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Subject Company: AT&T Corp.

Commission File No.: 1-01105

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application of SBC Communications Inc.)	Application No.
(SBC) and AT&T Corp. (AT&T) for Authorization to Transfer)	
Control of AT&T Communications of California (U-5002), TCG)	
Los Angeles, Inc. (U-5462), TCG San Diego (U-5389), and TCG)	
San Francisco (U-5454) to SBC, Which Will Occur Indirectly as a)	
Result of AT&T s Merger With a Wholly-Owned Subsidiary of)	
SBC, Tau Merger Sub Corporation.)	
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JOINT APPLICATION OF
SBC COMMUNICATIONS INC.
AND AT&T CORP.

James D. Ellis
Wayne Watts
Paul Mancini
Joseph Cosgrove, Jr.
Adam McKinney
SBC Communications Inc.
175 E. Houston Street
San Antonio, TX 78205
(210) 351-5075

David J. Miller
AT&T Communications of California, Inc.
795 Folsom Street
San Francisco, California 94107
(415) 442-5509

Mark Haddad
Randolph W. Deutsch
Sidley Austin Brown & Wood LLP

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Theodore A. Livingston
Christian F. Binnig
Hans J. Germann
Mayer, Brown, Rowe & Maw LLP
190 South LaSalle Street
Chicago, IL 60603-3441
(312) 782-0600

William R. Drexel
James B. Young
SBC West
140 New Montgomery Street, Room 1805
San Francisco, CA 94105-3705
(415) 545-9450

Patrick S. Thompson
William J. Dorgan
Pillsbury Winthrop LLP
50 Fremont Street
San Francisco, CA 94105-2228
(415) 983-1000

Attorneys for SBC Communications Inc.

555 West Fifth Street
Los Angeles, California 90013
(213) 896-6000

Attorneys for AT&T Corp.

February 28, 2005

In connection with the proposed transaction, SBC intends to file a registration statement, including a proxy statement of AT&T Corp., and other materials with the Securities and Exchange Commission (the SEC). Investors are urged to read the registration statement and other materials when they are available because they contain important information. Investors will be able to obtain free copies of the registration statement and proxy statement, when they become available, as well as other filings containing information about SBC and AT&T Corp., without charge, at the SEC's Internet site (www.sec.gov). These documents may also be obtained for free from SBC's Investor Relations web site (www.sbc.com/investor_relations) or by directing a request to SBC Communications Inc., Stockholder Services, 175 E. Houston, San Antonio, Texas 78205. Free copies of AT&T Corp.'s filings may be accessed and downloaded for free at the AT&T Relations Web Site (www.att.com/ir/sec) or by directing a request to AT&T Corp., Investor Relations, One AT&T Way, Bedminster, New Jersey 07921.

SBC, AT&T Corp. and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies from AT&T shareholders in respect of the proposed transaction. Information regarding SBC's directors and executive officers is available in SBC's proxy statement for its 2004 annual meeting of stockholders, dated March 11, 2004, and information regarding AT&T Corp.'s directors and executive officers is available in AT&T Corp.'s proxy statement for its 2004 annual meeting of shareholders, dated March 25, 2004. Additional information regarding the interests of such potential participants will be included in the registration and proxy statement and the other relevant documents filed with the SEC when they become available.

Cautionary Language Concerning Forward-Looking Statements

Certain matters discussed in this statement, including the appendices attached, are forward-looking statements that involve risks and uncertainties. Forward-looking statements include, without limitation, the information concerning possible or assumed future revenues and results of operations of SBC and AT&T, projected benefits of the proposed SBC/AT&T merger and possible or assumed developments in the telecommunications industry. Readers are cautioned that the following important factors, in addition to those discussed in this statement and elsewhere in the proxy statement/prospectus to be filed by SBC with the Securities and Exchange Commission, and in the documents incorporated by reference in such proxy statement/prospectus, could affect the future results of SBC and AT&T or the prospects for the merger: (1) the ability to obtain governmental approvals of the merger on the proposed terms and schedule; (2) the failure of AT&T shareholders to approve the merger; (3) the risks that the businesses of SBC and AT&T will not be integrated successfully; (4) the risks that the cost savings and any other synergies from the merger may not be fully realized or may take longer to realize than expected; (5) disruption from the merger making it more difficult to maintain relationships with customers, employees or suppliers; (6) competition and its effect on pricing, costs, spending, third-party relationships and revenues; (7) the risk that Cingular LLC could fail to achieve, in the amount and within the timeframe expected, the synergies and other benefits expected from its acquisition of AT&T Wireless; (8) final outcomes of various state and federal regulatory proceedings and changes in existing state, federal or foreign laws and regulations and/or enactment of additional regulatory laws and regulations; (9) risks inherent in international operations, including exposure to fluctuations in foreign currency exchange rates and political risk; (10) the impact of new technologies; (11) changes in general economic and market conditions; and (12) changes in the regulatory environment in which SBC and AT&T operate.

The cites to webpages in this document are for information only and are not intended to be active links or to incorporate herein any information on the websites, except the specific information for which the webpages have been cited.

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- 10 AT&T Corp. s 2003 Annual Report
- 11 AT&T Corp. s Form 10K for the period ending December 31, 2003
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BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application of SBC)	Application No.
Communications Inc. (SBC) and AT&T Corp. (AT&T))	
for Authorization to Transfer Control of AT&T)	
Communications of California (U-5002), TCG Los)	
Angeles, Inc. (U-5462), TCG San Diego (U-5389), and)	
TCG San Francisco (U-5454) to SBC, Which Will)	
Occur Indirectly as a Result of AT&T s Merger With a)	
Wholly-Owned Subsidiary of SBC, Tau Merger Sub)	
Corporation.)	
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JOINT APPLICATION OF

SBC COMMUNICATIONS INC.

AND AT&T CORP.

SBC Communications Inc. (SBC) and AT&T Corp. (AT&T) (collectively, the Applicants), under Section 854(a) of the California Public Utilities Code (the Code), request that the California Public Utilities Commission (the Commission) approve a change in the control of the following California certificated entities: AT&T Communications of California (AT&T-C) (U-5002); TCG Los Angeles, Inc. (TCG-LA) (U-5462); TCG San Diego (TCG-SD) (U-5389), and TCG San Francisco (TCG-SF) (U-5454), from first and second-tier subsidiaries of AT&T to second and third-tier subsidiaries of the combined organization that will result from AT&T s planned merger with SBC. The combined organization will be owned approximately 84% by SBC s current shareholders and 16% by AT&T s current shareholders. As described in more detail below, the merger will be accomplished through an exchange of stock of the two companies and will result in AT&T surviving as a wholly owned first-tier subsidiary of SBC. AT&T-C, TCG-LA, TCG-SD, and TCG-SF will continue to exist in their present form.

The Applicants seek the Commission's approval for the transfer of indirect control of California certifications held by four AT&T subsidiaries to SBC.(1) This proposed transaction responds to profound technological and marketplace changes by bringing together two U.S. companies with complementary strengths so that they might serve their customers better. Together, SBC and AT&T will be poised to deliver better, innovative products and services to consumers and business customers, and to accelerate the deployment of advanced, next-generation Internet Protocol (IP) networks and services than either company can provide on a stand alone basis. The combined organization will be a more innovative and financially stronger company and, thus, better able to meet the needs of all its customers.

A Significant Advance in the Public Interest Will Flow From the Merger

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Significant public interest benefits will flow to both residential and business customers by combining two companies with complementary strengths. SBC brings to the merger its financial strength and a range of voice, data, broadband, and related services that it provides to residential, business, and wholesale customers, primarily on a local and regional basis. AT&T brings a global presence in 50 countries, national and global IP-based networks, a portfolio of data and IP services, hosting, security and professional services, technology leadership through AT&T Labs, skilled networking capabilities, and a base of government and large business customers.

The merger will result in increased innovation, lead to the more rapid introduction of new services, and prompt the development of services that would otherwise not exist. The merger will increase incentives for investment in innovation and facilitate a wider and swifter diffusion of the innovation that emerges from AT&T Labs, which is one of the world's leading corporate research and development organizations. As a result, residential and small business customers

(1) SBC, AT&T and, where applicable, their subsidiaries, will be referred to collectively as the Applicants.

should ultimately enjoy capabilities that, but for this merger, would likely be available only to the largest business and government customers.

The merged company will offer a broader array of services to a broader spectrum of customers than either company would on its own. As a result of the combination of the two companies' networks, transport will be more efficient, reliability will increase, and the quality of service should be higher on the combined organization's network.

This transaction will benefit customers throughout the country and internationally. The merger will create a vigorous U.S.-based carrier with global reach by combining AT&T's network