You were asked here this morning so that I could talk to you about several significant actions Control Data is announcing to the press at this moment.

You are the people most immediately and profoundly affected by these actions. I will read from the press release:

I wanted to meet personally with you this morning because today is one of the most painful days in Control Data’s history. And God knows we’ve had plenty of painful days over the past 32 years. I also know that you have lived through weeks of rumors and speculation, as well as questions from your employees. So it has not been easy.

"Control Data Corporation today announced a series of actions that will improve its profitability. The actions include the discontinuance of ETA Systems, the Company’s supercomputer business..."

I know that news is painful to hear. What makes it especially so is that you have worked very hard to fulfill your dream of building the world’s fastest supercomputer.
We are announcing some other actions today. We will be streamlining Control Data’s CYBER mainframe business and reducing the size of the corporate staff. And we have arranged a temporary realignment of the bank financing agreements. All these actions, taken together, will result in restructuring charges of approximately $490 million, and a workforce reduction of 3,100 employees.

There is no question that ETA was a technology success story. The concept of a liquid-nitrogen-cooled supercomputer and a 44-layer circuit board truly were technological breakthroughs. You have contributed mightily to the state of the supercomputing art.

In hard financial terms, though, ETA was not a success. It became clear that after six years of investment, ETA was not going to be profitable in the near future. It was a matter simply of being unable to get the financial backing to hang onto our dream.

Control Data will continue to support current ETA customers. In addition, a team is evaluating how selective parts of the ETA technology you developed can be used in future products and to enhance the performance of upper-end CYBER mainframes.
In disposing of the ETA assets and in licensing ETA technology, every effort will be made to achieve the maximum benefit and take full advantage of the value of the proprietary technology involved.

The work you have done will prove of great value not only to Control Data but to both the computer industry and U.S. technology. It also has given you and the people who worked for you the knowledge and experience of challenging the frontiers of state-of-the-art technology. You rewrote the textbook on supercomputers with your six years of hard work.

Over the next few days and weeks, you will have a lot of personal issues to deal with, a lot of options to consider. You are officially no longer a manager at ETA. But the people who worked for you will still be looking to you for leadership and guidance.

You have built strong relationships at ETA. I hope you will continue during this transition phase to lead and to be available to your former employees and to each other. The team you formed here can continue to be valuable to each of you personally.

Mike Kotten has information to hand out to each of you as you leave here today. I am going to Arden Hills to talk to the managers there.

Thank you very much for your service to Control Data and ETA.