

# Lucent, Alcatel said in merger talks

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Alcatel is reportedly in talks to acquire U.S. telecom equipment manufacturer Lucent Technology for more than \$12 billion.

The New York Times said Friday that sources described the potential deal as a merger between equals that could lead to an overall shakeout in the communications-equipment sector.

The talks come in the wake of this month's blockbuster merger of AT&T and BellSouth and five years after Lucent and Alcatel failed to consummate what would have been a \$22.8 billion merger.

Lucent has been struggling against stiff competition in the United States and flagging prices for fiber-optic cables; however, its widely-used CDMA (Code Division Multiple Access) cell-phone technology would compliment Alcatel's strength in broadband and Internet Protocol Television gear.

The Times said neither company planned any comment on the talks until they run their course.

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