DECLARATION OF CHRISTOPHER RICE

Executive Vice President – Network Planning and Engineering
SBC Communications Inc.

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.

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 Wireless LLC could fail to achieve, in the amount and within the timeframe expected, the synergies and other

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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.

REPLY DECLARATION OF CHRISTOPHER RICE

Executive Vice President – Network Planning and Engineering, SBC

I, Christopher Rice, hereby declare the following:

Position and Qualifications

1.   My name is Christopher Rice. I am Executive Vice President – Network Planning and engineering. I am responsible for enterprise-wide technology direction, new technology introduction, platform development, engineering, planning, network methods and procedures, deployment guidelines, advanced switching and routing, and SBC Laboratories. My experience and additional qualifications were set out in my Declaration filed with the Public Impact Statement.

Purpose

2.   The purpose of my affidavit is to respond to some of the issues raised in Comments filed in this proceeding on April 26, 2005.

3.   There are two categories of comments that require response: those relating to Internet Backbone peering concerns, and those relating to certain network efficiencies. I will address each of these in turn.

Internet Backbone Peering Issues

4.   Some of the Comments seem to reflect a misunderstanding of industry-wide peering practices, which are based on the several kinds of costs of exchanging traffic with other backbones. A better understanding of these costs should allay many of these concerns.

5.   In general, backbones exchange traffic by handing off traffic at the earliest opportunity to the backbone for which the traffic is destined, with the result that a backbone bears the highest portion of the costs of carrying traffic destined for its customers. Put another way, peering assumes that the receiving backbone will carry exchanged traffic for the maximum total distance the traffic travels, and the sending backbone will carry exchanged traffic for the minimum distance the traffic travels.

6.   Therefore, one component of peering costs is the number of backbone network points at which such handoffs can occur. Backbones can exchange traffic at private peering points, or at public peering points.

7.   Private peering points, as the name implies, are points at which peering backbones exchange traffic by agreement between them, based on their mutual assessment of the most efficient means of traffic exchange. In general, therefore, in order to peer, industry practice is that backbones should have roughly similar numbers of such network points, to achieve rough parity in the distance-related component of reciprocal traffic handling.

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8.   Public peering points are points which have been established not by private bilateral agreement, but by one or more entities as points which are open to any backbone provider. In order to be present at a public peering point, each backbone must bear its own costs of establishing and maintaining its presence at each public peering point. SBC is currently present at a number of public peering points, and SBC has no intention of pulling away from any of these public peering points.

9.   Another component of peering costs is traffic volume. Even if networks can hand off to each other to maximize the distance over which each carries the traffic destined for the recipients' end users, the networks will not achieve cost balance between them if their inbound to outbound traffic volumes are significantly out of balance. It is important to understand that different *kinds* of backbone traffic generate dramatically different *levels* of backbone traffic. For example, file transfers, as well as music and video downloads are much higher volume traffic than, for example, requests for web pages or the responsive web pages themselves. In this regard, the issue of "content" vs. "eyeballs" is mostly a red herring – as detailed in the Declaration of Ren Provo, SBC's Peering Coordinator, SBC is in balance with a wide range of peers. Business customers who send and receive large numbers of very large files are transferring far more "content" than are websites sending back webpages in response to queries from residential customers. As a general matter, backbone peers seek to limit the extent to which their respective

traffic volumes are out of balance, and under current industry practices networks seek to be within a range of roughly 2:1 to 2.5:1 to treat each other as peers.

10.   At least initially, all peers of the SBC backbone will continue in their current arrangement because, until the SBC and AT&T backbones are fully merged into a single network, the SBC backbone will retain its current autonomous system number ("ASN"), and SBC intends, post-closing, to continue peering with all parties (whether backbone, ISP or content provider) that it currently peers with. Therefore, at a minimum, even where industry practices would indicate potential changes in peering arrangements, such changes will occur only after both SBC and the other backbones have had ample opportunities to plan for new arrangements. Once the systems are integrated into a single ASN, there may be Tier 2 IBPs and ISPs that reach current SBC customers today for free, but who will have to pay for that access in the future because these companies do not, today, meet AT&T's criteria for settlement-free peering. The many IBPs that are, today, settlement-free peers of AT&T will not be affected by the transaction, and therefore will not see any change in their costs.

11.   There have also been concerns raised about whether the combined company will have any increased incentive or ability to detect and block or degrade VoIP traffic of competitors.

12.   SBC both originates and terminates VoIP traffic. SBC is currently a provider of VoIP service, for example in its suite of business services. Further, SBC intends to expand the range of VoIP services it provides, including using AT&T's

CallVantage platform to roll out VoIP services to the mass market. On May 5, 2005, SBC announced an agreement with Covad that will, post merger, support the provision of broadband DSL for SBC's VoIP offering out of region. Under current practices, when VoIP traffic is exchanged between providers' networks, the receiving network treats the traffic on a "best efforts" basis, as indeed any receiving network treats any IP traffic handed off to it. SBC shares the concerns of other providers that VoIP traffic be handled consistent with today's practices by all providers, both originating and terminating.

I declare, under penalty of perjury, that the foregoing is true and correct.

/s/   Christopher Rice

Signature

May 9, 2005

Date