Good morning. And, welcome to Minneapolis and C.D. We are truly excited about your project and the opportunity C.D. has to help you meet the challenges ahead.

Today, I want to take a few moments to tell you who we are at C.D., and where we are going. But let me say right off that where we’re going is in your direction. We will meet your most demanding requirements, and we will be fully committed to the Corps of Engineers Automation Plan (CEAP).

Change, technological change in particular, is the major source of innovation -- of meeting human needs in better ways.

It was a major change in the technology used in computer logic -- from tubes to solid-state transistors that gave birth to C.D. in 1957. The Co.’s first computer -- the 1604 model -- was built using this "advanced" technology specifically to meet customer requirements for greater, more flexible computer power. In this case, the U.S. Navy’s Fleet Numeric op. in Monterey, CA. We still count the Fleet Numeric operation among our customers after more than 30 years. That’s not
unusual. More than 85% of all Gov.Sys. customers ever signed are still with us today.

This loyalty can be traced directly to a high level of customer satisfaction with C.D. technology and service. But it is based on something far more fundamental than technology. It is based on a long history of managing large and complex tasks. It is based on a deep seated understanding that in large complex undertakings things will always go wrong in some way and at some point. The difference between those things being merely problems to be overcome and being major disasters is a company’s ability to forge genuine partnerships; the clarity and openness of communication between us and our customers, and most of all, experience which gives us as an org. the ability to read warning signals of potential project problems.

We also understand the need for continuity and that investment major projects require a long-term view. Consider, for example, C.D.’s 6600 computers that virtually launched the supercomputer era in 1964. The 6600 would still be capable of running the NOS op.sys. in widespread use today. In other words, customers who built on the 6600 as their base would still be supported nearly a quarter of a century later.
Again, we at C.D. understand the importance of protecting the investment of our customers.

Now, let me turn to where C.D. is going.

The word "generation" is often used to describe computers by the technology of their innards. Actually, the metaphor of generations for computers is valid only from the perspective of how they are used.

It’s this view -- how computers are used -- and the application of computers to challenging, complex tasks that is the driving force -- indeed, the determining factor -- of C.D.’s strategy and its future.

We are building a C.D. based on the concept of how computers are used. At present, the core of that strategy revolves around six businesses, including Gov.Sys. Without exception, these businesses are based on the acquisition, analysis, display and distribution of data.

Today, C.D. has better and more competitive products and services. than at any time in its history. That’s fact, not wishful thinking.
For example, we have a completely revitalized CYBER mainframe line. This year, new models were added to both the CYBER 930 and CYBER 990 series. And, the CYBER 960 mid-range series also was introduced. Together, the new computers provide a growth path where the top of the line is 30 times more powerful, and all models are compatible.

In supercomputers, C.D.'s ETA-10 family ranks high on the list of the world’s fastest sys. -- up to 10,286M floating pt. operations per second. All ETA-10 models have the same architecture and software. This allows customers to upgrade easily to more powerful models as their computing needs grow.

In the area of magnetic disk storage, C.D. is now recognized as the leader in high performance, leading edge disk technology. Our Oklahoma City Division was one of four finalists for the Malcolm Balridge Quality Award for manufacturing companies. Other C.D. strength is managing large, complex data bases. This expertise is based on years of experience of working with Info.Sys. that involves the widespread distribution and management of data over all of a customer's computational resources.

However, the most important development at C.D. is not a product. Rather it is strategy for addressing our customers' growing need to optimize the use of diverse computing
resources from a variety of manufacturers. The concept on which this strategy is built is called Transparent Computing Environment, or TCE for short.

In a nutshell, TCE brings together advanced software and communications links to join C.D. computers and other brands into networks. But it is much more than just another connectivity strategy. The aim is to provide the user at the workstation whatever computing or info resources are needed to make it effortless for the user.

[PAUSE]

TCE and the products I mentioned are only part of the reason for my saying that at C.D. how customers use computers is the driving force of our business strategy. Equally important are the strategic partnerships we’ve formed with other companies in order to better meet those needs.

Our partnership with Silicon Graphics gives us access to the most powerful 3-D graphics workstations in the business.

Our partnership with IDI provides high-performance, state-of-the-art textual processing & Relational Data Base Technology.
Our partnership with Oracle gives us a widely-used Relational Data Base Technology that runs on many platforms, including our’s. This permits easy migration to C.D.’s high-end products.

C.D.’s partnership with AT&T on CEAP is an extension of other cooperative efforts. Most recently, AT&T was selected by the U.S. Air Force to supply more than 20K minicomputers. C.D. will provide the info. storage products for those computers.

I’ve touched just briefly on these partnerships. You’ll hear more about them during your visit.

The task you have undertaken simply cannot be achieved without a true partnership. It’s a partnership in which we would be honored to participate. It’s a partnership of the type we know well from past experience. It’s a partnership that only people who know large complex undertakings can make work, and I want you to know we are committed to do so.

That commitment has been spelled out by Roger Handberg, and will be reinforced by program mgr., Wayne Ray. So, you can be assured that CEAP has a high priority within AT&T, as well as C.D. CEAP is a project that’s very important to all of us in
C.D. And, we believe, C.D. is very important to the success of CEAP. We look forward to working with you.