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BACK TO THE FUTURE

AT&T's **Ralph de la Vega** is betting on the future of wired communications. What does Ralph know that we don't?

By **Jacobo Schuster**, Atlanta

As group president of Wireline Operations for the new AT&T, former Cingular COO Ralph de la Vega will manage the equivalent of a Fortune 50 company. The recently approved merger of AT&T and BellSouth will create the largest telecom company in the world, consisting of 68 million phone lines, 12 million Internet users and 59 million mobile phone customers.

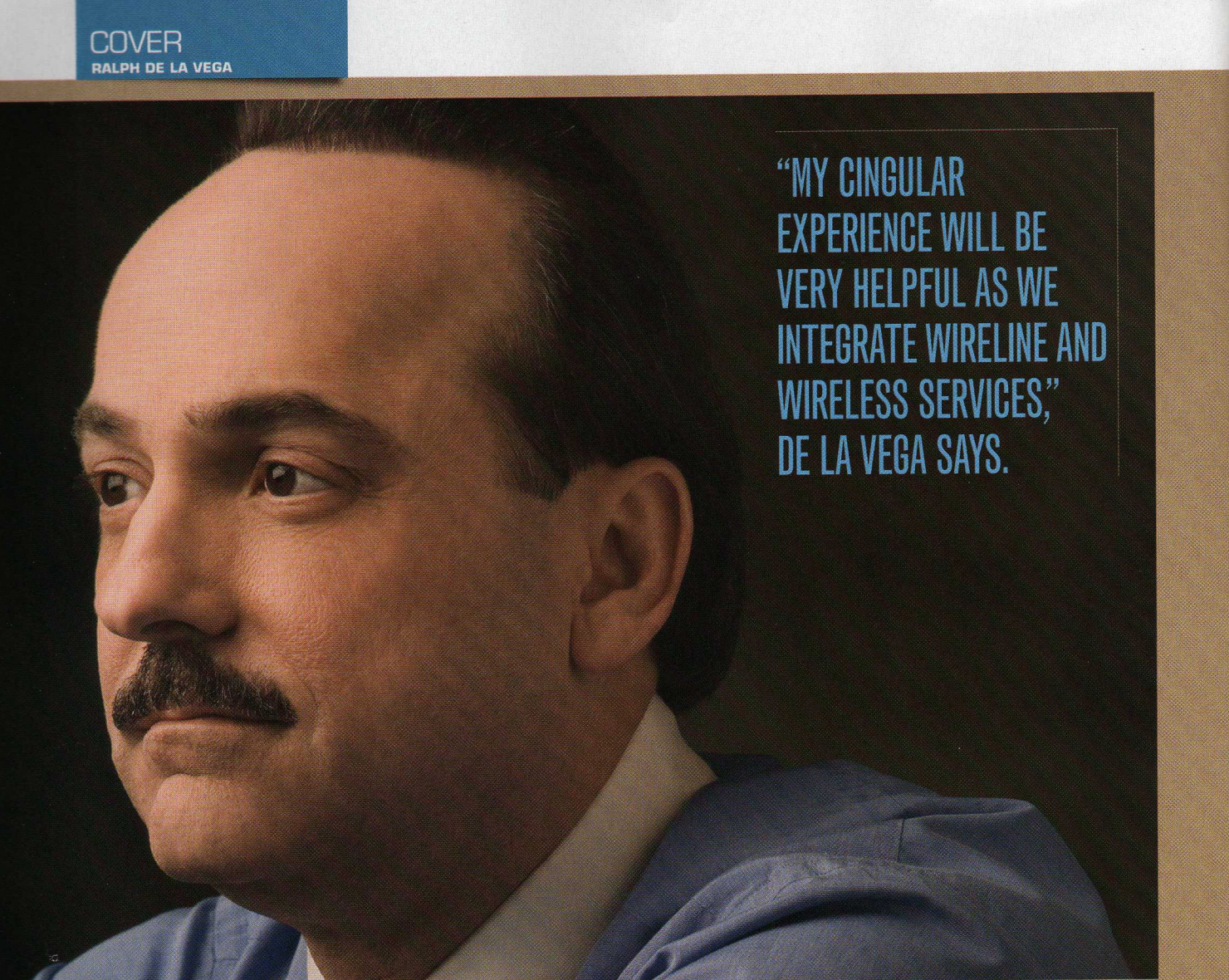
AT&T's \$85 billion acquisition of BellSouth—the biggest in the U.S. telecom industry—is all about integration. Consumers and technology are to be rewarded as the era of the “quadruple

play” begins. “AT&T will be an engine for innovation, competition and growth for our customers at home and abroad,” says the company's CEO, Edward E. Whitacre, Jr., when the merger was approved.

De la Vega will be in charge of phone operations, broadband operations, video and consumer and business communication services in the new giant. He will have overall P&L responsibility for segment of the business that generates alone \$35 billion in revenues and employs more than a third of the company's 300,000 employees.

PODER spoke with de la Vega as he prepared to assume his new post.





"MY CINGULAR
EXPERIENCE WILL BE
VERY HELPFUL AS WE
INTEGRATE WIRELINE AND
WIRELESS SERVICES,"
DE LA VEGA SAYS.

Q- You have been promoted from Cingular Wireless COO to group president, Wireline Operations at AT&T. What's behind this move and what does this imply for your career?

A- This move represents an exciting time in my career, not only because of the size and scope of the larger organization for which I am now responsible, but also because of the critical time at which this move is happening. Essentially, I have the unique opportunity of moving AT&T's wireline business forward and, in a way, redefining the wireline business itself. This is the most exciting time in the wireline business in 100 years and I'm thrilled to be here.

Q- But isn't the future in wireless? There seems to be a decided trend towards that. You must know something we don't or have a vision that proves otherwise.

A- As our chairman has said, the new AT&T has wireless in its heart. Wireless is indeed a major growth engine in the telecommunications business. But many of our customers' communications are wireline-based, and it is up to us to provide innovative solutions that meet all their needs. The beauty of the new AT&T is that it's a leader in all major technologies: We're No. 1 in wireline; No. 1 in wireless; No. 1 in broadband.

We have the resources—financial, technical and marketing—to develop innovative solutions that use not just one but combinations of all our technologies and bring them to market quickly. As the leader of the wireline business, I am excited about being able to provide innovative solutions to the new AT&T's service offering.

Q- You are especially enthusiastic about video and Internet. But you are also very

confident about landline. Take us through your new area of responsibility.

A- Video and Internet (or broadband) form part of the wireline (or landline) offering, which is precisely why I'm so excited about my new area of responsibility. We used to think of wireline as plain voice service. In reality, today's wireline network has the digital and optical fiber resources to provide video, broadband, advanced data services, in addition to voice service. When you combine those technologies with wireless, which are now offered by the same company, you are able to fulfill what we now call our mission: "To be the only communications and entertainment company our customers will ever want."

Q- What is happening in the telecommunications sector? We see mergers and acquisitions and increasingly cheap competition.

A- To roll out a new product or service in a country as large as ours and in a market as competitive as ours you need huge resources—technical, financial and marketing—that only very large companies are able to deploy. Mergers such as the one between AT&T and BellSouth, create the types of companies that can bring competitive products that customers want and, very importantly, can keep this country's telecommunications competitive in the global marketplace.

Q- What's the idea behind the new AT&T?

A- With the new AT&T we're creating a flagship American company that combines the experience and resources of three market leaders: AT&T, BellSouth and Cingular. It's a company that will provide quality and innovation to American consumers through the integration of its networks and business units. And it's a company that will keep the U.S. telecommunications sector competitive in the global marketplace.

Q- It is clear that behind the new AT&T "integration" is the key word. What are the benefits of this? How will this impact the consumer?

A- Customers want good, innovative services that are easy to use and at the best

possible price. The new AT&T is now capable of providing all the communications and entertainment services that customers will want, and it also has the resources to be on the leading edge to continue to surprise them with new services and offerings. We can do that because we have all the technologies and resources within the AT&T family. We hope our products will be so good and compelling, customers won't see a need to get their wireline, wireless, broadband and video services from different providers.

Q- Based on your experience at Cingular, what do you think will be useful to bring to your new job and the new company?

A- Because the new AT&T has a strong focus on wireless, I think my Cingular experience will be very helpful as we integrate wireline and wireless services. I also have extensive experience in broadband, having served as president of BellSouth's broadband and Internet services, and that will also be very helpful in my new job.

Q- How do you see the competition?

A- Competition is good for consumers and even for businesses. It keeps business on our toes and it forces us to be on the leading edge of innovation while making sure we provide the unmatched customer service. The pace of innovation in the telecommunications sector is fierce, and we must never forget that customers have options. That's a good incentive to try harder.

Q- Give us an idea of what your new job will be like. Have you started to plan ahead yet?

A- I've barely started on my new job, so I'm trying to learn as much as I can about my new area of responsibility. Essentially, I will focus on two critical areas: First, to merge the wireline operations of AT&T and BellSouth so that the resulting organization is effective, competitive and nimble enough to adjust to the pace of innovation and market needs. And, second, I'll be working with the various business

RALPH DE LA VEGA'S LEADERSHIP FUNDAMENTALS

1. Must have a plan for success. Hope is not a strategy.
2. Must be willing to take some calculated risks. If you don't push yourself you don't grow.
3. Overcome obstacles. Optimism. Never, never quit.
4. Recognize and seize opportunities. Focus on the opportunities, not the limitations.

units to create a vision for what the new AT&T's wireline business needs to be at this stage of the game and, of course, lead the business in that direction so that we can be an important contributor to AT&T's success.

Q- You've excelled and had great professional success. But you've also had to overcome obstacles. Some had to do with your background and education and others, of course, related to your professional life. What's your approach?

A- Over the years I've come to realize that obstacles are, in fact, opportunities in disguise, so I look at obstacles as possibilities. I'm a possibilities thinker. I like to think of what is possible and nothing gets me more fired up than when I'm told I can't do something. I will not let anyone put limitations on what I can do. If I did, I would have never gone to college or come as far as I have, considering my beginnings. That's exactly what I tell Hispanic youth: Don't let anyone put limitations on what you can do. Have a plan, take risks, overcome obstacles and take advantage of the opportunities, particularly the big ones. ★

"WE HOPE OUR PRODUCTS WILL BE SO GOOD AND COMPELLING, CUSTOMERS WON'T SEE A NEED TO GET THEIR WIRELINE, WIRELESS, BROADBAND AND VIDEO SERVICES FROM DIFFERENT PROVIDERS."