

AT&T CORP  
Form DEFA14A  
February 08, 2005

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A  
Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No.       )**

Filed by the Registrant

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Check the appropriate box:

Preliminary Proxy Statement

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**AT&T Corp.**

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(Name of Registrant as Specified In Its Charter)

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February 8, 2005

AT&T Retirees,

As you've heard, AT&T and SBC Communications have announced a \$16 billion merger in which SBC will acquire AT&T to create the industry's premier communications company. This deal marks a historic milestone in the evolution of our industry, and will enable AT&T to play a central role in building a full-service communications company for the 21st century—one capable of delivering advanced networking technologies and a full suite of integrated communications services throughout America and around the world.

I'd like to offer some additional perspective on this important news.

First, why did AT&T agree to this merger—and why now?

Clearly, we've moved through a period of prolonged challenge and instability in the telecom industry in recent years. Dramatic technology advances, a shifting regulatory environment, increased competition and unprecedented fraud on the part of some of our closest competitors have forever altered the telecom landscape. In AT&T's case, regulatory reversals in particular led us to redefine our business model—stepping back from actively marketing for traditional consumer customers while extending our lead in the business enterprise market and moving into the new areas of VoIP and enterprise wireless service.

We understand that operational scale and scope will be critically important in defining the winners and losers in this industry over the next several years. AT&T has sought to ensure our long-term viability by building on our existing technology and scale advantages, as well as our significant financial strength and unparalleled global reach. And we've made great progress in positioning this company for the long term, winning the opportunity to fight on—and compete for the future at a time when many had written us off.

Through this deal, however, we now have the opportunity to combine our operational and financial advantages with those of SBC, which include a growing consumer and small business presence, a demonstrated commitment to broadband deployment and vibrant local and regional markets for voice, data, DSL and wireless services and the new frontier of video. In fact, with this new entity, we will create the nation's No. 1 enterprise services provider; the leading global networking and communications provider; the No. 1 government services provider; the nation's No. 1 wireless service provider; and the leading provider of domestic DSL service, with the industry's highest residential data revenue.

This combination will allow us to continue providing the high-quality services our customers rely on, while assuring that a U.S.-based firm will continue to serve as a global leader in networking and telecommunications. And it will provide AT&T superior financial strength and stability to accelerate innovation and transformation.

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I know that some will write this merger off as "more bad news" for AT&T. Nothing could be further from the truth. SBC's CEO Ed Whitacre has spent some 41 years in the Bell System, including more than 20 years as a part of AT&T. I know that he has enormous respect for the history and significance of AT&T as a corporate icon. And I know that he fully values the knowledge, expertise and excellence that we bring to the table. That's why he is pursuing this deal, and taking this bold step to reinvent our industry.

While it's certainly ironic that a Baby Bell is acquiring its former parent 20 years post-divestiture, it's the right move, at the right time, for both companies, and an exciting opportunity to reshape the industry in a positive direction.

The fact is, this combination is good for our shareowners, it's good for our customers and it's good for our employees, who now have the opportunity to be part of the premier full-service communications company for the 21<sup>st</sup> century.

As compelling as the business case is, you may be wondering what happens to your pension and any other retirement benefits you currently have from AT&T. Retirees can be confident that the contemplated merger does not change or disrupt your receipt of monthly pension annuities or health benefits from AT&T. Under law, companies cannot reduce or eliminate a person's accrued pension benefit as a result of a merger or acquisition. In addition, AT&T's pension plans remain well funded. Pension funding is highly regulated under various Federal laws and our plans are fully in compliance with those funding rules.

You can get more information on the merger itself at the att.com website.

We're joining together two companies that share a common past and an ongoing legacy of innovation, integrity, reliability and customer service. Together, we intend to set the standard in communications for years to come.

Dave Dorman

Additional Information.

*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 and AT&T shareholders are urged to read the registration statement, including the proxy 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 (<http://www.sec.gov>). These documents may also be obtained for free from SBC by directing a request to SBC Communications Inc., Stockholder Services, 175 E. Houston, San Antonio, Texas 78258. AT&T Corp.'s filings may be accessed and downloaded for free at the AT&T Relations Web Site ([www.att.com/ir/sec](http://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.*