limit competition.

OCTOBER 19 AT&T and Sun Microsystems team to develop a unified version of the UNIX System V operating system and develop a computer system based on a Sun microprocessor.

1987



MARCH 6 AT&T urges the FCC to streamline regulation of all AT&T competitive long-distance services, responding to an FCC notice proposing streamlining on a service-by-service basis.

SEPTEMBER 2 AT&T introduces 6386 WorkGroup Station, 3B2/500 and 3B4000.



DECEMBER 12 AT&T 800 *READYLINE* gives small businesses the benefits of 800 Service on existing phone lines.

DECEMBER 16 AT&T and Illinois Bell deploy an experimental Integrated Services Digital Network (ISDN) for McDonald's, capable of handling voice, data and video.

JULY 1 Interstate long-distance rates cut 4.8 percent, a \$600 million annual savings for customers.

AUGUST 20 FCC allows Tariff 12 filing for General Electric digital tandem switched network to go into effect, marking the first of several uses of the tariff by AT&T for large commercial customers. AT&T will provide a \$300 million network that will integrate voice and data services for 700 GE locations.

DECEMBER 1 A Federal Trade Commission study concludes that AT&T's long-distance prices are lower in states that permit AT&T to change its long-distance rates without strict regulatory oversight.

JANUARY 22 Three-year, \$7.5-billion plan to expand digital network technology is announced.





OCTOBER 28 AT&T wins billion-dollar computer contract from the U.S. Air Force.

NOVEMBER 11 Chairman Bob Allen charts a new direction for AT&T, designed to focus employees more directly on pleasing customers.

FEBRUARY 25 While the price-cap proposal goes unresolved, the FCC extends through 1989 AT&T's 12.2-percent authorized rate of return on its regulated interstate operations.

MAY 9 Seeking to compete against discount pricing tactics of other business long-distance carriers, AT&T files Tariff 15 with FCC, which would permit AT&T to match competitors' customer-specific discounts.

JANUARY 13 AT&T and Petroform jointly announce a new, environmentally safe solvent made from orange peels for cleaning circuit boards.

APRIL 25 Vittorio Cassoni announces he will return to Olivetti. Bob Kavner, AT&T senior VP and chief financial officer, replaces Cassoni as head of data systems.

JULY 20 Chairman Bob Allen freezes hiring and announces plan to transfer up to several thousand employees from staff to sales jobs.

AT&T and GTE joint venture formed to bring new ISDN and other advanced technology features to GTE's telephone switching systems.

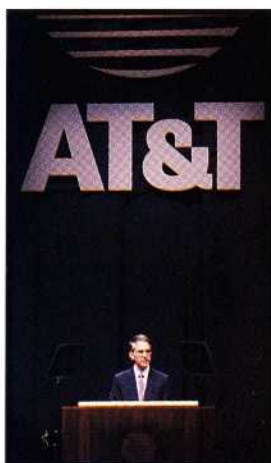
NOVEMBER 26 FCC postpones review of price-cap proposal until January 1989.



DECEMBER 3 In granting AT&T's request for a ruling, Judge Greene confirms that the "manufacturing" restriction prohibits the Bell companies from designing, developing or fabricating telecommunications equipment and software.

JANUARY 6 AT&T agrees to buy up to 20 percent of Sun Microsystems over the next three years.

APRIL 18 Chairman Jim Olson dies of cancer. The following night, April 19, Bob Allen is named to succeed him. He addresses the annual meeting of shareholders the next day.



SEPTEMBER 16 FCC allows first Tariff 15 services (for Holiday Corp.) to go into effect, but institutes investigation of single-customer pricing by carriers.

NOVEMBER 17 FCC approves AT&T Open Network Architecture for enhanced services.

MAY 12 FCC proposes a revised price-cap plan for AT&T and the Bell telephone companies, saying it could save consumers \$1.6 billion over the next four years. The proposal provides for a consumer productivity dividend that would require AT&T and Bell companies to pass some of their expected cost savings on to customers.

JANUARY 1 Long-distance rates are reduced by 3.5 percent, saving customers \$772 million a year.

MARCH 7 Judge Greene allows the Bell companies to offer information transmission and related services, such as electronic mail. He continues ban on information services and electronic "yellow pages."

NOVEMBER 20 AT&T Credit Corp. becomes one of 20 largest leasing finance companies.

JANUARY 4 AT&T establishes UNIX Software Operation as a new business unit to operate separately from AT&T's computer business.

DECEMBER 1 AT&T announces it will take a \$6.7 billion write-down of analog equipment and that 95 percent of domestic switched traffic will be digital by mid-1989. It results in the company's first annual loss ever. The company also announces its seventh interstate long-distance rate cut—3.8 percent—for a total of 38 percent since 1984.



FEBRUARY 6 AT&T unveils the *Definity* Communications System, a merger of its System 75 and System 85 PBXs, for medium and large businesses.

FEBRUARY 13 Italtel, Italy's leading manufacturer of telecommunications equipment, selects AT&T as its partner in developing and marketing public and private equipment for Europe and other markets.

MARCH 16 The FCC votes to adopt price caps for the regulation of AT&T's long-distance business, rather than limiting its profits. The move allows AT&T to set its own prices within limits set by the FCC and keep increased profits realized from cost reductions.

APRIL 12 FCC rules that AT&T must offer its Tariff 12 discounts to all large customers, including companies that resell long-distance services.

JULY 12 AT&T and Intel agree to jointly develop personal computers that work in AT&T computer networks. Three days later, AT&T and Olivetti announce the end of their five-year partnership.

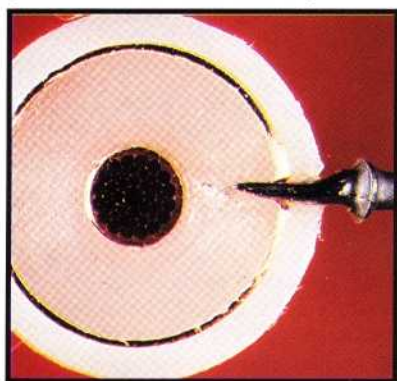


APRIL 21 Vice Chairman Chuck Marshall retires.

SEPTEMBER 25 AT&T makes its first major acquisition in Great Britain: Istel Group Ltd., a British information-services company.



DECEMBER 14 TAT-8, first fiber-optic transoceanic cable, is dedicated. [Below: a cross-section of TAT-8.]



DECEMBER 7 AT&T and partners win 60 percent of FTS2000 contract, estimated to be worth at least \$2.7 billion over 10 years.

FEBRUARY 28 AT&T and Zenith announce an agreement to cooperate on developing high-definition television (HDTV) technologies.

MARCH 7 The company unveils AT&T Paradyne, a new data communications equipment subsidiary formed from the acquired Paradyne Corp. and AT&T's existing data communications operations.

FEBRUARY 17 Consistent with Chairman Bob Allen's new direction for the company, AT&T announces a major reorganization into smaller, more focused business units. A month later, 19 business units and 24 supporting divisions are defined.

APRIL 1 Cutovers begin for public pay phones whose owners chose non-AT&T long-distance companies in an equal-access referendum.

AT&T cuts long-distance rates by 1.9 percent, or \$635 million.

APRIL 18 The first trans-Pacific fiber-optic cable, TPC-3/HAW-4, is opened for service between the United States and Japan, via Hawaii.

JUNE 13 Judge Greene rejects requests from regional Bell companies to offer electronic yellow pages and other electronic directory services, saying such services would "violate the most fundamental prohibitions and purposes of the [consent] decree."

OCTOBER 11 The U.S. government officially launches FTS2000, the world's largest private telecommunications system, with a three-way, coast-to-coast conference call.

AUGUST 24 Hewlett-Packard, Siemens and AT&T announce the first agreement for international multi-sourcing of fiber-optic components that comply with developing computer networking standards.





NOVEMBER 15 AT&T begins offering direct-dial long-distance service to Moscow.

OCTOBER 26 FCC rules, 4-0, that AT&T can continue to offer customized networks to large business customers through Tariff 12 filings. Separately, FCC rejects AT&T's Tariff 15 filing for Holiday Corp.

JANUARY 15 An error in a new version of a network computer program leads to a nine-hour service disruption in AT&T's long-distance network. The company estimates half of the long-distance, international and toll-free 800 calls attempted on its network were not completed.

FEBRUARY 4 The U.S. Court of Appeals for the District of Columbia affirms Judge Greene's decision interpreting the ban on regional Bell company manufacturing to include design and development as well as fabrication.

JUNE 12 AT&T approves its millionth Universal Card account. By year's end 4.5 million accounts are opened.

MARCH 26 AT&T introduces the AT&T Universal Card, a combination credit card and calling card.



MARCH 7 AT&T and Japan's NEC Corp. agree to cooperate in developing and manufacturing semiconductors and related technologies.

JUNE 19 Under the headline "AT&T Starts to Score," Fortune magazine runs an article on Chairman Bob Allen and the company's new competitiveness.

JULY 3 AT&T agrees to acquire EasyLink electronic-mail, Telex and packet-switched services of the Business Services Group of Western Union for \$180 million. Transaction is completed Dec. 31.

1990



OCTOBER 19 AT&T offers an enhanced retirement plan to more than 34,000 managers. More than 10,000 accept.

DECEMBER 19 AT&T announces its 10th long-distance rate reduction, for \$300 million effective Jan. 1, 1990, bringing total reductions to 40 percent from pre-divestiture rates.

OCTOBER 17 An earthquake in the San Francisco Bay area leads to the heaviest long-distance calling in AT&T's history: 140 million calls in the first 24 hours. AT&T switches serving the area work flawlessly throughout the crisis.



JANUARY 29 AT&T introduces the world's first digital optical processor, an experimental machine that processes information with light rather than electricity. [Above: Bob LaMarche, Michael Prise and Alan Huang of AT&T Bell Laboratories.]

JANUARY 10 AT&T announces an international discount calling plan, Reach Out World.

MARCH 21 AT&T raises the quarterly dividend on its stock from 30 to 33 cents per share, the first increase since divestiture.

APRIL 3 The U.S. Court of Appeals for the District of Columbia upholds Judge Greene's ruling that the seven regional Bell companies cannot enter the long-distance or telecommunications-equipment markets, but returns for reconsideration his ruling on marketing information services.

JULY 1 AT&T cuts long-distance prices an average of 2.2 percent, or \$300 million annually. The 11th decrease since divestiture brings the total to 43 percent.

JUNE 14 Service begins on the Trans-Caribbean Cable System, the first fiber-optic submarine cable linking the U.S. with Latin America.

SEPTEMBER 13 AT&T introduces the *Partner* and *Partner Plus* telephone systems for small businesses, allowing fax machines, computer modems and credit card readers to plug into the same extension as a *Partner* telephone.





NOVEMBER 15 AT&T introduces a tapeless, all-digital answering system for residential use.

AT&T offers to buy NCR Corp. for \$85 per share. The bid is rebuffed but AT&T persists, raising it to \$90 per share on Nov. 30 and going public with the offer on Dec. 2.

SEPTEMBER 19

NV Philips announces it will sell its 15 percent of AT&T Network Systems International to AT&T, raising AT&T's share of the affiliate to 74 percent. STET of Italy owns 20 percent, and Telefonica de España owns 6 percent.

NOVEMBER 26

Callers break the single-day calling record, placing 148.4 million calls through the AT&T Worldwide Intelligent Network.

DECEMBER 5 NCR rejects the \$90 offer and takes several anti-takeover actions. AT&T commences cash-tender offer for all shares of NCR stock at \$90 per share.

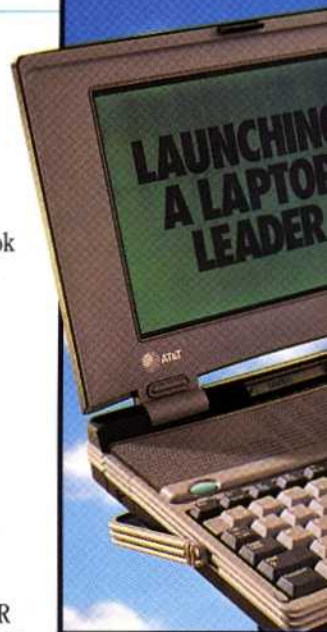
JANUARY 4 A cable cut in Newark, N.J., disrupts long-distance traffic into and out of New York City for five hours, shutting down metropolitan-area airports and financial exchanges.

APRIL 22 AT&T announces the *Safari* Systems NSX/20 notebook computer, a joint venture with Marubeni Corp.

MAY 6

Following five months of negotiations, AT&T and NCR announce that an all-stock merger agreement has been reached. AT&T will pay the equivalent of \$110 per NCR share, or about \$7.4 billion.

JUNE 3 AT&T announces it will sell its 19-percent stake in Sun Microsystems.



1991



OCTOBER 23 The U.S. Court of Appeals for the District of Columbia orders FCC to review its 1989 decision permitting AT&T to offer Tariff 12 plans. By this date AT&T has 74 contracts incorporating provisions of Tariff 12 filings.



SEPTEMBER 21 AT&T begins Desert Fax, a free facsimile service to U.S. military personnel stationed in the Persian Gulf for Operation Desert Shield, at 400 AT&T Phone Centers and selected domestic military bases. By year's end, people send more than 500,000 faxes.

DECEMBER 31

AT&T's most profitable year ever ends with net income of \$2.735 billion, or \$2.51 per share.

FEBRUARY 28 A convoy carrying AT&T employees and equipment follows military troops into just-liberated Kuwait to restore telephone service. By March 2, 120 outbound international lines are available.

APRIL 18 Allen tells shareowners at the company's annual meeting that "AT&T is now firmly committed to a strategy of growth" and reaffirms the three-pronged approach laid out by former Chairman James Olson: leadership in core businesses, leadership in networked computing and increasing AT&T's global business.



MAY 1 Vice Chairman Morry Tanenbaum, pioneer in the use of silicon as a commercial semiconductor material, former president of New Jersey Bell and the first chairman of the subsidiary known as AT&T Communications, retires.

JUNE 5 U.S. Senate approves, 71-24, a bill that would permit regional Bell companies to manufacture telecommunications equipment, currently prohibited under MFJ provisions. Legislation moves to House of Representatives.

JUNE 6 Poland awards \$100 million order for switching equipment to AT&T.



JULY 8 AT&T domestic network handles a record 156.2 million calls on the first business day following a four-day weekend.

Consumer Products Group Executive Frank Blount takes leave from AT&T to serve as president and chief executive officer of the New American School Development Corp., a non-profit company set up to improve the U.S. educational system. Group Executive Bob Kavner later is named to lead Consumer Products. (Blount retires in December.)

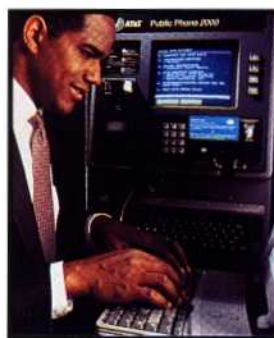
JULY 24 AT&T's Consumer Products unit opens a plant in Guadalajara, Mexico, to manufacture telephone answering systems.

JUNE 24 AT&T files with FCC to test wireless personal-communications-network technology.

SEPTEMBER 17 A network outage disrupts long-distance calling through New York City and halts takeoffs and landings at metropolitan area airports.

AUGUST 6 Jerre Stead, former chairman and CEO of Square D Co., is named president of AT&T's Business Communications Systems unit.

SEPTEMBER 11 For second consecutive year, AT&T wins U.S. Labor Department's highest award for labor programs.



OCTOBER 2 AT&T unveils Public Phone 2000, capable of accepting laptop computer or portable fax machine connections, sending electronic mail and providing a keyboard for use as a telecommunications device for the deaf.

SEPTEMBER 24 NCR head Gil Williamson elected to AT&T board.

DECEMBER 2 AT&T's worldwide network handles a record 157.8 million calls on Monday after Thanksgiving. All but 211 calls go through on the first try.

DECEMBER 31 AT&T ends its 10th year since the signing of the Consent Decree with 325,000 employees, including 52,000 from NCR. Employees outside the United States now number more than 50,000.

JUNE 25 To accelerate AT&T's globalization efforts, Vice Chairman Randy Tobias assumes responsibility for all AT&T planning, development and operations outside the United States.

JULY 11 AT&T Chairman Bob Allen testifies before House subcommittee that allowing regional Bell companies to manufacture telecommunications equipment would be "bad for consumers, for business, for the telecommunications industry and for the nation."

JULY 31 Alex Mandl, former chairman and CEO of Sea-Land Services, is named AT&T's new chief financial officer.

JULY 25 Saying an appeals court forced him to do so, U.S. District Court Judge Harold Greene agrees to allow regional Bell companies to provide information services such as electronic yellow pages, an activity barred by the MFJ.

AUGUST 29 AT&T introduces its first four consumer products for sale in Germany.

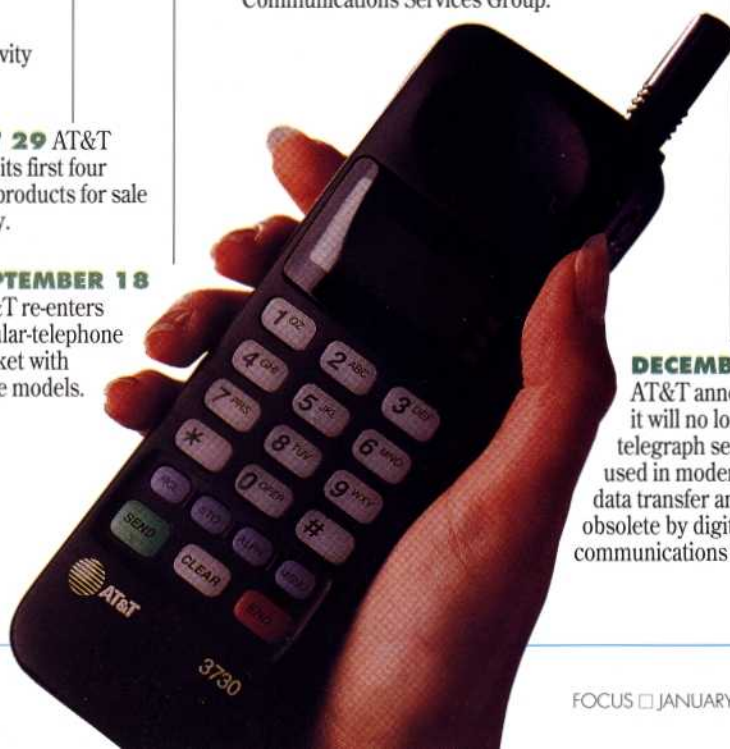
SEPTEMBER 18 AT&T re-enters cellular-telephone market with three models.

SEPTEMBER 19 AT&T and NCR formally complete merger.

NOVEMBER 1 ICS absorbed into Communications Services Group.

NOVEMBER 4 AT&T announces TAT-10 and TAT-11, two trans-Atlantic cables carrying 80,000 telephone conversations each, to go into service in 1992 and 1993.

JULY 18 AT&T announces earnings of 75 cents per share for the second quarter, an AT&T all-time high for any quarter, and says it expects to take one-time charges of as much as \$4 billion against year-end earnings. Separately, the company announces that AT&T American Transtech, created in 1983 to handle stock transfers associated with divestiture, will leave the shareholder-services business to concentrate on marketing services.



DECEMBER 17 AT&T announces that it will no longer offer telegraph services, used in modern times for data transfer and made obsolete by digital data communications services.