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Presidential Documents

Title 3—

Order of November 17, 2006

The President

Regarding the Proposed Merger of Alcatel and Lucnet Technologies, Inc.

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 721 of the Defense Production Act of 1950 (section 721), 50 U.S.C. App. 2170,

Section 1. Findings.

I hereby make the following findings:

- (1) there is credible evidence that leads me to believe that Alcatel, a *societe* anonyme organized under the laws of France, through exercising control of Lucent Technologies, Inc. (Lucent), a corporation organized under the laws of the State of Delaware, might take action that threatens to impair the national security of the United States; and
- (2) provisions of law, other than section 721 and the International Emergency Economic Powers Act (50 U.S.C. 1701et seq.), do not in my judgment provide adequate and appropriate authority for me to protect the national security in this matter.

Sec 2. Actions Ordered and Authorized.

On the basis of the findings set forth in section 1 of this order and pursuant to my authority under applicable law, including section 721, I hereby order that:

- (1) any merger of Lucent and Alcatel that does not meet the following conditions within the timeframes specified is prohibited:
- (a) Lucent, Alcatel, and Alcatel USA Inc., a wholly-owned subsidiary of Alcatel, execute, on or before the closing date of the transaction, a National Security Agreement (NSA) with the Departments of Defense (DOD), Justice, Commerce, and Homeland Security, that is materially identical to the draft NSA negotiated with those agencies as of November 6, 2006;
- (b) Lucent and Alcatel execute, by a date to be determined by the Secretary of Defense, a Special Security Agreement (SSA) with the DOD that is materially identical to the draft SSA negotiated with the DOD as of November 6, 2006; and
- (c) the Secure Subsidiary, which is defined in the draft SSA and which will be a subsidiary of Lucent, execute the two documents described in (a) and (b) above, by a date to be determined by the Secretary of Defense;
- (2) the Attorney General is authorized to take any steps necessary to enforce this order.

Sec 3. Reservation.

I hereby reserve my authority until such time as the NSA and SSA are executed as required by this order, or, if the NSA and SSA are not so executed, until such time as the prohibition of the merger required by this order has been fully enforced, to issue further orders with respect to the parties as shall in my judgment be necessary to protect the national security.

Sec 4. Publication.

This order shall be published in the Federal Register.

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THE WHITE HOUSE, November 17, 2006.

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