



Burroughs

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VS TPK

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W Michael Blumenthal
Chairman and
Chief Executive Officer

cc: *DAH Staff +*

June 4, 1986
N.E.S.

The Honorable Caspar W. Weinberger
Secretary of Defense
The Pentagon
Room 3-E 880
Washington, D.C. 20301-1000

Dear Mr. Secretary:

I am aware that the direction of the newly merged Burroughs/Sperry Company with respect to the defense business has been the subject of considerable speculation. It is the purpose of this letter to make our intentions clear.

Burroughs is keenly aware of the long history of Sperry's contributions to the defense of our nation and we fully intend to continue under the Sperry name and management to play a vital role in the defense industry. We will maintain and improve upon the quality and support which Sperry has provided to its defense customers for over 70 years. Our plans call for continued growth in our key defense markets and provide for all the corporate support required to sustain that growth. Our emphasis on technology, quality, responsiveness to customer requirements, and attracting and retaining the very best people will be maintained.

Burroughs has long been interested in increasing its participation in the defense market, and the acquisition of System Development Corporation in 1981 was a first step in that direction. The merger with Sperry is a major step toward fulfillment of this plan. We are confident that the merger will significantly strengthen our capabilities in the defense area and we look forward to the opportunity to continue to apply those capabilities to the defense requirements of our country.

It is my intention to meet with you personally at an early date to review this matter further. In the meantime, should you have any questions, please do not hesitate to call me.

Sincerely,

Mike Blumenthal