

October 3, 2008

Ralph V. Maly Jr.
Vice President
CWA Communications and Technologies
501 Third Street, N.W.
Washington, DC 20001

Stephen J. Muscat
Director U.S Workforce Relations
600 Mountain Ave. Tel: 908-582-6772
Room 6G-212 Fax: 908-582-2105
Murray Hill, NJ 07974 smuscat@alcatel-lucent.com

Re: U.S. Merger of Operating Companies

Dear Ralph,


As you are aware, Alcatel acquired Lucent Technologies Inc. on November 30, 2006 with Lucent becoming a wholly owned subsidiary and operating with its affiliates as "Alcatel-Lucent." Now, Alcatel-Lucent is combining three of its U.S. operating companies – Alcatel USA Marketing, Inc., Alcatel USA Sourcing, Inc. and Lucent Technologies Inc. Other Alcatel-Lucent U.S. subsidiaries will not be affected by this combination.

The combination will be accomplished through a relatively simple sequence of restructuring transactions. Specifically, Alcatel USA Marketing, Inc. (which has historically been Alcatel's primary U.S. operating company) and Alcatel USA Sourcing, Inc. will merge into Lucent Technologies Inc. (which was the top-level Lucent company before it became a subsidiary of Alcatel-Lucent). Simultaneously with that combination, Lucent Technologies Inc. will change its name to Alcatel-Lucent USA Inc.

The merger and name change are targeted to be effective on or about November 1, 2008. The collective bargaining agreements between the CWA and Lucent Technologies will apply to Alcatel-Lucent USA Inc. as they currently apply to Lucent Technologies Inc. Attached to this letter is a copy of the planned notification to all employees informing them of the merger and name change. This notification is scheduled for October 6, 2008. Also attached is a copy of the planned email from Denise Palombo, VP USA Installation & Maintenance, to the management team explaining associated changes to the delivery processes. This email will go out on October 6th as well.

Please contact me with any questions.

Sincerely,



Stephen J. Muscat

Copy to:
W. L. Schecter
D. Palombo