



SEP 12 2006

Mr. K.O. Raschke
Lucent Retirees Organization
231 Pinetuck Lane
Winston-Salem, North Carolina 27104

Dear Mr. Raschke:

Thank you for your letter to Secretary Elaine L. Chao regarding Alcatel's imminent merger with Lucent Technologies ("Lucent") and its potential impact on Lucent's pension and retiree benefit plans. Your letter was referred to me for reply.

Your correspondence requests the Department to intervene in order to compel Lucent to disclose certain plan financial information, to increase plan funding levels and to require Lucent to appoint independent fiduciaries to administer its pension plan as a condition to the completion of the merger between Alcatel and Lucent. You also write that Lucent has been unresponsive to your requests for a copy of the plan's Master Trust.

As I advised in my letter of October 20, 2004, under ERISA's current provisions, a plan's financial disclosure requirements are generally satisfied by filing a Form 5500 Annual Return/Report with, when applicable, an audit performed by an independent qualified public accountant. ERISA Section 104(b)(4) provides that any participant or beneficiary may make a written request for the latest annual report and accompanying auditor's report.

We have been in contact with Steven Kronheim, Lucent's Counsel for Compensation and Benefits. Mr. Kronheim stated that while he and members of his staff have responded to several previous requests for information and documents, they have no recollection or record of your request for the Master Trust. He advised, however, that he will consider our inquiry to him as though it were a request from you. He states that he has provided these documents directly to you by overnight mail on or about September 5, 2006.

I and members of my staff have reviewed your letter in detail, but we cannot conclude, based on the information provided, that any violations of ERISA have occurred, or will occur, as a result of the merger between Lucent and Alcatel.

If, however, you continue to believe violations of ERISA have occurred, you have the right under the statute to bring a civil action.

You may be interested to know, however, that the Pension Protection Act (PPA), signed into law by President Bush on August 17, 2006, will significantly enhance financial disclosure requirements. For example, for plan years beginning in 2008, defined benefit plans will be required to provide to plan participants within 120 days after the end of the plan year, annual notices that disclose, among other things, the value of the plan's assets as compared to its liabilities, its funding status, its funding policy and the plan's allocation of investments.

We thank you for the opportunity to address your concerns, and we appreciate your comments regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Ann L. Combs", with a long horizontal flourish extending to the right.

Ann L. Combs