

1.1 EXECUTIVE SUMMARY

Our Government is being challenged as rarely before – simultaneously strengthening national security, responding to catastrophic natural disasters, developing e-Government initiatives, and enhancing citizen-centric programs. For GSA and its Customer Agencies, meeting these challenges and fulfilling a wide array of missions requires a reliable provider of telecommunications and information technology (IT) solutions. At the same time, the communications industry is undergoing a profound transformation as it transitions to unified, IP-based networks capable of delivering a host of integrated services. Government customers need a partner with the resources to provide new service platforms and product sets while maintaining world-class reliability and security.

AT&T is such a partner, able to meet Government needs with secure and reliable service platforms and product sets. AT&T transforms innovation and service excellence into practical, cost effective solutions that empower staff to achieve Agency goals, evolving from existing systems to emerging technologies. A few of our qualifications for partnering with GSA and its Customer Agencies are highlighted in AT&T's "Trust Technology Teamwork." We offer high quality services, seamless transitions and integrated management and operations, superior qualifications, financial stability, resource depth, business integrity and highly competitive prices.



TRUST TECHNOLOGY TEAMWORK

- Innovative Solutions Supporting Cross-Agency Collaboration, Transformation, and Operations
- Comprehensive Security Plan for Networx
- Unmatched Network Disaster Recovery
- Award-winning BusinessDirect® Portal Achieved Highest Overall Level of Integration and Feature Support across Ordering, Maintenance, Billing, and Network Management
- AT&T Labs Creating the Vision of the Converged Technology World of Tomorrow

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AT&T has developed a highly qualified team to meet the Government's challenges, a team carefully selected from the leading providers of telecommunications and IT services to the Federal Government and currently supporting virtually every Federal Agency (**Table 1.1-1**). We strategically selected our team members for capabilities that complement our own portfolio of technology offerings and professional services.

TEAM MEMBER	MEMBER QUALIFICATIONS	ROLE ON NETWORK
	<ul style="list-style-type: none"> \$44B revenue telecommunications and networking company 	<ul style="list-style-type: none"> Prime contractor Core network and full service provider Service Management and Operations National Security/Emergency Preparedness, Disaster Recovery, and Continuity of Operations Transition Management
	<ul style="list-style-type: none"> \$10B in annual information technology (IT) service revenue #1 Service Provider on GSA Schedules (March 2004) Prime contractor for Treasury Department network and Department of Homeland Security network 	<ul style="list-style-type: none"> Custom Design/Engineering Services Network Security and Information Assurance Solutions Transition/Migration Project Engineering
	<ul style="list-style-type: none"> \$20B IT services company Prime contractor for the world's largest private network (Navy Marine Corp Intranet) 	<ul style="list-style-type: none"> Management and Application Services Business Process Development Transition planning and implementation
	<ul style="list-style-type: none"> Over 300 government clients Prime contractor for FDIC, USAID networks 	<ul style="list-style-type: none"> Strategic Consulting Systems Design, Development, and Integration Outsourcing and Managed Services
	<ul style="list-style-type: none"> Largest digital wireless voice and data network in US (now part of AT&T) 	<ul style="list-style-type: none"> Domestic and international voice and data Wireless Services Service Enabling Devices
	<ul style="list-style-type: none"> Ranked 8th out of top 20 systems integrators in the federal market (Federal Computer Week) Small business 	<ul style="list-style-type: none"> Service Enabling Devices (SED) Staging and logistics Hardware/ software procurement Asset management
		<ul style="list-style-type: none"> Domestic and International High Bandwidth Services (Optical Wavelength Services) Dark Fiber Services

Table 1.1-1: A Strong Team. The AT&T Networkx Team members are qualified with the experience and expertise to meet or exceed all Agencies needs.

We bring the power of the world's premier communications research organization, AT&T Labs, which has more than 5,600 patents issued or



pending, worldwide. We continue to invest in new capabilities and technology, bringing unmatched network resources and professional services to support our Customer Agencies' critical mission needs. The scope and scale of our portfolio today clearly demonstrate our ability to design, deliver, and manage complex and standard solutions for our Government Customers.

The merger of AT&T and SBC concluded shortly after submission of our initial Networkx offer. The new AT&T is better positioned for success and leadership within a rapidly changing industry, setting the standard for transition from legacy technologies to advanced, next-generation IP networks and services, creating a financially strong firm with a full suite of best-in-class telecommunications services, across technologies and around the globe. The combined company is a stronger U.S.-based global competitor making significant investments in advanced data/IP and wireless technologies. The merger also brings nationwide wireless coverage through SBC's 60 percent ownership of Cingular Wireless, which has nearly 50 million subscribers across the country. The merger of AT&T and Bell South concluded at year end 2006. The new company will be more innovative, nimble and efficient, providing benefits to customers by combining the Cingular, BellSouth and AT&T networks into a single fully integrated wireless and wireline network offering a full range of advanced services. Cingular is now a wholly-owned AT&T subsidiary.

The AT&T Networkx team is focused on minimizing the risk of change through our proven solutions set and customer service systems. Our offer is summarized below:

Technical Volume – High Quality Services for Current and Future Agency Missions. The ubiquitous AT&T network underpins our service offerings, an essential element for delivering the best value through high performance and competitive prices. AT&T corporate initiatives for

convergence over an IP-backbone will result in one integrated system with one set of common support processes to guarantee service efficiency. This converged platform serves as the foundation of the advanced IT services delivered by AT&T and our partners, as illustrated in **Figure 1.1-1**. Optional services provided include Ethernet, Dark Fiber, Unified Messaging, Land Mobile Radio, and mobile and fixed satellite services.

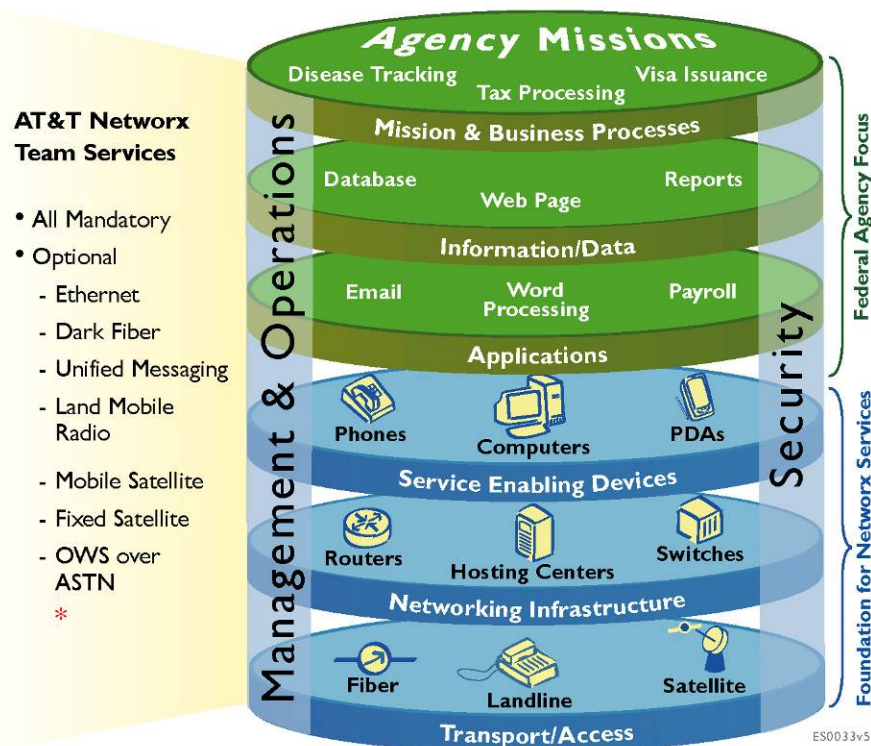


Figure 1.1-1: Enabling Agency Missions. GSA's Networkx Program enables critical Agency missions.

Management Volume – Low Risk Transition and Integrated Management and Operations Concept. The AT&T Networkx Team leverages the capabilities of our Transition, Implementation, Migration Office (TIMO), applying proven methodologies in Transition Planning and Risk Management to minimize network disruption and avoid unforeseeable issues.



Customer Agencies transitioning from FTS2001 or other contracts can expect our experienced staff to manage every phase of the effort, providing the enhanced operations support that mitigates risk and maintains service continuity, as listed in **Table 1.1-2**.

FEATURE	BENEFIT
Agency specific customer service managers throughout the life cycle of the contract	<ul style="list-style-type: none"> • Continuity of support and communications through transition and operations
Transition, Implementation, Migration Office (TIMO) is flexibly staffed with previously identified transition and Agency experienced personnel	<ul style="list-style-type: none"> • A single organization within Network program for transition planning and oversight • Dedicated transition manager working with the Agency customer service manager
Lessons Learned Database built from prior transition experiences	<ul style="list-style-type: none"> • Reduced risk of Agency service outage due to more successful planning and faster resolution of issues
Proven AT&T Project Management Methodology, including Risk Management Process and the Risk Database	<ul style="list-style-type: none"> • Reduced risk of Agency service outage through rigorous adherence to proven processes • Agency has “no surprises” since risks are actively worked, identified, tracked, and mitigated
Existing Local Exchange Carrier and Serving Wire Center agreements and AT&T worldwide planning team identify AT&T and LEC capacity issues early	<ul style="list-style-type: none"> • Agencies can get local access immediately • Agencies can prioritize sites and have continuity of service through better planning and coordination of long lead schedules
Communication Matrix captures and tracks status of critical information	<ul style="list-style-type: none"> • Improved insight into transition plans, status and issues
AT&T BusinessDirect ® portal for tracking of inventory, orders, and bills	<ul style="list-style-type: none"> • Simple 24x7 access to transition information

Table 1.1-2: Transition Features and Benefits. *The AT&T Network Team offers very low risk focused on successful execution.*

Our **management and operations** approach emphasizes clear accountability for overall performance, focused customer support, and streamlined interfaces. Our Program Director, [REDACTED] is the single point of accountability to GSA and Customer Agencies. Through the Contractor’s Program Organization (CPO), all AT&T Networkx Team member resources and services are integrated under a single operation. We customized our award winning management tools and dedicate experienced personnel to our Government customers.

Past Performance Volume – Superior Qualifications. Our Networkx Team’s solid performance record is evidence of our combined service quality, customer commitment, contract performance and price management – all



crucial customer needs. Strong references are included from a range of Government and commercial customers with successful contracts similar to Networkx in size, scope and complexity.

Business Volume – Financial Strength, Resource Depth and Business Integrity. No industry has experienced such rapid and continuous change in so short a time as the global telecommunications industry. AT&T's financial strength, perhaps unique during these times, [REDACTED] [REDACTED] to improve service quality, develop innovative products, and improve business processes. Our team generates more than \$200 billion in annual revenue, demonstrating the stability and depth of the Networkx team.

Price Volume – Highly Competitive Prices. GSA and its Customer Agencies can be assured of the best value on all services through our highly competitive prices. Our automated processes and economies of scale enable us to offer industry-leading value to the Federal Government, as seen in **Figure 1.1-2.**

- (1) AT&T's [REDACTED] greatly exceeds requirements and minimizes price risk
- (2) AT&T is the largest Local Exchange Carrier outside of the Regional Bells. For any order, we can look at alternative access options to minimize customer cost
- (3) Cingular has an extensive network that minimizes roaming and other off-network costs
- (4) AT&T investments in operational improvements, such as AT&T's **BusinessDirect®** will continue to reduce our operating costs and enable saving to our customers throughout the life of the contract

Figure 1.1-2: Competitive Price Contributors. GSA and the Agencies benefit from the best value on our highly competitive prices.

Security Concerns

Three of the top five providers of IT services to the Government are members of our Networkx Team. These providers are industry leaders in detecting and mitigating the increasing cyber-security threat.

Company Integrity



At AT&T, we are dedicated to living a code of conduct which we call Our Guiding Principles. We commit to the following values:

- Talk straight; follow through
- Lead by example
- Work together
- Deliver our future

AT&T aspires to set a standard of excellence worldwide for GSA and its Customer Agencies.

An Outstanding Offer from the AT&T Networkx Team. Complex and demanding missions, coupled with the competition for scarce resources, requires the Federal Government to do more with less. Choosing the AT&T Networkx team as your long-term partner is low risk, given our past performance record, extensive portfolio of offerings, and understanding of the challenges facing Customer Agencies. Our worldwide resources and the strengths of our team members will provide the best value on the broadest array of services through highly competitive pricing. The new AT&T will allow the combined company to compete even more effectively, with greater financial, technical and marketing resources to deliver customer-based solutions.

We are confident in our team's ability to deliver network-enabled solutions that bolster Agency operations. This team is committed to the outstanding offer in this proposal and looks forward to meeting the challenge with our high quality services, seamless transition and integrated management and operations, superior qualifications, financial strength, resource depth, business integrity and highly competitive prices. The AT&T Networkx team has demonstrated our long-standing commitment to support the Federal



Government; with our outstanding partnership in Networkx, we welcome the opportunity to serve in the future.