A Proposal for
The State of New Jersey
Department of Corrections & Juvenile Justice Commission

Inmate/Resident Telephone Control Service

Volume II
Documentation

Bid Number 02-X-32533
March 15, 2002

AT&T

Contents

Creating value

Inside the new AT&T: one brand, four gems, new value.

AT&T | 2000 Annual Report

A Company in Transition

Three years ago, it was clear that technology and regulation would transform the communications industry. AT&T had to act. We needed to move beyond long distance. So we improved the margins of our core business and used the cash flow to help fund our own transformation. Through acquisitions and internal development we created three of the most sophisticated end-to-end networks in the world for digital wireless, broadband cable and data. We also made good progress in attracting customers to these new networks. Through our actions, three years later, AT&T boasts four businesses each a leader in its industry.

A new look:
We're presenting this annual report in two sections: the familiar company overview and a financial section printed on thinner paper to make it less bulky. We hope you find this new cost-efficient format more convenient and easier to read. You can also check out the entire report on the Internet by visiting www.att.com/ir.

Contents

AT&T Group* Highlights

Dollars in millions, except per share amounts and stock prices	2000	1999	Change
Revenue**	$ 65,981	$ 62,600	5.4%
Income available to common shareowners	3,181	5,450	(41.6)%
Capital expenditures	14,566	13,511	7.8%
Total assets	208,114	130,973	58.9%
Total debt	65,039	35,850	81.4%
Shareowners' equity	$ 68,964	$ 40,406	70.7%
AT&T Common Stock Group:			
Earnings	$ 3,105	5,450	(43.0)%
Earnings per diluted share	0.88	1.74	(49.4)%
Stock price	$ 17.25	$ 50.81	(66.0)%
AT&T Wireless Group:			
Earnings	$ 76	—	—
Earnings per diluted share	0.21	—	—
Stock price	$ 17.31	—	—

*AT&T Group excludes the results of Liberty Media Group.

**Represents revenue on an as reported basis. Pro forma revenue, which adjusts for the acquisitions of MediaOne Group, Inc., Tele-Communications, Inc., and the IBM Global Network, the impact of the formation of Concert, the elimination of PICC (Primary Interexchange Carrier Charges), the consolidation of Excite@Home, certain international divestments, and closed cable partnerships, increased 4.1% in 2000.

A Timeless Strand

AT&T Business is an enterprise communications and networking leader. AT&T Wireless is one of the fastest-growing wireless businesses in the United States. AT&T Consumer is a leading consumer communications and marketing business. And AT&T Broadband is the largest cable broadband services business — and one of the fastest-growing. Our restructuring plan is designed to provide AT&T share-owners with publicly-traded securities that reflect each of these four businesses. They're linked with a common vision yet will have the focus and flexibility of separate businesses.

AT&T | BOUNDLESS

The Transformation of AT&T

Three years ago it was clear that technology and regulatory policy were transforming the communications industry and AT&T had to make a transformation of its own. We had to move AT&T from just handling the long-haul portion of long distance voice to providing the next generation of end-to-end broadband communications and information services, in whatever combinations customers wanted. We certainly weren't walking away from long distance, but it needed to become a smaller percentage of our total revenue as we grew in new areas.

C. Michael Armstrong
Chairman and
Chief Executive Officer

Dear Shareowners: Transitions are tough, and 2000 was a major transition year for the communications industry and for AT&T. It was a year when the decline in long distance prices accelerated sharply throughout the industry while newer segments of our company such as data, wireless and broadband services grew in double digits.

The world's networks carried increasingly more data than voice. More long distance and calling card calls were replaced by wireless calls and e-mail. The lack of widespread competition in local phone service made it clear that the regional Bell companies are not opening their local monopolies to competition as the Telecommunications Act of 1996 required. Yet those companies are entering the long distance market.

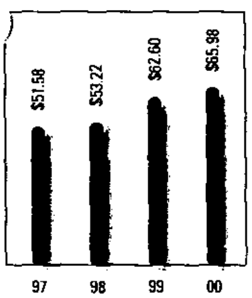
Fortunately, we recognized three years ago that we had to prepare AT&T for a very different future, and we took decisive action.

Early in 1998 we set out to make AT&T a leader in end-to-end broadband communications and information services. Since then, we have invested more than $100 billion in acquisitions, new technology and capacity for all four of our businesses, as we cut more than $4 billion in costs to improve our competitiveness.

- For business customers, we invested more than $35 billion over the last three years to upgrade our networks, acquire the Teleport Communications Group and the IBM Global Network, expand our international ventures including AT&T Canada, AT&T Latin America, and Alestra, open 16 new Internet data centers, and install 16,500 route miles of next-generation fiber. Now we have one of the world's leading data/Internet networks.
- In wireless, we made more than $15 billion worth of acquisitions and investments that converted a patchwork of local analog cellular operations into a national digital wireless network with more than 15 million customers.
- Our acquisitions of cable TV companies TCI and MediaOne got a lot of headlines, but more importantly we invested in critical upgrades of our cable networks, converting them from a one-way entertainment medium to an interactive broadband highway carrying high-speed Internet, digital cable and local and long distance telephone services.
- And we continued to maintain and upgrade our long distance voice network to best protect

Broadband and boundless

More than $100 billion in investments later, AT&T is truly broadband and boundless. We fundamentally expanded our customer offers through focused, strategic acquisitions, including TCG, TCI, MediaOne, Vanguard, Wireless One, and the IBM Global Network. We also created Concert, a global joint venture with BT, to serve our multinational customers. And we invested on average about $12 billion annually over the past three years in capital spending to upgrade our networks, lay optical fiber and create data centers. We're building a bright future in the fastest growing segments of the communications market.



Revenue
(1997-2000 annual figures)
($ in billions)

our consumer revenue stream and market leadership. We focused our marketing efforts on acquiring high-value customers with innovative offers and invested in initiatives such as local service, product bundles and award-winning Internet access.

The benefits of these investments have become increasingly clear.

- AT&T Business is a leader in providing corporate customers with sophisticated global service, as volume on our advanced data/IP network doubled in 2000.
- AT&T Wireless grew its customer base by 58 percent last year, fueled by key acquisitions and effective marketing. And it's well positioned to introduce the next generation of advanced wireless data services.
- AT&T Broadband, the country's largest cable TV company, has the strongest lineup of broadband services in the industry. It's now also one of the fastest growing.
- AT&T Consumer retains its number one position in the competitive consumer long distance market. Our long distance service and our AT&T WorldNet® Service each won first-place awards for customer satisfaction in J.D. Power and Associates 2000 studies.

But the economic difficulties of long distance voice are masking the progress of our growth businesses. As a result, AT&T's stock price took a pounding last year along with the rest of the long distance carriers. It was tough for our shareowners as well as all of us, but in a painful way it confirmed AT&T's decision to move well beyond long distance voice.

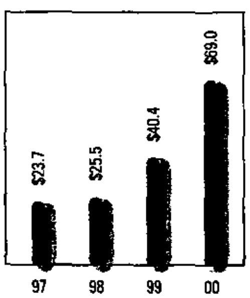
As long distance voice declined, we expanded our newer growth businesses by an average of 20 percent. As a result, we reduced long distance voice from about 80 percent of our revenue in 1997 down to about 50 percent last year. Even then, too many investors and analysts still thought of and analyzed AT&T as primarily a long distance company.

It was time to unlock the value of AT&T's growth businesses. So in October 2000, we announced a plan to create a family of four businesses, each a leader in its market segment and each represented by either a tracking or asset-based stock. Establishing these equities will better enable the businesses to grow and compete, while enabling their shareowners to benefit from the value they create.

Our intent is to provide current AT&T shareowners with shares designed to reflect each

AT&T brings it to you

In just three years AT&T has developed the technology and the market offers to bring customers the digital broadband services they want, and bring investors the growth in value they deserve. With both those goals in mind, we took another step in our transition last October when we announced plans to restructure AT&T and create a family of four investment securities.



AT&T Group Shareowners' Equity
(1997-2000 at year end)
($ in billions)

of these four powerful businesses. And this restructuring is intended to give investors the ability to select the parts of AT&T that best match their investment needs.

AT&T Wireless and AT&T Broadband are growth businesses that increased revenue 37.0 percent and 10.4 percent, respectively, last year. AT&T Business is a combination of growth and income businesses, reflecting the mix of data, outsourcing and long distance voice services it offers business customers. And AT&T Consumer, with its declining but still large and profitable revenue stream, is today an income and dividend investment.

We believe our four businesses can better manage shareowner value and compete more effectively as publicly-held businesses, each with the focus, speed and flexibility to win in its individual market.

Each business will be able to use stock, whether asset-based or tracking, as currency to invest in other opportunities and raise capital. Shareowners will find it easier to see and compare the results of each business to its competition. And each business will be able to motivate employees with an equity compensation system tailored to its own market conditions and needs.

You'll get a close-up look at each of these businesses in the following pages of this annual report. And while their new independence of action will be a critical asset, their continuing relationship will be an unmatched strength.

These four businesses share the world-class AT&T brand, with all the quality and customer acceptance it represents. They share a common vision of the broadband future, with shared access to the technology to deliver on that vision.

Taken together or separately, the four businesses of the new AT&T will represent a future that is broadband and boundless. For us, that future offers new opportunities to expand the value of your investment in AT&T.

C. Michael Armstrong
Chairman and Chief Executive Officer

March 19, 2001

With four leading communications businesses

Each of the four is a leader in a different segment of the communications industry and each will have the freedom to meet the unique needs of its individual market. But, as a family of AT&T businesses, all four will share the power of the AT&T brand, networks and technology.

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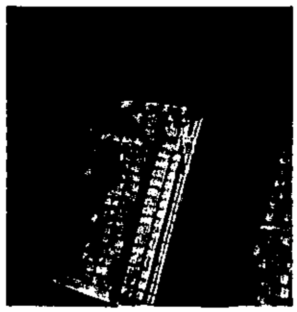
AT&T Business

The biggest of our four businesses, AT&T Business meets the global communications needs of 5 million corporate customers. Its lineup of services ranges from data networking at speeds of up to 10 gigabits per second — the fastest commercially available — to providing companies with global telephony and advanced services. A $28.5 billion business last year, it's focused on satisfying the world's appetite for faster, smarter network services.



AT&T Business means business. The largest of AT&T's four businesses with $28.5 billion in revenue last year, AT&T Business is the high-speed, high-tech reality behind the grand concepts of e-commerce and a global economy supported by digital technology.

We're the prime global communications provider for 5 million corporations, from entrepreneurial start-ups to world famous multinationals. AT&T Business meets their needs with the most complete portfolio of services in the industry, from broadband data and Internet Protocol (IP) networking to web hosting, virtual private networks, e-commerce support, local telephony and business long distance service, in the U.S. and around the world.

These services are bundled according to the needs of our corporate customers. Our networks move an incredible 675 trillion bytes of data on a typical business day. The AT&T Solutions unit of AT&T Business advises customers on their business communications needs. To date, it has won contracts worth $14 billion in potential revenue.

Typical of the industry, revenue from our advanced services is growing dramatically while revenue from business long distance service is declining, even as volumes increase. The big challenge for the future is to grow new services and international revenue fast enough to offset declining prices in long distance voice and to keep improving end-to-end customer service.

We created nearly 1 million square feet of Internet data centers and provide web hosting for more than 10,000 companies. In the United States, our new coast-to-coast 10-gigabit OC-192 fiber network uses the fastest data transmission technology in commercial use today, and we're laying the groundwork for a network that's four times faster.

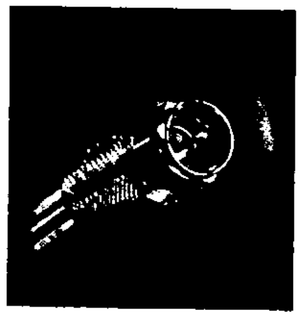
Concert, our joint venture with BT, serves more than 270 multinational business customers with seamless, global communications services. In addition, AT&T has joint ventures in Canada, Mexico and Japan to serve the needs of global business customers.

In August, AT&T Latin America completed its merger with FirstCom, creating a facilities-based networking company providing high-speed services to customers in Argentina, Brazil, Chile, Colombia and Peru. And in December, AT&T formed the first joint venture ever in China's fast-growing telecom service industry, to bring broadband, value-added IP services to business customers in Shanghai.

We're well positioned to feed corporations' boundless appetite for speed and sophistication in networking services, anywhere they're needed.

AT&T Broadband

AT&T Broadband is a world leader in delivering high-growth services that weren't part of AT&T's experience just two years ago, from basic cable and digital TV, to high-speed Internet access and cable telephony, with video-on-demand and other advanced services on the way. This business is bringing the broadband future to its customers.



Becoming the leading cable TV provider in the United States might be an end in itself for some companies, but not for AT&T Broadband.

We passed that milestone in 2000 when we completed our acquisition of MediaOne. Today we serve 16 million basic cable customers on a network that passes 28 million homes. But we didn't invest in broadband technology just to deliver one-way entertainment.

We're rapidly upgrading our networks to offer more customers interactive digital broadband services that combine the power of TV, telephone service and the Internet. These products are the high-growth segments of the broadband market, and we're providing them faster than anyone else.

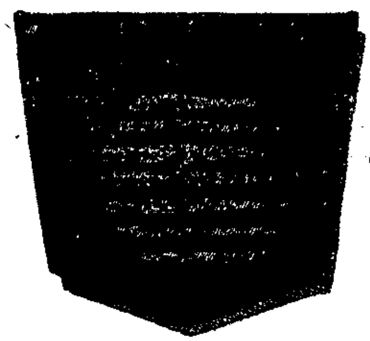
In cable telephone service, our facilities-based alternative to the local phone monopolies offers packages of better value at lower prices. Customer acceptance has been undeniable. Over the course of the year we went from 73,000 cable telephony customers to 547,000.

We also became the industry leader in digital video. By year-end we were serving more than 2.8 million customers. We provided more than 1 million customers with high-speed data services at the end of 2000. And we acquired a controlling interest in Excite@Home, the world's leading provider of online broadband services with 2.96 million customers at the end of last year.

So AT&T Broadband is moving into 2001 with strong momentum, focused on the future. We're all about today and tomorrow.

att.com/pocketnet

Lost? Hungry? Terrified your pork-belly futures are tanking? With enabled sites like MapQuest, Zagat Survey and Charles Schwab, you'll find AT&T's wireless web service can put the most useful tools on the Internet in the palm of your hand. Or in your purse, briefcase or pocket.



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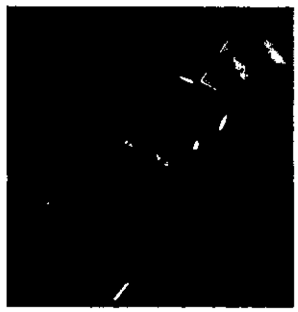
AT&T Wireless

AT&T Wireless served a total of more than 15 million people last year as its customer base increased by 58 percent. Now this business, in a strategic alliance with NTT DoCoMo, is well-positioned for leadership in the new and growing market for wireless multi-media services. No wonder AT&T Wireless grew revenue by 37 percent last year. It is a prime mover in the fast-moving wireless world.



Being wireless means never having to find a phone. It's always there, in your pocket or the palm of your hand, anywhere, anytime you need it. Affordable and dependable wireless service has permanently changed the lifestyles of people around the world.

And AT&T Wireless is a leader in bringing growth and excitement to this surging industry.

We've got people talking. Including acquisitions, we expanded our customer base by 58 percent last year, to more than 15 million customers on our nationwide digital network. We extended our service footprint through building new facilities and strategic acquisitions. Together, including partnerships and affiliates, as well as roaming agreements, we cover 95 percent of the U.S. population.

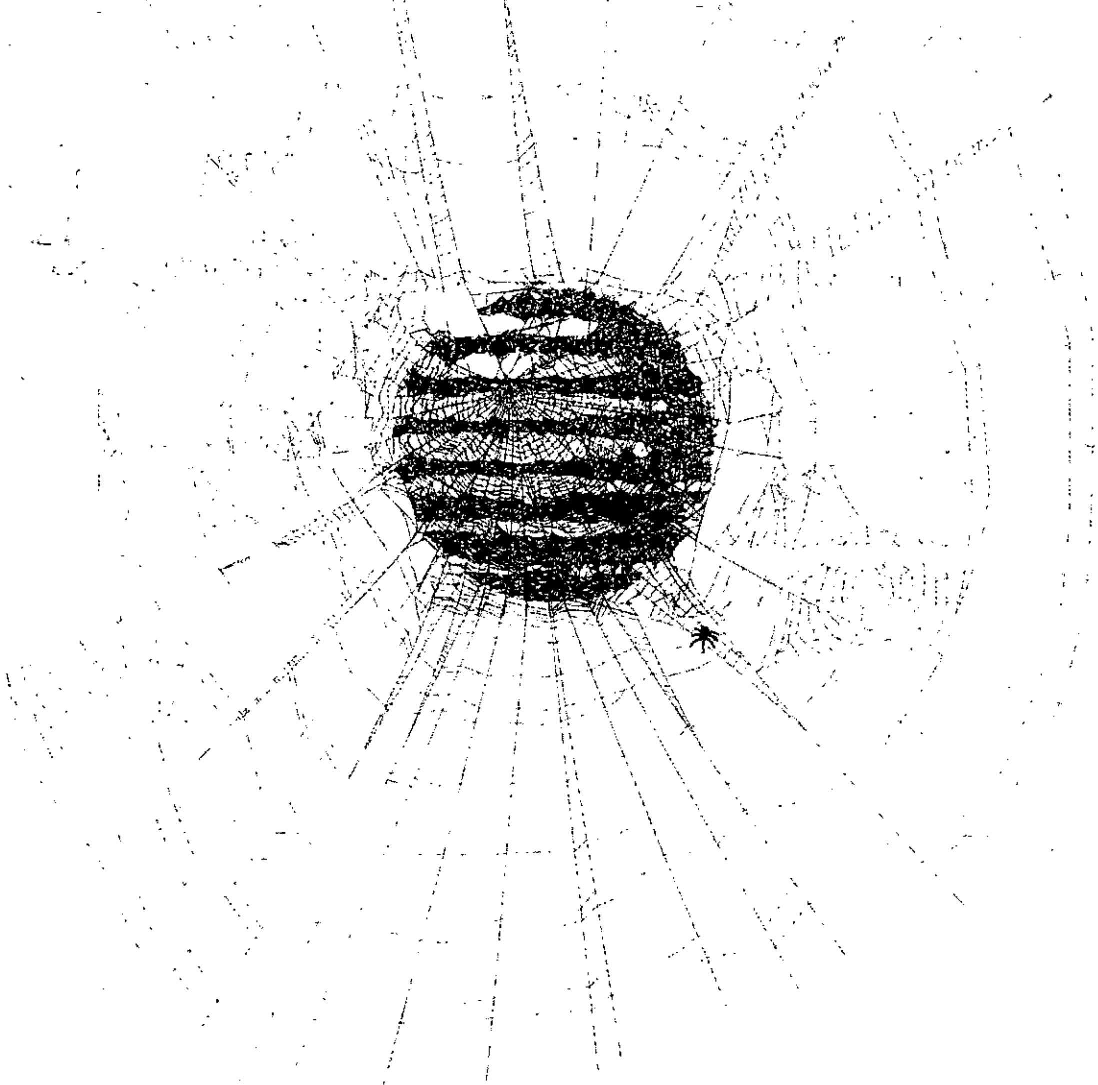
Now we're gearing up to be a leader in the wireless industry's giant step into the future with "3G," the next generation of advanced wireless services. 3G will mean you can enjoy video-e-mail, high-quality music downloads and high-speed interactive services over a wireless phone instead of a wired computer.

We formed an alliance with NTT DoCoMo of Japan, a leader in advanced wireless services. We're working with them to develop the next generation of mobile multi-media services on a global-standard, high-speed wireless network. NTT DoCoMo also invested $9.8 billion to acquire shares of AT&T preferred tracking stock, equivalent to 406 million shares of AT&T Wireless tracking stock (an approximate 16 percent economic interest).

The public sale of a portion of AT&T Wireless Group (AWE) tracking stock last April was the biggest in U.S. history, attracting $10.6 billion in investment for 15.6 percent of the stock. These investors share our excitement about the future of AT&T Wireless. It's more than just talk.

att.com/worldnet

Secure, reliable connections. Faster log-on times. When you're looking to get the most out of the Internet, no one knows the way around the World Wide Web like AT&T WorldNet Service.



AT&T | BOUNDLESS

AT&T Consumer

With 60 million customers, AT&T Consumer is by far the largest and most profitable major carrier in the market, and an award-winning leader in customer satisfaction. As we compete for long distance voice business with innovative customer offers, we're also working to create new value by expanding our consumer Internet service, introducing new packages of integrated services and making full use of our expertise in consumer marketing, customer care and billing.

As the leader of the vigorously competitive consumer long distance market, AT&T Consumer felt that market's rough ride in 2000.

But even with revenue dropping in 2000, AT&T Consumer was a large and profitable business with 60 million customers. AT&T Consumer had revenue of $19 billion with an EBIT (Earnings Before Interest and Taxes) margin of 37.4 percent, the best in the industry.

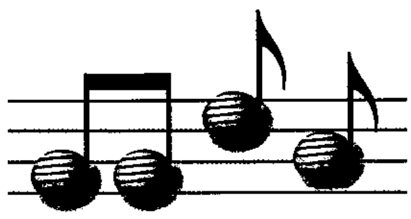
AT&T Consumer's cash flow and earnings have contributed to the growth of AT&T's newer businesses. Now AT&T Consumer is becoming a new business itself. We're not abandoning consumer long distance — not when AT&T handles 300 million voice calls a day and not when the J.D. Power and Associates 2000 Residential Long Distance Customer Satisfaction Study℠ says our long distance service ranked number one among high-volume users. But we are combining long distance with newer data services that respond to changing customer life-styles and create new growth potential.

Earlier this year we launched the popular AT&T 7/7 offer that combines interstate long distance with AT&T WorldNet® Internet access service, which also ranked number one in the J.D. Power and Associates 2000 National Internet Service Provider Customer Satisfaction Study.℠ AT&T Consumer is investing now to expand our consumer Internet service, introduce voice, data, local and long distance integrated service packages, and fully utilize our expertise in such areas as customer care, billing and marketing. We will offer local phone service in markets where the wholesale cost of leasing capacity on the local monopoly networks is not prohibitively overpriced.

With experience and a customer base that no competitor can match, a rigorous cost-reduction program that has already saved billions, and a market focus on high-value, high-margin services, AT&T Consumer is poised to maintain its leadership in this marketplace.

AT&T: a quartet of businesses

The AT&T quartet is a combination of top performers, each one a leader in its own market. From business to broadband to wireless to consumer services. As solo performers, they have the potential to move faster and go farther as they meet the different needs of their customers. But their unique strength is in their harmony.



A Single Brand: Each of the four AT&T businesses will share the AT&T brand. In 2000 that brand was once again rated number one in brand image, a composite of brand awareness and confidence, by the International Data Corporation (IDC) assessment of U.S. consumer telecom brands. The Interbrand annual survey of the world's most valuable brands ranked AT&T 10th among the top 75 companies, the only communications services company in the top half of that prestigious listing. Our brand is an unwritten but powerful contract with customers that they can trust us to meet their high expectations. And should we ever stumble, they can trust us to own up to our mistakes and fix them. It's a great brand, and each of the four businesses is ready to enhance it.

The Network: Every 45 minutes the AT&T Worldwide Intelligent Network transmits information equivalent to the content of all the books in the Library of Congress. This is the network that our other specialized networks depend on, and it will be a shared resource of the four new AT&T businesses. It is the world's largest, most sophisticated communications network, handling more combined data, voice and Internet traffic than any other carrier, while connecting the United States with virtually every country in the world. All of this traffic is managed centrally from the state-of-the-art Global Network Operations Center we opened in New Jersey last year. On a typical business day the network carries 675 trillion bytes of data and 300 million voice calls. We offer local business services in 71 major markets using 5,100 metropolitan SONET rings. The super-fast lane of this digital highway is our coast-to-coast OC-192 digital service launched last year. This OC-192 — 10-gigabit per-second — technology is the fastest commercially available in the world today, capable of transmitting 25 feature-length movies across the continent in two minutes. Not only are we adding more capacity, but hang on, the network is now gearing up for 40-gigabit service which will be four times faster than OC-192.

Performing in harmony

That harmony comes from powerful shared resources: a globally respected brand, a worldwide network, a conscientious and caring workforce, and an unmatched customer base, all backed up by an R&D organization that is synonymous with leadership in networking technology. We're working to create a newer, faster AT&T, but you will also find us reassuringly familiar.

AT&T Labs: Take 2,500 of the industry's best scientists and engineers. Charge them with developing new broadband, wireless and Internet Protocol (IP) services. And you've got AT&T Labs. You've also got lots of action, with research and development that generates an average of two patents every business day. This is the team that invented a way for cable operators to offer their customers a choice of Internet Service Providers, developed new speech technology to improve customer service, and made it possible to put new business customers on the network in hours instead of days. This is the organization that is a leader in fundamental research, tools and technology for secure, high-quality, large-scale global networks.

Our People: AT&T's 165,000 people keep us going and growing. Over the past 120 years it's been the commitment of our people that built our brand, preserved our quality and kept customers coming back. And AT&T people are caring as well as competent. Caring enough that last year AT&T employees and retirees recorded 1.2 million hours of volunteer service in communities across America. You'll find them wiring schools for the Internet in California or cleaning beaches in New Jersey. Giving something extra of yourself is an old tradition of AT&T people. It's still going strong.

A Customer Base: Our customer base ranges from small families to big businesses and government agencies. More than 60 million families depend on us for their long distance service. So do 5 million businesses. Like AT&T itself, our customer base is shifting and growing. We had a 58 percent increase in wireless customers last year, bringing us to more than 15 million subscribers. We lead the new and growing digital video market with more than 2.8 million customers. And by the end of last year we were adding customers for high-speed Internet access at the rate of 3,800 per day, and 3,000 customers each day for cable telephony.

AT&T Senior Leadership Team

Robert M. Aquilina
Co-President
AT&T Consumer

C. Michael Armstrong
Chairman of the Board and
Chief Executive Officer

James W. Cicconi
General Counsel and
Executive Vice President
Law and Government Affairs

David W. Dorman
President

Mirian Graddick-Weir
Executive Vice President
Human Resources

Frank Ianna
President
AT&T Network Services

Richard J. Martin
Executive Vice President
Public Relations & Employee
Communications

Howard E. McNally
Co-President
AT&T Consumer

David C. Nagel
Chief Technology Officer and
President
AT&T Labs

Charles H. Noski
Senior Executive Vice President
and Chief Financial Officer

John C. Petrillo
Executive Vice President
Corporate Strategy & Business
Development

Daniel E. Somers
President
AT&T Broadband

AT&T Wireless Group

Mohan Gyani
President
AT&T Wireless Services

Michael Keith
President
AT&T Fixed Wireless Services

John D. Zeglis
Chairman and Chief Executive
Officer

Other Corporate Officers

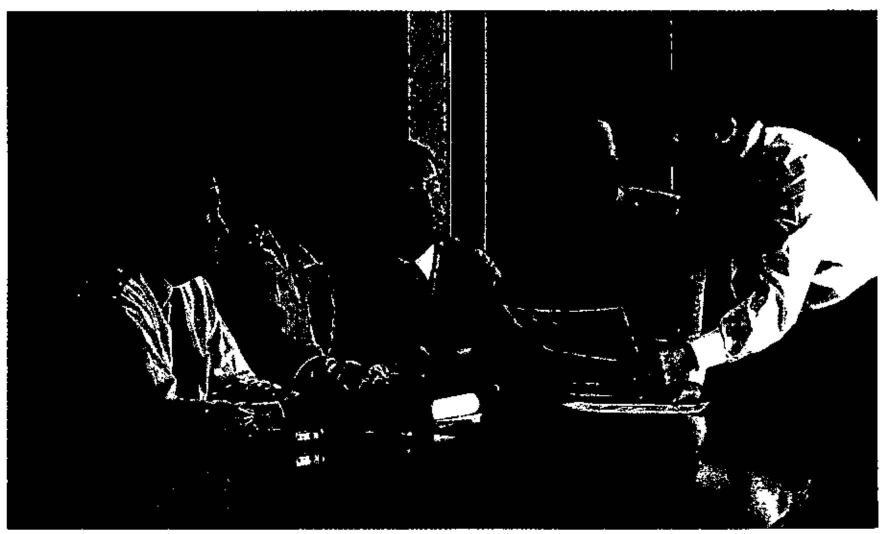
Nicholas S. Cyprus
Vice President and Controller

Edward M. Dwyer
Vice President and Treasurer

Marilyn J. Wasser
Vice President
Law and Secretary

Constance K. Weaver
Vice President
Investor Relations

Pictured left to right:
John Zeglis, Dan Somers,
David Dorman, Mike
Armstrong and Chuck Noski.



Board of Directors

Corporate Headquarters
32 Avenue of the Americas
New York, NY 10013-2412

C. Michael Armstrong[redacted]
Chairman of the Board and Chief Executive Officer of AT&T since 1997.

Kenneth T. Derr[redacted]
Chairman of the Board, Retired, Chevron Corporation, an international oil company. Director since 1995. 1,2

M. Kathryn Eickhoff,[redacted]
President, Eickhoff Economics, Inc., economic consultants. Elected to Board in 1987. 1,4

Walter Y. Elisha,[redacted]
Retired Chairman and Chief Executive Officer, Springs Industries Inc., a textile manufacturer. Director since 1987. 3,4

George M.C. Fisher,[redacted]
Retired Chairman and CEO, Eastman Kodak Company, an imaging company. Elected to Board in 1997. 2,4,5,6

Donald V. Fites[redacted]
Chairman, Retired, Caterpillar Inc., an equipment manufacturer. Director since 1997. 3,4,5,6

Amos B. Hostetter, Jr.[redacted]
Former Chairman and Chief Executive Officer, Continental Cablevision, Inc., a cable communications company. Elected to Board in 1999. 2

Ralph S. Larsen[redacted]
Chairman and Chief Executive Officer, Johnson & Johnson, a pharmaceutical, medical and consumer-products company. Director since 1995. 1,4

John C. Malone,[redacted]
Chairman, Liberty Media Corporation, a cable programming company. Elected to Board in 1999. 4,5,6

Donald F. McHenry[redacted]
President, IRC Group, international relations consultants; former U.S. Ambassador to the United Nations. Director since 1986. 1,2,3

Louis A. Simpson,[redacted]
President and CEO, Capital Operations, GEICO Corporation, an insurance company. Director since 2000. 1,2

Michael I. Sovern,[redacted]
President Emeritus and Chancellor Kent Professor of Law, Columbia University. Elected to Board in 1984. 1,2,5

Sanford I. Weill,[redacted]
Chairman and Chief Executive Officer, Citigroup, a financial services company. Director since 1998. 4,6

John D. Zeglis[redacted]
Chairman and Chief Executive Officer, AT&T Wireless Group. Director of AT&T since 1997.

1. Audit Committee
2. Compensation and Employee Benefits Committee
3. Governance and Nominating Committee
4. Finance Committee
5. Liberty Capital Stock Committee
6. Wireless Capital Stock Committee

Ages are as of January 1, 2001.

Corporate Information

AT&T on the World Wide Web
The AT&T home page – www.att.com – and the AT&T Wireless home page – www.attwireless.com – are your entry points for a vast array of information, including company news and details on products and services. You're also encouraged to visit the AT&T Investor Relations Web site (www.att.com/ir/) or for AT&T Wireless (www.att.com/wirelessir/) for up-to-the-minute information for shareowners and the financial community.

Stock Information
AT&T (ticker symbol "T") is listed on the New York Stock Exchange, as well as the Boston, Chicago, Cincinnati, Pacific and Philadelphia exchanges in the United States, and on stock exchanges in Brussels, London, Paris and Geneva. As of December 31, 2000, AT&T had 3.8 billion shares outstanding, held by more than 4.8 million shareowners. AT&T Wireless Group common stock (ticker symbol "AWE"), tracking stock of AT&T, is listed on the New York Stock Exchange. As of December 31, 2000, AT&T Wireless had 361.8 million shares outstanding held by 3,681 registered shareowners. Liberty Media Group Class A and Class B common stock (ticker symbols "LMG.A" and "LMG.B"), tracking stock of AT&T, are listed on the New York Stock Exchange. As of December 31, 2000, Liberty Media Class A had 2.4 billion shares outstanding, held by 6,842 shareowners; Liberty Media Class B had 206.2 million shares outstanding, held by 375 shareowners.

Electronic Access to Proxy Materials
In an effort to reduce the printing, enclosing, and mailing costs associated with the distribution of the AT&T Annual Report and Proxy Statement, AT&T registered shareholders can now elect to electronically access, view, and download the AT&T Annual Report and Proxy Statement as well as other materials via the AT&T Investor Relations Website at ww.att.com/ir or by calling 1-800-348-8288. With this option, shareholders will continue to receive the Notice of Meeting, proxy card, and a prepaid return envelope via U.S. mail. Beneficial owners can request electronic access by contacting their bank or broker.

Annual Meeting
The 116th Annual Meeting of Shareowners will convene at 9:30 a.m. at the Cincinnati Convention Center, Cincinnati, Ohio, on May 23, 2001.

Supplier Diversity Initiative
As part of AT&T's Supplier Diversity Initiative, approximately $1.7 billion of AT&T's total purchases in 2000 were made from minority-, women- and service-disabled-veteran-owned business enterprises. More information is available online at www.att.com/supplier_diversity/.

AT&T Giving
For more than 100 years, AT&T has built a tradition of investing in local communities through our ongoing support for education, civic and community service, the environment, public policy and the arts. In 2000, the AT&T Foundation donated $44 million to nonprofit organizations in local communities throughout the United States and around the world. Also in 2000, AT&T employees volunteered nearly one million hours of community service through the AT&T CARES program. And, the AT&T Learning Network, an online program, helped teachers, community members and families improve teaching and learning through the effective use of technology. For more information on the AT&T Foundation, AT&T CARES and the AT&T Learning Network, visit our Web site at www.att.com/giving/.

Telephone Pioneers of America
Since 1911, AT&T has been a sponsor of The Telephone Pioneers of America, the world's largest, industry-based volunteer organization. AT&T employees and retirees comprise 60,000 of its members. For more information, visit www.telephone-pioneers.org/.

Environment, Health & Safety
AT&T is dedicated to creating a safe and healthy workplace for AT&T employees and strives to maintain our reputation as one of the top corporate environmental champions. More information about AT&T's environment, health and safety initiatives may be found online at www.att.com/ehs/.

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* See web site for more details.

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Mailing address: AT&T Shareowner Services
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P.O. Box 8035
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AT&T

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A Company in Transition

AT&T's results in 2000 reflect the volatility and increased competition of the communications industry, and yet they also reveal the still untapped value of AT&T. It was a year of continued transition. We've repositioned AT&T for growth through our continued investments in and scaling of our wireless business, IP networks and broadband connections. But more than anything else, 2000 will be known for our planned restructuring — and will cause 2001 to be a year of great change for AT&T. Through it all, our primary focus will be on the financial and operating performance of our four major businesses as we commit to strengthening our financial position and delivering value to our shareowners.

Chuck Noski
Senior Executive
Vice President and Chief
Financial Officer

A new look:
We're presenting this annual report in two sections: the familiar company overview and a financial section printed on thinner paper to make it less bulky. We hope you find this new cost-efficient format more convenient ar easier to read. You can also check out the entire report on the Internet by visiting www.att.com/ir.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW

AT&T Corp. (AT&T or the company) is among the world's communications leaders, providing voice, data, video and broadband telecommunications services to large and small businesses, consumers and government agencies. We provide domestic and international long distance; regional, local and wireless communications services; cable television and Internet communication services. AT&T also provides billing, directory and calling-card services to support our communications businesses.

MERGER WITH MEDIAONE GROUP, INC.

We completed the merger with MediaOne Group, Inc. (MediaOne) on June 15, 2000, in a cash and stock transaction valued at approximately $45 billion. We issued approximately 603 million shares, of which 60 million were treasury shares, and made cash payments of approximately $24 billion.

The merger was recorded under the purchase method of accounting, and accordingly, the results of MediaOne have been included with the financial results of AT&T, within our Broadband segment, since the date of acquisition. Periods prior to the merger were not restated to include the results of MediaOne.

TRACKING STOCKS

On April 27, 2000, AT&T issued a new class of stock to track the performance of AT&T Wireless Group. AT&T sold 360 million shares of AT&T Wireless Group tracking shares at a price of $29.50 per share. The 360 million shares track approximately 16% of the financial performance of AT&T Wireless Group.

In addition, in connection with the 1999 acquisition of Tele-Communications, Inc. (TCI), renamed AT&T Broadband (Broadband), AT&T issued a separate tracking stock to reflect the financial performance of Liberty Media Group (LMG), TCI's former programming and technology investment businesses. The outstanding Liberty Media Group tracking stock tracks 100% of the financial performance of LMG.

The remaining results of operations of AT&T, including approximately 84% of the financial performance of AT&T Wireless Group, are referred to as the AT&T Common Stock Group and are represented by AT&T common stock.

A tracking stock is designed to provide financial returns to its holders based on the financial performance and economic value of the assets it tracks. Ownership of shares of AT&T common stock, AT&T Wireless Group tracking stock or Liberty Media Class A or B tracking stock does not represent a direct legal interest in the assets and liabilities of any of the groups, but an ownership of AT&T in total. The specific shares represent an interest in the economic performance of the net assets of each of the groups.

The earnings attributable to AT&T Wireless Group represent approximately 16% of the earnings from April 27, 2000, through December 31, 2000, and are excluded from the earnings available to AT&T Common Stock Group. Similarly, the earnings and losses related to LMG are excluded from the earnings available to AT&T Common Stock Group.

We do not have a controlling financial interest in LMG for financial accounting purposes; therefore, our ownership in LMG is reflected as an investment accounted for under the equity method in AT&T's consolidated financial statements. The amounts attributable to LMG are reflected in the accompanying consolidated financial statements as "Equity earnings (losses) from Liberty Media Group" and "Investment in Liberty Media Group and related receivables, net".

RESTRUCTURING OF AT&T

On October 25, 2000, we announced a restructuring plan designed to fully separate or issue separately tracked stocks intended to reflect the financial performance and economic value of each of the company's four major operating units. Upon completion of the plan, AT&T Wireless, AT&T Broadband, AT&T Business and AT&T Consumer will all be represented by asset-based or tracking stocks.

As part of the first phase of the restructuring plan, we are planning an exchange offer that will give AT&T shareowners the opportunity to exchange any portion of their AT&T common shares for shares of AT&T Wireless Group tracking stock, subject to pro-ration. Following the exchange offer and subject to specified conditions, AT&T plans to split-off AT&T Wireless Group from AT&T. We intend, however, to retain up to $3 billion of shares of AT&T Wireless for future sale, exchange or monetization within six months following the split-off. We expect AT&T Wireless will become an independent, publicly-held company in mid-2001, upon receipt of appropriate tax and other approvals.

In addition to the split-off of AT&T Wireless, we intend to fully separate or issue separate tracking stocks to reflect the financial performance and economic value of each of our other major business units. We plan to create and issue new classes of stock to track the financial performance and economic value of our AT&T Broadband unit and AT&T Consumer unit. We plan to sell some percentage of shares of the AT&T Broadband unit in the fall of 2001. Within 12 months of such sale, we intend to completely separate AT&T Broadband from AT&T, as an asset-based stock. The AT&T Consumer tracking stock is expected to be fully distributed to AT&T shareowners in the second half of 2001.

AT&T expects that these transactions will be tax-free to U.S. shareholders. AT&T's restructuring plan is complicated and involves a substantial number of steps and transactions, including obtaining various conditions, such as Internal Revenue Service (IRS) rulings. In addition, future financial conditions, superior alternatives or other factors may arise or occur that make it inadvisable to proceed with part or all of AT&T's restructuring plan. Any or all of the elements of AT&T's restructuring plan may not occur as we currently expect or in the timeframes that we currently contemplate, or at all. Alternative forms of restructuring, including sales of interests in these businesses, would reduce what is available for distribution to shareowners in the restructuring.

On November 15, 2000, we announced that our board of directors voted to split-off LMG. A new asset-based security will be issued to holders of LMG tracking stock in exchange for their LMG tracking shares. The split-off remains subject to receipt of a favorable tax ruling from the IRS. We expect this split-off to be completed in mid-2001.

FORWARD-LOOKING STATEMENTS

This document may contain forward-looking statements with respect to AT&T's restructuring plan, financial condition, results of operations, cash flows, dividends, financing plans, business strategies, operating efficiencies or synergies, budgets, capital and other expenditures, network build out and upgrade, competitive positions, availability of capital, growth opportunities for existing products, benefits from new technologies, availability and deployment of new technologies, plans and objectives of management, and other matters.

These forward-looking statements, including, without limitation, those relating to the future business prospects, revenue, working capital, liquidity, capital needs, network build out, interest costs and income, are necessarily estimates reflecting the best judgment of senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements should, therefore, be considered in light of various important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements including, without limitation:

- the risks associated with the implementation of AT&T's restructuring plan, which is complicated and involves a substantial number of different transactions each with separate conditions, any or all of which may not occur as we currently intend, or which may not occur in the timeframe we currently expect,
- the risks associated with each of AT&T's main business units, operating as independent entities as opposed to as part of an integrated telecommunications provider following completion of AT&T's restructuring plan, including the inability of these groups to rely on the financial and operational resources of the combined company and these groups having to provide services that were previously provided by a different part of the combined company,

- the impact of existing and new competitors in the markets in which these groups compete, including competitors that may offer less expensive products and services, desirable or innovative products, technological substitutes, or have extensive resources or better financing.
- the impact of oversupply of capacity resulting from excessive deployment of network capacity,
- the ongoing global and domestic trend towards consolidation in the telecommunications industry, which trend may have the effect of making the competitors of these entities larger and better financed and afford these competitors with extensive resources and greater geographic reach, allowing them to compete more effectively,
- the effects of vigorous competition in the markets in which the company operates, which may decrease prices charged, increase churn and change customer mix, profitability and average revenue per user,
- the ability to enter into agreements to provide, and the cost of entering new markets necessary to provide, nationwide services,
- the ability to establish a significant market presence in new geographic and service markets,
- the availability and cost of capital and the consequences of increased leverage,
- the successful execution of plans to dispose of non-strategic assets as part of an overall corporate deleveraging plan,
- the potential impact of NTT DoCoMo's investment in AT&T, including provisions of the agreements that restrict AT&T Wireless Group's future operations, and provisions that may require AT&T to repurchase DoCoMo's interest in AT&T if AT&T or AT&T Wireless Group fail to meet specified conditions,
- the impact of any unusual items resulting from ongoing evaluations of the business strategies of the company,
- the requirements imposed on the company or latitude allowed to competitors by the Federal Communications Commission (FCC) or state regulatory commissions under the Telecommunications Act of 1996 or other applicable laws and regulations,
- the risks and costs associated with the need to acquire additional wireless spectrum for current and future services,
- the risks associated with technological requirements, technology substitution and changes and other technological developments,
- the results of litigation filed or to be filed against the company,
- the possibility of one or more of the markets in which the company competes being impacted by changes in political, economic or other factors, such as monetary policy, legal and regulatory changes or other external factors over which these groups have no control, and
- the risks related to AT&T's investments in LMG and joint ventures.

The words "estimate," "project," "intend," "expect," "believe," "plan" and similar expressions are intended to identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Moreover, in the future, AT&T, through its senior management, may make forward-looking statements about the matters described in this document or other matters concerning AT&T.

The discussion and analysis that follows provides information management believes is relevant to an assessment and understanding of AT&T's consolidated results of operations for the years ended December 31, 2000, 1999 and 1998, and financial condition as of December 31, 2000 and 1999.

CONSOLIDATED RESULTS OF OPERATIONS

The comparison of 2000 results with 1999 was impacted by events, such as acquisitions and dispositions that occurred during these two years. For example, in 2000 we acquired MediaOne and wireless properties in the San Francisco Bay area, which were both included in our 2000 results for part of the year, but were not in

1999 results. In 1999, we acquired TCI, the IBM Global Network (now AT&T Global Network Services, or AGNS) and Vanguard Cellular Systems, Inc. (Vanguard). These businesses were included in 2000 results for a full year, but only a part of 1999 (since their respective dates of acquisition). Further, we disposed of certain international businesses during 1999 and 2000. The results of businesses sold in 1999 were included in 1999 results for part of the year, and were not in 2000 results. Likewise, businesses sold in 2000 were included in 1999 results for the full year and in 2000 results for part of the year.

Year-over-year comparison was also impacted by the consolidation of At Home Corp. (Excite@Home) beginning September 1, 2000, due to corporate-governance changes which gave AT&T a controlling interest. At that time and on December 31, 2000, we had an approximate 23% economic interest and 74% voting interest in Excite@Home. Prior to September 1, 2000, we accounted for our ownership in Excite@Home under the equity method of accounting, which means our investment was included in "Other investments and related advances" in the 1999 Consolidated Balance Sheet and any earnings or losses were included as a component of "Net losses from other equity investments" in the Consolidated Statements of Income. The consolidation of Excite@Home resulted in the inclusion of 100% of its results in each line item of AT&T's Consolidated Balance Sheet and Consolidated Income Statement. The approximate 77% we do not own is shown in the 2000 Consolidated Balance Sheet within "Minority interest" and as a component of "Minority interest income (expense)" in the 2000 Consolidated Statement of Income.

On January 5, 2000, we launched Concert, our global joint venture with British Telecommunications plc (BT). AT&T contributed all of its international gateway-to-gateway assets and the economic value of approximately 270 multinational customers specifically targeted for direct sales by Concert. As a result, 2000 results do not include the revenue and expenses associated with these customers and businesses, while 1999 does, and 2000 results include our proportionate share of Concert's earnings in "Net losses from other equity investments."

Effective July 1, 2000, the FCC eliminated Primary Interexchange Carrier Charges (PICC or per-line charges) that AT&T pays for residential and single-line business customers. The elimination of these per-line charges resulted in lower access expense as well as lower revenue, since AT&T has historically billed its customers for these charges.

The comparison of 1999 results with 1998 was also impacted by the 1999 acquisitions of TCI, AGNS and Vanguard, since 1999 results include these businesses for part of the year, while 1998 does not include them. This comparison is also impacted by the 1999 dispositions of international businesses, which were included in 1999 results for part of the year, but were in 1998 results for the full year.

For the Years Ended December 31,	2000	1999	1998
	Dollars in millions		
Business Services	$28,488	$27,480	$24,285
Consumer Services	18,976	21,854	22,885
Wireless Services	10,448	7,627	5,406
Broadband	8,217	5,070	—
Other and Corporate	(148)	569	647
Total revenue	$65,981	$62,600	$53,223

Total revenue increased 5.4%, or $3.4 billion, in 2000 compared with the prior year. Approximately $2.1 billion of the increase was due to the impact of acquisitions and the consolidation of Excite@Home, offset by the impact of Concert, dispositions and the elimination of PICC. The remaining $1.3 billion increase was primarily driven by a growing demand for our wireless and data and Internet protocol (IP) products, and outsourcing services, partially offset by continued and accelerating declines in long distance voice revenue. We expect long distance revenue to continue to be negatively impacted by ongoing competition and product substitution.

Total revenue in 1999 increased $9.4 billion, or 17.6%, compared with 1998. Nearly three-quarters of the increase was due to acquisitions, net of dispositions. The remaining increase was fueled by growth in wireless, business data, business long distance voice and outsourcing revenue, partially offset by the continued decline of consumer long distance voice revenue.

Revenue by segment is discussed in greater detail in the segment results section.

For the Years Ended December 31,	2000	1999	1998
	Dollars in millions		
Costs of services and products	$17,587	$14,594	$10,495

Costs of services and products include the costs of operating and maintaining our networks, costs to support our outsourcing contracts, fees paid to other wireless carriers for the use of their networks (off-network roaming), programming and licensing costs for cable services, costs of wireless handsets sold, the provision for uncollectible receivables and other service-related costs.

These costs increased $3.0 billion, or 20.5%, in 2000 compared with 1999. Nearly $2.1 billion of the increase was due to acquisitions and the impact of consolidating Excite@Home, net of the impact of Concert and divestments of international businesses. The higher costs associated with our growing wireless subscriber base and wireless network as well as new outsourcing contracts increased expenses by approximately $1.5 billion. The higher wireless expenses primarily related to higher costs of handsets sold, due to a 53.5% increase in gross subscriber additions in 2000 compared with 1999. Expenses also increased due to higher video-programming costs principally due to rate increases, and higher costs associated with new broadband services of approximately $0.3 billion. These increases were partially offset by approximately $0.9 billion of costs savings from continued cost control initiatives and a higher pension credit in 2000, primarily driven by a higher pension trust asset base, resulting from increased investment returns.

Costs of services and products rose $4.1 billion, or 39.1%, in 1999 compared with 1998, primarily due to acquisitions, net of dispositions, which accounted for approximately $3.7 billion of the increase. The higher costs associated with our growing wireless subscriber base as well as new outsourcing contracts increased expenses by approximately $1.5 billion. Partially offsetting the 1999 increases were network cost-control initiatives of approximately $0.4 billion, and approximately $0.3 billion of lower expenses in Business Services related to per-call compensation expense, provision for uncollectible receivables and gross receipts and property taxes.

For the Years Ended December 31,	2000	1999	1998
	Dollars in millions		
Access and other connection	$13,518	$14,686	$15,328

Access and other connection expenses decreased 8.0%, to $13.5 billion in 2000, compared with $14.7 billion in 1999. Included within access and other connection expenses are costs that we pay to connect domestic calls on the facilities of other service providers. Mandated reductions in per-minute access costs and decreased per-line charges resulted in lower costs of approximately $1.5 billion. Also contributing to the decrease was more efficient network usage. These decreases were partially offset by approximately $0.7 billion of higher costs due to volume increases, and $0.5 billion as a result of higher Universal Service Fund contributions. Since most of these charges are passed through to the customer, the per-minute access-rate and per-line charge reductions and the increased Universal Service Fund contributions have generally resulted in a corresponding impact on revenue.

Costs paid to telephone companies outside of the United States to connect calls made to countries outside of the United States (international settlements) are also included within access and other connection expenses. These costs decreased approximately $0.5 billion in 2000, as result of the commencement of operations of Concert. Concert now incurs most of our international settlements as well as earns most of our foreign-billed revenue, previously incurred and earned directly by AT&T. In 2000, Concert billed us a net expense composed of international settlement (interconnection) expense and foreign-billed revenue. The amount charged by Concert in 2000 was lower than interconnection expense incurred in 1999, since AT&T recorded these transactions as revenue and expense, as applicable. Partially offsetting the decline were costs incurred related to Concert products that AT&T now sells to its customers.

Access and other connection expenses declined $0.6 billion, or 4.2%, in 1999 compared with the prior year. This decline resulted from $0.9 billion of mandated reductions in per-minute access rates in 1999 and 1998, and $0.6 billion of lower international settlement rates resulting from our negotiations with international carriers. Additionally, we continue to manage these costs through more efficient network usage. These reductions were partially offset by $0.8 billion of higher costs due to volume growth, and $0.3 billion as a result of increased per-line charges and Universal Service Fund contributions.

For the Years Ended December 31,	2000	1999	1998
	Dollars in millions		
Selling, general and administrative	$13,303	$13,516	$12,770

Selling, general and administrative (SG&A) expenses decreased $0.2 billion, or 1.6%, in 2000 compared with 1999. Approximately $2.0 billion of the decrease was due to savings from continued cost-control initiatives and a higher pension credit in 2000, primarily driven by a higher pension trust asset base, resulting from increased investment returns. Largely offsetting this decrease was more than $1.4 billion of higher expenses associated with our growing wireless and broadband businesses, and nearly $0.7 billion of expenses associated with acquisitions and the consolidation of Excite@Home, net of the impact of Concert and dispositions.

SG&A expenses increased $0.7 billion, or 5.8%, in 1999 compared with 1998. This increase was primarily due to acquisitions, net of dispositions, which resulted in an increase in SG&A expenses of approximately $1.4 billion. Also contributing to the increase was approximately $0.4 billion of higher costs to support our growing wireless subscriber base. Partially offsetting these increases were our continued efforts to control costs on a companywide basis, which resulted in lower SG&A expenses of approximately $0.9 billion, including lower spending for consumer long distance acquisition-programs.

For the Years Ended December 31,	2000	1999	1998
	Dollars in millions		
Depreciation and other amortization	$7,274	$6,138	$4,378

Depreciation and other amortization expenses rose $1.1 billion, or 18.5%, in 2000 compared with 1999 and increased $1.8 billion, or 40.2%, in 1999 compared with 1998. Approximately one-half of the increase in both years was due to acquisitions and the consolidation of Excite@Home, net of dispositions and the impact of Concert, as applicable. The remaining increase was primarily due to a higher asset base resulting from continued infrastructure investment. Total capital expenditures for 2000, 1999 and 1998 were $14.6 billion, $13.5 billion and $8.0 billion, respectively. We continue to focus the vast majority of our capital spending on our growth businesses of broadband, wireless, data and IP and local.

For the Years Ended December 31,	2000	1999	1998
	Dollars in millions		
Amortization of goodwill, franchise costs and other purchased intangibles	$2,993	$1,301	$251

Amortization of goodwill, franchise costs and other purchased intangibles increased $1.7 billion, or 130.1%, in 2000 compared with the prior year. This increase was largely attributable to the consolidation of Excite@Home, as well as acquisitions, primarily MediaOne and TCI. Franchise costs represent the value attributable to agreements with local authorities that allow access to homes in Broadband's service areas. Other purchased intangibles arising from business combinations primarily included customer relationships and licenses.

Amortization of goodwill, franchise costs and other purchased intangibles increased $1.1 billion in 1999 compared with 1998 due primarily to the acquisition of TCI and, to a lesser extent, AGNS.

As a result of our evaluation of recent changes in our industry and the views of regulatory authorities, AT&T expects that the amortization period for all licensing costs, franchise costs, and goodwill associated with newly acquired wireless, telecommunications, and cable operations will not exceed 25 years.

For the Years Ended December 31,	2000	1999	1998
	Dollars in millions		
Net restructuring and other charges	$7,029	$1,506	$2,514

During 2000, we recorded $7.0 billion of net restructuring and other charges, which had an approximate $0.90 earnings per diluted share impact to the AT&T Common Stock Group. The 2000 charge included $6.2 billion of asset impairment charges related to Excite@Home, $759 million for restructuring and exit costs associated with AT&T's initiative to reduce costs, and $91 million related to the government-mandated disposition of AT&T Communications (U.K.) Ltd., which would have competed directly with Concert.

The asset impairment charges related to Excite@Home resulted from the deterioration of the market conditions and market valuations of Internet-related companies during the fourth quarter of 2000, which caused Excite@Home to conclude that intangible assets related to their acquisitions of Internet-related companies may not be recoverable. Accordingly, Excite@Home conducted a detailed assessment of the recoverability of the carrying amounts of acquired intangible assets. This assessment resulted in a determination that certain acquired intangible assets, including goodwill, related to these acquisitions, including Excite, were impaired as of December 31, 2000. As a result, Excite@Home recorded impairment charges of $4.6 billion in December 2000, representing the excess of the carrying amount of the impaired assets over their fair value.

The impairment was allocated to each asset group based on a comparison of carrying values and fair values. The impairment write-down within each asset group was allocated first to goodwill, and if goodwill was reduced to zero, to identifiable intangible assets in proportion to carrying values.

Since we own approximately 23% of Excite@Home, 77% of the charge recorded by Excite@Home was not included as a reduction to AT&T's net income, but rather was eliminated in our 2000 Consolidated Statement of Income as "Minority interest income (expense)."

Also as a result of the foregoing, AT&T recorded a goodwill and acquisition-related impairment charge of $1.6 billion associated with the acquisition of our investment in Excite@Home. The write-down of our investment to fair value was determined utilizing discounted expected future cash flows.

The $759 million charge for restructuring and exit plans was primarily due to headcount reductions, mainly in network operations and Business Services, including the consolidation of customer-care and call centers, as well as synergies created by the MediaOne merger.

Included in exit costs was $503 million of cash termination benefits associated with the separation of approximately 7,300 employees as part of voluntary and involuntary termination plans. Approximately one-half of the separations were management employees and one-half were nonmanagement employees. Approximately 6,700 employee separations were related to involuntary terminations and approximately 600 to voluntary terminations.

We also recorded $62 million of network lease and other contract termination costs associated with penalties incurred as part of notifying vendors of the termination of these contracts during the year, and net losses of $32 million related to the disposition of facilities primarily due to synergies created by the MediaOne merger.

Also included in restructuring and exit costs in 2000 was $144 million of benefit plan curtailment costs associated with employee separations as part of these exit plans. Further, we recorded an asset impairment charge of $18 million related to the write-down of unrecoverable assets in certain businesses where the carrying value was no longer supported by estimated future cash flows.

The 2000 restructuring initiatives are projected to yield cash savings of approximately $690 million per year, as well as EBIT (earnings before interest and taxes, including pretax minority interest and net pretax losses from other equity investments) savings of approximately $700 million per year. We expect increased spending in growth businesses will largely offset these cash and EBIT savings. The EBIT savings, primarily attributable to reduced personnel-related expenses, will be realized in SG&A expenses and costs of services and products.

During 1999, we recorded $1.5 billion of net restructuring and other charges, which had an approximate $0.37 earnings per diluted share impact to the AT&T Common Stock Group.

A $594 million in-process research and development charge was recorded reflecting the estimated fair value of research and development projects at TCI, as of the date of the acquisition, which had not yet reached technological feasibility or had no alternative future use. The projects identified related to efforts to offer voice over IP, product-integration efforts for advanced set-top devices, cost-savings efforts for broadband-telephony implementation, and in-process research and development related to Excite@Home. We estimated the fair value of in-process research and development for each project using an income approach, which was adjusted to allocate fair value based on the project's percentage of completion. Under this approach, the present value of the anticipated future benefits of the projects was determined using a discount rate of 17%. For each project, the resulting net present value was multiplied by a percentage of completion based on effort expended to date versus projected costs to complete.

The charge associated with voice-over-IP technology, which allows voice telephony traffic to be digitized and transmitted in IP data packets, was $225 million as of the date of acquisition. Current voice-over-IP equipment does not yet support many of the features required to connect customer premises equipment to traditional phone networks. Further technical development is also needed to ensure voice quality that is comparable to conventional circuit-switched telephony and to reduce the power consumption of the IP-telephony equipment. We started testing IP-telephony equipment in the field in late-2000 and will continue tests throughout 2001.

The charge associated with product-integration efforts for advanced set-top devices, which will enable us to offer next-generation digital services, was $114 million as of the acquisition date. The associated technology consists of the development and integration work needed to provide a suite of software tools to run on the digital set-top box hardware platform. It is anticipated that field trials will begin in late-2001 for next-generation digital services.

The charge associated with cost-savings efforts for broadband-telephony implementation was $101 million as of the date of acquisition. Telephony cost reductions primarily consist of cost savings from the development of a "line of power switch," which allows us to cost effectively provide power for customer telephony equipment through the cable plant. This device will allow us to provide line-powered telephony without burying the cable line to each house. Trials related to our telephony cost reductions are complete, and implementation has begun in certain markets.

Additionally, the in-process research and development charge related to Excite@Home was valued at $154 million. This charge related to projects to allow for self-provisioning of devices and the development of next-generation client software, network and back-office infrastructure to enable a variety of network devices beyond personal computers and improved design for the regional data centers' infrastructure.

Although there are technological issues to overcome to successfully complete the acquired in-process research and development, we expect successful completion. We estimate the costs to complete the identified projects will not have a material impact on our results of operations. If, however, we are unable to establish technological feasibility and produce commercially viable products/services, anticipated incremental future cash flows attributable to expected profits from such new products/services may not be realized.

A $531 million asset impairment charge was recorded in 1999 associated with the planned disposal of certain wireless communications equipment resulting from a program to increase the capacity and operating efficiency of our wireless network. As part of a multivendor program, contracts have been executed with select vendors to replace significant portions of our wireless infrastructure equipment in the western United States and the metropolitan New York markets. The program is intended to provide Wireless Services with the newest technology available and allow us to evolve to new, next-generation digital technology, which is designed to provide high-speed data capabilities. Since the assets will remain in service from the date of the decision to dispose of these assets to the disposal date, the remaining net book value of the assets will be depreciated over this period.

Also in 1999, a $145 million charge for restructuring and exit costs was recorded as part of AT&T's initiative to reduce costs. The restructuring and exit plans primarily focused on the maximization of synergies through headcount reductions in Business Services and network operations, including the consolidation of customer-care and call centers.

Included in exit costs was $142 million of cash termination benefits associated with the separation of approximately 2,800 employees as part of voluntary and involuntary termination plans. Approximately one-half of the separations were management employees and one-half were nonmanagement employees. Approximately 1,700 employee separations were related to involuntary terminations and approximately 1,100 to voluntary terminations.

The 1999 restructuring initiatives are projected to yield cash savings of approximately $250 million per year. This restructuring yielded EBIT savings of approximately $200 million in 2000, and is expected to save nearly $400 million per year thereafter. We expect increased spending in growth businesses will largely offset these cash and EBIT savings. The EBIT savings, primarily attributable to reduced personnel-related expenses, will be realized in SG&A expenses and costs of services and products.

We also recorded net losses of $307 million related to the government-mandated disposition of certain international businesses that would have competed directly with Concert, and $50 million related to a contribution agreement Broadband entered into with Phoenixstar, Inc. That agreement requires Broadband to satisfy certain liabilities owed by Phoenixstar and its subsidiaries. The remaining obligation under this contribution agreement and an agreement that MediaOne had is $57 million, which was fully accrued for at December 31, 2000. In addition, we recorded benefits of $121 million related to the settlement of pension obligations for former employees who accepted AT&T's 1998 voluntary retirement incentive program (VRIP) offer.

During 1998, we recorded $2.5 billion of net restructuring and other charges, which had an approximate $0.59 earnings per diluted share impact to the AT&T Common Stock Group. The bulk of the charge was associated with our overall cost-reduction program and the approximately 15,300 management employees who accepted the VRIP offer. A restructuring charge of $2,724 million was composed of $2,254 million and $169 million for pension and postretirement special-termination benefits, respectively, $263 million of benefit plan curtailment losses and $38 million of other administrative costs. We also recorded charges of $125 million for related facility costs and $150 million for executive-separation costs. These charges were partially offset by benefits of $940 million as we settled pension benefit obligations for 13,700 of the total VRIP employees. In addition, the VRIP charges were partially offset by the reversal of $256 million of 1995 business restructuring reserves primarily resulting from the overlap of VRIP on certain 1995 projects.

Also included in the 1998 net restructuring and other charges were asset impairment charges totaling $718 million, of which $633 million was related to our decision not to pursue Total Service Resale (TSR) as a local-service strategy. We also recorded an $85 million asset impairment charge related to the write-down of unrecoverable assets in certain international operations where the carrying value was no longer supported by future cash flows. This charge was made in connection with the review of certain operations that would have competed directly with Concert.

Additionally, $85 million of merger-related expenses were recorded in 1998 in connection with the Teleport Communications Group Inc. (TCG) merger, which was accounted for as a pooling of interests. Partially offsetting these charges was a $92 million reversal of the 1995 restructuring reserve. This reversal reflected reserves no longer deemed necessary. The reversal primarily included separation costs attributed to projects completed at a cost lower than originally anticipated. Consistent with the three-year plan, the 1995 restructuring initiatives were substantially completed by the end of 1998.

For the Years Ended December 31,	**2000**	**1999**	**1998**
	Dollars in millions		
Operating income	$4,277	$10,859	$7,487

Operating income decreased $6.6 billion, or 60.6%, in 2000 compared with 1999. The decrease was primarily due to higher net restructuring and other charges of $5.5 billion. Also contributing to the decrease was the impact of the acquisition of MediaOne and the consolidation of Excite@Home, which lowered operating income by $1.5 billion. A majority of the impact of operating losses and the restructuring charge generated by Excite@Home was offset in minority interest income (expense), reflecting the approximate 77% of Excite@Home we do not own. Partially offsetting these decreases were cost-control initiatives and a larger pension credit associated with our mature long distance businesses and related support groups, partially offset by lower long distance revenue.

Operating income rose $3.4 billion, or 45.0%, in 1999 compared with 1998. The increase was driven by approximately $2.3 billion of operating income improvements in Business Services and Consumer Services, reflecting operating expense efficiencies. Also contributing to the increase was $1.0 billion of lower net restructuring and other charges.

For the Years Ended December 31,	2000	1999	1998
	Dollars in millions		
Other income	$1,514	$931	$1,281

Other income increased $0.6 billion, or 62.4%, in 2000 compared with 1999. This increase was primarily due to greater net gains on sales of businesses and investments of approximately $1.0 billion, and higher investment-related income of approximately $0.3 billion. The higher gains on sales were driven by significant gains associated with the swap of cable properties with Comcast Corporation (Comcast) and Cox Communications, Inc. (Cox), the sale of our investment in Lenfest Communications, Inc. (Lenfest) and Celumovil, and a gain recorded as a result of the merger of TeleCorp PCS, Inc. (TeleCorp) and Tritel, Inc. (Tritel) and related transactions. These gains aggregated approximately $1.0 billion and had an approximate $0.29 earnings per diluted share impact to the AT&T Common Stock Group. In 1999, we recorded significant gains associated with the sale of our Language Line Services business, a portion of our ownership interest in AT&T Canada as well as our investment in Wood-TV. These gains aggregated approximately $0.4 billion and had an approximate $0.07 earnings per diluted share impact to the AT&T Common Stock Group. Offsetting the increases to other income in 2000 was an approximate $0.5 billion charge reflecting the increase in the fair value of put options held by Comcast and Cox related to Excite@Home stock, and approximately $0.2 billion of higher investment impairment charges.

Other income decreased $0.4 billion, or 27.3%, in 1999 compared with 1998. The decrease was due to lower net gains on sales of businesses and investments of approximately $0.3 billion as well as lower investment-related income of approximately $0.2 billion. In 1999, we recorded significant gains associated with the sale of our Language Line Services business, a portion of our ownership interest in AT&T Canada as well as our investment in Wood-TV. These gains aggregated approximately $0.4 billion and had an approximate $0.07 earnings per diluted share impact to the AT&T Common Stock Group. In 1998, we recorded significant gains associated with the sale of AT&T Solutions Customer Care, LIN Television Corp. and SmarTone Telecommunications Holdings Limited. These gains aggregated approximately $0.8 billion and had an approximate $0.18 earnings per diluted share impact to the AT&T Common Stock Group.

For the Years Ended December 31,	2000	1999	1998
	Dollars in millions		
Interest expense	$3,183	$1,765	$427

Interest expense increased 80.3%, or $1.4 billion, in 2000 compared with 1999. The increase was primarily due to a higher average debt balance as a result of our June 2000 acquisition of MediaOne, including outstanding debt of MediaOne and debt issued to fund the MediaOne acquisition, and our March 1999 acquisition of TCI, partially offset by higher capitalized interest.

Interest expense increased $1.3 billion in 1999 compared with 1998, due to a higher average debt balance associated with our acquisitions, including debt outstanding of TCI at the date of acquisition.

For the Years Ended December 31,	2000	1999	1998
	Dollars in millions		
Provision for income taxes	$3,342	$3,695	$3,049

The effective income tax rate is the provision for income taxes as a percent of income from continuing operations before income taxes. The effective income tax rate was 128.1% in 2000, 36.9% in 1999 and 36.6% in 1998. In 2000, the effective tax rate was negatively impacted by Excite@Home, which is unable to record tax benefits associated with its pretax losses. Therefore the $4.6 billion restructuring charges taken by

Excite@Home in 2000 had no associated tax benefit. The 2000 effective tax rate was positively impacted by a tax-free gain resulting from an exchange of AT&T stock for an entity owning certain cable systems and other assets with Cox and the benefit of the write-off of the related deferred tax liability. The 1999 effective tax rate was negatively impacted by a non-tax-deductible research and development charge, but positively impacted by a change in the net operating loss utilization tax rules that resulted in a reduction in the valuation allowance and the income tax provision.

For the Years Ended December 31,	**2000**	**1999**	**1998**
	Dollars in millions		
Minority interest income (expense)	$4,120	$(115)	$21

Minority interest income (expense), which is recorded net of income taxes, represents an adjustment to AT&T's income to reflect the less than 100% ownership of consolidated subsidiaries as well as dividends on preferred stock issued by subsidiaries of AT&T. The $4.2 billion increase in minority interest in 2000 resulted from the consolidation of Excite@Home effective September 1, 2000. The minority interest income in 2000 primarily reflects losses generated by Excite@Home, including the goodwill impairment charge, that were attributable to the approximate 77% of Excite@Home not owned by AT&T. The decrease in minority interest in 1999 compared with 1998 was primarily due to dividends on preferred securities issued by a subsidiary trust of AT&T in 1999.

For the Years Ended December 31,	**2000**	**1999**	**1998**
	Dollars in millions		
Equity earnings (losses) from Liberty Media Group	$1,488	$(2,022)	—

Equity earnings from LMG, which are recorded net of income taxes, were $1.5 billion in 2000, compared with losses of $2.0 billion in 1999. The increase was primarily due to gains on dispositions, including gains associated with the mergers of various companies that LMG had investments in. Gains were recorded for the difference between the carrying value of LMG's interest in the acquired company and the fair value of securities received in the merger. In addition, lower stock compensation expense in 2000 compared with 1999 contributed to the increase. These were partially offset by impairment charges recorded on LMG's investments to reflect other than temporary declines in value and higher losses relating to LMG's equity affiliates.

For the Years Ended December 31,	**2000**	**1999**	**1998**
	Dollars in millions		
Net losses from other equity investments	$205	$765	$78

Net losses from other equity investments, which are recorded net of income taxes, were $0.2 billion in 2000, a 73.2% improvement compared with 1999. This improvement was primarily a result of the redemption of our investment in AB Cellular which resulted in the distribution of wireless properties in the Los Angeles area to AT&T, which caused AB Cellular to record a gain on the distribution. Our pro rata share of this gain was approximately $0.4 billion. In addition, in 2000, earnings from our investment in Cablevision Systems Corp. (Cablevision) were approximately $0.2 billion higher than 1999 due to gains from cable-system sales. Offsetting these increases were losses from our stake in Time Warner Entertainment Company, L.P. (TWE) which we acquired in connection with the MediaOne merger and greater equity losses from Excite@Home, which aggregated approximately $0.1 billion.

Net losses from equity investments were $0.8 billion in 1999 compared with $78 million in 1998, primarily due to losses we recorded on investments we acquired through TCI, largely Cablevision and Excite@Home.

For the Years Ended December 31,	2000	1999	1998
	(Dollars in millions, except per share amounts)		
AT&T Common Stock Group:			
Income from continuing operations	$3,105	$ 5,450	$5,235
Earnings from continuing operations per share:			
Basic	0.89	1.77	1.96
Diluted	0.88	1.74	1.94
AT&T Wireless Group:			
Income	$ 76	$ —	$ —
Earnings per share:			
Basic and diluted	0.21	—	—
Liberty Media Group:			
Income (loss)	$1,488	$(2,022)	$ —
Earnings (loss) per share:			
Basic and diluted	0.58	(0.80)	—

Earnings per diluted share (EPS) attributable to the AT&T Common Stock Group were $0.88 in 2000 compared with $1.74 in 1999, a decrease of 49.4%. The decrease was primarily due to higher restructuring and asset impairment charges and the MediaOne acquisition, including the impact of shares issued, operating losses of MediaOne and additional interest expense. Also contributing to the decrease was the impact of Excite@Home, including the mark-to-market adjustment related to the put options held by Comcast and Cox. These were partially offset by lower losses from equity investments and an increase in other income, primarily associated with higher net gains on sales of businesses and investments, and higher investment-related income. Also impacting EPS was higher operating income associated with our mature long distance businesses.

EPS from continuing operations attributable to the AT&T Common Stock Group on a diluted basis declined 10.3% in 1999, to $1.74, compared with 1998. The decline was primarily due to the impact of the TCI and AGNS acquisitions, including the impact of shares issued and equity losses of Excite@Home and Cablevision. Partially offsetting these declines were increased income from the remaining operations due to revenue growth and operating expense efficiencies, as well as lower net restructuring and other charges.

EPS for Liberty Media Group was $0.58 in 2000, compared with a loss of $0.80 per share for 1999. The increase in EPS was primarily due to gains on dispositions, including gains associated with the mergers of various companies that LMG had investments in. Gains were recorded for the difference between the carrying value of LMG's interest in the acquired company and the fair value of securities received in the merger. In addition, lower stock compensation expense in 2000 compared with 1999 contributed to the increase. These were partially offset by impairment charges recorded on LMG's investments to reflect other than temporary declines in value and higher losses relating to LMG's equity affiliates.

Discontinued Operations

Pursuant to Accounting Principles Board Opinion No. 30 "Reporting the Results of Operations—Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," the consolidated financial statements of AT&T reflect the disposition of AT&T Universal Card Services (UCS), which was sold on April 2, 1998, as discontinued operations. Accordingly, the revenue, costs and expenses, and cash flows of UCS have been excluded from the respective captions in the 1998 Consolidated Statement of Income and Consolidated Statement of Cash Flows, and have been reported through the April 2, 1998 date of disposition as "Income from discontinued operations," net of applicable income taxes; and as "Net cash provided by discontinued operations." The gain associated with the sale of UCS is recorded as "Gain on sale of discontinued operations," net of applicable income taxes.

Extraordinary Items

In August 1998, AT&T extinguished approximately $1.0 billion of TCG's debt. The $217 million pretax loss on the early extinguishment of debt was recorded as an extraordinary loss. The after-tax impact was $137 million, or $0.05 per diluted share.

SEGMENT RESULTS

In support of the services we provided in 2000, we segment our results by the business units that support our primary lines of business: Business Services, Consumer Services, Wireless Services and Broadband. The balance of AT&T's operations, excluding LMG, is included in a Corporate and Other category. Although not a segment, we also discuss the results of LMG.

The discussion of segment results includes revenue; EBIT (earnings before interest and taxes, including pretax minority interest and net pretax losses of other equity investments); EBITDA [EBIT plus depreciation, amortization and minority interest income (expense) other than Excite@Home]; total assets, and capital additions. The discussion of EBITDA for Wireless Services and Broadband is modified to exclude other income and net losses from equity investments. Total assets for each segment generally include all assets, except intercompany receivables. However, our Wireless Services segment included intercompany receivables from AT&T and the related interest income since these assets relate to the results of the AT&T Wireless Group tracked business. Prepaid pension assets and corporate-owned or leased real estate are generally held at the corporate level, and therefore are included in the Corporate and Other group. Shared network assets are allocated to the segments and reallocated each January, based on two years of volumes. Capital additions for each segment include capital expenditures for property, plant and equipment, acquisitions of licenses, additions to nonconsolidated investments, increases in franchise costs and additions to internal-use software.

EBIT is the primary measure used by AT&T's chief operating decision makers to measure AT&T's operating results and to measure segment profitability and performance. AT&T calculates EBIT as operating income plus net pretax losses from equity investments, pretax minority interest income (expense) and other income. In addition, management also uses EBITDA as a measure of segment profitability and performance, and is defined as EBIT, excluding minority interest income (expense) other than Excite@Home, plus depreciation and amortization. Interest and taxes are not factored into the segment profitability measure used by the chief operating decision makers; therefore, trends for these items are discussed on a consolidated basis. Management believes EBIT is meaningful to investors because it provides analysis of operating results using the same measures used by AT&T's chief operating decision makers and provides a return on total capitalization measure. We believe EBITDA is meaningful to investors as a measure of each segment's liquidity consistent with the measure utilized by our chief operating decision makers. In addition, we believe that both EBIT and EBITDA allow investors a means to evaluate the financial results of each segment in relation to total AT&T. EBIT for AT&T was $9.4 billion, $10.5 billion and $8.7 billion for the years ended December 31, 2000, 1999 and 1998, respectively. EBITDA for AT&T was $19.8 billion, $18.6 billion and $13.4 billion for the years ended December 31, 2000, 1999 and 1998, respectively. Our calculation of EBIT and EBITDA may or may not be consistent with the calculation of these measures by other public companies. EBIT and EBITDA should not be viewed by investors as an alternative to generally accepted accounting principles (GAAP) measures of income as a measure of performance or to cash flows from operating, investing and financing activities as a measure of liquidity. In addition, EBITDA does not take into account changes in certain assets and liabilities as well as interest and taxes which can affect cash flow.

Reflecting the dynamics of our business, we continually review our management model and structure and make adjustments accordingly.

BUSINESS SERVICES

Our Business Services segment offers a variety of global communications services, including long distance, local, and data and IP networking to small and medium-sized businesses, large domestic and multinational businesses and government agencies. Business Services is also a provider of voice, data and IP transport to service resellers (wholesale services).

Business Services includes AT&T Solutions, the company's professional-services outsourcing business, which provides seamless solutions that maximize the competitive advantage of networking-based electronic applications for global clients. AT&T Solutions also provides e-infrastructure and high-availability services to enterprise clients, and manages AT&T's unified global network.

For the Years Ended December 31,	2000	1999	1998
	Dollars in millions		
External revenue	$27,691	$26,749	$23,807
Internal revenue	797	731	478
Total revenue	28,488	27,480	24,285
EBIT	6,548	6,136	4,994
EBITDA	10,260	9,488	7,548
Capital additions	6,223	7,511	6,130

At December 31,	2000	1999
Total assets	$34,804	$32,010

REVENUE

In 2000, Business Services revenue grew $1.0 billion, or 3.7%, compared with 1999. Approximately $0.4 billion of the increase was due to the impact of acquisitions, partially offset by the formation of Concert. Strength in data and IP services as well as growth in our outsourcing business contributed $1.8 billion to the increase. This growth, however, was offset by an approximate $0.9 billion decline in long distance voice services as a result of continued pricing pressures in the industry.

Revenue in 1999 grew $3.2 billion, or 13.2%. The acquisition of AGNS contributed approximately $1.1 billion to the growth. Data, IP and outsourcing services grew approximately $1.5 billion in 1999 compared with 1998, while long distance voice services and local services contributed approximately $0.6 billion to the revenue increase.

Data services, which represent the transportation of data, rather than voice, along our network, was impacted by acquisitions and the formation of Concert. Excluding these impacts, data services grew at a high-teens percentage rate in 2000. Growth was led by the continued strength of frame relay services; IP services, which include IP-connectivity services and virtual private network (VPN) services; and high-speed private-line services. Excluding the impact of AGNS, data services grew at a high-teens percentage rate in 1999, led by strength in frame relay and high-speed private-line services.

AT&T Solutions outsourcing revenue grew 47.9% in 2000 and 146.0% in 1999. More than one-half of the 2000 growth and approximately 65% of the 1999 growth was driven by our acquisition of AGNS. The remaining growth in both years was primarily due to growth from new contract signings and add-on business from existing clients.

Excluding the impact of Concert, long distance voice services revenue declined at a mid single-digit percentage rate in 2000 due to a declining average price per minute reflecting the competitive forces within the industry which are expected to continue. Partially offsetting this decline was a high single-digit percentage growth rate in minutes. In 1999, long distance voice revenue grew at a low single-digit percentage rate, as volumes grew at a high-teens percentage rate, which was largely offset by a declining average rate per minute.

Local voice services revenue grew nearly 20% in 2000 and more than 50% in 1999. During 2000, AT&T added more than 867,000 access lines, with the total reaching nearly 2.3 million at the end of the year. During 1999, AT&T added more than 719,000 access lines. Access lines enable AT&T to provide local service to customers by allowing direct connection from customer equipment to the AT&T network. AT&T serves more than 6,000 buildings on-network (buildings where AT&T owns the fiber that runs into the building), representing an increase of approximately 3.5% over 1999. At the end of 1999, AT&T served just over 5,800 buildings on-network compared with approximately 5,200 buildings at the end of 1998.

Business Services internal revenue increased $66 million, or 9.1%, in 2000 and $253 million, or 52.8%, in 1999. The increase in 2000 was the result of greater sales of business long distance services to other AT&T units that resell such services to their external customers, primarily Broadband and Wireless Services. The increase in 2000 was partially offset by a decline in sales related to international businesses divested. In 1999, the increase in internal revenue was primarily due to greater sales of long distance services to Wireless Services.

EBIT/EBITDA

EBIT improved $0.4 billion, or 6.7%, and EBITDA improved $0.8 billion, or 8.1%, in 2000 compared with 1999. This improvement reflects an increase in revenue and lower costs as a result of our continued cost-control efforts, partially offset by the formation of Concert and the acquisition of AGNS. Additionally, the EBIT increase was partially offset by an increase in depreciation and amortization expense in 2000 compared with 1999 primarily due to a higher network asset base.

In 1999, EBIT improved $1.1 billion, or 22.9%, and EBITDA improved $1.9 billion, or 25.7%, compared with 1998. These increases were driven by revenue growth combined with margin improvement resulting from ongoing cost-control initiatives. The increase in EBIT was offset somewhat by increased depreciation and amortization expenses resulting from increased capital expenditures aimed at data, IP and local services.

OTHER ITEMS

Capital additions decreased $1.3 billion in 2000, and increased $1.4 billion in 1999. In 2000, the decrease was a result of lower spending for our long distance network (including the data network). In 1999, the increase was primarily due to additional spending for the build out of our local services SONET transport network.

Total assets increased $2.8 billion, or 8.7%, at December 31, 2000, compared with December 31, 1999. The increase was primarily due to net increases in property, plant and equipment as a result of capital additions, and a higher accounts receivable balance.

CONSUMER SERVICES

Our Consumer Services segment provides residential customers with a variety of any-distance communications services, including long distance, local toll (intrastate calls outside the immediate local area) and Internet access. In addition, Consumer Services provides transaction services, such as prepaid calling card and operator-handled calling services. Local phone service is also provided in certain areas.

For the Years Ended December 31,	2000	1999	1998
	Dollars in millions		
Revenue	$18,976	$21,854	$22,885
EBIT	7,090	7,909	6,570
EBITDA	7,650	8,692	7,263
Capital additions	302	656	459

At December 31,	2000	1999
Total assets	$ 4,801	$ 6,279

REVENUE

Consumer Services revenue declined 13.2%, or $2.9 billion, in 2000 compared with 1999. Approximately $0.9 billion of the decline was due to the elimination of per-line charges in 2000 and the impact of Concert. The remainder of the decline was primarily due to a decline in traditional voice services, such as Domestic Dial 1, reflecting the ongoing competitive nature of the consumer long distance industry, which has resulted in pricing pressures and a loss of market share. Also negatively impacting revenue was product substitution and market migration away from direct-dial wireline and higher-priced calling-card services to the rapidly growing wireless services and lower-priced prepaid-card services. As a result, calling volumes declined at a mid single-digit percentage rate in 2000. We expect competition and product substitution to continue to negatively impact Consumer Services revenue.

In August 1999, we introduced AT&T One Rate, which allows customers to make long distance calls, 24 hours a day, seven days a week, for the same rate. These One Rate offers continue to be well received in the market with more than 12 million customers enrolled since the plan's introduction. In addition, AT&T has been successful in packaging services in the consumer market by giving customers the option of intraLATA service with its One Rate offers. More than 60% of the customers enrolled in One Rate have chosen AT&T as their intraLATA provider.

AT&T's any distance New York Local One Rate offer, which combines both local and long distance service, has experienced high customer acceptance. AT&T ended the year with nearly 760,000 customers under this plan.

In 1999, Consumer Services revenue decreased $1.0 billion, or 4.5%, on a mid single-digit percentage decline in volumes. The 1999 decline reflects the ongoing competitive nature of the consumer long distance industry, as well as product substitution and market migration away from direct dial and higher-priced calling-card services to rapidly growing wireless services and lower-priced prepaid-card services.

EBIT/EBITDA

EBIT declined $0.8 billion, or 10.4%, and EBITDA declined $1.0 billion, or 12.0%, in 2000 compared with 1999. The declines in EBIT and EBITDA primarily reflect the decline in the long distance business, offset somewhat by cost-control initiatives. In addition, the declines reflect $0.2 billion of lower gains on sales of businesses, primarily the 1999 sale of Language Line Services, and higher restructuring charges. Reflecting our cost-control initiatives, EBIT and EBITDA margins in 2000 improved to 37.4% and 40.3%, respectively, compared with 36.2% and 39.8%, respectively, in 1999.

EBIT grew $1.3 billion, or 20.4%, and EBITDA grew $1.4 billion, or 19.7%, in 1999. The EBIT margin improved to 36.2% in 1999 (excluding the gain on the sale of Language Line Services, the 1999 EBIT margin was 35.5%) from 28.7% in the prior year. The EBIT and EBITDA growth for 1999 reflects ongoing cost-reduction efforts, particularly in marketing spending, as well as lower negotiated international settlement rates.

OTHER ITEMS

Capital additions decreased $0.4 billion, or 54.0%, in 2000 as a result of a planned reduction in spending on the voice network and reduced spending on internal-use software as most of the functionality upgrades were completed in 1999. In 1999, capital additions increased $0.2 billion, or 42.9%, primarily due to increased spending on internal-use software to add more functionality to our services and in support of AT&T WorldNet Services subscriber growth.

Total assets declined $1.5 billion, or 23.5%, during 2000. The decline was primarily due to assets transferred to Concert during 2000, as well as lower accounts receivable, reflecting lower revenue.

WIRELESS SERVICES

Our Wireless Services segment offers wireless voice and data services and products to customers in our 850 megahertz (cellular) and 1900 megahertz (Personal Communications Services, or PCS) markets. Wireless Services also includes certain interests in partnerships and affiliates that provide wireless services in the United States and internationally, aviation-communications services and the results of our messaging business through the October 2, 1998 date of sale. Also included are fixed wireless services providing high-speed Internet access and any-distance voice services using wireless technology to residential and small business customers.

For the Years Ended December 31,	2000	1999	1998
	Dollars in millions		
Revenue	$10,448	$ 7,627	$5,406
EBIT	1,131	(473)	418
EBITDA*	1,653	581	856
Capital additions	5,553	2,739	2,395

At December 31,	2000	1999
Total assets	$35,184	$23,312

* EBITDA for Wireless Services excludes net earnings (losses) from equity investments and other income.

REVENUE

Wireless Services revenue grew $2.8 billion, or 37.0%, in 2000, and $2.2 billion, or 41.1%, in 1999. Approximately $0.6 billion of the 2000 growth was due to acquisitions, and approximately $0.2 billion of the 1999 growth was due to the net impact of acquisitions and dispositions. The remaining increases were due to subscriber growth, reflecting the continued successful execution of AT&T's wireless strategy of targeting and retaining specific customer segments, expanding the national wireless footprint, focusing on digital service, and offering simple rate plans. In addition, an increase in average monthly revenue per user (ARPU) contributed to the growth.

Consolidated subscribers grew 58.5% during 2000 to approximately 15.2 million, and grew 33.4% to approximately 9.6 million in 1999. This growth included approximately 3.0 million subscribers from acquisitions closed during 2000, and approximately 900,000 from acquisitions closed during 1999. ARPU was $68.20 for 2000, a 3.6% increase compared with 1999. ARPU in 1999 was $65.80, a 14.2% increase from 1998. The average monthly subscriber churn rate in 2000 was 2.9% compared with 2.6% in 1999. Average monthly subscriber churn increased during 2000 as a result of competitive pressures, as well as our efforts to expand to a broader base of consumer segments served (e.g., prepaid wireless services). We expect these factors to continue, which will result in a decline in ARPU.

EBIT/EBITDA

In 2000, EBIT improved $1.6 billion from a deficit of $0.5 billion in 1999. Approximately one-half of the improvement was due to higher pretax earnings on equity investments and greater gains on sales of businesses and investments. These items included higher equity earnings due to a gain recorded relating to the redemption of our investment in AB Cellular, as well as a gain on transactions associated with our affiliate investments in TeleCorp and Tritel, and a gain on the sale of Celumovil in 2000. In 1999, we recorded a gain on the sale of WOOD-TV. Also positively impacting the EBIT growth in 2000 was a 1999 asset impairment charge of $0.5 billion and higher intercompany interest income in 2000 resulting from the AT&T Wireless Group tracking stock offering proceeds attributed to Wireless Services. The remaining EBIT increase was primarily due to increased revenue, partially offset by a related increase in expenses.

In 1999, EBIT declined $0.9 billion from $0.4 billion in 1998. The EBIT decline was primarily due to the 1999 asset impairment charge of approximately $0.5 billion and lower gains on sales of businesses and investments of approximately $0.5 billion.

EBITDA, which excludes net earnings (losses) from equity investments and other income, increased $1.1 billion in 2000 to $1.7 billion. Approximately one-half of the increase was due to the 1999 impairment charge and the remainder was due to increased revenue, partially offset by a related increase in expenses.

In 1999, EBITDA, which excludes net earnings (losses) from equity investments and other income, declined $0.3 billion to $0.6 billion. The decline was primarily due to the 1999 asset impairment charge partially offset by an increase in revenue net of related expenses.

OTHER ITEMS

Capital additions increased $2.8 billion in 2000, and increased $0.3 billion in 1999. Spending in both years focused on increasing the capacity and quality of our national wireless network.

Total assets were $35.2 billion as of December 31, 2000, an increase of $11.8 billion, or 50.3%, compared with December 31, 1999. The increase was primarily due to increases in licensing costs, goodwill, and property, plant and equipment associated with the acquisitions that closed in 2000. In addition, property, plant and equipment increased as a result of significant capital expenditures in 2000. These increases were partially offset by a decrease in investments, as Wireless Services previously held equity interests in portions of wireless properties in the San Francisco Bay area and Los Angeles through AB Cellular. These markets were consolidated as of December 31, 2000.

BROADBAND

Our Broadband segment offers a variety of services through our cable broadband network, including traditional analog video and new services such as digital video service, high-speed data service and broadband telephony service.

For the Years Ended December 31,	2000	1999
	Dollars in millions	
Revenue	$ 8,217	$ 5,070
EBIT	(1,175)	(1,475)
EBITDA*	1,709	802
Capital additions	4,963	4,759

At December 31,	2000	1999
Total assets	$114,681	$53,810

* EBITDA for Broadband excludes net losses from equity investments and other income.

Results of operations for the year ended December 31, 2000, include the results of MediaOne since its acquisition on June 15, 2000, while the year ended December 31, 1999, does not include any results of MediaOne. Additionally, the results of operations for the year ended December 31, 1999, include 10 months of TCI's results, reflecting its acquisition in March 1999, while 2000 includes a full 12 months of TCI's results.

REVENUE

Broadband revenue grew $3.1 billion in 2000, or 62.1%, compared with 1999. Approximately $2.8 billion of the increase in revenue was due to the acquisition of MediaOne in 2000 and TCI in 1999. In addition, revenue from new services (digital video, high-speed data, and broadband telephony) and a basic-cable rate increase contributed approximately $0.4 billion to the revenue increase.

At December 31, 2000, Broadband serviced approximately 16.0 million basic-cable customers, passing approximately 28.3 million homes, compared with 11.4 million basic-cable customers, passing approximately 19.7 million homes at December 31, 1999. The increase reflects the acquisition of MediaOne. At December 31, 2000, we provided digital video service to approximately 2.8 million customers, high-speed data service to approximately 1.1 million customers, and broadband telephony service to approximately 547,000 customers. This compares with approximately 1.8 million digital-video customers, approximately 207,000 high-speed data customers, and nearly 8,300 broadband telephony customers at the end of 1999.

EBIT/EBITDA

EBIT in 2000 was a deficit of $1.2 billion, an improvement of $0.3 billion, or 20.4%. This improvement was due to approximately $0.5 billion of higher gains on sales of businesses and investments, primarily gains on the swap of cable properties with Cox and Comcast and the sale of our investment in Lenfest, and $0.4 billion lower restructuring charges primarily associated with an in-process research and development charge recorded in connection with the 1999 acquisition of TCI. Also contributing to the improvement were lower pretax losses from equity investments of $0.5 billion, due in part to a $0.3 billion improvement from our investment in Cablevision due to gains from cable-system sales. These improvements were largely offset by the impact of the acquisition of MediaOne as well as TCI of approximately $0.5 billion and higher expenses associated with high-speed data and broadband telephony services of approximately $0.4 billion.

EBITDA, which excludes net losses from equity investments and other income, was $1.7 billion in 2000, an improvement of $0.9 billion compared with 1999. This improvement was due to the impact of the MediaOne and TCI acquisitions of $0.7 billion and lower restructuring charges of $0.4 billion. Higher expenses associated with high-speed data and broadband telephony of approximately $0.2 billion offset these increases.

OTHER ITEMS

Capital additions increased 4.3% to approximately $5.0 billion in 2000, from $4.8 billion in 1999. The increase was due to higher capital expenditures of $0.8 billion primarily due to MediaOne, which was almost entirely offset by decreased contributions to various nonconsolidated investments of $0.7 billion. In 1999, spending was largely directed toward cable-distribution systems, focusing on the upgrade of cable plant-assets, as well as equity infusions into various investments.

Total assets at December 31, 2000, were $114.7 billion compared with $53.8 billion at December 31, 1999. The increase in total assets was primarily due to the MediaOne acquisition and an increase in property, plant and equipment as a result of capital expenditures, net of depreciation expense. These increases were partially offset by a decrease in the mark-to-market valuation of certain investments.

CORPORATE AND OTHER

This group reflects the results of corporate staff functions, the elimination of transactions between segments, as well as the results of international operations and ventures and Excite@Home.

For the Years Ended December 31,	**2000**	**1999**	**1998**
	Dollars in millions		
Revenue	$ (148)	$ 569	$ 647
EBIT	(4,167)	(1,625)	(3,248)
EBITDA	(3,171)	(871)	(2,916)
Capital additions	2,150	1,494	594

At December 31,	**2000**	**1999**
Total assets	$18,463	$15,535

REVENUE

Revenue for corporate and other primarily includes the elimination of intercompany revenue of negative $0.8 billion (an increase of $0.1 billion from 1999), revenue from Excite@Home of $0.2 billion (which was consolidated beginning on September 1, 2000), and revenue from our international operations and ventures of $0.3 billion (a decline of $0.9 billion from 1999). The international operations and ventures revenue decrease was largely due to the revenue impact of businesses contributed to Concert and due to the impact of the divestment of certain businesses.

For 1999, revenue decreased $0.1 billion, or 12.0%. The decline was driven by an increase in the elimination of intercompany revenue and the sale of AT&T Solutions Customer Care (ASCC) in 1998, partially offset by growth in international operations and ventures.

EBIT/EBITDA

EBIT and EBITDA deficits in 2000 increased $2.5 billion and $2.3 billion to $4.2 billion and $3.2 billion, respectively. The increases in the deficits were largely related to Excite@Home. In 2000, restructuring and other charges, net of minority interest, were $2.8 billion higher primarily due to goodwill impairment charges recorded by Excite@Home and AT&T related to Excite@Home. Other impacts included a charge of approximately $0.5 billion for the fair market value increase of put options held by Comcast and Cox related to Excite@Home, and operating losses from Excite@Home. Partially offsetting these declines were an increase in the pension credit due to a higher pension trust asset base resulting from increased investment returns, and lower expenses associated with our continued efforts to reduce costs, which aggregated approximately $1.0 billion. In addition, higher net gains on sales of investments and an increase in interest income increased EBIT and EBITDA by approximately $0.6 billion.

In 1999, EBIT and EBITDA deficits improved by $1.6 billion and $2.0 billion to $1.6 billion and $0.9 billion, respectively. The improvements were driven by $2.1 billion of lower net restructuring and other charges in 1999 compared with 1998, partially offset by lower gains on the sales of businesses and lower interest income, which negatively impacted EBIT and EBITDA by $0.3 billion. Additionally, EBIT was impacted by dividends on trust preferred securities. In 1998, AT&T recorded a gain on the sale of ASCC.

OTHER ITEMS

Capital additions increased $0.7 billion in 2000. The increase was driven by our investment in 2000 in Net2Phone, Inc. (Net2Phone), partially offset by lower investments in international nonconsolidated subsidiaries. Capital additions increased $0.9 billion in 1999 reflecting increased international equity investments that support our global strategy.

Total assets increased $2.9 billion at December 31, 2000, primarily due to our investments in Concert and Net2Phone.

LIBERTY MEDIA GROUP

LMG produces, acquires and distributes entertainment, educational and informational programming services through all available formats and media. LMG is also engaged in electronic-retailing services, direct-marketing services, advertising sales relating to programming services, infomercials and transaction processing. Earnings from LMG were $1.5 billion in 2000 compared with losses of $2.0 billion from the date of acquisition through December 31, 1999. The increase was primarily due to gains on dispositions, including gains associated with the mergers of various companies that LMG had investments in. Gains were recorded for the difference between the carrying value of LMG's interest in the acquired company and the fair value of securities received in the merger. In addition, lower stock compensation expense in 2000 compared with 1999 contributed to the increase. These were partially offset by impairment charges recorded on LMG's investments to reflect other than temporary declines in value and higher losses relating to LMG's equity affiliates.

LIQUIDITY

For the Years Ended December 31,	2000	1999	1998
	Dollars in millions		
CASH FLOW OF CONTINUING OPERATIONS:			
Provided by operating activities	$ 13,307	$ 11,521	$ 10,217
(Used in) provided by investing activities	(39,934)	(27,043)	3,582
Provided by (used in) financing activities	25,729	13,386	(11,049)

In 2000, net cash provided by operating activities of continuing operations increased $1.8 billion. The increase was primarily driven by an increase in net income excluding the noncash impact of depreciation and amortization, net restructuring and other charges and minority interest income (expense). In 1999, net cash provided by operating activities of continuing operations increased $1.3 billion, primarily due to an increase in net income, excluding the noncash impact of depreciation and amortization, net restructuring and other charges and the impact of earnings and losses from equity investments. This increase was partially offset by higher receivables, due primarily to higher revenue, and an increase in tax payments from the gain on the 1998 sale of UCS.

AT&T's investing activities resulted in a net use of cash of $39.9 billion in 2000, compared with a net use of cash of $27.0 billion in 1999. During 2000, AT&T used approximately $21.4 billion for acquisitions of businesses, primarily MediaOne, and spent $15.5 billion on capital expenditures. During 1999, AT&T spent approximately $14.3 billion on capital expenditures, approximately $6.7 billion on acquisitions of businesses, primarily AGNS, and contributed $5.5 billion of cash to LMG. During 1998, we received $10.8 billion related to the sales of businesses, including receivables from UCS, partially offset by capital expenditures of $7.8 billion.

During 2000, net cash provided by financing activities was $25.7 billion, compared with $13.4 billion in 1999. In 2000, AT&T received $10.3 billion from the AT&T Wireless Group tracking stock offering and borrowed an additional $17.0 billion of short-term debt and $2.5 billion of net long-term debt. These were partially offset by the payment of $3.0 billion in dividends. In 1999, AT&T received $10.2 billion from the issuance of commercial paper and short-term debt, $5.6 billion from the net issuance of long-term debt and $4.6 billion from the issuance of redeemable preferred securities. These sources of cash were partially offset by the acquisition of treasury shares of $4.6 billion and the payment of dividends of $2.7 billion. Cash used in financing activities in 1998 primarily related to repayment of long-term and short-term debt, the acquisition of treasury shares and dividends paid on common stock.

At December 31, 2000, we had current assets of $17.1 billion and current liabilities of $50.9 billion. A significant portion of the current liabilities, $31.9 billion, relates to short-term notes, the majority of which were commercial paper or debt with an original maturity of one year or less. We expect that we will retire a portion of the short-term debt with other financing arrangements, including the monetization of publicly-held securities, sales of certain non-strategic assets and investments, and securitization of certain accounts receivable. At December 31, 2000, we had a current liability of $2.6 billion, reflecting our obligation under put options held by Comcast and Cox. In January 2001, Comcast and Cox exercised their rights under the put options and elected to receive AT&T stock in lieu of cash. Since December 31, 2000, we have announced the sale of investments or assets, which will result in gross cash proceeds of approximately $4.6 billion. In addition, on February 28, 2001, we exercised our registration rights in TWE and formally requested TWE to begin the process of converting the limited partnership into a corporation with registered equity securities. We have, however, continued our ongoing discussions with AOL Time Warner for the sale of our stake in TWE.

In connection with the planned split-off of AT&T Wireless, we announced that we will retain up to $3.0 billion in shares of AT&T Wireless, which we will dispose of within six months following the split-off. Also in connection with the split-off, on March 6, 2001, AT&T Wireless completed a $6.5 billion global bond offering. AT&T Wireless will ultimately use the proceeds to repay $4.8 billion in notes receivable and preferred stock that AT&T Common Stock Group holds in AT&T Wireless. In addition on March 23, 2001, AT&T Wireless entered into $2.5 billion in revolving credit facilities. The facilities include a 364-day tranche and a 5-year tranche. The facilities are for general corporate purposes.

Another aspect of our restructuring is the expected sale, in late-2001, of a new class of stock which will track our Broadband business.

AT&T is in a joint venture with Alaska Native Wireless (ANW). At December 31, 2000, AT&T had committed to fund ANW up to $2.4 billion based on the outcome of FCC license spectrum auction. In January 2001, the auction was completed and ANW was the highest bidder on approximately $2.9 billion in licenses.

Since the announced restructuring plans to create four new businesses, AT&T's debt ratings have been under review by the applicable rating agencies. As a result of this review, AT&T's ratings have been downgraded and continued to be on credit watch with negative outlook. These actions will result in an increased cost of future borrowings and will limit our access to the capital markets.

AT&T is pursuing various measures to reduce its debt level. However, there can be no assurance that we will be able to obtain financing on terms that are acceptable to us. If these efforts cannot be completed successfully, or on terms and within the timeframe contemplated, AT&T's financial condition would be materially adversely affected. Some of these adverse conditions include the company's ability to pursue acquisitions, make capital expenditures to expand its network and cable plant, or pay dividends.

On December 28, 2000, we entered into a 364-day, $25 billion revolving-credit facility syndicated to 39 banks, which was unused at December 31, 2000. As a result of certain transactions subsequent to December 31, 2000, specifically the investment by NTT DoCoMo of $9.8 billion for a new class of AT&T preferred stock, and the $6.5 billion AT&T Wireless bond offering, this credit facility was reduced to $18.3 billion.

Also in connection with our restructuring, we have reviewed our dividend policy as it relates to each of the new businesses. On December 20, 2000, we announced that the board of directors reduced AT&T's quarterly dividend to $0.0375 per share, from $0.22 per share.

RISK MANAGEMENT

We are exposed to market risk from changes in interest and foreign exchange rates, as well as changes in equity prices associated with affiliate companies. In addition, we are exposed to market risk from fluctuations in the prices of securities which we monetized through the issuance of debt. On a limited basis, we use certain derivative financial instruments, including interest rate swaps, options, forwards, equity hedges and other derivative contracts, to manage these risks. We do not use financial instruments for trading or speculative purposes. All financial instruments are used in accordance with board-approved policies.

We use interest rate swaps to manage the impact of interest rate changes on earnings and cash flows and also to lower our overall borrowing costs. We monitor our interest rate risk on the basis of changes in fair value. Assuming a 10% downward shift in interest rates, the fair value of interest rate swaps and the underlying hedged debt would have changed by $10 million and $3 million at December 31, 2000 and 1999, respectively. In 2000, we entered into a combined interest rate, forward contract to hedge foreign-currency-denominated debt. Assuming a 10% downward shift in both interest rates and the foreign currency, the fair value of the contract and the underlying hedged debt would have changed by $88 million. In addition, certain debt is indexed to the market prices of securities we own. Changes in the market prices of these securities result in changes in the fair value of this debt. Assuming a 10% downward change in the market price of these securities, the fair value of the underlying debt and securities would have decreased by $534 million at December 31, 2000. Assuming a 10% downward shift in interest rates at December 31, 2000 and 1999, the fair value of unhedged debt would have increased by $1.2 billion and $938 million, respectively.

We use forward and option contracts to reduce our exposure to the risk of adverse changes in currency exchange rates. We are subject to foreign exchange risk for foreign-currency-denominated transactions, such as debt issued. In addition, in 1999 we were subject to foreign exchange risk related to reimbursements to foreign telephone companies for their portion of the revenue billed by AT&T for calls placed in the United States to a foreign country. We monitor our foreign exchange rate risk on the basis of changes in fair value. Assuming a 10% appreciation in the U.S. dollar at December 31, 2000 and 1999, the fair value of these contracts would have resulted in additional unrealized losses of $6 million and $29 million, respectively. Because these contracts are entered into for hedging purposes, we believe that these losses would be largely offset by gains on the underlying firmly committed or anticipated transactions.

We use equity hedges to manage our exposure to changes in equity prices associated with stock appreciation rights (SARs) of affiliated companies. Assuming a 10% decrease in equity prices of affiliated companies, the fair value of the equity hedges would have decreased by $29 million and $81 million at December 31, 2000 and 1999, respectively. Because these contracts are entered into for hedging purposes, we believe that the decrease in fair value would be largely offset by gains on the underlying transaction.

In order to determine the changes in fair value of our various financial instruments, we use certain modeling techniques, namely Black-Scholes, for our SARs and equity collars. We apply rate sensitivity changes directly to our interest rate swap transactions and forward rate sensitivity to our foreign currency forward contracts.

The changes in fair value, as discussed above, assume the occurrence of certain adverse market conditions. They do not consider the potential effect of favorable changes in market factors and do not represent projected losses in fair value that we expect to incur. Future impacts would be based on actual developments in global financial markets. We do not foresee any significant changes in the strategies used to manage interest rate risk, foreign currency rate risk or equity price risk in the near future.

FINANCIAL CONDITION

At December 31,	2000	1999
	Dollars in millions	
Total assets	$242,223	$169,406
Total liabilities	129,432	83,388
Total shareowners' equity	103,198	78,927

Total assets increased $72.8 billion, or 43.0%, at December 31, 2000, primarily due to the impact of the MediaOne acquisition, which resulted in increased goodwill, franchise costs, other investments including TWE and Vodafone Group plc; and the addition of property, plant and equipment. Property, plant and equipment also increased due to capital expenditures made during the year, net of depreciation expense and equipment contributed to Concert. This equipment contribution, as well as a $1.0 billion loan to Concert, and our investment in Net2Phone are reflected as an increase to other investments. Additionally, other receivables increased due to Concert. Wireless acquisitions, including the impact of consolidating former equity investments, resulted in increased licensing costs.

Total liabilities at December 31, 2000, increased $46.0 billion, or 55.2%, primarily due to the impact of the MediaOne acquisition, including debt of MediaOne and borrowings to fund the acquisition, as well as the consolidation of Excite@Home. In addition, total debt increased due to the monetization of our investments in Microsoft Corporation and Comcast.

Minority interest increased $2.5 billion to $4.9 billion, primarily reflecting the minority interest of our ownership of Excite@Home resulting from the consolidation of Excite@Home beginning September 1, 2000, and the preferred stock outstanding of a MediaOne subsidiary.

Total shareowners' equity was $103.2 billion at December 31, 2000, an increase of 30.8% from December 31, 1999. This increase was primarily due to the issuance of AT&T common stock for the MediaOne acquisition as well as the issuance of AT&T Wireless Group tracking stock.

The ratio of total debt to total capital, excluding LMG (debt divided by total debt and equity, excluding LMG) was 46.2% at December 31, 2000, compared with 43.0% at December 31, 1999. The equity portion of this calculation includes convertible trust preferred securities, as well as subsidiary redeemable preferred stock. The increase was primarily driven by higher debt associated with the MediaOne merger, largely offset by a higher equity base associated with the MediaOne merger and the AT&T Wireless Group tracking stock offering. The ratio of debt (net of cash) to EBITDA was 3.28X at December 31, 2000, compared with 1.88X at December 31, 1999, reflecting additional debt associated with the MediaOne merger. Included in debt was approximately $8.7 billion of notes, which are exchangeable into or collateralized by securities we own. Excluding this debt, the ratio of net-debt-to-EBITDA at December 31, 2000, was 2.84X.

NEW ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities." Among other provisions, it requires that entities recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. Gains and losses resulting from changes in the fair values of those derivatives would be accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. The effective date for this standard was delayed via the issuance of SFAS No. 137. The effective date for SFAS No. 133 is now for fiscal years beginning after June 15, 2000, though earlier adoption is encouraged and retroactive application is prohibited. For AT&T, this means that the standard must be adopted no later than January 1, 2001.

In June 2000, the FASB issued SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities" as an amendment to SFAS No. 133. This statement provides clarification with regard to certain implementation issues under SFAS No. 133 on specific types of hedges.

On January 1, 2001, AT&T adopted SFAS No. 133. We recorded a cumulative effect of an accounting change, net of applicable income taxes, of approximately $1.4 billion of income, or approximately $0.34 per diluted share, primarily attributable to fair value adjustments of debt instruments, including those acquired in conjunction with the MediaOne merger, as well as to our warrant portfolio. In addition, in connection with the adoption of SFAS No. 133, we reclassified certain investment securities, which support debt that is indexed to those securities, from "available-for-sale" to "trading." This reclassification resulted in the recognition of a charge of $2.8 billion ($1.7 billion after income taxes), or approximately $0.43 per diluted share, which was recorded as a reduction of other income. As available-for-sale securities, changes in fair value were previously included within other comprehensive income as a component of shareowners' equity. In addition, LMG recorded a cumulative effect of an accounting change, net of applicable income taxes, of approximately $0.8 billion of income, or approximately $0.31 per share.

The impact of the adoption of SFAS No. 133, as amended by SFAS No. 138, on AT&T's future results of operations is dependent upon the fair values of our derivatives and related financial instruments and could result in pronounced quarterly fluctuations in other income in future periods.

In September 2000, the FASB issued SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities — a Replacement of FASB Statement No. 125." This statement provides accounting and reporting standards for transfers and servicing of financial assets and extinguishments of liabilities. Under these standards, after a transfer of financial assets, an entity recognizes the financial and servicing assets it controls and the liabilities it has incurred, derecognizes financial assets when control has been surrendered, and derecognizes liabilities when extinguished. This statement provides consistent standards for distinguishing transfers of financial assets that are sales from transfers that are secured borrowings. This statement is effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001. AT&T does not expect that the adoption of SFAS No. 140 will have a material impact on AT&T's results of operations, financial position or cash flows.

SUBSEQUENT EVENTS

On January 12, 2001, AT&T announced that Cox and Comcast had exercised their rights to sell a combined total of 60.4 million shares of Excite@Home Series A common stock to AT&T as part of an agreement announced in August 2000 to reorganize Excite@Home's governance. Cox and Comcast elected to receive shares of AT&T common stock in exchange for their Excite@Home shares. AT&T is currently in discussions to renegotiate the terms of the put options which may result in a change to the number of shares of AT&T stock that Cox and Comcast will receive, as well as the number of Excite@Home shares, if any AT&T receives. There can be no assurances that an agreement will be reached with Cox and Comcast.

On January 22, 2001, AT&T and NTT DoCoMo (DoCoMo) finalized an agreement whereby DoCoMo invested approximately $9.8 billion for a new class of AT&T preferred stock, termed DoCoMo Wireless tracking stock, that is economically equivalent to 406 million shares of AT&T Wireless Group tracking stock and reflects approximately 16% of the financial performance and economic value of AT&T Wireless Group. AT&T allocated $6.2 billion of the proceeds to AT&T Wireless Group. Each share of DoCoMo Wireless tracking stock is convertible at any time into AT&T Wireless Group tracking stock. Upon the conversion of the DoCoMo Wireless tracking stock, AT&T will reduce its portion of the financial performance and economic value in AT&T Wireless Group by 178 million shares, and the balance of the 406 million shares will come from the issuance of 228 million new shares of AT&T Wireless Group tracking stock. Additionally, upon completion of the planned split-off of AT&T Wireless, the DoCoMo Wireless tracking stock and related warrants will automatically be converted into AT&T Wireless Group tracking stock and thereafter be exchanged on the same terms as all other shares of AT&T Wireless Group tracking stock in the split-off. In the event that AT&T has not split-off AT&T Wireless by specified dates beginning January 1, 2002, DoCoMo will have the right, at its election, to require AT&T to repurchase from DoCoMo the preferred shares initially issued to them at DoCoMo's original purchase price plus interest up to the date of payment. The interest under this right will be treated as preferred stock dividends with charges recorded as a reduction of AT&T Common Stock Group earnings. In addition, DoCoMo acquired five-year warrants to purchase the equivalent of an additional 41.7 million shares of AT&T Wireless Group tracking stock at $35 per share. As part of the agreement, DoCoMo obtained a seat on AT&T's board of directors until AT&T Wireless is split-off from AT&T as a separate public company, which is expected to occur later in 2001. At that time, DoCoMo will retain representation on the new public AT&T Wireless board.

In January 2001, AT&T entered into agreements with certain network equipment vendors, which extend through 2004, to purchase next-generation wireless network equipment for a total of approximately $1.8 billion.

On February 27, 2001, AT&T entered into an agreement with Vodafone Group plc to sell our 10% stake in Japan Telecom Co. Ltd for approximately $1.35 billion in cash. The transaction is expected to be completed in April 2001 and will result in a gain.

On March 1, 2001, AT&T Wireless completed a private placement of $6.5 billion in notes. The notes pay interest at rates ranging from 7.35% to 8.75% per annum, with maturity dates ranging from 2006 to 2031. The notes include customary covenants and registration rights.

On March 23, 2001, AT&T Wireless entered into $2.5 billion in revolving credit facilities. The facilities consist of a 364-day facility of $1.25 billion and a five-year revolving credit facility of $1.25 billion. The facilities may be used for general corporate purposes and are subject to customary covenants and events of default.

AT&T Corp. and Subsidiaries

SEVEN-YEAR SUMMARY OF SELECTED FINANCIAL DATA (UNAUDITED)

Dollars in millions (except per share amounts)

	2000[1]	1999[2]	1998	1997	1996	1995	1994
RESULTS OF OPERATIONS AND EARNINGS PER SHARE							
Revenue	$ 65,981	$ 62,600	$ 53,223	$ 51,577	$ 50,688	$ 48,449	$ 46,063
Operating income	4,277	10,859	7,487	6,836	8,709	5,169	7,393
Income from continuing operations	4,669	3,428	5,235	4,249	5,458	2,981	4,230
AT&T Common Stock Group:							
Income from continuing operations	3,105	5,450	5,235	4,249	5,458	2,981	4,230
Earnings per basic share	0.89	1.77	1.96	1.59	2.07	1.15	1.65
Earnings per diluted share	0.88	1.74	1.94	1.59	2.07	1.14	1.64
Dividends declared per share	0.6975	0.88	0.88	0.88	0.88	0.88	0.88
AT&T Wireless Group[3]:							
Income	76	—	—	—	—	—	—
Earnings per basic and diluted share	0.21	—	—	—	—	—	—
Liberty Media Group[3,4]:							
Income (loss)	1,488	(2,022)	—	—	—	—	—
Earnings (loss) per basic and diluted share	0.58	(0.80)	—	—	—	—	—
ASSETS AND CAPITAL							
Property, plant and equipment, net	$ 51,161	$ 39,618	$ 26,903	$ 24,203	$ 20,803	$ 16,453	$ 14,721
Total assets-continuing operations	242,223	169,406	59,550	59,994	55,838	54,365	47,926
Total assets	242,223	169,406	59,550	61,095	57,348	62,864	57,817
Long-term debt	33,092	23,217	5,556	7,857	8,878	8,913	9,138
Total debt	65,039	35,850	6,727	11,942	11,351	21,081	18,720
Mandatorily redeemable preferred securities	2,380	1,626	—	—	—	—	—
Shareowners' equity	103,198	78,927	25,522	23,678	21,092	17,400	18,100
Debt ratio[5]	46.2%	43.0%	20.9%	33.5%	35.0%	54.8%	50.8%
Gross capital expenditures	14,566	13,511	7,981	7,714	7,084	4,659	3,504
OTHER INFORMATION							
Operating income as a percent of revenue	6.5%	17.3%	14.1%	13.3%	17.2%	10.7%	16.1%
Income from continuing operations attributable to AT&T Common Stock Group as a percent of revenue	4.8%	8.7%	9.8%	8.2%	10.8%	6.2%	9.2%
Return on average common equity[6]	6.2%	15.2%	25.3%	19.7%	27.1%	0.4%	29.5%
Employees-continuing operations[6]	165,600	147,800	107,800	130,800	128,700	126,100	116,400
Data at year-end:							
AT&T stock price per share	17.25	50.81	50.50	40.87	27.54	29.60	22.97
AT&T Wireless Group stock price per share	17.31	—	—	—	—	—	—
Liberty Media Group A stock price per share[4]	13.56	28.41	—	—	—	—	—
Liberty Media Group B stock price per share[4]	18.75	34.38	—	—	—	—	—

1. On April 27, 2000, AT&T issued 15.6% of AT&T Wireless Group (AWE) tracking stock. AT&T Common Stock Group results exclude the portion of AT&T Wireless Group that is represented by the tracking stock and exclude Liberty Media Group (LMG). In addition, on June 15, 2000, AT&T completed the acquisition of MediaOne Group, Inc.
2. In connection with the March 9, 1999, merger with Tele-Communications, Inc., AT&T issued separate tracking stock for LMG. LMG is accounted for as an equity investment.
3. No dividends have been declared for AWE or LMG tracking stocks.
4. LMG earnings per share amounts and stock prices have been restated to reflect the June 2000 two-for-one stock split.
5. Debt ratio reflects debt as a percent of total capital (debt plus equity, excluding LMG). For purposes of this calculation, equity includes convertible quarterly trust preferred securities as well as redeemable preferred stock of subsidiary.
6. Data provided excludes LMG.

REPORT OF MANAGEMENT

Management is responsible for the preparation, integrity and objectivity of the consolidated financial statements and all other financial information included in this report. Management is also responsible for maintaining a system of internal controls as a fundamental requirement for the operational and financial integrity of results. The financial statements, which reflect the consolidated accounts of AT&T Corp. and subsidiaries (AT&T) and other financial information shown, were prepared in conformity with generally accepted accounting principles. Estimates included in the financial statements were based on judgments of qualified personnel. To maintain its system of internal controls, management carefully selects key personnel and establishes the organizational structure to provide an appropriate division of responsibility. We believe it is essential to conduct business affairs in accordance with the highest ethical standards as set forth in the AT&T Code of Conduct. These guidelines and other informational programs are designed and used to ensure that policies, standards and managerial authorities are understood throughout the organization. Our internal auditors monitor compliance with the system of internal controls by means of an annual plan of internal audits. On an ongoing basis, the system of internal controls is reviewed, evaluated and revised as necessary in light of the results of constant management oversight, internal and independent audits, changes in AT&T's business and other conditions. Management believes that the system of internal controls, taken as a whole, provides reasonable assurance that (1) financial records are adequate and can be relied upon to permit the preparation of financial statements in conformity with generally accepted accounting principles, and (2) access to assets occurs only in accordance with management's authorizations.

The Audit Committee of the Board of Directors, which is composed of directors who are not employees, meets periodically with management, the internal auditors and the independent accountants to review the manner in which these groups of individuals are performing their responsibilities and to carry out the Audit Committee's oversight role with respect to auditing, internal controls and financial reporting matters. Periodically, both the internal auditors and the independent accountants meet privately with the Audit Committee and have access to its individual members at any time.

The consolidated financial statements in this annual report have been audited by PricewaterhouseCoopers LLP, Independent Accountants. Their audits were conducted in accordance with generally accepted auditing standards and include an assessment of the internal control structure and selective tests of transactions. Their report follows.

C. Michael Armstrong Chairman of the Board, Chief Executive Officer	Charles H. Noski Senior Executive Vice President, Chief Financial Officer

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and
Shareowners of AT&T Corp.:

In our opinion, based on our audits and the report of other auditors, the accompanying consolidated balance sheets and the related consolidated statements of income, changes in shareowners' equity and of cash flows present fairly, in all material respects, the financial position of AT&T Corp. and its subsidiaries (AT&T) at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years ended December 31, 2000, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of AT&T's management; our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Liberty Media Group, an equity method investee, which was acquired by AT&T on March 9, 1999. AT&T's financial statements include an investment of $34,290 million and $38,460 million as of December 31, 2000 and 1999, respectively, and equity method earnings (losses) of $1,488 million and $(2,022) million, for the years ended December 31, 2000 and 1999, respectively. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for Liberty Media Group, as of and for the years ended December 31, 2000 and 1999, is based solely on the report of the other auditors. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the report of other auditors provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

New York, New York
March 16, 2001

AT&T CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	For the Years Ended December 31,		
	2000	1999	1998
	Dollars in millions (except per share amounts)		
Revenue	$65,981	$62,600	$53,223
Operating Expenses			
Costs of services and products (excluding depreciation of $5,457, $4,947 and $3,362 included below)	17,587	14,594	10,495
Access and other connection	13,518	14,686	15,328
Selling, general and administrative	13,303	13,516	12,770
Depreciation and other amortization	7,274	6,138	4,378
Amortization of goodwill, franchise costs and other purchased intangibles	2,993	1,301	251
Net restructuring and other charges	7,029	1,506	2,514
Total operating expenses	61,704	51,741	45,736
Operating income	4,277	10,859	7,487
Other income	1,514	931	1,281
Interest expense	3,183	1,765	427
Income from continuing operations before income taxes, minority interest and earnings (losses) from equity investments	2,608	10,025	8,341
Provision for income taxes	3,342	3,695	3,049
Minority interest income (expense)	4,120	(115)	21
Equity earnings (losses) from Liberty Media Group	1,488	(2,022)	—
Net losses from other equity investments	205	765	78
Income from continuing operations	4,669	3,428	5,235
Discontinued Operations			
Income from discontinued operations (net of income taxes of $6)	—	—	10
Gain on sale of discontinued operations (net of income taxes of $799)	—	—	1,290
Income before extraordinary loss	4,669	3,428	6,535
Extraordinary loss (net of income taxes of $80)	—	—	137
Net income	$ 4,669	$ 3,428	$ 6,398
AT&T Common Stock Group—per basic share:			
Income from continuing operations	$ 0.89	$ 1.77	$ 1.96
Income from discontinued operations	—	—	—
Gain on sale of discontinued operations	—	—	0.48
Extraordinary loss	—	—	0.05
AT&T Common Stock Group earnings	$ 0.89	$ 1.77	$ 2.39
AT&T Common Stock Group—per diluted share:			
Income from continuing operations	$ 0.88	$ 1.74	$ 1.94
Income from discontinued operations	—	—	—
Gain on sale of discontinued operations	—	—	0.48
Extraordinary loss	—	—	0.05
AT&T Common Stock Group earnings	$ 0.88	$ 1.74	$ 2.37
AT&T Wireless Group:			
Earnings per share:			
Basic and diluted	$ 0.21	$ —	$ —
Liberty Media Group:			
Earnings (loss) per share:			
Basic and diluted	$ 0.58	$ (0.80)	$ —

The notes are an integral part of the consolidated financial statements.

AT&T CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	At December 31, 2000	At December 31, 1999
	Dollars in millions	
ASSETS		
Cash and cash equivalents	$ 126	$ 1,024
Receivables, less allowances of $1,379 and $1,281	11,144	9,813
Other receivables	1,703	640
Investments	2,102	—
Deferred income taxes	812	1,287
Other current assets	1,200	1,120
TOTAL CURRENT ASSETS	17,087	13,884
Property, plant and equipment, net	51,161	39,618
Franchise costs, net of accumulated amortization of $1,664 and $697	48,218	32,693
Licensing costs, net of accumulated amortization of $1,762 and $1,491	13,626	8,548
Goodwill, net of accumulated amortization of $850 and $363	31,478	7,445
Investment in Liberty Media Group and related receivables, net	34,290	38,460
Other investments and related advances	34,261	19,366
Prepaid pension costs	3,003	2,464
Other assets	9,099	6,928
TOTAL ASSETS	$242,223	$169,406
LIABILITIES		
Accounts payable	$ 6,455	$ 6,771
Payroll and benefit-related liabilities	2,423	2,651
Debt maturing within one year	31,947	12,633
Liability under put options	2,564	—
Other current liabilities	7,478	6,152
TOTAL CURRENT LIABILITIES	50,867	28,207
Long-term debt	33,092	23,217
Long-term benefit-related liabilities	3,670	3,964
Deferred income taxes	36,713	24,199
Other long-term liabilities and deferred credits	5,090	3,801
TOTAL LIABILITIES	129,432	83,388
Minority Interest	4,883	2,391
Company-Obligated Convertible Quarterly Income Preferred Securities of Subsidiary Trust Holding Solely Subordinated Debt Securities of AT&T	4,710	4,700
SHAREOWNERS' EQUITY		
Common Stock:		
AT&T Common Stock, $1 par value, authorized 6,000,000,000 shares; issued and outstanding 3,760,151,185 shares (net of 416,887,452 treasury shares) at December 31, 2000, and 3,196,436,757 shares (net of 287,866,419 treasury shares) at December 31, 1999	3,760	3,196
AT&T Wireless Group Common Stock, $1 par value, authorized 6,000,000,000 shares; issued and outstanding 361,802,200 shares at December 31, 2000	362	—
Liberty Media Group Class A Common Stock, $1 par value, authorized 4,000,000,000 shares; issued and outstanding 2,363,738,198 shares (net of 59,512,496 treasury shares) at December 31, 2000, and 2,313,557,460 shares at December 31, 1999	2,364	2,314
Liberty Media Group Class B Common Stock, $1 par value, authorized 400,000,000 shares; issued and outstanding 206,221,288 shares (net of 10,607,776 treasury shares) at December 31, 2000, and 216,842,228 shares at December 31, 1999	206	217
Additional paid-in capital	90,496	59,526
Guaranteed ESOP obligation	—	(17)
Retained earnings	7,408	6,712
Accumulated other comprehensive income	(1,398)	6,979
TOTAL SHAREOWNERS' EQUITY	103,198	78,927
TOTAL LIABILITIES AND SHAREOWNERS' EQUITY	$242,223	$169,406

The notes are an integral part of the consolidated financial statements.

AT&T CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREOWNERS' EQUITY

	For the Years Ended December 31,		
	2000	1999	1998
	Dollars in millions		
AT&T Common Shares			
Balance at beginning of year	$ 3,196	$ 2,630	$ 2,684
Shares issued (acquired), net:			
Under employee plans	3	—	2
For acquisitions	607	566	(56)
Other*	(46)	—	—
Balance at end of year	3,760	3,196	2,630
AT&T Wireless Group Common Stock			
Balance at beginning of year	—	—	—
Shares issued:			
For stock offering	360	—	—
Under employee plans	2	—	—
Balance at end of year	362	—	—
Liberty Media Group Class A Common Stock			
Balance at beginning of year	2,314	—	—
Shares issued (acquired), net:			
For acquisitions	62	2,280	—
Other	(12)	34	—
Balance at end of year	2,364	2,314	—
Liberty Media Group Class B Common Stock			
Balance at beginning of year	217	—	—
Shares issued (acquired), net:			
For acquisitions	(11)	220	—
Other	—	(3)	—
Balance at end of year	206	217	—
Additional Paid-In Capital			
Balance at beginning of year	59,526	15,195	17,121
Shares issued (acquired), net:			
Under employee plans	98	431	67
For acquisitions	23,097	42,425	(2,105)
Other*	(2,767)	323	112
Proceeds in excess of par value from issuance of AT&T Wireless common stock	9,915	—	—
Common stock warrants issued	—	306	—
Gain on issuance of common stock by affiliates	530	667	—
Other	97	179	—
Balance at end of year	90,496	59,526	15,195
Guaranteed ESOP Obligation			
Balance at beginning of year	(17)	(44)	(70)
Amortization	17	27	26
Balance at end of year	—	(17)	(44)
Retained Earnings			
Balance at beginning of year	6,712	7,800	3,981
Net income	4,669	3,428	6,398
Dividends declared	(2,485)	(2,807)	(2,230)
Treasury shares issued at less than cost	(1,488)	(1,709)	(370)
Other changes	—	—	21
Balance at end of year	7,408	6,712	7,800
Accumulated Comprehensive Income			
Balance at beginning of year	6,979	(59)	(38)
Other comprehensive income	(8,377)	7,038	(21)
Balance at end of year	(1,398)	6,979	(59)
Total Shareowners' Equity	$103,198	$78,927	$25,522
Summary of Total Comprehensive Income:			
Net income	$ 4,669	$ 3,428	$ 6,398
Other comprehensive income [net of income taxes of $(5,348), $4,600 and $(53)]	(8,377)	7,038	(21)
Comprehensive Income	$ (3,708)	$10,466	$ 6,377

* Activity in 2000 primarily represents AT&T stock received from Cox Communications, Inc. in exchange for an entity owning cable systems and certain other assets.

AT&T accounts for treasury stock as retired stock, and as of December 31, 2000 and 1999, had 417 million and 288 million treasury shares, respectively, of which 346 million and 216 million shares, respectively, were owned by AT&T Broadband subsidiaries. In addition, 70 million treasury shares related to the purchase of AT&T shares previously owned by Liberty Media Group.

We have 100 million authorized shares of preferred stock at $1 par value. No preferred stock was issued or outstanding.

The notes are an integral part of the consolidated financial statements.

AT&T CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	2000	1999	1998
	For the Years Ended December 31,		
	Dollars in millions		
OPERATING ACTIVITIES			
Net income	$ 4,669	$ 3,428	$ 6,398
Deduct: Income from discontinued operations	—	—	10
Gain on sale of discontinued operations	—	—	1,290
Add: Extraordinary loss on retirement of debt	—	—	137
Income from continuing operations	4,669	3,428	5,235
Adjustments to reconcile net income to net cash provided by operating activities of continuing operations:			
Net gains on sales of businesses and investments	(1,683)	(682)	(959)
Net restructuring and other charges	6,793	1,209	2,362
Depreciation and amortization	10,267	7,439	4,629
Provision for uncollectible receivables	1,393	1,416	1,389
Deferred income taxes	1,054	145	(128)
Minority interest (income) expense	(4,357)	8	(55)
Net equity (earnings) losses from Liberty Media Group	(1,488)	2,022	—
Net losses from other equity investments	395	1,155	68
Increase in receivables	(3,350)	(2,891)	(1,577)
(Decrease) increase in accounts payable	(773)	116	(467)
Net change in other operating assets and liabilities	4	(1,679)	5
Other adjustments, net	383	(165)	(285)
NET CASH PROVIDED BY OPERATING ACTIVITIES OF CONTINUING OPERATIONS	13,307	11,521	10,217
INVESTING ACTIVITIES			
Capital expenditures and other additions	(15,524)	(14,306)	(7,817)
Proceeds from sale or disposal of property, plant and equipment	600	286	104
(Increase) decrease in other receivables	(1,052)	17	6,403
Net acquisitions of licenses	(247)	(6)	(97)
Sales of marketable securities	96	—	2,003
Purchases of marketable securities	—	—	(1,696)
Equity investment distributions and sales	1,352	1,875	1,516
Equity investment contributions and purchases	(3,412)	(8,121)	(1,281)
Net (acquisitions) dispositions of businesses including cash acquired	(21,410)	(6,711)	4,507
Other investing activities, net	(337)	(77)	(60)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES OF CONTINUING OPERATIONS	(39,934)	(27,043)	3,582
FINANCING ACTIVITIES			
Proceeds from long-term debt issuances	4,601	8,396	17
Retirement of long-term debt	(2,118)	(2,807)	(2,610)
Issuance of convertible securities	—	4,638	—
Redemption of redeemable securities	(152)	—	—
Issuance of AT&T common shares	99	—	32
Issuance of AT&T Wireless Group common shares	10,314	—	—
Net acquisition of treasury shares	(581)	(4,624)	(3,321)
Dividends paid on common stock	(3,047)	(2,712)	(2,187)
Dividends on preferred securities	(294)	(135)	—
Increase (decrease) in short-term borrowings, net	16,973	10,238	(3,033)
Other financing activities, net	(66)	392	53
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES OF CONTINUING OPERATIONS	25,729	13,386	(11,049)
NET CASH PROVIDED BY DISCONTINUED OPERATIONS	—	—	92
Net (decrease) increase in cash and cash equivalents	(898)	(2,136)	2,842
Cash and cash equivalents at beginning of year	1,024	3,160	318
Cash and cash equivalents at end of year	$ 126	$ 1,024	$ 3,160

The notes are an integral part of the consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATION

The consolidated financial statements include all controlled subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. Investments in majority-owned subsidiaries where control does not exist and investments in which we exercise significant influence but do not control (generally a 20% to 50% ownership interest) are accounted for under the equity method of accounting. This represents the majority of our investments. Investments in which we have less than a 20% ownership interest and in which there is no significant influence are accounted for under the cost method of accounting.

FOREIGN CURRENCY TRANSLATION

For operations outside the United States that prepare financial statements in currencies other than the U.S. dollar, we translate income statement amounts at average exchange rates for the year, and we translate assets and liabilities at year-end exchange rates. We present these translation adjustments as a component of accumulated other comprehensive income within shareowners' equity. Gains and losses from foreign currency transactions are included in results of operations.

REVENUE RECOGNITION

We recognize long distance, local and wireless services revenue based upon minutes of traffic processed or contracted fee schedules. Cable installation revenue is recognized in the period the installation services are provided to the extent of direct selling costs. Any remaining amount is deferred and recognized over the estimated average period that customers are expected to remain connected to the cable distribution systems. Customer activation fees, along with the related costs, are deferred and amortized over the customer relationship period. The revenue and related expenses associated with the sale of wireless handsets and accessories are recognized when the products are delivered and accepted by customers, as this is considered to be a separate earnings process from the sale of wireless services. We recognize other products and services revenue when the products are delivered and accepted by customers and when services are provided in accordance with contract terms. During 2000, we adopted Securities and Exchange Commission (SEC) Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements". The adoption did not have a material impact on our results of operations or financial condition.

ADVERTISING AND PROMOTIONAL COSTS

We expense costs of advertising and promotions, including cash incentives used to acquire customers, as incurred. Advertising and promotional expenses were $1,995, $1,804 and $1,920 in 2000, 1999 and 1998, respectively. Of these amounts, $288, $320 and $622 were cash incentives to acquire customers in 2000, 1999 and 1998, respectively.

INVESTMENT TAX CREDITS

We amortize investment tax credits as a reduction to the provision for income taxes over the useful lives of the assets that produced the credits.

CASH EQUIVALENTS

We consider all highly liquid investments with original maturities of generally three months or less to be cash equivalents.

PROPERTY, PLANT AND EQUIPMENT

We state property, plant and equipment at cost and determine depreciation based upon the assets' estimated useful lives using either the group or unit method. The useful lives of communications and network equipment range from three to 15 years. The useful lives of other equipment ranges from three to seven years. The useful lives of buildings and improvements range from 10 to 40 years. The group method is used for most depreciable assets, including the majority of communications and network equipment. When we sell or retire assets depreciated using the group method, the cost is deducted from property, plant and equipment and charged to accumulated depreciation, without recognition of a gain or loss. The unit method is primarily used for large computer systems and support assets. When we sell assets that were depreciated using the unit method, we include the related gains or losses in other income.

We use accelerated depreciation methods primarily for certain high-technology computer-processing equipment and digital equipment used in the telecommunications network, except for switching equipment placed in service before 1989, where a straight-line method is used. All other plant and equipment, including capitalized software, is depreciated on a straight-line basis.

LICENSING COSTS

Licensing costs are costs incurred to acquire cellular and personal communications services (PCS) licenses. Amortization begins with the commencement of service to customers and is computed using the straight-line method over periods of 35 or 40 years.

FRANCHISE COSTS

Franchise costs include the value attributed to agreements with local authorities that allow access to homes in cable service areas acquired in connection with business combinations. Such amounts are amortized on a straight-line basis over 40 years.

GOODWILL

Goodwill is the excess of the purchase price over the fair value of net assets acquired in business combinations accounted for under the purchase method. We amortize goodwill on a straight-line basis over the periods benefited, ranging from five to 40 years.

SOFTWARE CAPITALIZATION

Certain direct development costs associated with internal-use software are capitalized, including external direct costs of material and services, and payroll costs for employees devoting time to the software projects. These costs are included within other assets and are amortized over a period not to exceed five years beginning when the asset is substantially ready for use. Costs incurred during the preliminary project stage, as well as maintenance and training costs, are expensed as incurred. AT&T also capitalizes initial operating-system software costs and amortizes them over the life of the associated hardware.

AT&T also capitalizes costs associated with the development of application software incurred from the time technological feasibility is established until the software is ready to provide service to customers. These capitalized costs are included in property, plant and equipment and are amortized over a useful life not to exceed five years.

VALUATION OF LONG-LIVED ASSETS

Long-lived assets, such as property, plant and equipment, licensing costs, franchise costs, goodwill, investments and software, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the total of the expected future undiscounted cash flows is less than the carrying amount of the asset, a loss is recognized for the difference between the fair value and carrying value of the asset. In addition, in accordance with Accounting Principles Board (APB) Opinion No. 17, "Intangible Assets", we continue to evaluate the amortization periods to determine whether events or circumstances warrant revised amortization periods.

DERIVATIVE FINANCIAL INSTRUMENTS

We use various financial instruments, including derivative financial instruments, for purposes other than trading. We do not use derivative financial instruments for speculative purposes. Derivatives, used as part of our risk-management strategy, must be designated at inception as a hedge and measured for effectiveness both at inception and on an ongoing basis. Gains and losses related to qualifying hedges of foreign currency firm commitments are deferred in current assets or liabilities and recognized as part of the underlying transactions as they occur. All other foreign exchange contracts are marked to market on a current basis, and the respective gains or losses are recognized in other income. Interest rate differentials associated with interest rate swaps used to hedge AT&T's debt obligations are recorded as an adjustment to interest payable or receivable, with the offset to interest expense over the life of the swaps. If we terminate an interest rate swap agreement, the gain or loss is deferred and amortized over the remaining life of the liability. Cash flows from financial instruments are classified in the Consolidated Statements of Cash Flows under the same categories as the cash flows from the related assets, liabilities or anticipated transactions.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. Actual results could differ from those estimates. Estimates are used when accounting for certain items such as long-term contracts, allowance for doubtful accounts, depreciation and amortization, employee benefit plans, taxes, restructuring reserves and contingencies.

CONCENTRATIONS

As of December 31, 2000, we do not have any significant concentration of business transacted with a particular customer, supplier or lender that could, if suddenly eliminated, severely impact our operations. We also do not have a concentration of available sources of labor, services, franchises, or licenses or other rights that could, if suddenly eliminated, severely impact our operations. We invest our cash with several high-quality credit institutions.

ISSUANCE OF COMMON STOCK BY AFFILIATES

Changes in our proportionate share of the underlying equity of a subsidiary or equity method investee, which result from the issuance of additional equity securities by such entity, are recognized as increases or decreases to additional paid-in capital in the Consolidated Statements of Shareowners' Equity.

RECLASSIFICATIONS AND RESTATEMENTS

We reclassified certain amounts for previous years to conform to the 2000 presentation. In addition, we restated prior year share and per share amounts to reflect the June 2000 two-for-one split of Liberty Media Group common stock.

2. RESTRUCTURING OF AT&T

On October 25, 2000, we announced a restructuring plan designed to fully separate or issue separately tracked stocks intended to reflect the financial performance and economic value of each of AT&T's four major operating units. Upon completion of the plan, AT&T Wireless, AT&T Broadband, AT&T Business and AT&T Consumer will all be represented by asset-based or tracking stocks.

As part of the first phase of the restructuring plan, we are planning an exchange offer that will give AT&T shareowners the opportunity to exchange any portion of their AT&T common shares for shares of AT&T Wireless Group tracking stock, subject to pro-ration. Following the exchange offer and subject to specified conditions, AT&T plans to split-off AT&T Wireless Group from AT&T. We intend, however, to retain up to $3 billion of shares of AT&T Wireless for future sale, exchange or monetization within six months following the split-off. We expect AT&T Wireless will become an independent, publicly-held company in mid-2001, upon receipt of appropriate tax and other approvals.

In addition to the split-off of AT&T Wireless, we intend to fully separate or issue separate tracking stocks to reflect the financial performance and economic value of each of our other major business units. We plan to create and issue new classes of stock to track the financial performance and economic value of our AT&T Broadband unit and AT&T Consumer unit. We plan to sell some percentage of shares of the AT&T Broadband unit in the fall of 2001. Within 12 months of such sale, we intend to completely separate AT&T Broadband from AT&T, as an asset-based stock. The AT&T Consumer tracking stock is expected to be fully distributed to AT&T shareowners in the second half of 2001.

AT&T expects that these transactions will be tax-free to U.S. shareholders. AT&T's restructuring plan is complicated and involves a substantial number of steps and transactions, including obtaining various conditions, such as Internal Revenue Service (IRS) rulings. In addition, future financial conditions, superior alternatives or other factors may arise or occur that make it inadvisable to proceed with part or all of AT&T's restructuring plans. Any or all of the elements of AT&T's restructuring plan may not occur as we currently expect or in the timeframes that we currently contemplate, or at all. Alternative forms of restructuring, including sales of interests in these businesses, would reduce what is available for distribution to shareowners in the restructuring.

On November 15, 2000, AT&T announced that our board of directors voted to split-off Liberty Media Group (LMG), which we acquired through our acquisition of Tele-Communications, Inc. A new asset-based security will be issued to holders of LMG tracking stock in exchange for their LMG tracking shares. The split-off remains subject to receipt of a favorable tax ruling from the IRS. We expect this split-off to be completed in mid-2001.

Dollars in millions unless otherwise noted (except per share amounts)

3. SUPPLEMENTARY FINANCIAL INFORMATION

SUPPLEMENTARY INCOME STATEMENT INFORMATION

For the Years Ended December 31,	2000	1999	1998
INCLUDED IN SELLING, GENERAL AND ADMINISTRATIVE EXPENSES			
Research and development expenses	$ 402	$550	$ 513
OTHER INCOME			
Investment-related income	$ 514	$222	$ 389
Net gains on sales of businesses and investments	1,683	682	959
Mark-to-market charge on put options	(537)	—	—
Investment impairment charges	(248)	(40)	—
Miscellaneous, net	102	67	(67)
Total other income	$1,514	$931	$1,281
DEDUCTED FROM INTEREST EXPENSE			
Capitalized interest	$ 299	$143	$ 197

SUPPLEMENTARY BALANCE SHEET INFORMATION

At December 31,	2000	1999
PROPERTY, PLANT AND EQUIPMENT		
Communications, network and other equipment	$ 74,550	$ 60,985
Buildings and improvements	8,951	8,104
Land and improvements	531	586
Total property, plant and equipment	84,032	69,675
Accumulated depreciation	(32,871)	(30,057)
Property, plant and equipment, net	$ 51,161	$ 39,618

SUPPLEMENTARY SHAREOWNERS' EQUITY INFORMATION

For the Years Ended December 31,	2000	1999	1998
OTHER COMPREHENSIVE INCOME			
Net foreign currency translation adjustment [net of income taxes of $(181), $87 and $(3)]	$ (309)	$ 148	$ (5)
Net revaluation of securities [net of income taxes of $(5,166), $4,506 and $(35)]	(8,067)	6,878	(25)
Net minimum pension liability adjustment [net of income taxes of $(1), $7 and $(15)]	(1)	12	9
Total other comprehensive income	$(8,377)	$7,038	$(21)

In 2000, other comprehensive income included LMG's foreign currency translation adjustments totaling $(202), net of applicable income taxes, revaluation of LMG's available-for-sale securities totaling $(6,117), net of applicable income taxes, and the recognition of previously unrecognized available-for-sale securities totaling $(635), net of applicable income taxes.

In 1999, other comprehensive income included LMG's foreign currency translation adjustments totaling $60, net of applicable income taxes, and revaluation of LMG's available-for-sale securities totaling $6,497, net of applicable income taxes.

Dollars in millions unless otherwise noted (except per share amounts)

SUPPLEMENTARY CASH FLOW INFORMATION

For the Years Ended December 31,	2000	1999	1998
Interest payments, net of amounts capitalized	$3,453	$1,425	$ 422
Income tax payments	1,976	3,906	2,881

4. MERGERS WITH MEDIAONE GROUP, INC. AND TELE-COMMUNICATIONS, INC.

MERGER WITH MEDIAONE GROUP, INC.

On June 15, 2000, AT&T completed a merger with MediaOne Group, Inc. (MediaOne) in a cash and stock transaction valued at approximately $45 billion. For each share of MediaOne stock, MediaOne shareowners received, in the aggregate, 0.95 of a share of AT&T common stock and $36.27 per share in cash, consisting of $30.85 per share as stipulated in the merger agreement and $5.42 per share based on AT&T's stock price preceding the merger, which was below a predetermined amount. AT&T issued approximately 603 million shares of common stock in the transaction, of which approximately 60 million were treasury shares. The AT&T shares had an aggregate market value of approximately $21 billion and cash payments totaled approximately $24 billion.

The merger was accounted for under the purchase method. Accordingly, the results of MediaOne have been included in the accompanying consolidated financial statements since the date of acquisition as part of our Broadband segment.

Approximately $16 billion of the purchase price of $45 billion has been attributed to agreements with local franchise authorities that allow access to homes in our broadband service areas ("franchise costs") and is being amortized on a straight-line basis over 40 years. Also included in the purchase price was approximately $22 billion related to nonconsolidated investments, including investments in Time Warner Entertainment Company, L.P. (TWE) and Vodafone Group plc (Vodafone), approximately $5 billion related to property, plant and equipment, and approximately $7 billion of other net assets. In addition, included was approximately $14 billion in deferred income liabilities, approximately $10 billion attributable to MediaOne debt, and approximately $1 billion of minority interest in Centaur Funding Corporation, a subsidiary of MediaOne. The purchase resulted in preliminary goodwill of approximately $20 billion, which is being amortized on a straight-line basis over 40 years. AT&T may make refinements to the allocation of the purchase price in future periods as the related fair value appraisals of certain assets and liabilities are finalized.

MERGER WITH TELE-COMMUNICATIONS, INC.

On March 9, 1999, AT&T completed a merger with Tele-Communications, Inc. (TCI), renamed AT&T Broadband, in an all-stock transaction valued at approximately $52 billion. Each share of TCI Group Series A common stock was converted into 1.16355 shares of AT&T common stock, and each share of TCI Group Series B common stock was converted into 1.27995 shares of AT&T common stock. AT&T issued approximately 664 million shares of common stock in the transaction, of which approximately 149 million were treasury shares. The AT&T shares had an aggregate market value of approximately $27 billion. Certain subsidiaries of TCI held TCI Group Series A common stock, which was converted into 216 million shares of AT&T common stock. These subsidiaries continue to hold these shares, which are reflected as treasury stock in the accompanying Consolidated Balance Sheets.

In addition, TCI simultaneously combined its Liberty Media Group programming business with its TCI Ventures Group technology investment business, forming LMG. In connection with the closing, AT&T issued separate tracking stock in exchange for the TCI Liberty Media Group and TCI Ventures Group tracking shares previously outstanding. We issued 2,280 million shares of Liberty Media Group Class A tracking stock (including 120 million shares related to the conversion of convertible notes) and 220 million shares of Liberty Media Group Class B tracking stock. The tracking stock is designed to reflect the separate financial performance and economic value of LMG. These shares had an aggregate market value of approximately $23 billion.

AT&T does not have a controlling financial interest for financial accounting purposes in LMG. Therefore, our investment in LMG has been reflected as an investment accounted for under the equity method in the accompanying consolidated financial statements. The amounts attributable to LMG are reflected as "Equity earnings (losses) from Liberty Media Group" and "Investment in Liberty Media Group and related receivables, net" in the accompanying consolidated financial statements. As a separate tracking stock, all of the earnings or losses related to LMG are excluded from the earnings available to the holders of AT&T common stock.

Each share of Liberty Media Group Class A common stock is entitled to 0.0375 of a vote, and each share of Liberty Media Group Class B common stock is entitled to 0.375 of a vote.

The TCI merger was accounted for under the purchase method. Accordingly, the results of TCI have been included in the financial results of AT&T since the date of acquisition. The operating results of TCI have been included in the accompanying consolidated financial statements at their fair value since March 1, 1999, the deemed effective date of acquisition for accounting purposes. The impact of the results from March 1 through March 9, 1999, were deemed immaterial to our consolidated results.

Approximately $20 billion of the purchase price of $52 billion was attributed to franchise costs and is being amortized on a straight-line basis over 40 years. Pursuant to Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes," AT&T recorded an approximate $13 billion deferred tax liability in connection with this franchise intangible, which is also included in franchise costs. We do not expect that this deferred tax liability will ever be paid. This deferred tax liability is being amortized on a straight-line basis over 40 years and is included in the provision for income taxes. Also included was approximately $11 billion related to nonconsolidated investments, approximately $5 billion related to property, plant and equipment, approximately $11 billion of TCI long-term debt and approximately $7 billion related to other net liabilities. In addition, our investment in LMG was recorded at approximately $34 billion, including approximately $11 billion of goodwill that is being amortized on a straight-line basis over 20 years as a component of "Equity earnings (losses) from Liberty Media Group."

Following is a summary of the pro forma results of AT&T as if the mergers with MediaOne and TCI had closed effective January 1, 1999:

For the Years Ended December 31, Shares in millions	2000	1999
	(Unaudited)	
Revenue	$67,306	$66,236
Net income	5,617	6,452
Weighted-average AT&T common shares	3,762	3,784
Weighted-average AT&T common shares and potential common shares	3,821	3,906
Weighted-average AT&T Wireless Group shares	361	—
Weighted-average Liberty Media Group shares	2,572	2,519
AT&T Common Stock Group earnings per common share:		
Basic	$ 1.08	$ 2.30
Diluted	$ 1.07	$ 2.23
AT&T Wireless Group earnings per common share:		
Basic and diluted	$ 0.21	$ —
Liberty Media Group earnings (loss) per share:		
Basic and diluted	$ 0.58	$ (0.89)

Pro forma data may not be indicative of the results that would have been obtained had these events actually occurred at the beginning of the periods presented, nor does it intend to be a projection of future results.

5. OTHER MERGERS, ACQUISITIONS, STOCK OFFERING, VENTURE, DISPOSITIONS AND DISCONTINUED OPERATIONS

AB CELLULAR

On December 29, 2000, AB Cellular completed the redemption of AT&T's equity interest in AB Cellular. Prior to that date, AT&T held a 55.62% equity interest in AB Cellular, which was formed in 1998 with BellSouth, with each party having a 50% voting interest. AB Cellular owned, controlled and supervised wireless properties in Los Angeles, Houston, and Galveston, Texas. BellSouth exercised an option available to it, which resulted in AB Cellular redeeming AT&T's interest in AB Cellular in exchange for 100% of the net assets of the Los Angeles property. AB Cellular recognized a significant gain upon completion of the transaction. Accordingly, net losses from other equity investments included $603 representing our portion of this gain, and other income included a net pretax loss of $184 related to the difference between the carrying value of our investment in AB Cellular and the fair market value of the Los Angeles property. As a result of this transaction, we consolidated the Los Angeles property. The consolidation resulted in licensing costs of $2.2 billion, goodwill of $0.8 billion, other net assets of $0.6 billion and the removal of our investment in AB Cellular of $3.8 billion.

TELECORP PCS, INC.

On November 13, 2000, two of AT&T's wireless affiliates, TeleCorp PCS, Inc. (TeleCorp) and Tritel, Inc., merged as part of a stock transaction. In connection with the merger, AT&T contributed to TeleCorp rights to acquire wireless licenses in Wisconsin and Iowa, paid approximately $20 in cash and extended the term of its brand license agreement through July 2005, in exchange for approximately 9.3 million additional common shares in the newly merged entity. In a separate transaction, AT&T exchanged certain additional wireless licenses and rights to acquire licenses in the Wisconsin and Iowa markets, and made a cash payment of approximately $80 for certain TeleCorp PCS licenses and wireless systems in several New England markets.

These transactions resulted in a net pretax gain of $379. The acquisition of the wireless systems was accounted for under the purchase method. The pro forma impact of the wireless systems on historical AT&T results is not material.

AT HOME CORPORATION

On August 28, 2000, AT&T and At Home Corporation (Excite@Home) announced shareholder approval of a new board of directors and governance structure for Excite@Home and completion of the extension of distribution contracts with AT&T, Cox Communications, Inc. (Cox) and Comcast Corporation (Comcast). AT&T was given the right to designate six of the 11 Excite@Home board members. In addition, Excite@Home converted approximately 50 million of AT&T's Series A shares into Series B shares, each of which has 10 votes. As a result of these governance changes, AT&T gained a controlling interest and began consolidating Excite@Home's results upon the closing of the transaction on September 1, 2000. As of December 31, 2000, AT&T had, on a fully diluted basis, approximately 23% of the economic interest and 74% of the voting interest in Excite@Home.

In exchange for Cox and Comcast relinquishing their rights under the shareholder agreement, AT&T granted put options to Cox and Comcast on a combined total of 60.4 million shares of Excite@Home Series A common stock. The put options provide Cox and Comcast with the right to convert their Excite@Home shares into either AT&T stock or cash at their option, at any time between January 1, 2001 and June 4, 2002, at the higher of (i) $48 per share or (ii) the 30-day average trading price at the time of exercise (beginning 15 trading days prior to the exercise date, and ending 15 days after the exercise date). The maximum amount that AT&T would be required to pay in cash or stock is approximately $2.9 billion based on the $48 strike price. The obligation under these put options was recorded at fair value, with gains or losses resulting from changes in fair value being recorded as a component of other income. For the year, changes in fair market value resulted in a pretax expense of $537. Subsequent to December 31, 2000, Cox and Comcast exercised their put options, electing to receive AT&T common shares (see Note 22).

Also, in connection with the distribution agreements which extend through 2008, AT&T obtained the right to purchase up to approximately 25 million Excite@Home Series A shares and 25 million Series B shares. In addition, Cox and Comcast will each receive new warrants to purchase two Series A shares for each home its cable system passes. These warrants will vest in installments every six months beginning in June 2001, and will be fully vested by June 2006 if Cox and Comcast elect to continue their extended non-exclusive distribution agreements through that period.

The consolidation of Excite@Home resulted in minority interest of approximately $2.2 billion, goodwill of approximately $2.4 billion, short-term liabilities of approximately $2.4 billion (including an initial put option liability), other net assets of approximately $1.2 billion and the removal of our investment in Excite@Home of approximately $1.9 billion.

AT&T WIRELESS GROUP

On April 27, 2000, AT&T created a new class of stock and completed a public stock offering of 360 million shares, which represented 15.6% of AT&T Wireless Group tracking stock at a price of $29.50 per share. This stock is intended to track the financial performance and economic value of AT&T's wireless services' business. The net proceeds to AT&T after deducting underwriter's discount and related fees and expenses were $10.3 billion. AT&T allocated $7.0 billion of the net proceeds to AT&T Wireless Group, which were used for acquisitions, network expansion, capital expenditures and for general corporate purposes. The remaining net proceeds of $3.3 billion were utilized by AT&T for general corporate purposes. Holders of AT&T Wireless Group tracking stock are entitled to one-half of a vote per share. The AT&T Wireless Group tracking stock is listed on the New York Stock Exchange under the symbol "AWE."

COX COMMUNICATIONS, INC.

On March 15, 2000, AT&T received 50.3 million shares of AT&T common stock held by Cox in exchange for an entity owning cable television systems serving approximately 312,000 customers and certain other net assets. Specifically, AT&T exchanged $1.1 billion of investments and related advances, $0.9 billion of franchise costs and $0.5 billion of other net assets for stock valued at $2.7 billion on March 15, 2000. The transaction resulted in a pretax gain of $189.

LENFEST COMMUNICATIONS, INC.

On January 18, 2000, AT&T sold its ownership in Lenfest Communications, Inc. to a subsidiary of Comcast. In connection with the sale, we received 47.3 million shares of Comcast Class A Special common stock. The transaction resulted in a pretax gain of $224.

CONCERT

On January 5, 2000, AT&T and British Telecommunications plc (BT) announced financial closure of Concert, their global communications joint venture. AT&T contributed all of its international gateway-to-gateway assets, as well as the economic value of approximately 270 multinational customers specifically targeted for direct sales by Concert.

ACC EUROPE

On November 5, 1999, AT&T sold ACC Corp. (ACC) in Europe, including ACC's principal operations in the United Kingdom as well as ACC's operating companies in France, Germany and Italy, to WORLDxCHANGE Communications. We were required to dispose of this investment pursuant to a government mandate since it would have competed directly with Concert. The transaction resulted in a pretax loss of $179.

IBM GLOBAL NETWORK

On April 30, 1999, AT&T completed its acquisition of the IBM Global Network business (renamed AT&T Global Network Services or AGNS) and its assets in the United States. The non-U.S. acquisitions were completed in phases throughout 1999 and during the first quarter of 2000. Under the terms of the agreement, AT&T acquired the global network of IBM, and the two companies entered into outsourcing agreements with each other. The acquisition was accounted for under the purchase method. Accordingly, the operating results of AGNS have been included in the accompanying consolidated financial statements since the date of acquisition. The pro forma impact of AGNS on historical AT&T results is not material.

TELEPORT COMMUNICATIONS GROUP INC.

On July 23, 1998, AT&T completed a merger with Teleport Communications Group Inc. (TCG) pursuant to an agreement and plan of merger dated January 8, 1998. Each share of TCG common stock was exchanged for 1.4145 shares of AT&T common stock, resulting in the issuance of 272.4 million shares in the transaction. The merger was accounted for as a pooling of interests, and accordingly, AT&T's results of operations, financial position and cash flows were restated to reflect the merger. In 1998, we recognized $85 of merger-related expenses. Premerger TCG revenue was $455, and net losses were $118, for the six months ended June 30, 1998. Elimination entries between AT&T and TCG were not material. On April 22, 1998, TCG purchased ACC for an aggregate value of approximately $1,100, including approximately $700 in goodwill.

OTHER DISPOSITIONS

On March 3, 1998, AT&T sold its 45% common share interest in LIN Television Corp., a subsidiary of LIN Broadcasting Company, for $742 to Hicks, Muse, Tate and Furst Inc. We recognized a pretax gain of $317.

Dollars in millions unless otherwise noted (except per share amounts)

Also on March 3, 1998, AT&T sold AT&T Solutions Customer Care to MATRIXX Marketing Inc., a teleservices unit of Cincinnati Bell, for $625. AT&T recognized a pretax gain of $350 in 1998 on the sale.

DISCONTINUED OPERATIONS

On April 2, 1998, AT&T sold AT&T Universal Card Services Inc. (UCS) for $3,500 to Citigroup, Inc. The after-tax gain resulting from the disposal of UCS was $1,290, or $0.48 per diluted share. Included in the transaction was a cobranding and joint-marketing agreement. In addition, we received $5,722 in settlement of receivables from UCS.

The consolidated financial statements of AT&T reflect UCS as a discontinued operation. Accordingly, the revenue, costs and expenses, and cash flows of this business have been excluded from the respective captions in the 1998 Consolidated Statement of Income and Consolidated Statement of Cash Flows, and have been reported through the date of disposition as "Income from discontinued operations," net of applicable income taxes, and as "Net cash provided by discontinued operations" for all periods presented. The gain associated with this sale is reflected as "Gain on sale of discontinued operations," net of applicable income taxes.

Summarized financial information for UCS was as follows:

For the Year Ended December 31,	1998
Revenue	$365
Income before income taxes	16
Net income	10

No interest expense was allocated to UCS in 1998 due to the immateriality of the amounts; however, UCS recorded direct interest expense of $85 in 1998, primarily related to amounts payable to AT&T.

ACQUISITION-RELATED INTANGIBLE ASSETS

As a result of our evaluation of recent changes in our industry and the views of regulatory authorities, AT&T expects that the amortization period for all licensing costs, franchise costs, and goodwill associated with newly acquired wireless, telecommunications, and cable operations will not exceed 25 years.

6. EARNINGS PER COMMON SHARE AND POTENTIAL COMMON SHARE

Income (loss) from continuing operations attributable to the different classes of AT&T common stock is as follows:

For the Years Ended December 31,	2000	1999	1998
AT&T Common Stock Group	$3,105	$ 5,450	$5,235
AT&T Wireless Group	76	—	—
Liberty Media Group	1,488	(2,022)	—
Income from continuing operations	$4,669	$ 3,428	$5,235

Basic earnings per share (EPS) for AT&T Common Stock Group for 2000, 1999 and 1998 were computed by dividing AT&T Common Stock Group income by the weighted-average number of shares outstanding during the year.

Diluted EPS for AT&T Common Stock Group was computed by dividing AT&T Common Stock Group income, adjusted for the conversion of securities, by the weighted-average number of shares and dilutive potential shares outstanding during the year, assuming conversion of the potential shares at the beginning of the years presented. Shares issuable upon conversion of preferred stock of subsidiaries, convertible debt securities of subsidiary, stock options and other performance awards have been included in the diluted calculation of weighted-average shares to the extent that the assumed issuance of such shares would have been dilutive, as illustrated below. The convertible quarterly income preferred securities were antidilutive and were excluded from the computation of diluted EPS. Computed on a yearly basis, the dividends would have an after-tax impact to earnings of approximately $155. Assuming conversion of the securities, the dividends would no longer be included as a reduction to net income and the securities would convert into 67 million shares of AT&T common stock.

A reconciliation of the income and share components for basic and diluted EPS calculations with respect to AT&T Common Stock Group continuing operations is as follows:

For the Years Ended December 31,	2000	1999	1998
Income	$3,105	$5,450	$5,235
Income impact of assumed conversion of preferred stock of subsidiary	32	26	—
Income adjusted for conversion of securities	$3,137	$5,476	$5,235
Shares in millions			
Weighted-average common shares	3,486	3,082	2,676
Stock options	19	35	24
Preferred stock of subsidiary	40	33	—
Convertible debt securities of subsidiary	—	2	—
Weighted-average common shares and potential common shares	3,545	3,152	2,700

Basic EPS for AT&T Wireless Group for the period from April 27, 2000, the stock offering date, through December 31, 2000, was computed by dividing AT&T Wireless Group income by the weighted-average number of shares outstanding of AT&T Wireless Group of 361 million. There were no potentially dilutive securities outstanding at December 31, 2000.

Basic EPS for LMG was computed by dividing LMG income (loss) by the weighted-average number of shares outstanding of LMG of 2,572 million in 2000 and 2,519 million from the March 9, 1999, date of issuance through December 31, 1999. Potentially dilutive securities, including fixed and nonvested performance awards and stock options, have not been factored into the dilutive calculations because past history has indicated that these contracts are generally settled in cash. There were 96 million and 124 million of these potentially dilutive securities outstanding at December 31, 2000 and 1999, respectively. The diluted earnings per share calculation for 2000 also excludes approximately 700,000 warrants outstanding at December 31, 2000, which were antidilutive. In addition, since LMG had a loss in 1999, the impact of any potential shares would have been antidilutive.

7. NET RESTRUCTURING AND OTHER CHARGES

During 2000, we recorded $7,029 of net restructuring and other charges, which included $6,179 of asset impairment charges related to Excite@Home, $759 for restructuring and exit costs associated with AT&T's initiative to reduce costs, and $91 related to the government-mandated disposition of AT&T Communications (U.K.) Ltd., which would have competed directly with Concert.

The charges related to Excite@Home included $4,609 of asset impairment charges recorded by Excite@Home associated with the impairment of goodwill from various acquisitions, including Excite, and a related goodwill impairment charge of $1,570 recorded by AT&T associated with goodwill from the acquisition of our investment in Excite@Home.

The impairments resulted from the deterioration of the market conditions and market valuations of Internet-related companies during the fourth quarter of 2000, which caused Excite@Home to conclude that intangible assets related to their acquisitions of Internet-related companies may not be recoverable. In accordance with SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of", Excite@Home conducted a detailed assessment of the recoverability of the carrying amounts of acquired intangible assets. This assessment resulted in a determination that certain acquired intangible assets, including goodwill, related to these acquisitions, including Excite, were impaired as of December 31, 2000. As a result, we recorded impairment charges of $4,609 in December 2000, representing the excess of the carrying amount of the impaired assets over their fair value.

The review for impairment included a review of publicly-traded Internet companies that are comparable to the companies that Excite@Home acquired. These companies experienced a substantial decline in stock price and market capitalization during the fourth quarter of 2000.

Excite@Home also reviewed the business climate for Internet advertising and web-based infrastructure companies as of December 31, 2000, and observed the following: (1) investor and consumer enthusiasm for the Internet sector severely deteriorated during the fourth quarter of 2000; (2) many Internet companies, including those acquired by Excite@Home, experienced significant decelerations in their growth both as a result of economic conditions and due to Internet-sector specific issues such as competition and the weakening of the Internet advertising market; and (3) funding sources for Internet-based consumer businesses, which require considerable amounts of capital, had substantially evaporated as of December 31, 2000. As a result, Excite@Home concluded that fundamental, permanent and significant adverse changes had occurred during the fourth quarter of 2000 in the business climate for companies providing Internet advertising and other web-based services.

In addition, Excite@Home reviewed operating and cash flow projections that existed at the time Excite@Home made the acquisitions and that were used as a basis upon which the decisions to complete the acquisitions were made. These operating and cash flow projections indicated that the acquired companies, over their useful lives, would be profitable and generate positive cash flows. The operating and cash flow projections were compared to operating results after the date of the acquisitions through December 31, 2000, as well as to projected operating results for 2001. These comparisons indicated that certain acquisitions generated operating and cash flow losses through the end of 2000, and were projected to continue generating operating and cash flow losses for the foreseeable future.

As a result of these factors, Excite@Home determined that the intangible assets related to the acquisitions might not be recoverable and conducted impairment tests.

Generally, the impairment tests were performed at an asset group level corresponding to the lowest level at which cash flows independent of other assets could be identified. Each asset group consisted of the goodwill and acquired identifiable intangible assets related to a specific acquisition. Acquired intangible assets were combined for those acquisitions where separately identifiable cash flows that are largely independent of the cash flows of other groups of assets could not be identified.

For each of the asset groups to be tested for impairment, Excite@Home projected undiscounted cash flows over a future projection period of five years, based on Excite@Home's determination of the current remaining useful lives of the asset groups, plus an undiscounted terminal period cash flow to reflect disposition of the entities at the end of their useful lives. Undiscounted future cash flows were estimated using projected net realizable value in a sales transaction (undiscounted cash flows during the expected remaining holding period until disposition were estimated as negligible). The undiscounted future cash flows were compared to the carrying amount of each asset group and for those asset groups where the carrying amount exceeded the undiscounted future cash flows, Excite@Home concluded that the asset group was impaired.

Excite@Home measured the impairment loss related to impaired asset groups based on the amount by which the carrying amount of the asset group exceeded the fair value of the asset group. Measurement of fair value was based on an analysis by Excite@Home utilizing the best information available in the circumstances using reasonable and supportable assumptions and projections, and including the discounted cash flow and market comparison valuation techniques. The discounted cash flow analysis considered the likelihood of possible outcomes and was based on Excite@Home's best estimate of projected future cash flows, including terminal value cash flows expected to result from the disposition of the asset at the end of its useful life, discounted at our weighted average cost of capital. Weighted average cost of capital was based on historical risk premiums required by investors for companies of Excite@Home's size, industry and capital structure and included risk factors specific to Excite@Home. The market comparison model represented Excite@Home's estimate of the prices that a buyer would be willing to pay currently for similar assets, based on comparable products and services, customer base, risks, earnings capabilities and other factors.

Based on the foregoing, Excite@Home recorded an impairment write-down of $4,609 in the aggregate, which was allocated to each asset group based on a comparison of carrying values and fair values. The impairment write-down within each asset group was allocated first to goodwill, and if goodwill was reduced to zero, to identifiable intangible assets in proportion to carrying values.

Also as a result of the foregoing, AT&T recorded a goodwill and acquistion-related impairment charge associated with the acquisition of our investment in Excite@Home. The write-down of our investment to fair value was determined utilizing discounted expected future cash flows.

Since we own approximately 23% of Excite@Home, 77% of the charge recorded by Excite@Home was not included as a reduction to AT&T's net income, but rather was eliminated in our 2000 Consolidated Statement of Income as "Minority interest income (expense)."

The $759 charge for restructuring and exit plans was primarily due to headcount reductions, mainly in network operations and Business Services, including the consolidation of customer-care and call centers, as well as synergies created by the MediaOne merger.

Included in exit costs was $503 of cash termination benefits associated with the separation of approximately 7,300 employees as part of voluntary and involuntary termination plans. Approximately one-half of the separations were management employees and one-half were nonmanagement employees. Approximately 6,700 employee separations were related to involuntary terminations and approximately 600 to voluntary terminations.

We also recorded $62 of network lease and other contract termination costs associated with penalties incurred as part of notifying vendors of the termination of these contracts during the year, and net losses of $32 related to the disposition of facilities primarily due to synergies created by the MediaOne merger.

Dollars in millions unless otherwise noted (except per share amounts)

The following table displays the activity and balances of the restructuring reserve account:

	Type of Cost			
	Employee Separations	Facility Closings	Other	Total
Balance at January 1, 1998	$ 413	$ 434	$ 60	$ 907
Additions	150	125	—	275
Deductions	(445)	(190)	(30)	(665)
Balance at December 31, 1998	118	369	30	517
Additions	142	—	3	145
Deductions	(110)	(130)	(12)	(252)
Balance at December 31, 1999	150	239	21	410
Additions	503	32	62	597
Deductions	(394)	(98)	(47)	(539)
Balance at December 31, 2000	$ 259	$ 173	$ 36	$ 468

Deductions reflect cash payments of $245, $209 and $369, for 1998, 1999 and 2000, respectively. These payments included cash termination benefits of $124, $40 and $257, respectively, which were primarily funded through cash from operations. Deductions also reflect noncash utilization of $420, $43 and $170 for 1998, 1999 and 2000, respectively. Noncash utilization included deferred severance payments primarily related to executives, and a reversal in 1998 of $348 related to the 1995 restructuring plan. Nearly 75% of the employees affected by the 1999 and 2000 restructuring charges have left their positions as of December 31, 2000.

Also included in restructuring and exit costs in 2000 was $144 of benefit plan curtailment costs associated with employee separations as part of these exit plans. Further, we recorded an asset impairment charge of $18 related to the write-down of unrecoverable assets in certain businesses where the carrying value was no longer supported by estimated future cash flows.

During 1999, we recorded $1,506 of net restructuring and other charges.

A $594 in-process research and development charge was recorded reflecting the estimated fair value of research and development projects at TCI, as of the date of acquisition, which had not yet reached technological feasibility or had no alternative future use. The projects identified related to efforts to offer voice over Internet protocol (IP), product-integration efforts for advanced set-top devices that would enable the offering of next-generation digital services and cost-savings efforts for broadband-telephony implementation. In addition, Excite@Home had research and development efforts underway, including projects to allow for self-provisioning of devices and the development of next-generation client software, network and back-office infrastructure to enable a variety of network devices beyond personal computers, and improved design for the regional data centers' infrastructure. We began testing IP-telephony equipment in the field in late-2000, we anticipate beginning field trials for next-generation digital services in late-2001, and have completed trials related to our telephony cost reductions and implementation has begun in certain markets. Although there are technological issues to overcome to successfully complete the acquired in-process research and development, we expect successful completion. If, however, AT&T is unable to establish technological feasibility and produce commercially viable products/services, anticipated incremental future cash flows attributable to expected profits from such new products/services may not be realized.

A $531 asset impairment charge was recorded in 1999 associated with the planned disposal of certain wireless communications equipment resulting from a program to increase the capacity and operating efficiency of our wireless network. As part of a multivendor program, contracts have been executed with select vendors to replace significant portions of our wireless infrastructure equipment in the western United States and the metropolitan New York markets. The program is intended to provide Wireless Services with the newest technology available and allow it to evolve to new, next-generation digital technology, which is designed to provide high-speed data capabilities.

The planned disposal of the existing wireless infrastructure equipment required an evaluation of asset impairment in accordance with SFAS No. 121 to write-down these assets to their fair value, which was estimated by discounting the expected future cash flows of these assets through the date of disposal. Since the assets will remain in service from the date of the decision to dispose of these assets to the disposal date, the remaining net book value of the assets will be depreciated over this period. As of December 31, 2000, approximately $320 of the asset impairment reserve has been utilized for assets that have been disposed of and written off. The remaining net book value of these assets was approximately $23 at December 31, 2000, which will be depreciated over an estimated remaining useful life of three months.

Also in 1999, a $145 charge for restructuring and exit costs was recorded as part of AT&T's initiative to reduce costs. The restructuring and exit plans primarily focused on the maximization of synergies through headcount reductions in Business Services and network operations, including the consolidation of customer-care and call centers.

Included in exit costs was $142 of cash termination benefits associated with the separation of approximately 2,800 employees as part of voluntary and involuntary termination plans. Approximately one-half of the separations were management employees and one-half were nonmanagement employees. Approximately 1,700 employee separations were related to involuntary terminations and approximately 1,100 to voluntary terminations.

We also recorded net losses of $307 related to the government-mandated disposition of certain international businesses that would have competed directly with Concert, and $50 related to a contribution agreement Broadband entered into with Phoenixstar, Inc. That agreement requires Broadband to satisfy certain liabilities owed by Phoenixstar and its subsidiaries. In addition, we recorded benefits of $121 related to the settlement of pension obligations for former employees who accepted AT&T's 1998 voluntary retirement incentive program (VRIP) offer.

During 1998, we recorded $2,514 of net restructuring and other charges. The bulk of the charge was associated with our overall cost-reduction program and the approximately 15,300 management employees who accepted the VRIP offer. A restructuring charge of $2,724 was composed of $2,254 and $169 for pension and postretirement special-termination benefits, respectively, $263 of benefit plan curtailment losses and $38 of other administrative costs. We also recorded charges of $125 for related facility costs and $150 for executive-separation costs. These charges were partially offset by benefits of $940 as we settled pension benefit obligations of 13,700 of the total VRIP employees. In addition, the VRIP charges were partially offset by the reversal of $256 of 1995 business restructuring reserves primarily resulting from the overlap of VRIP on certain 1995 projects.

Also included in the 1998 net restructuring and other charges were asset impairment charges totaling $718, of which $633 was related to our decision not to pursue Total Service Resale (TSR) as a local-service strategy. We also recorded an $85 asset impairment charge related to the write-down of unrecoverable assets in certain international operations where the carrying value was no longer supported by future cash flows. This charge was made in connection with the review of certain operations that would have competed directly with Concert.

Additionally, $85 of merger-related expenses was recorded in 1998 in connection with the TCG merger, which was accounted for as a pooling of interests. Partially offsetting these charges was a $92 reversal of the 1995 restructuring reserve. This reversal reflected reserves no longer deemed necessary. The reversal primarily included separation costs attributed to projects completed at a cost lower than originally anticipated. Consistent with the three-year plan, the 1995 restructuring initiatives were substantially completed by the end of 1998.

Dollars in millions unless otherwise noted (except per share amounts)

8. INVESTMENT IN LIBERTY MEDIA GROUP

As a result of our merger with TCI, we acquired Liberty Media Group, a wholly-owned investment accounted for under the equity method (see Note 4). Summarized results of operations for Liberty Media Group were as follows:

	For the Year Ended December 31, 2000	For the Ten Months Ended December 31, 1999
Revenue	$ 1,526	$ 729
Operating income (loss)	436	(2,214)
Net income (loss)	1,488	(2,022)

	At December 31,	
	2000	1999
Current assets	$ 2,954	$ 3,387
Noncurrent assets	51,314	55,297
Current liabilities	2,962	3,370
Noncurrent liabilities	16,668	16,853
Minority interest	348	1

During 2000 and 1999, certain investees of Liberty Media Group issued common stock. Changes in the equity of the investees, net of the dilution of LMG's ownership interest, resulted in an increase to AT&T's additional paid-in capital of $355 and $109 in 2000 and 1999, respectively.

9. OTHER INVESTMENTS

We have investments in various companies and partnerships that are accounted for under the equity method and included within "Other investments and related advances" in the accompanying Consolidated Balance Sheets. Under the equity method, investments are stated at initial cost, and are adjusted for subsequent contributions and our share of earnings, losses and distributions. At December 31, 2000 and 1999, we had equity investments (other than LMG) of $13,624 and $18,454, respectively. The carrying value of these investments exceeded our share of the underlying reported net assets by approximately $8,720 and $12,530, at December 31, 2000 and 1999, respectively. The goodwill is being amortized over periods ranging from 15 to 40 years. Pretax amortization of goodwill was $571, $495, and $52 in 2000, 1999, and 1998, respectively. The amortization is shown net of income taxes as a component of "Net losses from other equity investments" in the accompanying Consolidated Statements of Income. Distributions from equity investments totaled $214, $317 and $360, for the years ended December 31, 2000, 1999 and 1998, respectively.

AT&T CORP. AND SUBSIDIARIES (AT&T)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Dollars in millions unless otherwise noted (except per share amounts)

Ownership of significant equity investments was as follows:

At December 31,	2000	1999
Cablevision Systems Corporation	27.98%(a)	32.04%(a)
Concert	50.00%(b)	—
Time Warner Texas	50.00%	50.00%
Net2Phone, Inc.	31.34%(c)	—
Insight Midwest LP	50.00%	50.00%
EuroTel Praha, spol. s.r.o.	24.50%	—
Century-TCI California, LP	25.00%	25.00%
Rogers Wireless Communications, Inc.	16.65%(d)	16.65%(d)
TeleCorp PCS, Inc.	22.99%	15.67%
Kansas City Cable Partners	50.00%	50.00%
Parnassos, LP	33.33%	33.33%
ACC Acquisitions, LLC	50.00%	—
Far EasTone Telecommunications, ltd.	22.70%	13.87%
AB Cellular	— (e)	55.62%(e)
At Home Corporation	— (f)	25.00%(f)
Lenfest Communications, Inc.	—	50.00%
Bresnan Communications Group LLC	—	50.00%

(a) At December 31, 2000 and 1999, we owned 48,942,172 shares of Cablevision Systems Corporation Class A common stock, which had a closing market price of $84.94 and $75.50 per share, respectively, on those dates. Cablevision Systems Corporation (Cablevision) redeemed all of its outstanding preferred stock and issued additional common stock, and issued shares of its common stock for acquisitions. As a result of these transactions, AT&T's ownership interest in Cablevision decreased from 32.04% to 27.98%. Due to the dilution of AT&T's ownership interest in Cablevision, net of the increase in Cablevision's equity, AT&T recorded a net decrease to additional paid-in capital of $170 in 2000.

(b) On January 5, 2000, we formed Concert, our global-communications joint venture with BT.

(c) At December 31, 2000, we owned 18,900,000 shares of Net2Phone, Inc. Class A common stock, which had a closing market price of $7.38 per share on that date.

(d) This investment is accounted for under the equity method because of our ability to elect certain members of the board of directors of this entity, which we believe provides us with significant influence.

(e) On December 29, 2000, AB Cellular completed the redemption of our equity interest in AB Cellular. Voting interest in AB Cellular was 50% at December 31, 1999.

(f) On August 28, 2000, AT&T and Excite@Home announced the closing of their extension contracts and governance reorganization. As a result of the governance changes, AT&T gained a controlling interest and began consolidating Excite@Home's results on September 1, 2000. As of December 31, 2000, AT&T had an approximate 23% economic interest and 74% voting interest in Excite@Home. We owned 7,924,422 and 63,720,000 shares of Excite@Home Class A common stock at December 31, 2000 and 1999, respectively, which had closing market prices of $5.53 and $42.88 per share, respectively, on those dates. We also owned 86,595,578 and 30,800,000 shares of Excite@Home Class B common stock at December 31, 2000 and 1999, respectively, which are not publicly traded. During 2000 and 1999, Excite@Home issued shares of its common stock for various acquisitions. As a result of these transactions, AT&T's economic interest in Excite@Home decreased from 25% to 23% in 2000, and from 38% to 25% in 1999, respectively. Due to the resulting increase in Excite@Home's equity, net of the dilution of AT&T's ownership interest in Excite@Home, AT&T recorded an increase to additional paid-in capital of $116 and $527 in 2000 and 1999, respectively.

Dollars in millions unless otherwise noted (except per share amounts)

Summarized unaudited combined financial information for investments accounted for under the equity method was as follows:

For the Years Ended December 31,	2000	1999	1998
	(Unaudited)		
Revenue	$32,663	$12,751	$4,488
Operating (loss) income	(583)	(1,384)	239
(Loss) income from continuing operations before extraordinary items and cumulative effect of a change in accounting principle	(1,005)	(2,701)	147
Net (loss) income	(1,373)	(2,897)	53

At December 31,	2000	1999
	(Unaudited)	
Current assets	$12,274	$ 7,616
Noncurrent assets	44,748	38,008
Current liabilities	12,181	6,209
Noncurrent liabilities	26,337	19,422
Redeemable preferred stock	2,198	1,094
Minority interest	621	1,740

In addition, we have a 25.51% interest in TWE. This investment is "held-for-sale" at December 31, 2000. Accordingly, we are no longer recording equity earnings (losses) on this investment.

We also have investments accounted for under the cost method of accounting. Under this method, investments are stated at cost, and earnings are recognized to the extent distributions are received from the accumulated earnings of the investee. Distributions received in excess of accumulated earnings are recognized as a reduction of our investment balance. These investments, which are covered under the scope of SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," are classified as "available-for-sale" and are carried at fair value with any unrealized gain or loss, net of income taxes, being included within other comprehensive income as a component of shareowners' equity. Approximately $2,102 of these investments have been classified as current assets since they are indexed to certain currently maturing debt instruments.

Dollars in millions unless otherwise noted (except per share amounts)

10. DEBT OBLIGATIONS

DEBT MATURING WITHIN ONE YEAR

At December 31,	2000	1999
Commercial paper	$16,234	$ 5,974
Short-term notes	11,505	5,000
Currently maturing long-term debt	3,724	1,355
Other	484	304
Total debt maturing within one year	$31,947	$12,633
Weighted-average interest rate of short-term debt	6.5%	5.3%

In February 2000, we entered into a 364-day, $10 billion syndicated credit facility upon the expiration of existing credit facilities. On December 28, 2000, we entered into a new 364-day, $25 billion credit facility syndicated to 39 banks. As a result, the outstanding $10 billion credit facility was terminated. The credit facility is for commercial paper back-up and was unused at December 31, 2000. The credit facility agreement contains a financial covenant that requires AT&T to maintain a net debt-to-EBITDA ratio (as defined in the credit agreement) not exceeding 3.00 to 1.00 for four consecutive quarters ending on the last day of each fiscal quarter. At December 31, 2000, we were in compliance with this covenant.

At December 31, 1999, we had a 364-day, $7 billion revolving-credit facility with a consortium of 42 lenders. We also had additional 364-day, revolving-credit facilities of $3 billion. These lines were for commercial paper back-up and were unused at December 31, 1999.

LONG-TERM OBLIGATIONS

At December 31,		2000	1999
DEBENTURES, NOTES AND TRUST PREFERRED SECURITIES[a]			
Interest Rates[b]	Maturities		
4.00% - 6.00%	2001-2018	$ 6,639	$ 5,251
6.25% - 6.50%	2001-2029	6,660	4,367
6.55% - 7.50%	2001-2037	7,840	3,701
7.53% - 8.50%	2001-2097	5,267	4,762
8.60% - 11.13%	2001-2045	7,320	5,389
Variable rate	2001-2054	2,794	867
Total debentures, notes and trust preferred securities		36,520	24,337
Other		360	362
Unamortized discount, net		(64)	(127)
Total long-term obligations		36,816	24,572
Less: Currently maturing long-term debt		3,724	1,355
Net long-term obligations		$33,092	$23,217

(a) Included in these balances was $946 and $975 representing the remaining excess of the fair value over the recorded value of debt in connection with the TCI and MediaOne mergers at December 31, 2000 and December 31, 1999, respectively. The excess is being amortized over the remaining lives of the underlying debt obligations.

(b) The actual interest paid on our debt obligations may have differed from the stated amount due to our entering into interest rate swap contracts to manage our exposure to interest rate risk and our strategy to reduce finance costs (see Note 12).

Dollars in millions unless otherwise noted (except per share amounts)

On January 26, 1999, AT&T filed a registration statement with the SEC for the offering and sale of up to $10 billion of notes and warrants to purchase notes, resulting in a total available shelf registration of $13.1 billion. On March 26, 1999, AT&T issued $8 billion in notes. We received net proceeds of approximately $7.9 billion from the sale of the notes. The proceeds were utilized to repay commercial paper issued in connection with the TCI merger and toward funding the share repurchase program. On September 14, 1999, AT&T completed a $450 bond offering in connection with the same registration statement. The proceeds from the issuance were utilized for general corporate purposes.

Included in long-term debt are subsidiary-obligated mandatorily redeemable preferred securities of subsidiary trusts holding solely subordinated debt securities, exchangeable notes and other exchangeable debt acquired in connection with the TCI and MediaOne mergers.

SUBSIDIARY-OBLIGATED MANDATORILY REDEEMABLE PREFERRED SECURITIES OF SUBSIDIARY TRUSTS HOLDING SOLELY SUBORDINATED DEBT SECURITIES

Certain subsidiary trusts of TCI (TCI Trusts) had preferred securities outstanding at December 31, 2000 and 1999, as follows:

Subsidiary Trust	Interest Rate	Maturity Date	Carrying Amount 2000	Carrying Amount 1999
TCI Communications Financing I	8.72%	2045	$ 528	$ 528
TCI Communications Financing II	10.00%	2045	514	521
TCI Communications Financing III	9.65%	2027	357	360
TCI Communications Financing IV	9.72%	2036	204	217
Total			$1,603	$1,626

The TCI Trusts were created for the exclusive purpose of issuing trust preferred securities and investing the proceeds thereof into subordinated deferrable interest notes (subordinated debt securities) of TCI. The subordinated debt securities have interest rates equal to the interest rate of the corresponding trust preferred securities and have maturity dates ranging from 30 to 49 years from the date of issuance. The preferred securities are mandatorily redeemable upon repayment of the subordinated debt securities, and are callable by AT&T. The Financing I and II trust preferred securities are callable at face value beginning in January and May 2001, respectively. Financing III trust preferred securities are callable at 104.825% of face value beginning in March 2007. Financing IV trust preferred securities are callable at face value beginning in March 2002. TCI effectively provides a full and unconditional guarantee of the TCI Trusts' obligations under the trust preferred securities. In 2000, AT&T provided a full and unconditional guarantee of the trust preferred securities for TCI Communications Financing I, II and IV subsidiary trusts.

AT&T has the right to defer interest payments up to 20 consecutive quarters; as a consequence, dividend payments on the trust preferred securities can be deferred by the trusts during any such interest-payment period.

Dollars in millions unless otherwise noted (except per share amounts)

Certain subsidiary trusts of MediaOne (MediaOne Trusts) had preferred securities outstanding at December 31, 2000, as follows:

Subsidiary Trust	Interest Rate	Maturity Date	Carrying Amount
MediaOne Financing I	7.96%	2025	$ 30
MediaOne Financing II	8.25%	2036	28
MediaOne Finance II	9.50%	2036	214
MediaOne Finance III	9.04%	2038	504
Total			$776

The MediaOne Trusts exist for the purpose of issuing the trust preferred securities and investing the proceeds thereof into subordinated deferrable interest notes (subordinated deferrable notes) of MediaOne Group Funding, Inc., a wholly owned subsidiary of MediaOne. The subordinated deferrable notes have the same interest rate and maturity date as the trust preferred securities to which they relate. All of the subordinated deferrable notes are redeemable by MediaOne Group Funding, Inc. or MediaOne at a redemption price of $25.00 per security, plus accrued and unpaid interest. Upon redemption of the subordinated deferrable notes, the trust preferred securities will be mandatorily redeemable, at a price of $25.00 per share, plus accrued and unpaid distributions. The 7.96% subordinated deferrable notes became redeemable after September 11, 2000. The 9.50% and 8.25% subordinated deferrable notes are redeemable after October 29, 2001. The 9.04% subordinated deferrable notes are redeemable after October 28, 2003. MediaOne has effectively provided a full and unconditional guarantee of the MediaOne Trusts' obligations under the trust preferred securities. In 2000, AT&T provided a full and unconditional guarantee of MediaOne's trust preferred securities.

AT&T has the right to defer interest payments up to 20 consecutive quarters; as a consequence, dividend payments on the trust preferred securities can be deferred by the trusts during any such interest-payment period.

EXCHANGEABLE NOTES

During 2000, we issued debt (exchangeable notes) which is mandatorily redeemable at AT&T's option into shares of Comcast and Microsoft Corporation (Microsoft) common stock, as applicable, or its cash equivalent. During 1999 and 1998, MediaOne issued exchangeable notes which are mandatorily redeemable at MediaOne's option into (i) Vodafone American Depository Receipts (ADRs) held by MediaOne, (ii) the cash equivalent, or (iii) a combination of cash and Vodafone ADRs. The maturity value of these exchangeable notes varies based upon the fair market value of the security it is indexed to.

Following is a summary of the exchangeable notes outstanding at December 31, 2000, which are indexed to 25 million shares of Comcast common stock:

Maturity Date	2003	2004	2005
Face value	$ 371	$ 314	$ 329
Interest rate	6.75%	5.50%	4.63%
Put price	41.50	41.06	39.13
Call price	49.80	49.27	46.96
Carrying value at December 31, 2000	$ 371	$ 314	$ 329

Dollars in millions unless otherwise noted (except per share amounts)

At maturity, the exchangeable notes will be redeemed, at AT&T's option, with (i) a number of shares of Comcast common stock equal to the underlying shares multiplied by the exchange ratio, or (ii) its equivalent cash value. The exchange ratio will be calculated at maturity in the following manner:

(a) If the fair market value of a share of Comcast common stock is greater than the call price, the exchange ratio will be 0.8333;

(b) If the fair market value of a share of Comcast common stock is less than or equal to the put price, the exchange ratio will be 1;

(c) If the fair market value of a share of Comcast common stock is less than or equal to the call price but greater than the put price, the exchange ratio will be be a fraction, the numerator of which is equal to the put price, and the denominator of which is equal to the fair market value of a share of Comcast common stock.

Following is a summary of the exchangeable notes outstanding at December 31, 2000, which are indexed to 10 million shares of Microsoft common stock:

Maturity Date	2003	2004	2005
Face value	$ 227	$ 226	$ 226
Interest rate	6.96%	7.00%	7.04%
Put price	67.87	67.87	67.87
Call price	97.39	111.64	128.60
Carrying value at December 31, 2000	$ 145	$ 144	$ 144

At maturity, the exchangeable notes will be redeemed, at AT&T's option, with (i) a number of shares of Microsoft common stock equal to the underlying shares multiplied by the exchange ratio, or (ii) its equivalent cash value. The exchange ratio will be calculated at maturity in the following manner:

(a) If the fair market value of a share of Microsoft common stock is greater than the call price, the exchange ratio will be a fraction, the numerator of which is equal to the sum of (i) the put price, plus (ii) the excess of the fair market value of a share of Microsoft common stock over the call price, and the denominator of which is equal to the fair market value of a share of Microsoft common stock;

(b) If the fair market value of a share of Microsoft common stock is less than or equal to the put price, the exchange ratio will be 1;

(c) If the fair market value of a share of Microsoft common stock is less than or equal to the call price but greater than the put price, the exchange ratio will be a fraction, the numerator of which is equal to the put price, and the denominator of which is equal to the fair market value of a share of Microsoft common stock.

Following is a summary of the exchangeable notes outstanding at December 31, 2000, which are indexed to 22.3 million shares of Comcast common stock:

Maturity Date	2003	2004	2005
Face value	$ 267	$ 267	$ 267
Interest rate	6.76%	6.80%	6.84%
Put price	35.89	35.89	35.89
Call price	50.64	58.39	67.97
Carrying value at December 31, 2000	$ 267	$ 267	$ 267

Dollars in millions unless otherwise noted (except per share amounts)

At maturity, the exchangeable notes will be redeemed, at AT&T's option, with (i) a number of shares of Comcast common stock equal to the underlying shares multiplied by the exchange ratio, or (ii) its equivalent cash value. The exchange ratio will be calculated at maturity in the following manner:

(a) If the fair market value of a share of Comcast common stock is greater than or equal to the call price, the exchange ratio will be a fraction, the numerator of which is equal to the sum of (i) the put price, plus (ii) the excess of the fair market value of a share of Comcast common stock over the call price, and the denominator of which is equal to the fair market value of a share of Comcast common stock;

(b) If the fair market value of a share of Comcast common stock is less than or equal to the put price, the exchange ratio will be 1;

(c) If the fair market value of a share of Comcast common stock is less than the call price but greater than the put price, the exchange ratio will be a fraction, the numerator of which is equal to the put price, and the denominator of which is equal to the fair market value of a share of Comcast common stock.

Following is a summary of the exchangeable notes outstanding at December 31, 2000, which are indexed to Vodafone ADRs:

Maturity Date	2001	2002
Face value	$1,686	$1,129
Interest rate	6.25%	7.00%
Put price	19.65	43.44
Call price	25.10	51.26
Carrying value at December 31, 2000	$2,337	$1,012

The exchangeable notes that mature in 2001 are indexed to 29 million Vodafone ADRs, and will be exchanged at maturity based upon a redemption value of $9.00 in cash plus 2½ times the fair market value of a Vodafone ADR (maturity price), as follows:

(a) If the maturity price is greater than or equal to $9.00 plus 2½ times the call price per share, each exchangeable note is equivalent to 0.8101 of the maturity price;

(b) If the maturity price is less than or equal to $9.00 plus 2½ times the put price per share, each exchangeable note is equivalent to the maturity price; or

(c) If the maturity price is less than $71.75 per share but greater than $58.125 per share, each exchangeable note is equivalent to $58.125.

The exchangeable notes that mature in 2002 are indexed to 26 million Vodafone ADRs, and will be exchanged at maturity as follows:

(a) If the fair market value of a Vodafone ADR is greater than or equal to the call price, each exchangeable note is equivalent to 0.8475 of a Vodafone ADR;

(b) If the fair market value of a Vodafone ADR is less than or equal to the put price, each exchangeable note is equivalent to one Vodafone ADR; or

(c) If the fair market value of a Vodafone ADR is less than the call price but greater than the put price, each exchangeable note is equivalent to a fraction of a Vodafone ADR equal to (i) the put price divided by (ii) the fair market value of a Vodafone ADR.

The exchangeable notes are being accounted for as indexed debt instruments since the maturity value of the debt is dependent upon the fair market value of the underlying Comcast, Microsoft and Vodafone securities. The exchangeable notes contain embedded options that hedge the market risk of a decline in value of Comcast, Microsoft and Vodafone securities. The market risk of a decline in Comcast and Microsoft stock, and Vodafone ADRs, below the respective put prices has been eliminated. In addition, any market gains we may earn have been limited to the call prices, with the exception of certain debt indexed to Comcast stock and the debt indexed to the Vodafone ADRs, which provides for our participation in a portion of the market gains above the call price.

Dollars in millions unless otherwise noted (except per share amounts)

Since the Comcast, Microsoft, and Vodafone securities are cost method investments being accounted for as "available-for-sale" securities under SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," changes in the maturity value of the exchangeable notes and the underlying securities are being recorded as unrealized gains or losses, net of income taxes, within other comprehensive income as a component of shareowners' equity.

The exchangeable notes indexed to Comcast common stock and Microsoft common stock are secured by the Comcast and Microsoft investments AT&T owns. The exchangeable notes indexed to Vodafone ADRs are unsecured obligations, ranking equally in right of payment with all other unsecured and unsubordinated obligations of AT&T.

OTHER EXCHANGEABLE DEBT

During 2000, we entered into a series of purchased and written options on 21.9 million shares of Microsoft common stock, and issued floating rate debt. The carrying value of the debt at December 31, 2000, was $1,369, which pays interest at the three-month London Inter-Bank Offered Rate (LIBOR) plus 0.4%. The debt matures annually with $458 maturing in 2003 and 2004, and $453 maturing in 2005, and is repayable at AT&T's option in either Microsoft stock or cash.

In addition, during 1999 two subsidiaries of MediaOne, MediaOne SPC IV and MediaOne SPC VI, entered into a series of purchased and written options on Vodafone ADRs contributed to them by MediaOne, and issued floating rate debt. The carrying value of the debt at December 31, 2000, was $1,739, which pays interest at the three-month LIBOR plus 0.5%. This debt matures in equal quarterly installments beginning in 2003 and ending in 2005. The assets of MediaOne SPC IV, which are primarily 29.1 million Vodafone ADRs, are available only to pay the creditors of MediaOne SPC IV. Likewise, the assets of MediaOne SPC VI, which are primarily 18.0 million Vodafone ADRs, are available only to pay the creditors of MediaOne SPC VI.

This table shows the maturities at December 31, 2000, of the $36,816 in total long-term obligations:

2001	2002	2003	2004	2005	Later Years
$3,724	$2,661	$3,093	$4,112	$4,182	$19,044

11. OTHER SECURITIES

PREFERRED STOCK OF SUBSIDIARIES

Prior to the TCI merger, TCI Pacific Communications Inc. (Pacific) issued 5% Class A Senior Cumulative Exchangeable preferred stock, which remains outstanding. There were 6.3 million shares authorized and outstanding at December 31, 2000 and 1999. Each share is exchangeable, from and after August 1, 2001, for approximately 6.3 shares of AT&T common stock, subject to certain antidilution adjustments. Additionally, Pacific may elect to make any dividend, redemption or liquidation payment in cash, shares of AT&T common stock or a combination of the foregoing. The Pacific preferred stock is reflected within "Minority Interest" in the accompanying Consolidated Balance Sheets, and aggregated $2.1 billion at December 31, 2000 and 1999.

Prior to the TCI merger, TCI issued Class B 6% Cumulative Redeemable Exchangeable Junior preferred stock (Class B preferred stock). There were 1.6 million shares outstanding as of December 31, 1999, net of shares held by a subsidiary, out of an authorized 1.7 million shares. Class B preferred stock and accumulated dividends aggregated $152 at December 31, 1999, and were reflected within "Minority Interest" in the accompanying 1999 Consolidated Balance Sheet. On February 22, 2000, all outstanding shares of Class B preferred stock were redeemed at $105.88 per share.

COMPANY-OBLIGATED CONVERTIBLE QUARTERLY INCOME PREFERRED SECURITIES OF SUBSIDIARY TRUST HOLDING SOLELY SUBORDINATED DEBT SECURITIES OF AT&T AND RELATED WARRANTS

On June 16, 1999, AT&T Finance Trust I (AT&T Trust), a wholly owned subsidiary of AT&T, completed the private sale of 100 million shares of 5.0% cumulative quarterly income preferred securities (quarterly preferred securities) to Microsoft. Proceeds of the issuance were invested by the AT&T Trust in junior subordinated debentures (debentures) issued by AT&T due 2029, which represent the sole asset of the AT&T Trust.

The quarterly preferred securities pay dividends at an annual rate of 5.0% of the liquidation preference of $50 per security, and are convertible at any time prior to maturity into 66.667 million shares of AT&T common stock. The quarterly preferred securities are subject to mandatory redemption upon repayment of the debentures at maturity or their earlier redemption. The conversion feature can be terminated, under certain conditions, after three years.

The debentures will make a quarterly payment in arrears of 62.5 cents per security on the last day of March, June, September and December of each year. AT&T has the right to defer such interest payments up to 20 consecutive quarters. As a consequence, quarterly dividend payments on the quarterly preferred securities can be deferred by the AT&T Trust during any such interest-payment period. If AT&T defers any interest payments, we may not, among other things, pay any dividends on our common stock until all interest in arrears is paid to the AT&T Trust.

Dividends on the quarterly preferred securities were $250 and $135 for the years ended December 31, 2000 and 1999, respectively, and are reported within "Minority interest income (expense)" in the accompanying Consolidated Statements of Income.

On June 16, 1999, AT&T also issued to Microsoft 40 million warrants, each to purchase one share of AT&T common stock at a price of $75 per share at the end of three years. Alternatively, the warrants are exercisable on a cashless basis. If the warrants are not exercised on the three-year anniversary of the closing date, the warrants expire.

A discount on the quarterly preferred securities equal to the value of the warrants of $306 was recognized and is being amortized over the 30-year life of the quarterly preferred securities as a component of "Minority interest income (expense)" in the accompanying Consolidated Statements of Income.

CENTAUR FUNDING CORPORATION

Centaur Funding Corporation (Centaur), a subsidiary of MediaOne, issued three series of preferred shares prior to AT&T's acquisition of MediaOne. Centaur was created for the principal purpose of raising capital through the issuance of preferred shares and investing those proceeds into notes issued by MediaOne SPC II, a subsidiary of MediaOne. Principal and interest payments from the notes are expected to be Centaur's primary source of funds to make dividend and redemption payments on the preferred shares. In addition, the dividend and certain redemption payments on the preferred shares will be determined by reference to the dividend and redemption activity of the preferred stock of AirTouch Communications, Inc. (ATI Shares) held by MediaOne SPC II. Payments on the preferred shares are neither guaranteed nor secured by MediaOne or

Dollars in millions unless otherwise noted (except per share amounts)

AT&T. The assets of MediaOne SPC II, which include the ATI shares, are available only to pay the creditors of MediaOne SPC II. These securities remained outstanding at December 31, 2000 as follows:

	Dividend Rate	Maturity Date	Carrying Amount
Series A	Variable	None	$ 100
Series B	9.08%	April 21, 2020	927
Series C	None	April 21, 2020	118
Total			$1,145

The Auction Market Preference Shares, Series A, have a liquidation value of $250 thousand per share and dividends are payable quarterly when declared by Centaur's board of directors out of funds legally available. The 9.08% Cumulative Preference Shares, Series B, have a liquidation value of $1 thousand per share and dividends are payable quarterly in arrears when declared by Centaur's board of directors out of funds legally available. In addition, dividends may be declared and paid only to the extent that dividends have been declared and paid on the ATI shares. The preference shares, Series C, have a liquidation value of $1 thousand per share at maturity. The value of the Series C will be accreted to reach its liquidation value upon maturity. The Series B shares rank equally with the Series C shares as to redemption payments and upon liquidation, and the Series B and Series C shares rank senior to the Series A shares as to redemption payments and upon liquidation. The preference shares issued by Centaur are reflected within "Minority interest" in the accompanying 2000 Consolidated Balance Sheet.

Dividends on the preferred shares were $55 for the period ended December 31, 2000, and were included within "Minority interest income (expense)" in the Consolidated Statement of Income.

12. FINANCIAL INSTRUMENTS

In the normal course of business, we use various financial instruments, including derivative financial instruments, for purposes other than trading. We do not use derivative financial instruments for speculative purposes. These instruments include letters of credit, guarantees of debt, interest rate swap agreements, foreign currency exchange contracts, option contracts and equity hedges. Collateral is generally not required for these types of instruments.

By their nature, all such instruments involve risk, including the credit risk of nonperformance by counterparties, and our maximum potential loss may exceed the amount recognized in our balance sheet. However, at December 31, 2000 and 1999, in management's opinion, there was no significant risk of loss in the event of nonperformance of the counterparties to these financial instruments. We control our exposure to credit risk through credit approvals, credit limits and monitoring procedures. We do not have any significant exposure to any individual customer or counterparty, nor do we have any major concentration of credit risk related to any financial instruments.

LETTERS OF CREDIT

Letters of credit are purchased guarantees that ensure our performance or payment to third parties in accordance with specified terms and conditions. Letters of credit do not create any additional risk to AT&T.

GUARANTEES OF DEBT

From time to time, we guarantee the debt of our subsidiaries and certain unconsolidated joint ventures. Prior to the merger, TCI had agreed to take certain steps to support debt compliance with respect to obligations aggregating $1,461 and $1,720 at December 31, 2000 and 1999, respectively, of certain cable television partnerships in which TCI has a non-controlling ownership interest. Although there can be no assurance, management believes that it will not be required to meet its obligations under such guarantees. Additionally, in connection with the restructuring of AT&T in 1996, we issued guarantees for certain debt obligations of our former subsidiaries AT&T Capital Corp. and NCR. The amount of guaranteed debt associated with AT&T Capital Corp. and NCR was $ 48 and $56 at December 31, 2000 and 1999, respectively.

Dollars in millions unless otherwise noted (except per share amounts)

INTEREST RATE SWAP AGREEMENTS

We enter into interest rate swaps to manage our exposure to changes in interest rates and to lower our overall costs of financing. We enter into swap agreements to manage the fixed/floating mix of our debt portfolio in order to reduce aggregate risk to interest rate movements. Interest rate swaps also allow us to raise funds at floating rates and effectively swap them into fixed rates that are lower than those available to us if fixed-rate borrowings were made directly. These agreements involve the exchange of floating-rate for fixed-rate payments, fixed-rate for floating-rate payments or floating-rate for other floating-rate payments without the exchange of the underlying principal amount. Fixed interest rate payments at December 31, 2000, were at rates ranging from 6.05% to 8.20%. Floating-rate payments are based on rates tied to the LIBOR. In addition, we also have combined interest rate, foreign currency swap agreements for foreign-currency-denominated debt, which hedge our risk to both interest rate and currency movements.

The following table indicates the types of swaps in use at December 31, 2000 and 1999, and their weighted-average interest rates. Average variable rates are those in effect at the reporting date and may change significantly over the lives of the contracts.

	2000	1999
Fixed to variable swaps—notional amount	$750	$1,800
Average receive rate	8.16%	6.89%
Average pay rate	8.16%	6.67%
Variable to fixed swaps—notional amount	$218	$ 229
Average receive rate	6.81%	6.30%
Average pay rate	7.31%	6.77%
Variable to variable swaps—notional amount	$739	$ 495
Average receive rate	1.74%	6.63%
Average pay rate	5.42%	6.53%

The weighted-average remaining terms of the swap contracts were 11 and seven years at December 31, 2000 and 1999, respectively.

FOREIGN EXCHANGE

We enter into foreign currency exchange contracts, including forward and option contracts, to manage our exposure to changes in currency exchange rates related to foreign-currency-denominated transactions. In 2000, this consisted principally of Brazilian reais and Swiss francs related to debt. In 1999, this consisted principally of European Union currency (Euro), British pounds sterling and Japanese Yen contracts related to the reimbursement to foreign telephone companies for their portion of the revenue billed by AT&T for calls placed in the United States to a foreign country and other foreign currency payables and receivables. In addition, we are subject to foreign exchange risk related to other foreign-currency-denominated transactions.

COLLARS

We enter into option agreements to hedge our exposure on debt that is indexed to securities we own. During 2000, we entered into a series of purchased and written options related to a portion of our holdings in Microsoft stock (Microsoft collar), which is indexed to floating rate debt. The collar has been designated and is effective as a hedge of the market risk associated with our investment in Microsoft stock. The Microsoft collar is carried at fair value, with unrealized gains or losses, net of income taxes, being recorded within other comprehensive income as a component of shareowners' equity, together with any change in the fair value of the Microsoft stock. The carrying value of the Microsoft collar was $419 at December 31, 2000.

At the expiration of the Microsoft collar, if the price of a Microsoft share is equal to or less than the put price of $62.48, we would exercise the put option and deliver all underlying shares of Microsoft common stock and receive cash equal in value to (i) the put price, multiplied by (ii) the underlying share amount. Alternatively, at our option, we can elect not to deliver the underlying shares and instead settle the put option by receiving cash equal in value to the (i) the difference between the put price minus the fair value of one Microsoft share, multiplied by (ii) the underlying share amount. If the price of a Microsoft share is greater then the call price, which range from $86.26 to $118.36, then the call option would be exercised and we would deliver all underlying shares and receive cash equal in value to (i) the call price, multiplied by (ii) the underlying share amount. At our option, we can elect not to deliver the underlying shares and instead settle the call option by paying cash equal in value to the (i) the difference between the call price minus the fair value of one Microsoft share, multiplied by (ii) the underlying share amount. Any cash received by AT&T from the exercise or settlement of either put or call option would be used to retire the floating rate debt. We would retain cash in excess of the call price from a call option exercise. If the price of a Microsoft share is between the put price and the call price, the collar will expire without value.

Prior to our merger with MediaOne, two subsidiaries of MediaOne, MediaOne SPC IV and MediaOne SPC VI, entered into a series of purchased and written options (Vodafone collars) on Vodafone ADRs contributed to them by MediaOne, and issued floating rate debt. The Vodafone collars have been designated and are effective as a hedge of the market risk associated with our investment in Vodafone ADRs. The Vodafone collars are carried at fair value, with unrealized gains or losses, net of income taxes, being recorded within other comprehensive income as a component of shareowners' equity, together with any change in the fair value of the Vodafone ADRs. The carrying value of the Vodafone collars was $453 at December 31, 2000.

At the expiration of the MediaOne SPC IV collar, we will receive cash if the market value of a Vodafone ADR is less than approximately $34.00 per share, effectively eliminating downside risk on the stock below $34.00 per share. Conversely, if the market value of a Vodafone ADR is greater than approximately $49.00 per share, we will be required to pay cash, which will be offset by the corresponding increase in the value of the Vodafone ADR. This Vodafone collar expires quarterly beginning in 2003 and ending in 2005.

At the expiration of the MediaOne SPC VI collar, we will receive cash if the market value of a Vodafone ADR is less than approximately $40.00 per share, effectively eliminating downside risk on the stock below $40.00 per share. Conversely, if the market value of a Vodafone ADR is greater than approximately $58.00 per share, we will be required to pay cash, which will be offset by the corresponding increase in the value of the Vodafone ADR. This Vodafone collar expires quarterly beginning in 2003 and ending in 2005.

EQUITY HEDGES

We enter into equity hedges to manage our exposure to changes in equity prices associated with stock appreciation rights of affiliated companies.

FAIR VALUES OF FINANCIAL INSTRUMENTS INCLUDING DERIVATIVE FINANCIAL INSTRUMENTS

The following table summarizes the notional amounts of material financial instruments. The notional amounts represent agreed-upon amounts on which calculations of dollars to be exchanged are based. They do not represent amounts exchanged by the parties and, therefore, are not a measure of our exposure. Our exposure is limited to the fair value of the contracts with a positive fair value plus interest receivable, if any, at the reporting date.

Dollars in millions unless otherwise noted (except per share amounts)

DERIVATIVES AND OFF BALANCE SHEET INSTRUMENTS

	2000 Contract/ Notional Amount	1999 Contract/ Notional Amount
Interest rate swap agreements	$ 968	$2,524
Combined interest rate foreign currency swap agreements	739	—
Foreign exchange forward contracts	71	1,881
Option contracts	3,108	—
Equity hedges	392	495
Letters of credit	852	243
Guarantees of debt	1,607	1,848

The following tables show the valuation methods, the carrying amounts and estimated fair values of material financial instruments.

FINANCIAL INSTRUMENT	VALUATION METHOD
Debt excluding capital leases	Market quotes or rates available to us for debt with similar terms and maturities
Letters of credit	Fees paid to obtain the obligations
Guarantees of debt	There are no quoted market prices for similar agreements available
Interest rate swap agreements	Market quotes obtained from dealers
Combined interest rate foreign currency swap agreements	Market quotes obtained from dealers
Foreign exchange contracts	Market quotes
Option contracts	Black-Scholes option-pricing model
Equity hedges	Market quotes
Preferred securities	Market quotes*

* It is not practicable to estimate the fair market value of our quarterly preferred securities that aggregated $4,710 and $4,700 at December 31, 2000 and 1999, respectively. There are no current market quotes available on this private placement.

	2000		1999	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Debt excluding capital leases	$64,542	$61,686	$35,507	$34,092
Pacific preferred stock	2,121	595	2,121	1,929

	2000				1999			
	Carrying Amount		Fair Value		Carrying Amount		Fair Value	
	Asset	Liab.	Asset	Liab.	Asset	Liab.	Asset	Liab.
Interest rate swap agreements	$4	$ 5	$4	$ 5	$ 28	$27	$ 6	$29
Combined interest rate foreign currency swap agreements	1	3	1	3	—	—	—	—
Foreign exchange forward contracts	—	1	1	2	—	26	1	28
Equity hedges	2	100	2	100	313	2	313	—

Dollars in millions unless otherwise noted (except per share amounts)

13. PENSION, POSTRETIREMENT AND OTHER EMPLOYEE BENEFIT PLANS

We sponsor noncontributory, defined benefit pension plans covering the majority of our employees. Pension benefits for management employees are based principally on career-average pay. Pension benefits for occupational employees are not directly related to pay. Pension trust contributions are made to trust funds held for the sole benefit of plan participants. Our benefit plans for current and certain future retirees include health-care benefits, life insurance coverage and telephone concessions.

The following table shows the components of the net periodic benefit costs included in our Consolidated Statements of Income:

	Pension Benefits			Postretirement Benefits		
For the Years Ended December 31,	2000	1999	1998	2000	1999	1998
Service cost benefits earned during the period	$ 248	$ 247	$ 275	$ 35	$ 54	$ 56
Interest cost on benefit obligations	991	919	940	352	324	322
Amortization of unrecognized prior service cost	174	159	135	4	13	(2)
Credit for expected return on plan assets	(1,821)	(1,458)	(1,570)	(230)	(200)	(173)
Amortization of transition asset	(156)	(158)	(175)	—	—	—
Amortization of gains	(332)	(10)	—	(16)	(1)	—
Charges for special termination benefits*	—	—	2,254	16	5	169
Net curtailment losses (gains)*	121	—	140	(14)	—	141
Net settlement losses (gains)*	8	(121)	(921)	—	—	—
Net periodic benefit (credit) cost	$ (767)	$ (422)	$ 1,078	$ 147	$ 195	$ 513

* Primarily included in "Net restructuring and other charges" in the Consolidated Statements of Income.

On January 26, 1998, we offered a voluntary retirement incentive program (VRIP) to employees who were eligible participants in the AT&T Management Pension Plan. Approximately 15,300 management employees accepted the VRIP offer. In connection with the VRIP, we recorded pretax charges in 1998 for pension and postretirement plan special-termination benefits of $2,254 and $169, respectively. We also recorded pension and postretirement plan pretax charges of $120 and $143, respectively, which are included within net curtailment losses in 1998. The special-termination benefits reflect the value of pension benefit improvements and expanded eligibility for postretirement benefits. The VRIP also permitted employees to choose either a total lump-sum distribution of their pension benefits or periodic future annuity payments.

As of December 31, 1999, all 15,300 employees had terminated employment under the VRIP. AT&T has settled the pension obligations covering about 15,100 of these employees, the remainder of which either chose to defer commencing their pension benefits or elected to receive an annuity distribution. Lump-sum pension settlements totaling $5.2 billion, including a portion of the special-pension termination benefits referred to above, resulted in settlement gains of $121 and $940 recorded in 1999 and 1998, respectively.

Dollars in millions unless otherwise noted (except per share amounts)

The following tables provide a reconciliation of the changes in the plans' benefit obligations and fair value of assets, and a statement of the funded status:

	Pension Benefits		Postretirement Benefits	
For the Years Ended December 31,	2000	1999	2000	1999
Change in benefit obligations:				
Benefit obligation, beginning of year	$12,868	$14,443	$ 4,642	$ 5,168
Service cost	248	247	35	54
Interest cost	991	919	352	324
Plan amendments	32	558	(45)	4
Actuarial losses (gains)	5	(1,683)	203	(579)
Acquisition	204	—	38	—
Benefit payments	(1,228)	(1,062)	(362)	(334)
Special termination benefits	—	—	16	5
Settlements	(57)	(554)	—	—
Curtailment losses	—	—	7	—
Benefit obligation, end of year	$13,063	$12,868	$ 4,886	$ 4,642
Change in fair value of plan assets:				
Fair value of plan assets, beginning of year	$21,854	$18,567	$ 2,852	$ 2,476
Actual return on plan assets	995	4,855	(128)	385
Employer contributions	94	48	159	325
Acquisition	205	—	5	—
Benefit payments	(1,228)	(1,062)	(362)	(334)
Settlements	(57)	(554)	—	—
Fair value of plan assets, end of year	$21,863	$21,854	$ 2,526	$ 2,852
At December 31,				
Funded (unfunded) benefit obligation	$ 8,800	$ 8,986	$(2,360)	$(1,790)
Unrecognized net gain	(7,301)	(8,457)	(188)	(800)
Unrecognized transition asset	(123)	(279)	—	—
Unrecognized prior service cost	1,100	1,362	(9)	55
Net amount recorded	$ 2,476	$ 1,612	$(2,557)	$(2,535)

At December 31, 2000, our pension plan assets included $34 of AT&T common stock, $26 of Liberty Media Group Series A common stock, and $2 of AT&T Wireless Group common stock. At December 31, 1999, our pension plan assets included $82 of AT&T common stock and $34 of Liberty Media Group Series A common stock.

Dollars in millions unless otherwise noted (except per share amounts)

The following table provides the amounts recorded in our Consolidated Balance Sheets.

At December 31,	Pension Benefits		Postretirement Benefits	
	2000	1999	2000	1999
Prepaid pension cost	$3.003	$2.464	$ —	$ —
Benefit related liabilities	(579)	(918)	(2.557)	(2.535)
Intangible asset	30	46	—	—
Accumulated other comprehensive income	22	20	—	—
Net amount recorded	$2.476	$1.612	$(2.557)	$(2.535)

Our nonqualified pension plans had an unfunded accumulated benefit obligation of $125 and $118 at December 31, 2000 and 1999, respectively. Our postretirement health and telephone concession benefit plans had accumulated postretirement benefit obligations of $4.282 and $4.021 at December 31, 2000 and 1999, respectively, which were in excess of plan assets of $1.413 and $1.635 at December 31, 2000 and 1999, respectively.

The assumptions used in the measurement of the pension and postretirement benefit obligations are shown in the following table:

At December 31,	2000	1999	1998
Weighted-average assumptions:			
Discount rate	7.5%	7.75%	6.5%
Expected return on plan assets	9.5%	9.5%	9.5%
Rate of compensation increase	4.5%	4.5%	4.5%

We assumed a rate of increase in the per capita cost of covered health-care benefits (the health-care cost trend rate) of 7.6%. This rate was assumed to gradually decline after 2000 to 4.5% by 2010 and then remain level. Assumed health-care cost trend rates have a significant effect on the amounts reported for the health-care plans. A one percentage point increase or decrease in the assumed health-care cost trend rate would increase or decrease the total of the service and interest-cost components of net periodic postretirement health-care benefit cost by $9 and $9, respectively, and would increase or decrease the health-care component of the accumulated postretirement benefit obligation by $125 and $122, respectively.

We also sponsor savings plans for the majority of our employees. The plans allow employees to contribute a portion of their pretax and/or after-tax income in accordance with specified guidelines. We match a percentage of the employee contributions up to certain limits. Our contributions amounted to $280 in 2000, $234 in 1999 and $204 in 1998.

14. STOCK-BASED COMPENSATION PLANS

Under the 1997 Long-term Incentive Program (Program), which was effective June 1, 1997, and amended on May 19, 1999 and March 14, 2000, we grant stock options, performance shares, restricted stock and other awards on AT&T common stock as well as stock options on AT&T Wireless Group tracking stock.

Under the Program, there were 150 million shares of AT&T common stock available for grant with a maximum of 22.5 million common shares that could be used for awards other than stock options. Beginning with January 1, 2000, the remaining shares available for grant at December 31 of the prior year, plus 1.75% of the shares of AT&T common stock outstanding on January 1 of each year, become available for grant. There are a maximum of 37.5 million shares that may be used for awards other than stock options. The exercise price of any stock option is equal to the stock price when the option is granted. Generally, the options vest over three or four years and are exercisable up to 10 years from the date of grant.

Under the Program, performance share units are awarded to key employees in the form of either common stock or cash at the end of a three-year period, based on AT&T's total shareholder return and certain financial-performance targets. Under the 1987 Long-term Incentive Program, performance share units with the same terms were also awarded to key employees based on AT&T's return-to-equity performance compared with a target.

On April 27, 2000, AT&T created a new class of stock and completed an offering of AT&T Wireless Group tracking stock. Under the Program, 5% of the outstanding AT&T Wireless Group shares became available for grant with a maximum of 1.25% of the outstanding shares that may be used for awards other than options. Beginning with January 1, 2001, the remaining AT&T Wireless Group shares available for grant at December 31 of the prior year, plus 2% of the outstanding AT&T Wireless Group shares on January 1 of each year, become available for grant. The exercise price of any stock option is equal to the stock price when the option is granted. Generally, the options vest over two to three and one-half years and are exercisable up to 10 years from the date of grant. In 2000, there were no grants of awards other than stock options. On April 27, 2000, substantially all employees were granted AT&T Wireless Group tracking stock options.

Under the AT&T 1996 Employee Stock Purchase Plan (Plan), which was effective July 1, 1996, we are authorized to sell up to 75 million shares of AT&T common stock to our eligible employees. Under the terms of the Plan, employees may have up to 10% of their earnings withheld to purchase AT&T's common stock. The purchase price of the stock on the date of exercise is 85% of the average high and low sale prices of shares on the New York Stock Exchange for that day. Under the Plan, we sold approximately 6 million shares to employees in 2000 and 3 million shares to employees in both 1999 and 1998.

We apply APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for our plans. Accordingly, no compensation expense has been recognized for our stock-based compensation plans other than for our performance-based and restricted stock awards and stock appreciation rights (SARs). Stock based-compensation income (expense) was $253, $(462) and $(157) in 2000, 1999 and 1998, respectively. These amounts included income (expense) of $269 and $(382) in 2000 and 1999, respectively, related to grants of SARs of affiliated companies held by certain employees subsequent to the TCI merger. We also entered into an equity hedge in 1999 to offset potential future compensation costs associated with these SARs. (Expense) income related to this hedge was $(297) and $247 in 2000 and 1999, respectively.

A summary of the AT&T common stock option transactions is shown below:

Shares in thousands	2000	Weighted-Average Exercise Price	1999	Weighted-Average Exercise Price	1998	Weighted-Average Exercise Price
Outstanding at January 1,	168,763	$37.42	131,904	$30.41	110,972	$24.77
Options assumed in mergers	29,613	$24.71	11,770	$14.79	—	—
Options granted	74,570	$36.12	47,927	$57.13	46,148	$41.69
Options and SARs exercised	(11,446)	$22.07	(17,858)	$22.87	(18,894)	$21.95
Options canceled or forfeited	(12,474)	$45.61	(4,980)	$42.44	(6,322)	$31.64
At December 31:						
Options outstanding	249,026	$35.82	168,763	$37.42	131,904	$30.41
Options exercisable	131,450	$30.44	57,894	$28.21	35,472	$23.13
Shares available for grant	34,204		41,347		91,838	

All of the 11.8 million stock options assumed in connection with the TCI merger were in tandem with SARs, which were canceled on April 30, 1999. During 1999, 386,000 SARs (including 137,000 for TCI) were exercised. At December 31, 2000, there were no AT&T SARs outstanding.

The following table summarizes information about the AT&T common stock options outstanding at December 31, 2000:

Range of Exercise Prices	Options Outstanding: Number Outstanding at December 31, 2000 (In thousands)	Options Outstanding: Weighted-Average Remaining Contractual Life	Options Outstanding: Weighted-Average Exercise Price	Options Exercisable: Number Exercisable at December 31, 2000 (In thousands)	Options Exercisable: Weighted-Average Exercise Price
$2.69 - $18.08	21,182	5.0	$11.23	20,206	$10.99
$18.15 - $24.49	16,914	6.2	$22.51	11,808	$22.57
$24.50	15,451	6.6	$24.50	15,451	$24.50
$24.55 - $26.18	8,664	6.2	$25.33	8,664	$25.33
$26.21	17,299	6.1	$26.21	17,299	$26.21
$26.33 - $31.97	20,246	6.6	$30.31	12,501	$29.98
$32.09	25,551	9.6	$32.09	141	$32.09
$32.19 - $42.04	26,908	8.5	$36.91	10,147	$39.57
$42.10	26,975	7.1	$42.10	17,531	$42.10
$42.19 - $45.44	20,017	9.1	$45.25	1,927	$44.45
$45.48 - $59.75	23,581	8.6	$51.33	9,293	$50.40
$59.88 - $62.13	26,238	8.1	$59.89	6,482	$59.89
	249,026	7.5	$35.82	131,450	$30.44

A summary of the AT&T Wireless Group tracking stock option transactions is shown below:

Shares in thousands	2000	Weighted-Average Exercise Price
Outstanding at January 1	—	$ —
Options granted	76,983	$29.29
Options exercised	—	$ —
Options canceled or forfeited	(3,357)	$29.43
At December 31:		
Options outstanding	73,626	$29.29
Options exercisable	12,391	$29.48
Shares available for grant	41,874	

The following table summarizes information about the AT&T Wireless Group tracking stock options outstanding at December 31, 2000:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding at December 31, 2000 (In thousands)	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number Exercisable at December 31, 2000 (In thousands)	Weighted-Average Exercise Price
$17.06 - $21.00	305	9.9	$17.91	—	$ —
$24.47	1,741	9.8	$24.47	—	$ —
$26.00 - $28.53	1,865	9.5	$27.62	122	$27.21
$29.50	69,715	9.3	$29.50	12,269	$29.50
	73,626	9.3	$29.29	12,391	$29.48

Dollars in millions unless otherwise noted (except per share amounts)

AT&T has adopted the disclosure-only provisions of SFAS No. 123, "Accounting for Stock-Based Compensation." If AT&T had elected to recognize compensation costs based on the fair value at the date of grant for awards in 2000, 1999 and 1998, consistent with the provisions of SFAS No. 123, net income and earnings per share amounts would have been as follows:

For the Years Ended December 31,	2000	1999	1998
AT&T Common Stock Group:			
Income from continuing operations	$2,625	$5,193	$5,078
Income from discontinued operations	—	—	7
Gain on sale of discontinued operations	—	—	1,290
Extraordinary loss	—	—	137
Income	$2,625	$5,193	$6,238
Earnings per AT&T Common Stock Group common share–basic:			
Continuing operations	$ 0.75	$ 1.68	$ 1.90
Discontinued operations	—	—	—
Gain on sale of discontinued operations	—	—	0.48
Extraordinary loss	—	—	0.05
AT&T Common Stock Group earnings	$ 0.75	$ 1.68	$ 2.33
Earnings per AT&T Common Stock Group common share–diluted:			
Continuing operations	$ 0.74	$ 1.65	$ 1.88
Discontinued operations	—	—	—
Gains on sale of discontinued operations	—	—	0.48
Extraordinary loss	—	—	0.05
AT&T Common Stock Group earnings	$ 0.74	$ 1.65	$ 2.31
AT&T Wireless Group:			
Income	$ 51	$ —	$ —
Earnings per share:			
Basic and diluted	$ 0.14	$ —	$ —

The pro forma effect on net income for 1998 may not be representative of the pro forma effect on net income of future years because the SFAS No. 123 method of accounting for pro forma compensation expense has not been applied to options granted prior to January 1, 1995.

The weighted-average fair values at date of grant for AT&T common stock options granted during 2000, 1999 and 1998 were $12.10, $15.64 and $9.75, respectively, and were estimated using the Black-Scholes option-pricing model. The weighted-average risk-free interest rates applied for 2000, 1999 and 1998 were 6.29%, 5.10% and 5.33%, respectively. The following assumptions were applied for 2000, 1999 and 1998, respectively: (i) expected dividend yields of 1.6%, 1.7% and 2.1%, (ii) expected volatility rates of 33.5%, 28.3% and 23.8% and (iii) expected lives of 4.7 years in 2000 and 4.5 years for 1999 and 1998.

The weighted-average fair values at date of grant for AT&T Wireless Group tracking stock options granted during 2000 was $14.20 and was estimated using the Black-Scholes option-pricing model. The following weighted-average assumptions were applied for 2000: (i) risk-free rate of 6.53%, (ii) expected volatility rate of 55.0% and (iii) expected life of 3.9 years.

Dollars in millions unless otherwise noted (except per share amounts)

15. INCOME TAXES

The following table shows the principal reasons for the difference between the effective income tax rate and the U.S. federal statutory income tax rate:

For the Years Ended December 31,	2000	1999	1998
U.S. federal statutory income tax rate	35%	35%	35%
Federal income tax at statutory rate	$ 913	$3,509	$2,920
Amortization of investment tax credits	(23)	(10)	(14)
State and local income taxes, net of federal income tax effect	176	247	199
In-process research and development write-off	—	208	—
Amortization of intangibles	111	43	26
Foreign rate differential	104	56	30
Taxes on repatriated and accumulated foreign income, net of tax credits	(84)	(45)	(36)
Research and other credits	(40)	(64)	(91)
Valuation allowance	—	(78)	37
Investment dispositions, acquisitions and legal entity restructurings	(477)	(94)	(153)
Operating losses and charges relating to Excite@Home	2,757	—	—
Other differences, net	(95)	(77)	129
Provision for income taxes	$3,342	$3,695	$3,049
Effective income tax rate	128.1%	36.9%	36.6%

The U.S. and foreign components of income from continuing operations before income taxes and the provision for income taxes are presented in this table:

For the Years Ended December 31,	2000	1999	1998
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES			
United States	$3,014	$ 9,595	$8,047
Foreign	(406)	430	294
Total	$2,608	$10,025	$8,341
PROVISION FOR INCOME TAXES			
CURRENT			
Federal	$1,878	$ 2,691	$2,784
State and local	196	415	232
Foreign	89	100	41
	2,163	3,206	3,057
DEFERRED			
Federal	1,136	527	(68)
State and local	71	(36)	74
Foreign	(5)	8	—
	1,202	499	6
Deferred investment tax credits	(23)	(10)	(14)
Provision for income taxes	$3,342	$ 3,695	$3,049

In addition, we also recorded current and deferred income tax expenses (benefits) related to minority interest and net equity losses on other equity investments in the amounts of $(154) and $(125) in 2000, $(94) and $(344) in 1999 and $143 and $(120) in 1998, respectively.

Dollars in millions unless otherwise noted (except per share amounts)

Deferred income tax liabilities are taxes we expect to pay in future periods. Similarly, deferred income tax assets are recorded for expected reductions in taxes payable in future periods. Deferred income taxes arise because of differences in the book and tax bases of certain assets and liabilities.

Deferred income tax liabilities and assets consist of the following:

At December 31,	2000	1999
LONG-TERM DEFERRED INCOME TAX LIABILITIES		
Property, plant and equipment	$ 9,123	$ 7,678
Investments	10,716	7,304
Franchise costs	18,571	11,998
Other	2,826	1,156
Total long-term deferred income tax liabilities	41,236	28,136
LONG-TERM DEFERRED INCOME TAX ASSETS		
Business restructuring	127	120
Net operating loss/credit carryforwards	710	710
Employee pensions and other benefits, net	1,470	1,359
Reserves and allowances	99	376
Other	2,867	1,603
Valuation allowance	(750)	(231)
Total net long-term deferred income tax assets	4,523	3,937
Net long-term deferred income tax liabilities	$36,713	$24,199
CURRENT DEFERRED INCOME TAX LIABILITIES		
Investments	$ 670	$ —
Other	309	427
Total current deferred income tax liabilities	979	427
CURRENT DEFERRED INCOME TAX ASSETS		
Business restructuring	155	47
Employee pensions and other benefits	436	562
Reserves and allowances	639	682
Other	600	423
Valuation allowance	(39)	—
Total net current deferred income tax assets	1,791	1,714
Net current deferred income tax assets	$ 812	$ 1,287

At December 31, 2000, we had net operating loss carryforwards (tax-effected), excluding Excite@Home, for federal and state income tax purposes of $79 and $164, respectively, expiring through 2015. In addition, we had federal tax credit carryforwards of $145, of which $64 have no expiration date and $81 expire through 2005. We also had state tax credit carryforwards (tax-effected) of $32 expiring through 2003. In connection with the TCI merger, we acquired certain federal and state net operating loss carryforwards subject to a valuation allowance of $59. If, in the future, the realization of these acquired deferred tax assets becomes more likely than not, any reduction of the associated valuation allowance will be allocated to reduce franchise costs and other purchased intangibles.

At December 31, 2000, Excite@Home had net operating loss carryforwards (tax effected) for federal and state income tax purposes of $290 expiring through 2020. Utilization of Excite@Home's net operating loss carryforwards may be subject to a minor annual limitation due to the ownership change limitations provided by the Internal Revenue Code of 1986, as amended, and similar state provisions. The annual limitation may result in the expiration of a portion of Excite@Home's net operating loss carryforwards before utilization. The realization of Excite@Home's net deferred tax asset is dependent upon Excite@Home's future earnings, if any the timing and amount of which are uncertain. In addition, Excite@Home is a separate taxpayer and is not a member of the AT&T consolidated tax group. Accordingly, Excite@Home provided a valuation allowance in an amount equal to its net deferred tax assets of $702 as of December 31, 2000. Approximately $142 of Excite@Home's valuation allowance at December 31, 2000, is attributable to stock option deductions, the benefit of which will be credited to paid-in capital when realized. Approximately $269 of Excite@Home's valuation allowance at December 31, 2000, is attributable to deferred tax assets that, if realized, will be allocated to first reduce goodwill, then other purchased intangibles, and then income tax expense.

Dollars in millions unless otherwise noted (except per share amounts)

On November 15, 2000, we announced our intention to split-off LMG. The split-off of LMG remains subject to the receipt of necessary approvals, including a favorable tax ruling from the IRS. Pursuant to the tax-sharing agreement dated March 9, 1999 between AT&T and LMG, in the event LMG is split-off, AT&T would be required to reimburse LMG approximately $830 for the value of certain TCI pre-acquisition net operating loss carryforwards. Also, in connection with a tax-sharing agreement between LMG and TCI that was executed prior to AT&T's acquisition of TCI, LMG would be obligated to pay AT&T approximately $138 upon its split-off from AT&T.

16. COMMITMENTS AND CONTINGENCIES

In the normal course of business we are subject to proceedings, lawsuits and other claims, including proceedings under laws and regulations related to environmental and other matters. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. Consequently, we are unable to ascertain the ultimate aggregate amount of monetary liability or financial impact with respect to these matters at December 31, 2000. These matters could affect the operating results of any one quarter when resolved in future periods. However, we believe that after final disposition, any monetary liability or financial impact to us beyond that provided for at year-end would not be material to our annual consolidated financial statements.

We lease land, buildings and equipment through contracts that expire in various years through 2037. Our rental expense under operating leases was $980 in 2000, $827 in 1999 and $742 in 1998. The total of minimum rentals to be received in the future under noncancelable operating subleases as of December 31, 2000, was $209.

The following table shows our future minimum commitments due under noncancelable operating and capital leases at December 31, 2000:

	Operating Leases	Capital Leases
2001	$ 830	$ 149
2002	700	137
2003	602	87
2004	519	66
2005	413	63
Later years	1,218	175
Total minimum lease payments	$4,282	677
Less: Amount representing interest		(179)
Present value of net minimum lease payments		$ 498

AT&T has an agreement with Motorola, Inc. to purchase a minimum of 1.25 million digital set-top devices at an average price of $248 per unit in 2001. During 2000, AT&T satisfied its obligation under a previous agreement with Motorola, Inc. to purchase set-top devices.

AT&T has entered into various purchase commitments for wireless network equipment and handsets. The commitments totaled $432 as of December 31, 2000, and extend through 2004.

AT&T has committed to provide funding to a joint venture with other investors, Alaska Native Wireless (ANW), which was formed in November 2000 to participate in the Federal Communication Commission's recent license spectrum auction. The auction was concluded in January 2001 and ANW was the highest bidder on approximately $2.9 billion in licenses. AT&T has committed to fund approximately $2.6 billion to ANW to fund ANW's purchase of licenses. At December 31, 2000, AT&T had provided approximately $229 of funding and has committed to provide additional funding of approximately $2.4 billion consisting primarily of debt securities of ANW. At the fifth anniversary of the first date on which licenses are granted to ANW, the other owners of ANW have rights to require AT&T to purchase their equity interests. If such rights are exercised five years after the license grant date, the purchase price would be approximately $950 and would be payable, at our option, in either cash or marketable securities. In the event that these rights are exercised before the fifth anniversary, or in the event that the winning bid is rejected, or if any licenses granted to ANW are revoked or challenged, the amount that AT&T would be required to pay would be less than $950.

Through a joint venture (70% owned by AT&T and 30% owned by BT), AT&T and BT have a 31% ownership of AT&T Canada Corp. as a result of the 1999 merger between AT&T Canada Corp. and MetroNet Communications, Corp. In connection with this merger, the AT&T and BT joint venture has the right to call, or arrange for another entity to call, the remaining 69% of AT&T Canada for the greater of Cdn$40.56 per share, which represented the projected value as of December 31, 2000, with an accretion of 4% each quarter that began on June 30, 2000, or the then-appraised fair market value. If we do not exercise our call rights by June 30, 2003, the shares would be put up for auction, and the AT&T and BT joint venture would have to make the shareholders whole for the difference between the proceeds received in auction and the greater of the fair market value or the accreted value. The exact timing of any purchase will likely be partially dependent upon the future status of Canadian foreign-ownership regulations.

17. RELATED PARTY TRANSACTIONS

AT&T has various related party transactions with Concert as a result of the closure of this global venture in early January 2000.

Included in revenue for the year ended December 31, 2000, is $1,080, for services provided to Concert.

Included in access and other connection expenses for the year ended December 31, 2000, are charges from Concert representing costs incurred on our behalf to connect calls made to foreign countries (international settlements) and costs paid by AT&T to Concert for distributing Concert products totaling $2,364.

During the first quarter of 2000, AT&T contributed property, plant and equipment of approximately $1,600 to Concert. AT&T also loaned $1,000 to Concert; that loan is included within "Other investments and related advances" in the accompanying 2000 Consolidated Balance Sheet. Interest income of $67 was recognized for the year ended December 31, 2000.

At December 31, 2000, AT&T had a floating rate loan payable to Concert in the amount of $126. The loan, which is due on demand, is included in "Debt maturing within one year" in the accompanying Consolidated Balance Sheet. Interest expense was $6 for the year ended December 31, 2000.

Included in accounts receivable and accounts payable at December 31, 2000, was $462 and $518, respectively, related to transactions with Concert. Included in other receivables and other current liabilities at December 31, 2000, was $1,106 and $1,032, respectively, related to transactions associated with Concert.

In addition, we had various related party transactions with LMG. Included in costs of services and products were programming expenses related to services from LMG. These expenses amounted to $239 for the year ended December 31, 2000 and $184 for the 10 months ended December 31, 1999, respectively.

Included in "Investment in Liberty Media Group and related receivables, net" was $155 and $27 at December 31, 2000 and 1999, respectively, primarily related to taxes pursuant to a tax-sharing agreement between LMG and Broadband. That agreement existed prior to the TCI merger.

18. SEGMENT REPORTING

AT&T's results are segmented according to the way we manage our business: Business Services, Consumer Services, Wireless Services and Broadband.

Our Business Services segment offers a variety of global communications services, including long distance, local, and data and Internet protocol (IP) networking, to small and medium-sized businesses, large domestic and multinational businesses and government agencies. Business Services is also a provider of voice, data and IP transport to service resellers (wholesale services). Also included in the Business Services segment is AT&T Solutions, our outsourcing and network-management business.

Our Consumer Services segment provides a variety of any-distance communications services, including long distance, local toll (intrastate calls outside the immediate local area) and Internet access to residential customers. In addition, Consumer Services provides prepaid calling card and operator-handled calling services. Local phone service is also provided in certain areas.

Our Wireless Services segment offers wireless voice and data services and products to customers in our 850 megahertz (cellular) and 1900 megahertz (Personal Communications Services, or PCS) markets. Wireless Services also includes certain interests in partnerships and affiliates that provide wireless services in the United States and internationally, aviation-communications services and fixed wireless services. Fixed wireless provides high-speed Internet access and any-distance voice services using wireless technology to residential and small business customers.

Our Broadband segment offers a variety of services through our cable broadband network, including traditional analog video and new services such as digital video, high-speed data and broadband telephony.

The balance of AT&T's operations (excluding LMG) is included in a "Corporate and Other" category. This category reflects corporate staff functions and the elimination of transactions between segments, as well as the results of Excite@Home and international operations and ventures. LMG is not an operating segment of AT&T because AT&T does not have a controlling financial interest in LMG for financial accounting purposes. Therefore, we account for this investment under the equity method. Additionally, LMG's results are not reviewed by the chief operating decision-makers for purposes of determining resources to be allocated.

Total assets for our reportable segments generally include all assets, except intercompany receivables. However, our Wireless Services segment included intercompany receivables from AT&T and the related interest income since these assets relate to the results of the AT&T Wireless Group tracked business. Prepaid pension assets and corporate-owned or leased real estate are generally held at the corporate level and therefore, are included in the Corporate and Other category. Shared network assets are allocated to the segments and reallocated each January based on two years of volumes. Capital additions for each segment include capital expenditures for property, plant and equipment, acquisitions of licenses, additions to nonconsolidated investments, increases in franchise costs and additions to internal-use software.

Dollars in millions unless otherwise noted (except per share amounts)

The accounting policies of the segments are the same as those described in the summary of significant accounting policies (see Note 1). AT&T evaluates performance based on several factors, of which the primary financial measure is earnings before interest and taxes, including pretax minority interest and net pretax losses from other equity investments (EBIT).

Generally, AT&T accounts for Business Services' and Broadband's intersegment transactions at market prices.

REVENUE

For the Years Ended December 31,	2000	1999	1998
Business Services external revenue	$27,691	$26,749	$23,807
Business Services internal revenue	797	731	478
Total Business Services revenue	28,488	27,480	24,285
Consumer Services external revenue	18,976	21,854	22,885
Wireless Services external revenue	10,448	7,627	5,406
Broadband external revenue	8,203	5,069	—
Broadband internal revenue	14	1	—
Total Broadband revenue	8,217	5,070	—
Total reportable segments	66,129	62,031	52,576
Corporate and Other[1]	(148)	569	647
Total revenue	$65,981	$62,600	$53,223

(1) Includes $248 and $10 related to Excite@Home in 2000 and 1999, respectively.

DEPRECIATION AND AMORTIZATION[1]

For the Years Ended December 31,	2000	1999	1998
Business Services	$ 3,714	$ 3,352	$ 2,554
Consumer Services	561	783	693
Wireless Services	1,678	1,246	1,051
Broadband	3,068	1,636	—
Total reportable segments	9,021	7,017	4,298
Corporate and Other[2]	1,246	422	331
Total depreciation and amortization	$10,267	$ 7,439	$ 4,629

(1) Includes the amortization of goodwill, franchise costs and other purchased intangibles.

(2) Includes $991 and $38 related to Excite@Home in 2000 and 1999, respectively.

EARNINGS (LOSSES) FROM OTHER EQUITY INVESTMENTS

For the Years Ended December 31,	2000	1999	1998
Wireless Services	$ 382	$ (10)	$ 30
Broadband	(215)	(396)	—
Total reportable segments	167	(406)	30
Corporate and Other[1]	(372)	(359)	(108)
Total net losses from other equity investments	$ (205)	$ (765)	$ (78)

(1) Includes $(619) and $(504) related to Excite@Home in 2000 and 1999, respectively.

Dollars in millions unless otherwise noted (except per share amounts)

RECONCILIATION OF EBIT TO INCOME BEFORE INCOME TAXES

For the Years Ended December 31,	2000	1999	1998
Business Services	$ 6,548	$ 6,136	$ 4,994
Consumer Services	7,090	7,909	6,570
Wireless Services	1,131	(473)	418
Broadband	(1,175)	(1,475)	—
Total reportable segments	13,594	12,097	11,982
Corporate and Other(1)	(4,167)	(1,625)	(3,248)
Deduct: Pretax minority interest income (expense)	4,031	(163)	34
Add: Pretax losses from other equity investments	395	1,155	68
Interest expense	(3,183)	(1,765)	(427)
Total income before income taxes	$ 2,608	$ 10,025	$ 8,341

(1) Includes $(3,603) and $(686) related to Excite@Home in 2000 and 1999, respectively. The Excite@Home EBIT impact in 2000 includes $2,630 of net restructuring and other charges.

ASSETS

At December 31,	2000	1999	1998
Business Services	$ 34,804	$ 32,010	$22,189
Consumer Services	4,801	6,279	6,185
Wireless Services	35,184	23,312	19,416
Broadband	114,681	53,810	—
Total reportable segments	189,470	115,411	47,790
Corporate and Other assets:			
Other segments	6,892	3,386	3,016
Prepaid pension costs	3,003	2,464	2,074
Deferred income taxes	720	899	1,156
Other corporate assets(1)	7,848	8,786	5,514
Investment in Liberty Media Group and related receivables, net	34,290	38,460	—
Total assets	$242,223	$169,406	$59,550

(1) Includes $2,541 and $2,726 related to Excite@Home for 2000 and 1999, respectively.

EQUITY INVESTMENTS (EXCLUDING LMG)

At December 31,	2000	1999	1998
Wireless Services	$ 3,080	$ 4,409	$ 3,766
Broadband	6,470	10,327	—
Total reportable segments	9,550	14,736	3,766
Corporate and Other(1)	4,074	3,718	491
Total equity investments	$ 13,624	$ 18,454	$ 4,257

(1) Includes $35 and $2,726 related to Excite@Home for 2000 and 1999, respectively.

Dollars in millions unless otherwise noted (except per share amounts)

CAPITAL ADDITIONS

For the Years Ended December 31,	2000	1999	1998
Business Services	$ 6,223	$ 7,511	$ 6,130
Consumer Services	302	656	459
Wireless Services	5,553	2,739	2,395
Broadband	4,963	4,759	—
Total reportable segments	17,041	15,665	8,984
Corporate and Other[1]	2,150	1,494	594
Total capital additions	$ 19,191	$ 17,159	$ 9,578

(1) Includes $92 related to Excite@Home in 2000.

Geographic information is not presented due to the immateriality of revenue attributable to international customers.

Reflecting the dynamics of our business, we continually review our management model and structure and make adjustments accordingly.

19. CONSOLIDATING CONDENSED FINANCIAL INFORMATION

In conjunction with the issuance of AT&T Wireless Group and Liberty Media Group tracking stocks, AT&T has separated for financial reporting purposes in all periods the AT&T Common Stock Group, Liberty Media Group and AT&T Wireless Group. Below is the consolidating financial information reflecting the businesses of these individual groups, including the allocation of expenses between the groups in accordance with our allocation policies, as well as other related party transactions such as sales of services between groups and interest income and expense on intercompany borrowings. The AT&T Common Stock Group presented below excludes its retained portion of the value of AT&T Wireless Group. AT&T does not have a controlling financial interest in LMG for financial accounting purposes; therefore, our ownership in LMG is reflected as an investment accounted for under the equity method and is reflected as such in the consolidating financial statements below.

AT&T Wireless Group, purchases long distance and other network-related services from AT&T at market-based prices and accordingly such amounts are eliminated. Prior to the offering of AT&T Wireless Group tracking stock, the capital structure of AT&T Wireless Group had been assumed based upon AT&T's historical capital ratio adjusted for certain items. Intercompany interest rates are intended to be substantially equivalent to the interest rate that AT&T Wireless Group would be able to obtain or receive if it were a stand-alone entity. General corporate overhead related to AT&T's corporate headquarters and common support divisions has been allocated to AT&T Wireless Group based on the ratio of AT&T Wireless Group's external costs and expenses to AT&T's consolidated external costs and expenses, adjusted for any functions that AT&T Wireless Group performs on its own. The consolidated income tax provision, related tax payments or refunds, and deferred tax balances of AT&T have been alloated to AT&T Wireless Group based principally on the taxable income and tax credits directly attributable to AT&T Wireless Group.

Pursuant to the Inter-Group agreement, AT&T does not allocate general overhead expenses to Libery Media Group and only charges Liberty Media Group for specific services that Liberty Media Group receives from AT&T pursuant to service agreements or similar arrangements. Additionally, as Liberty Media Group operates independent of AT&T, there is no cash or debt allocated to them.

Dollars in millions unless otherwise noted (except per share amounts)

Consolidating Condensed Income Statement
For the year ended December 31, 2000

	AT&T Common Stock Group	AT&T Wireless Group	Liberty Media Group	Eliminations/ Reclassi-fications(1)	Consolidated AT&T Corp.
External revenue	$55,533	$10,448	$ —	$ —	$65,981
Inter-group revenue	321			(321)	
Total revenue	55,854	10,448		(321)	$65,981
Operating Expenses					
Costs of services and products	13,001	4,969		(383)	17,587
Access and other connection	13,140			378	13,518
Selling, general and administrative	10,001	3,302			13,303
Depreciation and other amortization	5,923	1,686		(335)	7,274
Amortization of goodwill, franchise costs and other purchased intangibles	2,665			328	2,993
Net restructuring and other charges	7,029				7,029
Inter-group expenses	(208)	529		(321)	
Total operating expenses	51,551	10,486		(333)	61,704
Operating income (loss)	4,303	(38)		12	4,277
Other income (expense)	1,150	391		(27)	1,514
Inter-group interest income	326	143		(469)	
Interest expense	3,294	(111)			3,183
Inter-group interest expense	143	196		(339)	
Income before income taxes, minority interest and earnings (losses) from equity investments	2,342	411		(145)	2,608
Provision for income taxes	3,199	141		2	3,342
Minority interest income	4,092			28	4,120
Equity earnings from Liberty Media Group			1,488		1,488
Net earnings (losses) from other equity investments	(585)	388		(8)	(205)
Net income	2,650	658	1,488	(127)	4,669
Dividend requirements on preferred stock held by AT&T, net		130		(130)	
Net income after preferred stock dividends	$ 2,650	$ 528	$ 1,488	$ 3	$ 4,669

(1) Includes the elimination of inter-group transactions, consolidating entries as well as reclassifications and adjustments related to AT&T Wireless Group tracking stock.

Dollars in millions unless otherwise noted (except per share amounts)

Consolidating Condensed Balance Sheet
At December 31, 2000

	AT&T Common Stock Group	AT&T Wireless Group	Liberty Media Group	Eliminations/ Reclassi- fications(1)	Consolidated AT&T Corp.
ASSETS					
Cash and cash equivalents	$ 64	$ 62	$ —	$ —	$ 126
Receivables	11,053	2,010		(216)	12,847
Deferred income taxes	719	93			812
Other current assets	2,890	417		(5)	3,302
Short-term note due from related party	638			(638)	
TOTAL CURRENT ASSETS	15,364	2,582		(859)	17,087
Property, plant and equipment, net	41,269	9,892			51,161
Franchise costs, net	48,218				48,218
Licensing costs, net		13,627		(1)	13,626
Goodwill, net	26,782	5,816		(1,120)	31,478
Investment in Liberty Media Group and related receivables, net			34,290		34,290
Other investments and related advances	30,876	3,385			34,261
Other assets	10,984			1,118	12,102
Long-term assets due from related party	4,800			(4,800)	
TOTAL ASSETS	$178,293	$35,302	$34,290	$(5,662)	$242,223
LIABILITIES					
Debt maturing within one year	$ 31,838	$ 109	$ —	$ —	$ 31,947
Short-term debt due to related party		638		(638)	
Liability under put options	2,564				2,564
Other current liabilities	13,709	2,907		(260)	16,356
TOTAL CURRENT LIABILITIES	48,111	3,654		(898)	50,867
Long-term debt	33,089			3	33,092
Long-term debt due to related party		1,800		(1,800)	
Deferred income taxes	32,054	4,659			36,713
Other long-term liabilities and deferred credits	8,493	271		(4)	8,760
TOTAL LIABILITIES	$121,747	$10,384	$ —	$(2,699)	$129,432

(1) Includes the elimination of inter-group transactions, consolidating entries as well as reclassifications and adjustments related to AT&T Wireless Group tracking stock.

Dollars in millions unless otherwise noted (except per share amounts)

Consolidating Condensed Balance Sheet
At December 31, 2000

	AT&T Common Stock Group	AT&T Wireless Group	Liberty Media Group	Eliminations/ Reclassi- fications(1)	Consolidated AT&T Corp.
Minority Interest	4,842	41			4,883
Company-Obligated Convertible Quarterly Income Preferred Securities of a Subsidiary Trust Holding Solely Subordinated Debt Securities of AT&T	4,710				4,710
SHAREOWNERS' EQUITY					
AT&T Common Stock				3,760	3,760
AT&T Wireless Group Common Stock				362	362
Liberty Media Group Class A Common Stock				2,364	2,364
Liberty Media Group Class B Common Stock				206	206
Other shareowners' equity	46,994	21,877	34,290	(6,655)	96,506
Other shareowners' equity due to related party		3,000		(3,000)	
TOTAL SHAREOWNERS' EQUITY	46,994	24,877	34,290	(2,963)	103,198
TOTAL LIABILITIES AND SHAREOWNERS' EQUITY	$178,293	$ 35,302	$ 34,290	$(5,662)	$242,223

(1) Includes the elimination of inter-group transactions, consolidating entries as well as reclassifications and adjustments related to AT&T Wireless Group tracking stock.

Dollars in millions unless otherwise noted (except per share amounts)

Consolidating Condensed Statement of Cash Flows
For the year ended December 31, 2000

	AT&T Common Stock Group	AT&T Wireless Group	Liberty Media Group	Eliminations/ Reclassi- fications(1)	Consolidated AT&T Corp.
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 11,684	$ 1,635	$ —	$ (12)	$13,307
INVESTING ACTIVITIES					
Capital expenditures and other additions	(10,912)	(4,012)			(14,924)
Equity investment distributions and sales	992	360			1,352
Equity investment contributions and purchases	(1,767)	(1,645)			(3,412)
Net acquisitions of businesses including cash acquired	(16,647)	(4,763)			(21,410)
Other	(2,113)	(465)		1,038	(1,540)
NET CASH USED IN INVESTING ACTIVITIES	(30,447)	(10,525)		1,038	(39,934)
FINANCING ACTIVITIES					
Proceeds from long-term debt issuance	4,601				4,601
Retirement of long-term debt	(2,118)				(2,118)
Issuance of AT&T Wireless Group common stock	3,314	7,000			10,314
Dividends paid	(3,047)				(3,047)
Increase in short-term borrowings, net	17,009	638		(674)	16,973
Other	(1,951)	1,309		(352)	(994)
NET CASH PROVIDED BY FINANCING ACTIVITIES	17,808	8,947		(1,026)	25,729
Net (decrease) increase in cash and cash equivalents	(955)	57			(898)
Cash and cash equivalents at beginning of year	1,019	5			1,024
Cash and cash equivalents at end of year	$ 64	$ 62	$ —	$ —	$ 126

(1) Includes the elimination of inter-group transactions, consolidating entries as well as reclassifications and adjustments related to AT&T Wireless Group tracking stock.

Dollars in millions unless otherwise noted (except per share amounts)

Consolidating Condensed Income Statement
For the year ended December 31, 1999

	AT&T Common Stock Group	AT&T Wireless Group	Liberty Media Group	Eliminations/ Reclassi- fications(1)	Consolidated AT&T Corp.
External revenue	$54,973	$7,627	$ —	$ —	$62,600
Inter-group revenue	227			(227)	
Total revenue	55,200	7,627		(227)	62,600
Operating Expenses					
Costs of services and products	11,158	3,676		(240)	14,594
Access and other connection	14,439			247	14,686
Selling, general and administrative	11,243	2,273			13,516
Depreciation and other amortization	5,137	1,253		(252)	6,138
Amortization of goodwill, franchise costs and other purchased intangibles	1,057			244	1,301
Net restructuring and other charges	976	531		(1)	1,506
Inter-group expenses	(333)	560		(227)	
Total operating expenses	43,677	8,293		(229)	51,741
Operating income (loss)	11,523	(666)		2	10,859
Other income (expense)	824	122		(15)	931
Inter-group interest income	270			(270)	
Interest expense	1,755	(78)		88	1,765
Inter-group interest expense		214		(214)	
Income (loss) before income taxes, minority interest and earnings (losses) from equity investments	10,862	(680)		(157)	10,025
Provision for income taxes	4,016	(294)		(27)	3,695
Minority interest income (expense)	(132)			17	(115)
Equity losses from Liberty Media Group			(2,022)		(2,022)
Net earnings (losses) from other equity investments	(760)	(19)		14	(765)
Net income (loss)	5,954	(405)	(2,022)	(99)	3,428
Dividend requirements on preferred stock held by AT&T, net		56		(56)	
Net income (loss) after preferred stock dividends	$ 5,954	$ (461)	$(2,022)	$ (43)	$ 3,428

(1) Includes the elimination of inter-group transactions, consolidating entries as well as reclassifications and adjustments related to AT&T Wireless Group tracking stock.

AT&T CORP. AND SUBSIDIARIES (AT&T)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
Dollars in millions unless otherwise noted (except per share amounts)

Consolidating Condensed Balance Sheet
At December 31, 1999

	AT&T Common Stock Group	AT&T Wireless Group	Liberty Media Group	Eliminations/ Reclassi-fications(1)	Consolidated AT&T Corp.
ASSETS					
Cash and cash equivalents	$ 1,019	$ 5	$ —	$ —	$ 1,024
Receivables	9,241	1,300		(88)	10,453
Deferred income taxes	1,160	127			1,287
Other current assets	929	196		(5)	1,120
TOTAL CURRENT ASSETS	12,349	1,628		(93)	13,884
Property, plant and equipment, net	33,366	6,349		(97)	39,618
Franchise costs, net	32,693				32,693
Licensing costs, net		8,571		(23)	8,548
Goodwill, net	5,310	2,462		(327)	7,445
Investment in Liberty Media Group and related receivables, net			38,460		38,460
Other investments and related advances	14,856	4,502		8	19,366
Other assets	9,065			327	9,392
Long-term assets due from related party	4,400			(4,400)	
TOTAL ASSETS	$112,039	$23,512	$38,460	$(4,605)	$169,406
LIABILITIES					
Debt maturing within one year	$ 12,479	$ 154	$ —	$ —	$ 12,633
Other current liabilities	13,711	2,143		(280)	15,574
TOTAL CURRENT LIABILITIES	26,190	2,297		(280)	28,207
Long-term debt	23,213			4	23,217
Long-term debt due to related party		3,400		(3,400)	
Deferred income taxes	20,507	3,750		(58)	24,199
Other long-term liabilities and deferred credits	7,722	48		(5)	7,765
TOTAL LIABILITIES	$ 77,632	$ 9,495	$ —	$(3,739)	$ 83,388

(1) Includes the elimination of inter-group transactions, consolidating entries as well as reclassifications and adjustments related to AT&T Wireless Group tracking stock.

Dollars in millions unless otherwise noted (except per share amounts)

Consolidating Condensed Balance Sheet
At December 31, 1999

	AT&T Common Stock Group	AT&T Wireless Group	Liberty Media Group	Eliminations/ Reclassi- fications(1)	Consolidated AT&T Corp.
Minority Interest	2,371	20			2,391
Company-Obligated Convertible Quarterly Income Preferred Securities of a Subsidiary Trust Holding Solely Subordinated Debt Securities of AT&T	4,700				4,700
SHAREOWNERS' EQUITY					
AT&T Common Stock				3,196	3,196
Liberty Media Group Class A Common Stock				2,314	2,314
Liberty Media Group Class B Common Stock				217	217
Other shareowners' equity	27,336	12,997	38,460	(5,593)	73,200
Other shareowners' equity due to related party		1,000		(1,000)	
TOTAL SHAREOWNERS' EQUITY	27,336	13,997	38,460	(866)	78,927
TOTAL LIABILITIES AND SHAREOWNERS' EQUITY	$112,039	$23,512	$38,460	$(4,605)	$169,406

(1) Includes the elimination of inter-group transactions, consolidating entries as well as reclassifications and adjustments related to AT&T Wireless Group tracking stock.

Dollars in millions unless otherwise noted (except per share amounts)

Consolidating Condensed Statement of Cash Flows
For the year ended December 31, 1999

	AT&T Common Stock Group	AT&T Wireless Group	Liberty Media Group	Eliminations/ Reclassi-fications(1)	Consolidated AT&T Corp.
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 10,907	$ 867	$ —	$(253)	$11,521
INVESTING ACTIVITIES					
Capital expenditures and other additions	(11,795)	(2,272)		47	(14,020)
Equity investment distributions and sales	1,639	236			1,875
Equity investment contributions and purchases	(7,837)	(284)			(8,121)
Net acquisitions of businesses including cash acquired	(6,955)	244			(6,711)
Other	(960)	(47)		941	(66)
NET CASH USED IN INVESTING ACTIVITIES	(25,908)	(2,123)		988	(27,043)
FINANCING ACTIVITIES					
Proceeds from long-term debt issuance	8,396				8,396
Retirement of long-term debt	(2,807)				(2,807)
Issuance of convertible securities	4,638				4,638
Net acquisition of treasury shares	(4,624)				(4,624)
Dividends paid	(2,712)				(2,712)
Increase in short-term borrowings, net	10,173	65			10,238
Other	(177)	1,169		(735)	257
NET CASH PROVIDED BY FINANCING ACTIVITIES	12,887	1,234		(735)	13,386
Net decrease in cash and cash equivalents	(2,114)	(22)			(2,136)
Cash and cash equivalents at beginning of year	3,133	27			3,160
Cash and cash equivalents at end of year	$ 1,019	$ 5	$ —	$ —	$ 1,024

(1) Includes the elimination of inter-group transactions, consolidating entries as well as reclassifications and adjustments related to AT&T Wireless Group tracking stock.

Dollars in millions unless otherwise noted (except per share amounts)

Consolidating Condensed Income Statement
For the year ended December 31, 1998

	AT&T Common Stock Group	AT&T Wireless Group	Eliminations/ Reclassi- fications(1)	Consolidated AT&T Corp.
External revenue	$ 47,817	$ 5,406	$ —	$53,223
Inter-group revenue	73		(73)	
Total revenue	47,890	5,406	(73)	53,223
Operating Expenses				
Costs of services and products	8,336	2,363	(204)	10,495
Access and other connection	15,117		211	15,328
Selling, general and administrative	10,845	1,931	(6)	12,770
Depreciation and other amortization	3,534	1,079	(235)	4,378
Amortization of goodwill, franchise costs and other purchased intangibles	44		207	251
Net restructuring and other charges	2,514	120	(120)	2,514
Inter-group expenses	(183)	256	(73)	
Total operating expenses	40,207	5,749	(220)	45,736
Operating income (loss)	7,683	(343)	147	7,487
Other income	811	650	(180)	1,281
Inter-group interest income	246		(246)	
Interest expense	515	(70)	(18)	427
Inter-group interest expense		190	(190)	
Income from continuing operations before income taxes, minority interest and earnings (losses) from equity investments	8,225	187	(71)	8,341
Provision for income taxes	2,996	59	(6)	3,049
Minority interest income			21	21
Net earnings (losses) from other equity investments	(108)	36	(6)	(78)
Income from continuing operations	5,121	164	(50)	5,235
Dividend requirements on preferred stock held by AT&T, net		56	(56)	
Income from continuing operations after preferred stock dividends	$ 5,121	$ 108	$ 6	$ 5,235

(1) Includes the elimination of inter-group transactions, consolidating entries as well as reclassifications and adjustments related to AT&T Wireless Group tracking stock.

Dollars in millions unless otherwise noted (except per share amounts)

Consolidating Condensed Statement of Cash Flows
For the year ended December 31, 1998

	AT&T Common Stock Group	AT&T Wireless Group	Eliminations/ Reclassi-fications(1)	Consolidated AT&T Corp.
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 9,928	$ 414	$(125)	$10,217
INVESTING ACTIVITIES				
Capital expenditures and other additions	(6,509)	(1,219)	15	(7,713)
Decrease in other receivables	6,303		100	6,403
Net sales of marketable securities	307			307
Equity investment distributions and sales	148	1,354	14	1,516
Equity investment contributions and purchases	(1,118)	(156)	(7)	(1,281)
Net acquisitions of businesses including cash acquired	4,183	324		4,507
Other	(60)	(65)	(32)	(157)
NET CASH PROVIDED BY INVESTING ACTIVITIES	3,254	238	90	3,582
FINANCING ACTIVITIES				
Proceeds from long-term debt issuance				
Retirement of long-term debt	(2,610)			(2,610)
Net acquisition of treasury shares	(3,321)			(3,321)
Dividends paid	(2,187)			(2,187)
Increase in short-term borrowings, net	(3,076)	43		(3,033)
Other	833	(674)	(57)	102
NET CASH USED IN FINANCING ACTIVITIES	(10,361)	(631)	(57)	(11,049)
NET CASH PROVIDED BY DISCONTINUED OPERATIONS			92	92
Net increase in cash and cash equivalents	2,821	21		2,842
Cash and cash equivalents at beginning of year	312	6		318
Cash and cash equivalents at end of year	$ 3,133	$ 27	$ —	$ 3,160

(1) Includes the elimination of inter-group transactions, consolidating entries as well as reclassifications and adjustments related to AT&T Wireless Group tracking stock.

Dollars in millions unless otherwise noted (except per share amounts)

20. QUARTERLY INFORMATION (UNAUDITED)

	First	Second	Third	Fourth
2000				
Revenue[1]	$15,901	$16,221	$16,975	$16,884
Operating income (loss)[2]	2,402	3,267	2,954	(4,346)
Net income	$ 2,683	$ 2,034	$ 3,072	$ (3,120)
AT&T Common Stock Group:				
Earnings (loss) per share:				
Basic	$ .55	$ .54	$ .35	$ (.45)
Diluted	.54	.53	.35	(.45)
Dividends declared	$ .22	$ .22	$ .22	$ .0375
AT&T Wireless Group[3]:				
Earnings (loss) per share:				
Basic and diluted	$ —	$ .06	$ (.01)	$ .16
Liberty Media Group[3]:				
Earnings (loss) per share:				
Basic and diluted[4]	$ .37	$ .10	$ .68	$ (.57)
Stock price[5]:				
AT&T common stock				
High	$ 61.00	$ 58.81	$ 35.19	$ 30.00
Low	44.31	31.25	27.25	16.50
Quarter-end close	56.25	31.63	29.38	17.25
AT&T Wireless Group common stock				
High	—	36.00	29.56	24.94
Low	—	23.56	20.50	16.38
Quarter-end close	—	27.88	20.88	17.31
Liberty Media Group Class A common stock[4]				
High	30.72	29.94	26.56	19.25
Low	24.44	19.19	17.44	10.75
Quarter-end close	29.63	24.25	18.00	13.56
Liberty Media Group Class B common stock[4]				
High	36.56	32.69	32.63	20.63
Low	27.00	22.13	18.75	12.75
Quarter-end close	32.81	32.50	18.75	18.75

Dollars in millions unless otherwise noted (except per share amounts)

	First	Second	Third	Fourth
1999				
Revenue[1]	$14,117	$15,752	$16,333	$16,398
Operating income[2]	2,116	2,913	3,389	2,441
Net income (loss)	$ 1,018	$ 1,045	$ 1,416	$ (51)
AT&T Common Stock Group:				
Earnings per share:				
Basic	$ .39	$ .50	$ .51	$ .36
Diluted	$ .38	$ .49	$ .50	$ .36
Dividends declared	$ .22	$ .22	$ .22	$ .22
Liberty Media Group[3]:				
Loss per share:				
Basic and diluted[4]	$ .02	$ .21	$ .09	$ .48
Stock price[5]:				
AT&T common stock				
High	$ 64.08	$ 63.00	$ 59.00	$ 61.00
Low	50.58	50.06	41.81	41.50
Quarter-end close	53.20	55.81	43.50	50.81
Liberty Media Group Class A common stock[4]				
High	14.53	18.52	19.84	28.34
Low	10.95	13.13	15.44	17.94
Quarter-end close	13.15	18.38	18.66	28.41
Liberty Media Group Class B common stock[4]				
High	14.56	18.63	19.88	34.38
Low	11.13	13.69	16.00	19.31
Quarter-end close	13.44	18.63	19.88	34.38

1. Results have been restated to reflect certain franchise tax expenses as revenue and expense in the amount of $21 in first quarter 1999, $61 in second quarter 1999, $63 in third quarter 1999, $64 in fourth quarter 1999 and $65 in first quarter 2000. This restatement had no impact on operating income or net income.

2. Operating income (loss) included net restructuring and other charges of $773 in first quarter 2000, $24 in third quarter 2000, $6,232 in fourth quarter 2000, $731 in first quarter 1999 and $804 in fourth quarter 1999. Second quarter 1999 included a net restructuring and other charges benefit of $29.

3. No dividends have been declared on AT&T Wireless Group or Liberty Media Group (LMG) common stocks.

4. Amounts have been restated to reflect the June 2000 two-for-one split of LMG common stock.

5. Stock prices obtained from the New York Stock Exchange Composite Tape.

21. NEW ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board (FASB) issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." Among other provisions, it requires that entities recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. Gains and losses resulting from changes in the fair values of those derivatives would be accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. The effective date for this standard was delayed via the issuance of SFAS No. 137. The effective date for SFAS No. 133 is now for fiscal years beginning after June 15, 2000, though earlier adoption is encouraged and retroactive application is prohibited. For AT&T, this means that the standard must be adopted no later than January 1, 2001.

In June 2000, the FASB issued SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities," as an amendment to SFAS No. 133. This statement provides clarification with regard to certain implementation issues under SFAS No. 133 on specific types of hedges.

On January 1, 2001, AT&T adopted SFAS No. 133. We recorded a cumulative effect of an accounting change, net of applicable income taxes, of approximately $1,370 of income, or approximately $0.34 per diluted share, primarily attributable to fair value adjustments of debt instruments, including those acquired in conjunction with the MediaOne merger, as well as to our warrant portfolio. In addition, in connection with the adoption of SFAS No. 133, we reclassified certain investment securities, which support debt that is indexed to those securities, from "available-for-sale" to "trading." This reclassification resulted in the recognition of a charge of $1,724, or approximately $0.43 per diluted share, net of applicable taxes, which was recorded as a reduction of other income. As available-for-sale securities, changes in fair value were previously included within other comprehensive income as a component of shareowners' equity. In addition, LMG recorded a cumulative effect of an accounting change, net of applicable income taxes, of approximately $800 of income, or approximately $0.31 per share.

The impact of the adoption of SFAS No. 133, as amended by SFAS No. 138, on AT&T's future results of operations is dependent upon the fair values of our derivatives and related financial instruments and could result in pronounced quarterly fluctuations in other income in future periods.

In September 2000, the FASB issued SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities — a Replacement of FASB Statement No. 125." This statement provides accounting and reporting standards for transfers and servicing of financial assets and extinguishments of liabilities. Under these standards, after a transfer of financial assets, an entity recognizes the financial and servicing assets it controls and the liabilities it has incurred, derecognizes financial assets when control has been surrendered, and derecognizes liabilities when extinguished. This statement provides consistent standards for distinguishing transfers of financial assets that are sales from transfers that are secured borrowings. This statement is effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001. AT&T does not expect that the adoption of SFAS No. 140 will have a material impact on AT&T's results of operations, financial position or cash flows.

22. SUBSEQUENT EVENTS

On January 12, 2001, AT&T announced that Cox and Comcast had exercised their rights to sell a combined total of 60.4 million shares of Excite@Home Series A common stock to AT&T as part of an agreement announced in August 2000 to reorganize Excite@Home's governance. Cox and Comcast elected to receive shares of AT&T common stock in exchange for their Excite@Home shares. AT&T is currently in discussions to renegotiate the terms of the put options which may result in a change to the number of shares of AT&T stock that Cox and Comcast will receive, as well as the number of Excite@Home Shares, if any AT&T receives. There can be no assurance that an agreement will be reached with Cox and Comcast.

On January 22, 2001, AT&T and NTT DoCoMo (DoCoMo) finalized an agreement whereby DoCoMo invested approximately $9.8 billion for a new class of AT&T preferred stock, termed DoCoMo Wireless tracking stock, that is economically equivalent to 406 million shares of AT&T Wireless Group tracking stock and reflects approximately 16% of the financial performance and economic value of AT&T Wireless Group. AT&T allocated $6.2 billion of the proceeds to AT&T Wireless Group. Each share of DoCoMo Wireless tracking stock is convertible at any time into AT&T Wireless Group tracking stock. Upon the conversion of the DoCoMo Wireless tracking stock, AT&T will reduce its portion of the financial performance and economic value in AT&T Wireless Group by 178 million shares, and the balance of the 406 million shares will come from the issuance of 228 million new shares of AT&T Wireless Group tracking stock. Additionally, upon completion of the planned split-off of AT&T Wireless, the DoCoMo Wireless tracking stock and related warrants will automatically be converted into AT&T Wireless Group tracking stock and thereafter be exchanged on the same terms as all other shares of AT&T Wireless Group tracking stock in the split-off. In the event that AT&T has not split-off AT&T Wireless by specified dates beginning January 1, 2002, DoCoMo will have the right, at its election, to require AT&T to repurchase from DoCoMo the preferred shares initially issued to them at DoCoMo's original purchase price plus interest up to the date of payment. The interest under this right will be treated as preferred stock dividends, with charges recorded as a reduction of AT&T Common Stock Group earnings. In addition, DoCoMo acquired five-year warrants to purchase the equivalent of an additional 41.7 million shares of AT&T Wireless Group tracking stock at $35 per share. As part of the agreement, DoCoMo obtained a seat on AT&T's board of directors until AT&T Wireless Group is split-off from AT&T as a separate public company, which is expected to occur later in 2001. At that time, DoCoMo will retain representation on the new public AT&T Wireless board. Receipt of the DoCoMo proceeds reduced AT&T's existing $25 billion credit facility by $1.8 billion.

In January 2001, AT&T entered into agreements with certain network equipment vendors, which extend through 2004, to purchase next-generation wireless network equipment for a total of approximately $1.8 billion.

On February 27, 2001, AT&T entered into an agreement with Vodafone Group plc to sell our 10% stake in Japan Telecom Co. Ltd for approximately $1.35 billion in cash. The transaction is expected to be completed in April 2001 and will result in a gain.

On March 1, 2001, AT&T Wireless completed a private placement of $6.5 billion in notes. The notes pay interest at rates ranging from 7.35% to 8.75% per annum, with maturity dates ranging from 2006 to 2031. The notes include customary covenants and registration rights. As a result of the issuance of these notes, AT&T's existing $25 billion credit facility was reduced by $4.8 billion.

On March 23, 2001, AT&T Wireless entered into $2.5 billion in revolving credit facilities. The facilities consist of a 364-day facility of $1.25 billion and a five-year revolving credit facility of $1.25 billion. The facilities may be used for general corporate purposes and are subject to customary covenants and events of default.

Board of Directors

Corporate Headquarters
32 Avenue of the Americas
New York, NY 10013-2412

C. Michael Armstrong, [redacted]
Chairman of the Board and Chief Executive Officer of AT&T since 1997.

Kenneth T. Derr [redacted]
Chairman of the Board, Retired, Chevron Corporation, an international oil company. Director since 1995. 1,2

M. Kathryn Eickhoff, [redacted]
President, Eickhoff Economics, Inc., economic consultants. Elected to Board in 1987. 1,4

Walter Y. Elisha, [redacted]
Retired Chairman and Chief Executive Officer, Springs Industries Inc., a textile manufacturer. Director since 1987. 3,4

George M.C. Fisher, [redacted]
Retired Chairman and CEO, Eastman Kodak Company, an imaging company. Elected to Board in 1997. 2,4,5,6

Donald V. Fites, [redacted]
Chairman, Retired, Caterpillar Inc., an equipment manufacturer. Director since 1997. 3,4,5,6

Amos B. Hostetter, Jr., [redacted]
Former Chairman and Chief Executive Officer, Continental Cablevision, Inc., a cable communications company. Elected to Board in 1999. 2

Ralph S. Larsen [redacted]
Chairman and Chief Executive Officer, Johnson & Johnson, a pharmaceutical, medical and consumer-products company. Director since 1995. 1,4

John C. Malone, [redacted]
Chairman, Liberty Media Corporation, a cable programming company. Elected to Board in 1999. 4,5,6

Donald F. McHenry, [redacted]
President, IRC Group, international relations consultants; former U.S. Ambassador to the United Nations. Director since 1986. 1,2,3

Louis A. Simpson, [redacted]
President and CEO, Capital Operations, GEICO Corporation, an insurance company. Director since 2000. 1,2

Michael I. Sovern, [redacted]
President Emeritus and Chancellor Kent Professor of Law, Columbia University. Elected to Board in 1984. 1,2,5

Sanford I. Weill, [redacted]
Chairman and Chief Executive Officer, Citigroup, a financial services company. Director since 1998. 4,6

John D. Zeglis, [redacted]
Chairman and Chief Executive Officer, AT&T Wireless Group. Director of AT&T since 1997.

1. Audit Committee
2. Compensation and Employee Benefits Committee
3. Governance and Nominating Committee
4. Finance Committee
5. Liberty Capital Stock Committee
6. Wireless Capital Stock Committee

Ages are as of January 1, 2001.

Corporate Information

AT&T on the World Wide Web

The AT&T home page – www.att.com – and the AT&T Wireless home page – www.attwireless.com – are your entry points for a vast array of information, including company news and details on products and services. You're also encouraged to visit the AT&T Investor Relations Web site (www.att.com/ir/) or for AT&T Wireless (www.att.com/wirelessir/) for up-to-the-minute information for shareowners and the financial community.

Stock Information

AT&T (ticker symbol "T") is listed on the New York Stock Exchange, as well as the Boston, Chicago, Cincinnati, Pacific and Philadelphia exchanges in the United States, and on stock exchanges in Brussels, London, Paris and Geneva. As of December 31, 2000, AT&T had 3.8 billion shares outstanding, held by more than 4.8 million shareowners. AT&T Wireless Group common stock (ticker symbol "AWE"), tracking stock of AT&T, is listed on the New York Stock Exchange. As of December 31, 2000, AT&T Wireless had 361.8 million shares outstanding held by 3,681 registered shareowners. Liberty Media Group Class A and Class B common stock (ticker symbols "LMG.A" and "LMG.B"), tracking stock of AT&T, are listed on the New York Stock Exchange. As of December 31, 2000, Liberty Media Class A had 2.4 billion shares outstanding, held by 6,842 shareowners; Liberty Media Class B had 206.2 million shares outstanding, held by 375 shareowners.

Electronic Access to Proxy Materials

In an effort to reduce the printing, enclosing, and mailing costs associated with the distribution of the AT&T Annual Report and Proxy Statement, AT&T registered shareholders can now elect to electronically access, view, and download the AT&T Annual Report and Proxy Statement as well as other materials via the AT&T Investor Relations Website at www.att.com/ir or by calling 1-800-348-8288. With this option, shareholders will continue to receive the Notice of Meeting, proxy card, and a prepaid return envelope via U.S. mail. Beneficial owners can request electronic access by contacting their bank or broker.

Annual Meeting

The 116th Annual Meeting of Shareowners will convene at 9:30 a.m. at the Cincinnati Convention Center, Cincinnati, Ohio, on May 23, 2001.

Supplier Diversity Initiative

As part of AT&T's Supplier Diversity Initiative, approximately $1.7 billion of AT&T's total purchases in 2000 were made from minority-, women- and service-disabled-veteran-owned business enterprises. More information is available online at www.att.com/supplier_diversity/.

AT&T Giving

For more than 100 years, AT&T has built a tradition of investing in local communities through our ongoing support for education, civic and community service, the environment, public policy and the arts. In 2000, the AT&T Foundation donated $44 million to nonprofit organizations in local communities throughout the United States and around the world. Also in 2000, AT&T employees volunteered nearly one million hours of community service through the AT&T CARES program. And, the AT&T Learning Network, an online program, helped teachers, community members and families improve teaching and learning through the effective use of technology. For more information on the AT&T Foundation, AT&T CARES and the AT&T Learning Network, visit our Web site at www.att.com/giving/.

Telephone Pioneers of America

Since 1911, AT&T has been a sponsor of The Telephone Pioneers of America, the world's largest, industry-based volunteer organization. AT&T employees and retirees comprise 60,000 of its members. For more information, visit www.telephone-pioneers.org/.

Environment, Health & Safety

AT&T is dedicated to creating a safe and healthy workplace for AT&T employees and strives to maintain our reputation as one of the top corporate environmental champions. More information about AT&T's environment, health and safety initiatives may be found online at www.att.com/ehs/.

This annual report is printed on recycled paper containing a minimum of 10% de-inked post-consumer fiber. Please recycle.

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Commitment

Commitment • Leadership • Development • Results

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CONTENTS

The year 2000 will be remembered as one of anticipation of the new millennium, and transformation for AT&T. Through out the anticipation and transformation, one thing remained constant, AT&T's commitment to its customers, shareholders and communities. We are keenly aware of the hundreds of thousands of minority-, women- and veteran-owned business enterprises (MWVBEs) who provide products and services to our communities. AT&T has pioneered a tradition of utilization of MWVBEs and recognizes the critical elements of a successful Supplier Diversity Program. Those elements are Commitment plus Leadership plus Development equals Results. Commitment spans the

ent Results

entire scope of our business. Our CEO and other corporate officers, create an environment to drive awareness of and foster support for this corporate initiative. The message is evident; at AT&T Supplier Diversity is a business imperative and an essential component to our business strategy. Leadership from our executive team provides the vision to develop innovative policies, and procedures that guide our Supplier Diversity Program. Business development initiatives from our Supplier Management team aid minority-, women- and veteran-owned businesses to achieve successful business growth and expansion. When all of these factors are successfully deployed, the results are impressive. In the year 2000, AT&T spent approximately $1.7 billion with minority-, women-and veteran-owned businesses. These results were unmatched across our industry.

2000 was a critical year for AT&T. We announced plans to transform our company into a family of four businesses, each a leader in its industry, and each with its own set of customers and priorities.

Each of the AT&T units — Business, Consumer, Broadband, and Wireless — will have the focus and flexibility to achieve its priorities. And the highest priority of each will always be to serve its customers better than anyone else, and better each time than the time before.

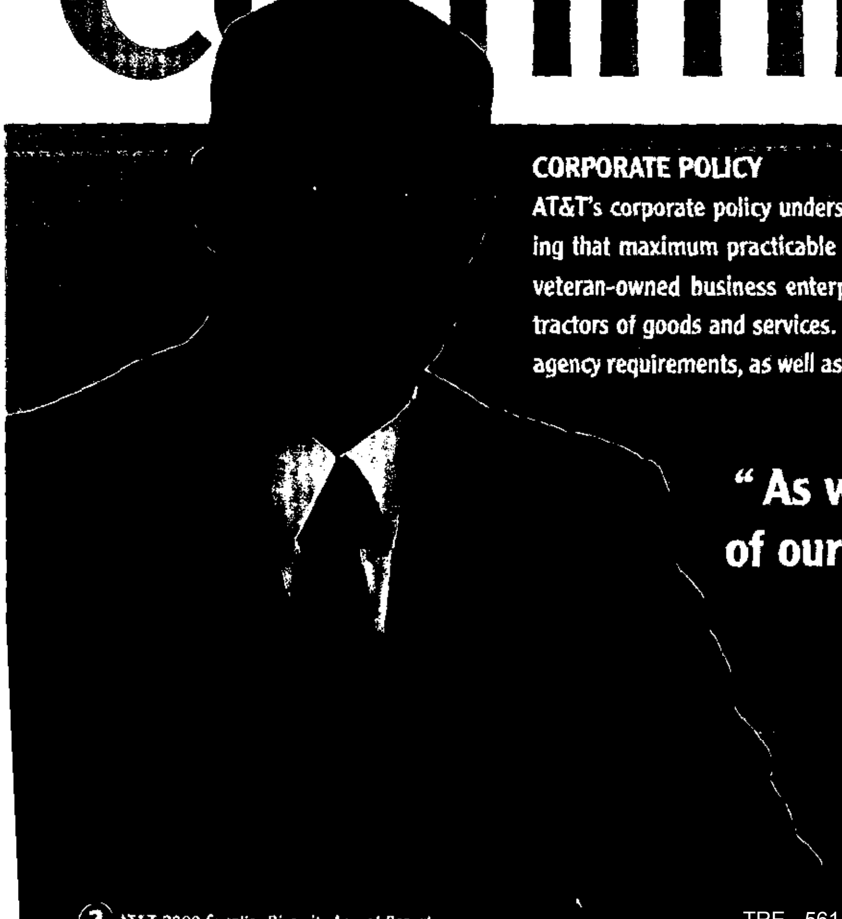
Serving customers well involves a critical chain of events that many times begins with our suppliers. That's why supplier quality is essential. And we know from experience that a key to supplier quality is maintaining a diverse supplier group.

As we focus on building the strengths of our businesses, supplier diversity will continue to be valued. If we are to remain leaders in the global communications industry, we must have available to us skills and perspectives that mirror the rich diversity of our world, both among our own people and those who form our supplier network.

The pages of this report give clear evidence of AT&T's program to build our purchases from minority-, women- and veteran-owned businesses. The numbers show that as we undergo our transformation, we remain deeply committed to using these companies.

Diversity is as important in AT&T's suppliers, contractors, and subcontractors as it is in our employee body. We are proud to be a recognized leader in supplier diversity. And we're committed to maintaining our leadership this year and in the future.

Commitment



CORPORATE POLICY

AT&T's corporate policy underscores the company's commitment to the MWVBE Program by stating that maximum practicable opportunity will continually be afforded to minority-, women- and veteran-owned business enterprises to participate with us as suppliers, contractors and subcontractors of goods and services. In addition, the policy ensures strict compliance with all regulatory agency requirements, as well as with federal, state and local procurement regulations and programs.

"As we focus on building the strengths of our businesses, supplier diversity will continue to be valued."

SUPPLIER DIVERSITY

Mission

To grow and expand AT&T's global business and shareholder value by aggressively engaging and developing diverse value-added suppliers which creates a competitive advantage.

Vision

To increase shareholder value and competitive advantage by developing a diverse supplier base.

SUPPLIER DIVERSITY DEFINITIONS

MWVBE is an acronym for Minority-owned Business Enterprise (MBE), Women-owned Business Enterprise (WBE) and Veteran-owned (V) enterprises, which is also used to describe the program that tracks suppliers identified as MWVBEs.

Businesses eligible for MWVBE status must be 51% owned, controlled and operated by racial or ethnic minorities, women or veterans. Minority- and women-owned businesses must receive third party certification. If the enterprise is publicly held, minorities or women must hold 51% of the stock.

DEFINITION OF MBE

A minority business enterprise is defined as one which is at least 51% owned, controlled and operated by an ethnic or racial minority group member(s).

The following groups are classified as minorities:

- Native Americans, including American Indians, Eskimos, Aleuts and native Hawaiians.
- Asian Pacific Americans, including all persons having origins in Japan, China, Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territory of the Pacific Islands (Republic of Palau), the Northern Mariana Islands, Laos, Kampuchea (Cambodia), Taiwan, Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Republic of the Marshall Islands, or the Federated States of Micronesia.
- Asian Indian Americans, including all persons having origins in India, Pakistan, Bangladesh, Sri Lanka, Bhutan or Nepal.
- African Americans, including all persons having origin in the Black racial groups of Africa.
- Hispanic Americans, including all persons having origins in Mexico, Puerto Rico, Cuba, Central or South America, or other Spanish culture origins.

DEFINITION OF WBE

A woman-owned business enterprise must be at least 51% owned by women who are not racial or ethnic minorities. Women-owned businesses are reported separately from minority businesses.
A business owned by a minority woman is classified as a minority-owned business only – not counted under both categories.

DEFINITION OF VBE

A veteran-owned business must be a small business concern: not less than 51 percent of which is owned by one or more veterans, or in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and the management and daily business operations of which are controlled by one or more veterans. Service –disabled veteran business enterprises are included in the category of veteran-owned businesses.

In 2000, several critical stakeholders recognized AT&T's leadership in the area of supplier diversity. We received the Pioneer Award from the U.S. Department of Commerce for innovations in implementing large transactions with minority and women businesses. AT&T was also recognized by the Women's Business Enterprise National Council as one of the best corporations in the country for doing business with women businesses.

Of course, AT&T continues to pride itself in the recognition that we receive for our work in supplier diversity. That work starts at the top of the corporation. The most senior management of the firm works in support of supplier diversity, as do associates throughout the enterprise.

Our work is driven, in part, by the supplier diversity goals that we all share. It is driven, in part, by our 32-year history of focusing on supplier diversity that's resulted in a culture of leadership in this area. And it is driven, in part, by the expectations of our customers and other key stakeholders.

We are expected to provide leadership in this critical area of the American economy. And we expect to be leaders - as a corporation, within our operating units and as individuals.

We leveraged our own expectations for leadership in supplier diversity in 2000 to implement more formal programs in AT&T Wireless Group and AT&T Broadband. Donnita Weese serves as the Supplier Diversity Champion for AT&T Wireless Group. Donna Gallup serves as the Supplier Diversity Director in AT&T Broadband. Along with the leadership of Winston Smith across our Consumer, Business, Labs and common-operating units, the AT&T brand will continue to signal leadership in the area of supplier diversity.

Leadership

"We are expected to provide leadership in this critical area of the American economy. And we expect to be leaders - as a corporation, within our operating units and as individuals."

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LEADERSHIP TEAM

The AT&T Supplier Diversity Leadership Team is an executive team that represents our business segments and divisions. The role of the team representatives includes identifying and recommending strategies for increasing the use of MWVBE suppliers within their specific business segment. This includes establishing goals and driving results, providing support systems, human and financial resources, and employee communication and recognition. Our 2000 team members represented the following AT&T Business Segments:

AT&T Business Markets	*Law & Government Affairs*
Brand Strategy	*AT&T Network Services*
AT&T Consumer Markets	*Public Relations*
Chief Financial Office	*AT&T Solutions*
Corporate Strategy	*Supplier Management Division*
Global Real Estate	*AT&T Wireless Group*
Human Resources	*AT&T Labs*

SUPPLIER DIVERSITY ADVISORY COUNCIL

The year 2000 marked the final term of the inaugural AT&T Supplier Diversity Advisory Council. The team of industry experts and leading advocacy representatives provided our company with invaluable input and advice on increasing business opportunities and expanding outreach to minority-, women and veteran-owned business enterprises.

The council worked diligently toward development of recommendations and proposals on substantive program initiatives. Among the key areas addressed were:

Access to Capital
Research & Development
Telecommunications
Business Outreach
Professional Services & Marketing
Construction & Building Infrastructure

We would like to extend our sincere thanks and appreciation to the members of the 1999-2000 SDAC for their dedication and commitment.

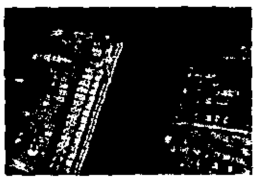
Courtland Cox, Director, Dept. of Commerce, Minority Business Development Agency
Aida DeSoto, President, Concepts Office Furnishings, Inc.
Linda Drake, Chair and Founder, TCIM Services, Inc.
Mary Ann Elliott, President/CEO, Arrowhead Space and Telecommunications, Inc.
Melody Hopson, President, Ariel Capital Management, Inc.
John Lopez, Chairman, Association for Service Disabled Veterans
Darlene Mar, Greenlining Institute
Emmit McHenry, President/CEO, NetCom Solutions, International, Inc.
Benjamin Polote, Sr. President, Polote Construction, Inc.
Maurice Tosé, President, TeleCommunications Systems, Inc.
Massey Villareal, President/CEO - Precision Task Group, Inc.
York Wang, President, York Telecom Corporation

Restructuring "Creating Value"

It became clear three years ago that technology and regulation would transform the communications industry. AT&T had to act. We needed to move beyond long distance.

On October 25th, 2000, AT&T announced plans to create a family of four new companies, each operating under the AT&T brand, committed to uniform standards of quality, and continuing to bundle each other's services through inter-company agreements. Under the company's restructuring plan, which it expects to complete in 2002, each of its major units will become a publicly held company, trading as a common stock or a tracking stock.

Each of the four is a leader in a different segment of the communications industry and each will have the freedom to meet the unique needs of its individual market. As a family of AT&T businesses, all four will share the power of the AT&T brand, networks, and technology.



AT&T BUSINESS

The biggest of our four businesses, AT&T Business meets the global communications needs of 5 million corporate customers. Its lineup of services range from data networking at speeds of up to 10 gigabits per second - the fastest commercially available - to providing companies with global telephony and advanced services. A $28.5 billion business last year, it's focused on satisfying the world's appetite for faster, smarter network services.

AT&T Business portfolio of services includes broadband data and Internet Protocol (IP) networking to web hosting, virtual private networks, e-commerce support, local telephony and business long distance service.

AT&T BROADBAND

AT&T Broadband is a world leader in delivering high-growth services, from basic cable and digital TV, to high-speed Internet access and cable telephony, with video-on-demand and other advanced services on the way. This business is bringing the broadband future to its customers now.

AT&T passed a milestone in 2000 when we completed our acquisition of MediaOne. Today we serve 16 million basic cable customers on a network that encompasses 28 million homes. We're rapidly upgrading our networks to offer more customers interactive digital broadband services that combine the power of TV, telephone service, and the Internet. These products are the high-growth segments of the broadband market, and we're providing them faster than anyone else.

AT&T CONSUMER

With 60 million customers, AT&T Consumer is by far the largest and most profitable major carrier in the market, and an award-winning leader in customer satisfaction. As we compete for long distance business with innovative customer offers, we're also working to create new value by expanding our consumer Internet service, introducing new packages of integrated services and making full use of our expertise in consumer marketing, customer care, and billing. We are combining long distance with newer data services that respond to changing customer life-styles and create new growth potential.

Earlier this year we launched the popular AT&T 7/7 offer, which combines interstate long distance with AT&T WorldNet/Æ Internet access service, ranked number one in the J.D. Power and Associates 2000 National Internet Service Provider Customer Satisfaction Study SM. AT&T Consumer is investing now to expand our consumer Internet service and introduce voice, data, and local and long distance integrated service packages.

AT&T WIRELESS

AT&T Wireless served more than 15 million people last year, increasing its customer base by 58 percent. The business, in a strategic alliance with NTT DoCoMo, is now well positioned for leadership in the new and growing market for wireless multi-media services. Being wireless means never having to find a phone. Affordable and dependable wireless service has permanently changed the lifestyles of people around the world.

AT&T Wireless is a leader in bringing growth and excitement to this surging industry. We extended our service footprint through building new facilities and strategic acquisitions. Together, including partnerships and affiliates, as well as roaming agreements, we cover 95 percent of the U.S. population.

Supplier Diversity Initiatives for AT&T Broadband and AT&T Wireless

As a result of our business transformation, a new focus was placed on Supplier Diversity initiatives at AT&T Wireless and AT&T Broadband in 2000. We believe that a successful supplier diversity program involves the integration of purchasing, business and sales units with our customers. Supplier diversity programs at AT&T Broadband and AT&T Wireless Group will continue to support our long-standing tradition of utilization, commitment, and support to minority-, women-and veteran-owned businesses. Each company will manage its day-to-day program which includes, supplier identification and management, outreach activities, and business development strategies.

DONNITA WEESE, *AT&T Wireless*

Ms. Weese is the Supplier Diversity Champion for AT&T Wireless Group (AWG) headquartered in Redmond, WA. She is responsible for compiling and reporting nationwide MWBE reports on behalf of AWG, Donnita works with potential MWBE suppliers to help pre-qualify companies for future business with AWG, while building relationships with MWBE organizations, to help AT&T Wireless expand usage of MWBE suppliers.

Donnita has been with AT&T Wireless Services for over 10 years, working in various functional areas throughout the company (i.e. Facilities, Marketing, Legal and Supply Management). Through years of experience in key areas, Donnita has accumulated knowledge and an understanding of the AT&T Wireless Services standards behind the company's dedication and determination to be "Best in Class".

" AT&T Wireless Group Supplier Diversity Program is continuing to lay a solid foundation and develop opportunities for MWVBE utilization. This will help us to enhance customer satisfaction and ensure the AWG program remains strong."

Donnita has been involved with numerous outreach and minority, and women-owned business advocacy organizations such as National Association of Women Business Owners, MED Week, and Northwest Minority Supplier Development Council.

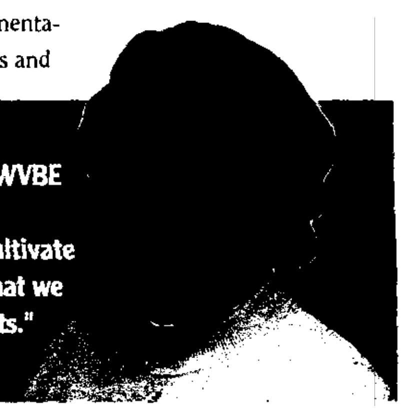
To ensure that the AWG MWBE program remains strong, Donnita works closely with AT&T's Corp. Supplier Diversity team.

DONNA GALLUP, *Director of Diversity Procurement, AT&T Broadband*

Ms. Gallup was recently named Director of Diversity/Procurement for AT&T Broadband, to serve as the leader of the Supplier Diversity Program within the Procurement Department. Donna is responsible for contractual issues, structuring and implementation of policy and procedures, and developing business opportunities, and maintaining outreach initiatives.

Donna has ten years of legal experience in the areas of the legislature and law, and five years of direct procurement experience, including large event planning, RFP and bidding implementation, contract negotiations, and fulfillment. Donna's experience with contracts and supplier management flows naturally with her position as Director of Diversity.

Donna supports the Rocky Mountain Minority Supplier Development Council and various Chambers of Commerce throughout the country.



"I see tremendous opportunity for MWVBE development at AT&T Broadband. As we enhance our program and cultivate business opportunities, I'm certain that we can achieve mutually beneficial results."

Supplier development is a key requirement of any supplier management organization. AT&T is proud of its accomplishments in this area and of the resources we devote to the development of minority-, women-and veteran-owned businesses: whether as direct suppliers to our firm, or as potential second-tier suppliers.

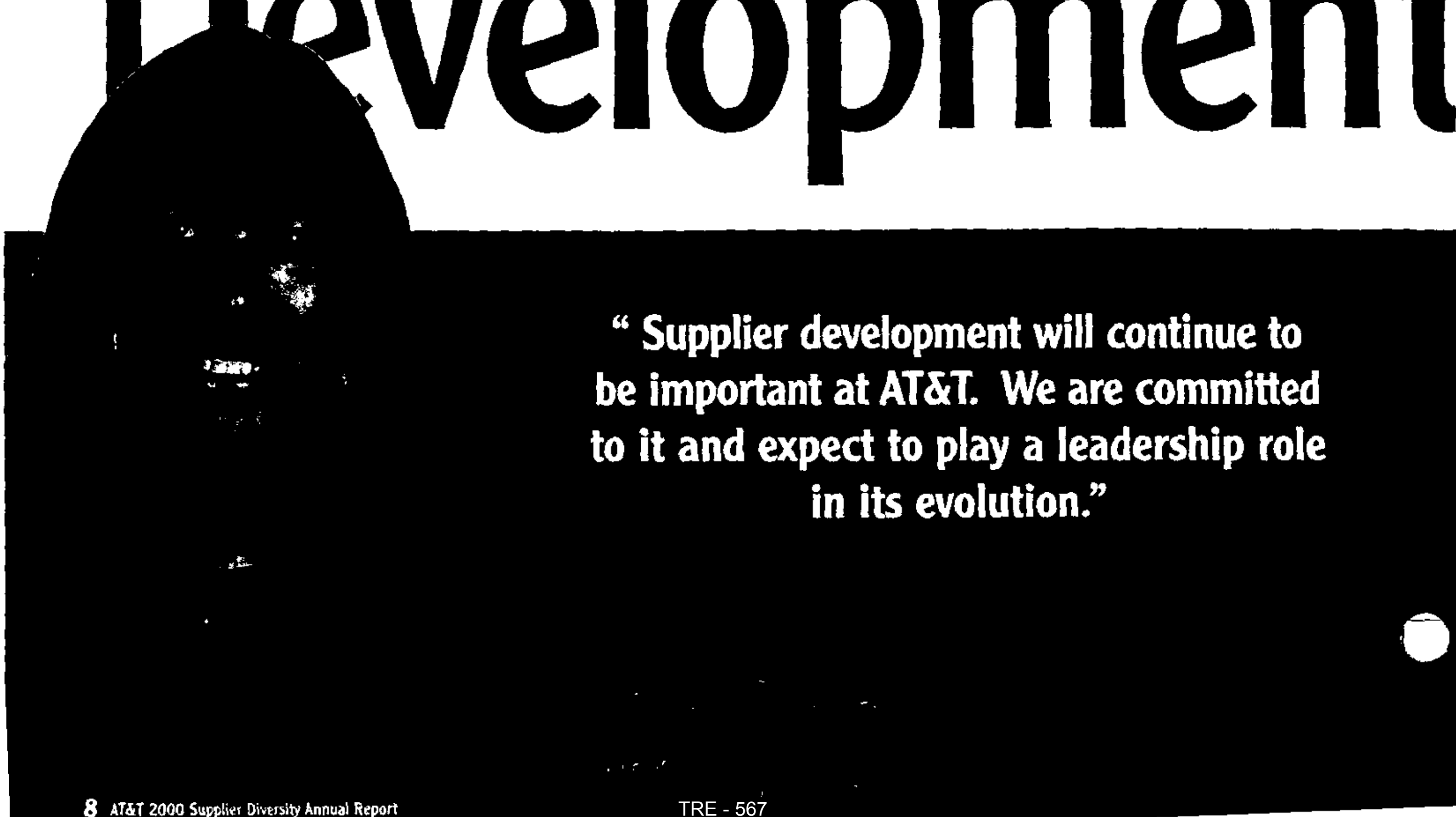
In 2000, our focus on supplier development was extensive. AT&T began a pilot Mentor/Protégé program within our procurement organization. This program provides assistance in areas such as business planning, product/service pricing, financial planning, and marketing, which are instrumental in assisting MWVBEs in continuing to expand their business horizons.

We continue our commitment to minority business development through education, by sponsoring minority businesses to the NMSDC program at Kellogg, the program at the Tuck School at Dartmouth, and the minority enterprise development program at the University of Virginia. Through these programs, supplier diversity development leaders and buyers learn more about best practices and participate in the development of leading concepts in areas of access to capital and changing purchasing processes.

As proud as we are of the resources and leadership we provide in support of minority and women business development through executive development, our efforts in 2000 did not stop there. We also leveraged our leadership in the area of supplier diversity to make significant inroads in the critical area of access to capital to minority and women businesses. AT&T was involved in facilitating capital infusion to targeted suppliers through leading financial institutions. During 2000, AT&T saw several of its suppliers launch their own capital infusion programs, including creation of merger and acquisition strategies.

Supplier development will continue to be important at AT&T. We are committed to it and expect to play a leadership role in its evolution. We are certain that focus in this area will lead to excellence in our results and lay the necessary foundation for future success, both for AT&T and its suppliers.

Development



" Supplier development will continue to be important at AT&T. We are committed to it and expect to play a leadership role in its evolution."

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Supplier Diversity Profiles

GRUGGEN BUCKLEY
Judy Gruggen, *Chairman*
Gruggen Buckley, a Minneapolis, MN based advertising agency, specializes in the creation and production of promotional materials for AT&T Wireless Services (AWS). The firm is responsible for the AWS coverage maps, as well as all production associated with point-of-sale signage, custom sales flyers, point-of-sale displays, and AT&T Wireless calling plan brochures.

AT&T Wireless initially hired Gruggen Buckley to work on local Minnesota projects in 1994, but awarded them all retail advertising and marketing work for the AT&T Wireless Services in 1998. Gruggen Buckley won national assignments for creation and production of maps and calling plans in 2000. AT&T Wireless is the agency's largest account.

THE POLOTE CORPORATION
Benjamin Polote, *Founder & President*
The Polote Corporation has been providing construction services to public and private businesses for over 28 years. Driven by a team of talented construction professionals, The Polote Corporate has grown into a diverse, multi-disciplinary organization, recognized as one of the premiere minority construction firms in the country.

Combining state-of-the-art systems such as electronic data interchange and shared information systems with know-how, and innovation, Polote provides maximum control over each project and the capabilities to meet diverse client requirements. Polote was chosen by the US Department of Commerce as the "Minority Contractor of the Year" and was named "Best Minority Contractor" in the southeastern United States.

As a new supplier to AT&T, The Polote Corporation provides construction services for the AT&T Network Services Organization.

YORK TELECOM CORPORATION
York Wang, *President*
York Telecom Corporation serves both the public and private sector as a leading provider of voice, video, and data communications solutions. Specializing in developing and implementing end-to-end business responses, York Telecom tailors each solution to the specific needs of their clients.

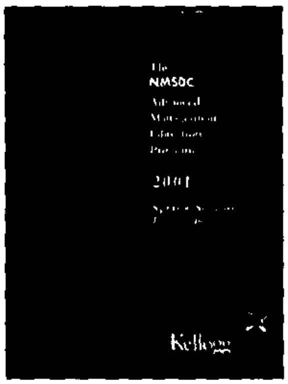
York Telecom designs, installs and supports its application solutions across public and private channels. Supported by an experienced staff of network analysis, planning, design, project, and program management professionals, York Telecom is uniquely positioned to serve rapidly evolving client needs. York Telecom is an authorized reseller and partner with major videoconferencing equipment manufacturers and networking equipment manufacturers. The firm provides video telecom services to the AT&T Government Markets Organization.

PRECISION TASK GROUP, INC.
Massey Villarreal, *President*
Massey Villarreal is CEO and President of Precision Task Group (PTG) located in Houston, TX. Established in 1980, this growing company provides professional computer consulting services and solutions to public and private sector firms. Currently, PTG provides technical consulting services to AT&T. As a leading source for software development, maintenance, and systems integration, PTG attracts customers by constantly improving and advancing their services to provide clients with a competitive edge in the automated global business community.

Mr. Villarreal is a diligent advocate for Hispanic businesses across the country. He has held leadership positions with the U.S. Hispanic Chamber of Commerce, the Texas Association of Mexican American Chambers of Commerce (TAMACC), an organization designed to promote economic empowerment, and leadership development, and the Latin American Management Association (LAMA).

Minority Business Executive Education

AT&T proudly supports educational programs that contribute to entrepreneurial development and growth. In 2000, we continued that tradition by providing support to these institutions and presenting scholarships to representatives from minority-owned businesses for the following prestigious Business Executive Programs:

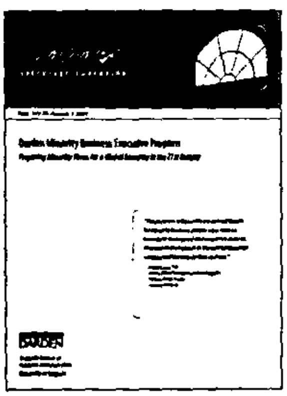


J.L. Kellogg Graduate School of Management, *Northwestern University, Chicago, IL*

The Advanced Management Education Program (AMEP) at the Kellogg Graduate School of Management is designed to provide certified, established, expansion-oriented Minority Business Enterprises (MBEs) with the tools and skills necessary to achieve and sustain accelerated growth.

The AMEP program addresses the demands of management for MBEs under the following curriculum: Access to Public and Private Markets, Changing Corporate Expectations, Core Competencies of High-Growth MBEs, Aspirations-based Strategic Planning, Critical Entrepreneurial /Leadership Traits, Capital Markets and Capital Budgeting.

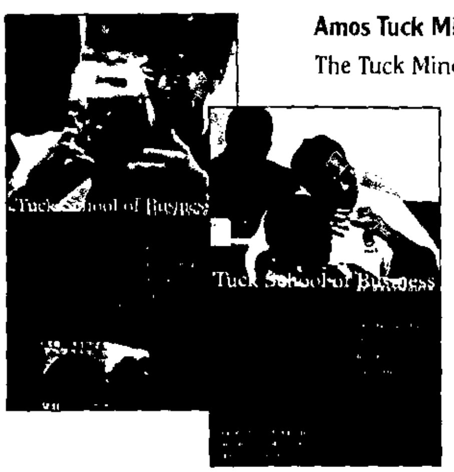
2000 AT&T Scholarship Recipient
Maryann Elliott, *President*
Arrowhead Space & Telecommunications, Inc.
Fairfax, VA



Darden Minority Business Executive Program, *University of Virginia, Charlottesville, VA*

The Darden Minority Business Executive Program is designed to sharpen the understanding of basic financial concepts used to manage business performance and to improve managerial decision-making and broaden conceptual framework for effective negotiating, and strengthening interpersonal influence and leadership skills.

2000 AT&T Scholarship Recipient
Ronald Carrington, *President*
Media Consultants Global, Inc.
Richmond, VA



Amos Tuck Minority Business Executive Program, *Dartmouth College, Andover, MA*

The Tuck Minority Business Executive Program (MBEP) offers minority business owners and executives the basics for management excellence, including e-business, competitive analysis, team building, performance management, strategic thinking, marketing, working capital management, and operations strategy and media relations. Students learn how to utilize financial tools, practice team building, and discover how to develop marketing plans for new products and services. Many Tuck alumni enhance their MBEP experience by returning to Tuck to take the Advanced Minority Business Executive Program.

AT&T supported program development activities in 2000.

Media and Advertising

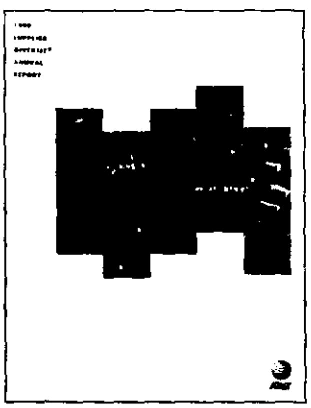
AT&T supports minority-, women-and veteran-owned businesses through various creative alliances ensuring a unique approach and diverse voice for its marketing, advertising and design initiatives. Lending a global creative perspective to multiple media, minority suppliers help assure that the AT&T message is carried throughout all communities.

ADVERTISING

UniWorld Group

Founded by Byron Lewis in 1969, UniWorld is one the nation's largest minority-owned advertising agencies. Uniworld is a full-service agency that creates general market advertising and does specialty work in the African-American, Hispanic, and Asian markets.

UniWorld's relationship with AT&T spans over 20 years. It has created and implemented advertising and media buys directed at targeted ethnic markets for AT&T's corporate division and the residential long-distance business unit. UniWorld has also been instrumental in the creation and development of AT&T's supplier diversity advertising efforts.



CREATIVE DESIGN

Tucker Hilliard Marketing Communications

Tucker Hilliard is a nationally recognized full-service multimedia marketing and communications agency specializing in strategic marketing solutions for the general market and ethnic communities. Staffed with a unique mix of experienced marketing, multimedia, and advertising professionals, Tucker Hilliard's innovative campaigns and promotions enable clients to execute management objectives with quantifiable results. Tucker Hilliard was chosen to design AT&T's 1999 Supplier Diversity Annual Report.

MINORITY BUSINESS PUBLICATIONS

AT&T continues to maintain its commitment to communicate with minority suppliers through publications that target minority businesses such as:

Minority Business News USA
Hispanic Network Magazine
Challenge News
MBE Magazine

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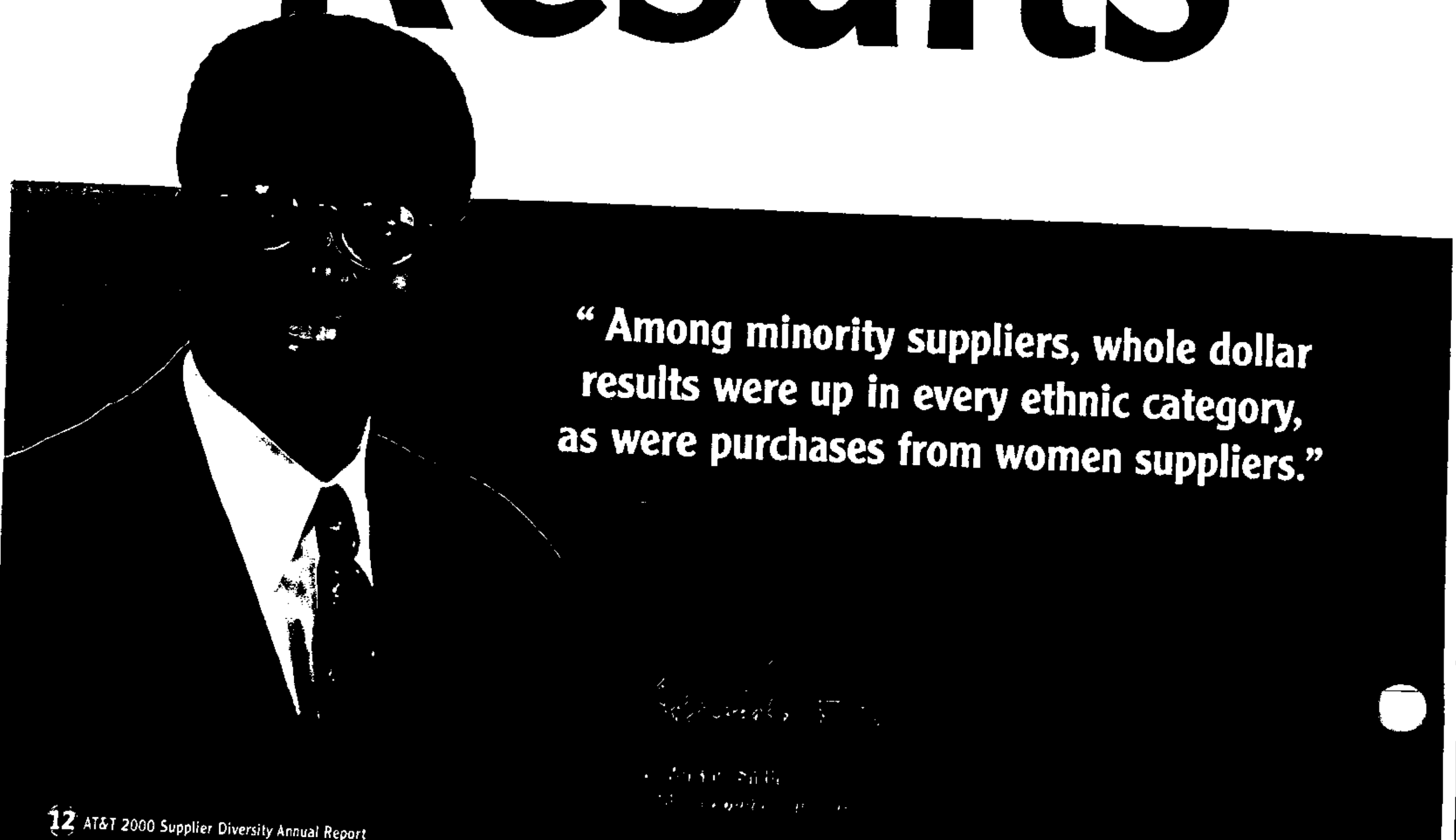
AT&T achieved record supplier diversity results in 2000. Purchases of goods and services from minority and women suppliers were at an all time high. Among minority suppliers, whole dollar results were up in every ethnic category, as were purchases from women suppliers.

We began 2000 in historic fashion. In January, AT&T made its largest payment ever to a minority firm, a company providing value added reseller services associated with network equipment. Even though large transactions were a highlight of the year, our results were very well spread among almost all commodity groups.

In 2001, our efforts in supplier diversity continue to be challenged by some ongoing issues: strategic sourcing, supply base downsizing, access to capital, access to information, and our plan to develop a robust e-commerce environment. Those challenges are significant, but so is AT&T's commitment to supplier diversity. Successfully meeting those challenges will require a commitment to results, as well as supplier development. Excellence in this area is part of our culture. It is engrained in our leadership. That culture and our commitment to outstanding results will continue to propel supplier diversity at AT&T to levels that meet our corporation's evolving needs.

Results



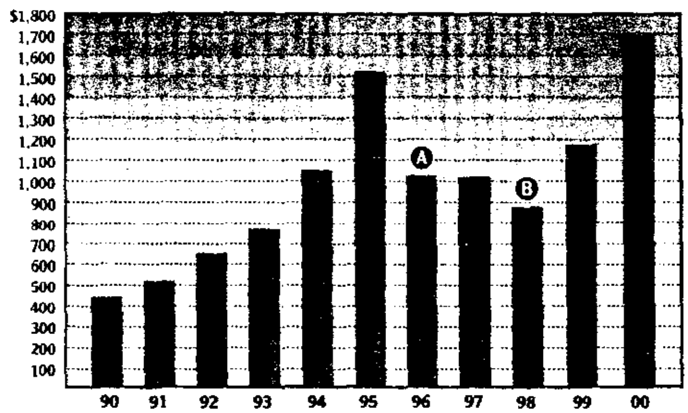
Financial Results

Minority-, woman-and veteran-owned businesses provide high quality products at very competitive prices, helping to further enhance shareholder value. In 2000, AT&T spent approximately $1.7 billion in goods and services supplied by these firms.

AT&T MWBE RESULTS BY ETHNIC GROUP 1999 & 2000 ($ IN MIL.)

	2000	1999	% chg
AFRICAN AMERICAN	471.2	333.0	41.5%
HISPANIC	253.9	96.7	162.6%
ASIAN	297.5	242.1	22.9%
NATIVE AMERICAN	18.8	6.4	192.7%
TOTAL MBE	1,041.4	678.2	53.5%
WHITE FEMALE	638.1	498.4	28.0%
TOTAL MWBE	1,679.5	1,176.6	42.7%

SUPPLIER DIVERSITY SPENDING ($ IN MIL.)



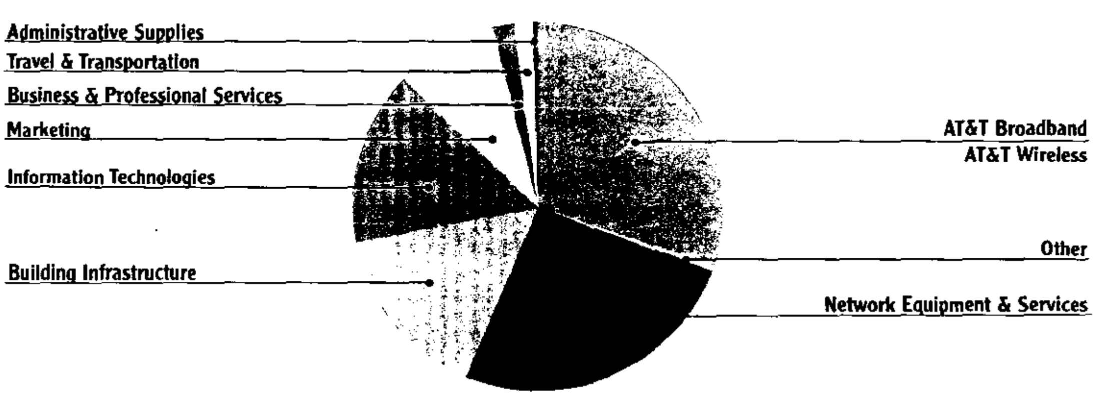
(A) Company split - AT&T, Lucent, NCR

(B) AT&T sold AT&T Universal Card. AT&T Solutions Customer Care and AT&T Submarine Systems

2000 CALIFORNIA RESULTS ($ IN MIL.)

	MBE	WBE	SDV	MWSDVBE
Payments	42.0	26.3	0.4	68.7
% of Total Procurement	20.6%	12.9%	0.2%	33.7%

2000 SUPPLIER DIVERSITY RESULTS CATEGORIZED BY PRODUCT/SERVICE (TOTAL MWBE $1,679,500.)



TRE - 572

National Outreach

AT&T's Supplier Diversity Program objectives for supplier outreach and development are supported through the efforts of many national, regional and local organizations and events. We acknowledge the numerous trade fairs, seminars, and conferences that promote supplier diversity.

2000 NATIONAL OUTREACH ACTIVITIES SUPPORTED BY AT&T SUPPLIER DIVERSITY	
Black Enterprise Entrepreneurs Conference	Orlando, FL
Chicago Business Opportunity Fair	Chicago, IL
Congressional Black Caucus Legislative Sessions	Washington, DC
Hispanic CEO Roundtable	Washington, DC
Latin Business Association Expo.	Los Angeles, CA
National Center's Reservation Economic Summit	Phoenix, AZ
NAACP Convention	Baltimore, MD
National Association of Women Business Owners Annual Conference	Orlando, FL
National Federation of Black Women Business Owners Leadership Awards	Washington, DC
National Minority Supplier Development Council Annual Conference	New Orleans, LA
National Minority Supplier Development Council Awards	New York, NY
National Minority Business Council Annual Business Awards	New York, NY
National Minority Enterprise Development Week	Washington, DC
National Urban League Annual Conference	New York, NY
Service Disabled Veteran Business Enterprise Opportunity Fair	Sacramento, CA
U.S. Pan-Asian Chamber of Commerce Annual	Washington, DC
U.S. Small Business Week	Washington, DC
Women's Business Enterprise National Council Conference	Arlington, TX

REGIONAL/LOCAL ACTIVITIES	
Asian Business Association Awards	Century City, CA
California Black Chamber of Commerce Conference	Los Angeles, CA
Central South Texas Minority Trade Fair	Austin, TX
Colorado Women's Chamber of Commerce Fair	Denver, CO
Dallas/Ft. Worth Minority Business Dev. Council Opportunity Fair	Dallas, TX
Georgia Minority Supplier Development Council Opportunity Fair	Atlanta, GA
Houston Regional Purchasing Council Business Expo	Houston, TX
Latin Business Association Exposition	Los Angeles, CA
Los Angeles County Small Business Fair	Los Angeles, CA
NY/NJ Minority Purchasing Council Expo	New York, NY
Northern California Supplier Development Council Trade Fair	San Francisco, CA
Rocky Mountain Regional Purchasing Council Festival & Awards	Denver, CO
Southern California Regional Purchasing Council Trade Fair & Awards	Los Angeles, CA
Virginia Regional Minority Purchasing Council Business Opportunity Fair	Richmond, VA

Supplier Diversity Events 2000

AT&T remains committed to alliances with minority organizations, participating in national events, and promoting supplier diversity.

DIALOGUE ON DIVERSITY

AT&T celebrated the achievements of minority women at the Dialogue on Diversity's Sixth Annual Entrepreneurship Awards. The 2000 Entrepreneurial Achievement Award was presented to MaryAnn Elliott, President and CEO of Arrowhead Space and Telecommunications, Inc. Ms. Elliott was nominated by AT&T.

Maryann Elliott, president, CEO Arrowhead Space & Telecommunications, Inc. accepts the 2000 Entrepreneurial Achievement Award during Dialogue on Diversity's Annual Recognition Ceremony. Pictured left to right: Maryann Elliott, Cristina Caballero, President and Founder of Dialogue on Diversity, Hon. Marlene Fernandez del Granado, Ambassador of Bolivia, and Charles Griffin, AT&T Law & Government Affairs.

NATIONAL FEDERATION OF BLACK WOMEN BUSINESS OWNERS

AT&T participated in the Eighth Annual Black Women of Courage Awards of the National Federation of Black Women Business Owners in Washington, DC. The awards ceremony, pays tribute to Black women in Government, Education, Civic & Community, Business, and Entertainment.

Yvonne Thompson, President, Europe Federation of Black Women Business Owners, and Dr. Mary Walker, President, National Federation of Black Women Business Owners, present the Civic and Community Achievement Award to Esther Silver-Parker, President, AT&T Foundation and Corp. Affairs Vice President, during the 2000 "Black Women of Courage" Awards.

NEW YORK/NEW JERSEY MINORITY PURCHASING COUNCIL, INC.

The Partnership Awards Gala annually pays tribute to individuals who go "above and beyond" in words and deeds to assist the Council with the execution of its goals and objectives. This event also recognizes outstanding certified MBEs who exemplify the Council's high standards within their business operations, and support development efforts among fellow MBEs and within their community.

Pictured left to right: Joy Crichlow, Consolidated Edison Company, Lynda Ireland, President, New York / New Jersey Minority Purchasing Council, Hilton O. Smith, Turner Construction, Harriet R. Michel, President, NMSDC, Betty Manetta, President and CEO, Agent Associates, Gala MBE Co-Chair and G. Winston Smith Corporate Co-Chair.

BLACK ENTERPRISE ENTREPRENEURSHIP CONFERENCE

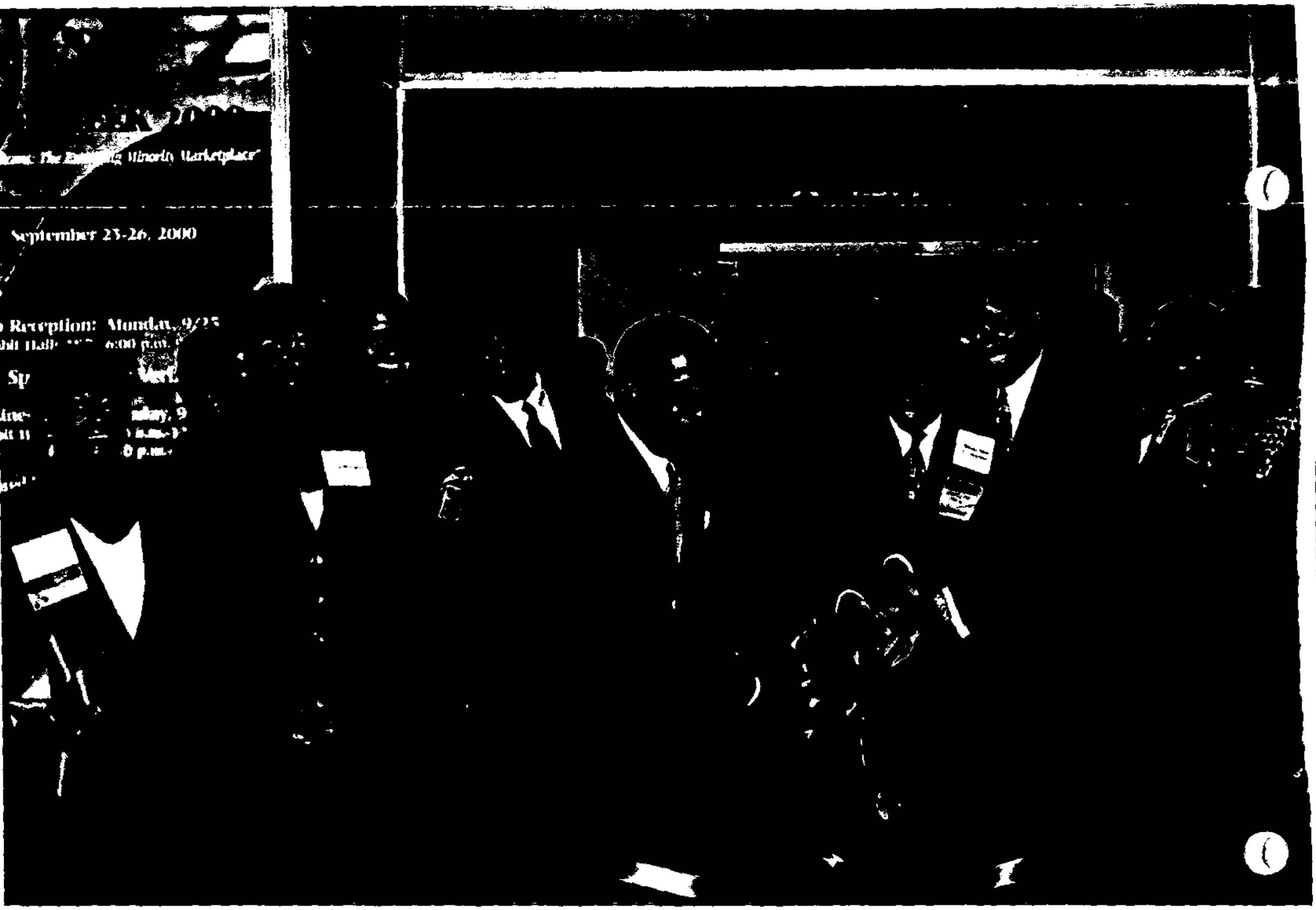
AT&T associates share a moment with Ron Blaylock at the AT&T exhibit during the Black Enterprise Magazine Entrepreneurial Conference in Orlando, Florida. The BE conference annually brings together some 1000 minority business owners from across the country for seminars and networking.

Pictured left to right: Carolyn Odom Steele, AT&T Corporate Affairs Director, Ron Blaylock, President and CEO, Blaylock & Partners, Brenda Davis and Gale Jones-Jackson, AT&T Business Services.

AMERICAN INDIAN CHAMBER OF COMMERCE

AT&T supported the American Indian Chamber of Commerce's 2000 Business Recognition Luncheon which celebrates the achievements of Native American businesses.

Pictured left to right: Fred Lona, AT&T Supplier Diversity Manager, Tracy Stanhoff, President, American Indian Chamber of Commerce.

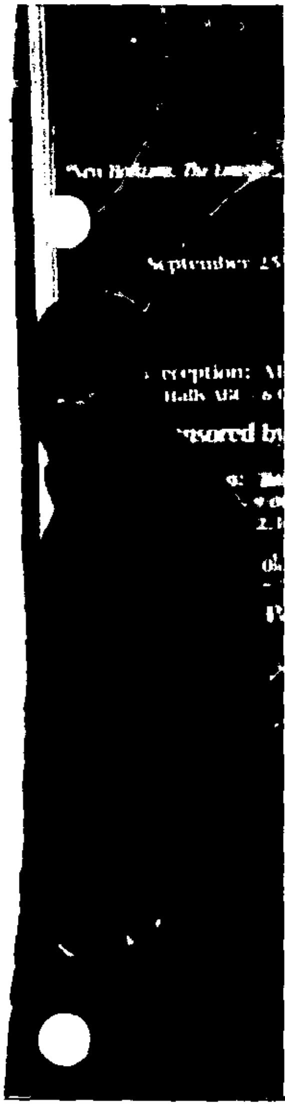


MED WEEK

Broderick Johnson, Vice President, Congressional Affairs, AT&T, delivers corporate remarks at the MED Week Gala which recognizes the accomplishments of small minority businesses across the country.

AT&T Wireless Group Supplier Diversity Champion Donnita Weese meets with suppliers during the Business Expo.

Uday Dholakia, Senior Partner, Global Consulting UK, makes a presentation to G. Winston Smith from the delegation of minority businesses attending the MED Week Conference.



◀ The 2000 Minority Enterprise Development Week's Business Expo is officially underway with the ribbon cutting ceremony. Sharing the honors left to right are, Linda Richardson, Public Affairs Specialist, MBDA; Linda Williams, Deputy Associate Deputy Administrator, Office of Government Contracting, SBA; and Leo Sanchez, Deputy Assistant Administrator, SBA. Cutting the ribbon are Kerry Kirkland, Acting Associate Deputy Administrator, SBA; Courtland Cox, Director, MBDA; G.Winston Smith, AT&T Supplier Diversity Director, MED Week 2000 Chair, Pat Hodge, U.S. Dept. of Transportation, and Steve Simms, Vice President, National Minority Supplier Development Council.

Minority Enterprise Development (MED) Week is an annual national celebration that recognizes outstanding contributions of minority entrepreneurs and their advocates. The 2000 conference was co-sponsored by The U.S. Department of Commerce's Minority Business Development Agency (MBDA) and The U.S. Small Business Administration. AT&T was honored to Chair the event.

"New Horizons: The Emerging Minority Marketplace", the MED Week 2000 theme, focused on major issues impacting the growth and development of minority business enterprises. The conference, which held Minority Business Summits and Workshops, a Business Expo, the Emerging Business Leaders Institute, Awards/Recognition Ceremonies and Networking Receptions, provided a forum and professional business environment for minority-owned business representatives to discuss issues impacting minority business growth and development.

MED Week 2000 featured prominent speakers from the public and private sector, who discussed cutting-edge policy and political issues facing minority businesses. During the event, three major studies were released: Minority Purchasing Power 2000 to 2045, Democratizing Capital for Emerging Domestic Markets and New Realities, "Growth Strategies for Minority Businesses".

Special guests included: Secretary of Commerce, Norman Minetta, Secretary of Labor, Alexis Herman, and SBA Administrator, Aida Alverez, in addition to representatives from national advocacy organizations, corporations, and minority businesses around the country.

2000

▲ Larry Spilman, Vice President & Chief Operating Officer, AT&T Government Markets, accepts the "Pioneer Award" presented to AT&T for its longstanding support of Minority Business Development. Presenting the award are Secretary of Commerce, Norman Minetta, and Courtland Cox, MBDA Director.

◀ David Jefferson, Vice President, AT&T Broadband addresses the conference during the Minority Business Summit "Access to Capital".

TRE - 576

Supplier Diversity Week

In October 2000, AT&T Supplier Diversity team members mobilized to set up information stations at various work locations around the country as part of a company-wide effort to increase awareness for the Supplier Diversity Program.

In addition to educating employees on the history of the program, its goals and suppliers, the team met with MWVBEs across the country to share information about AT&T strategy, and to review the types of products and services AT&T purchases.

California

El Segundo, CA

Chicago, IL

Chicago

Redmond, WA

Shaumburg, IL

Chelmsford, MA

Englewood, CO

Staten Island, NY

Monterey Park, CA

Basking Ridge, NJ
Bedminster, NJ
Middletown, NJ
Morristown, NJ

Dallas, TX

Jacksonville, FL

Houston, TX

Lake Mary, FL
Plantation, FL

Atlanta, GA

Atlanta

Atlanta: Sunny Guider, Chief of Business Development and Cheryl May-Holmes, Business Development Specialist, MBDA meet with AT&T guest during the Atlanta event. AT&T Associates support Supplier Diversity Week and welcome Atlanta business owners.

California: AT&T Associates staff tables to deliver information to employees about the Supplier Diversity Program.

Chicago: AT&T and the Chicago Urban League joined forces to host the Chicago event. Invited speakers shown here, James W. Compton, President & CEO, Chicago Urban League, Maye Foster-Thompson, Exec. Director, Chicago Minority Business Development Council, Robin Charleston, AT&T, Mellody Hobson, President, Ariel Capital Management, Miller Wood, AT&T, Joyce Gab Kneeland, AT&T Broadband, and Marja Stoll, President, Design Americom.

Texas Procurement Council

One of the goals, of AT&T's Supplier Diversity Program is to contribute to the growth and expansion of our global business by including minority- and women-owned business enterprises as a value-added strategy to help create a competitive advantage.

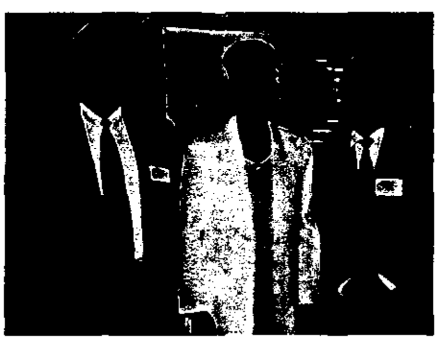
Pursuing this goal in the state of Texas, AT&T initiated a wide range of initiatives to increase opportunities for Historically Underutilized Businesses (HUBs). One of the keystones of AT&T's five-year plan for increasing supplier diversity in Texas was the creation of the Texas Procurement Council. The Texas Procurement Council is comprised of purchasing representatives from the various AT&T Business Units operating in Texas. During 2000, the Texas Procurement Council conducted periodic reviews of results and formalized plans to increase HUB procurement. The Council reviewed supplier lists and discussed upcoming bid opportunities for Texas HUBs.

Throughout 2000, AT&T actively participated in trade shows and events in Texas to promote the utilization of minority suppliers. We hosted several "AT&T Vision Days", which offered potential suppliers the opportunity to introduce their company to AT&T purchasing agents. The Supplier Management Division staff was on-hand to educate vendors on AT&T procurement policies, requirements, and bid opportunities.

AT&T Texas Procurement Council and AT&T Supplier Management hosted or supported the following events in 2000:

Hard Hat 2000 Trade Show	Dallas/Ft. Worth Minority Supplier Development Council
AT&T Vision Day Network Mixer	Dallas Urban League
Access 2000 Trade Show	Dallas/Ft. Worth Minority Supplier Development Council
TAMACC Convention and Business Expo	San Antonio, TX
AT&T Vision Day Networking	Greater Dallas Hispanic Chamber of Commerce
Houston Expo 2000	Houston Minority Business Council
AT&T Supplier Diversity Vision 2000	Dallas, TX
AT&T Supplier Diversity Vision 2000	Houston, TX

AT&T VISION DAY 2000 - HOUSTON, TX



Art Robles of the Greater Dallas Hispanic Chamber of Commerce, Dr. Beverly Mitchell-Brooks, President & CEO, Dallas Urban League, host of AT&T Vision Day, and Fred Lona, AT&T.

The AT&T Supplier Management Team (foreground), Jac Blanco, Procurement Specialist, and Matt Connelly, Group Procurement Director, network with suppliers in Dallas, TX during Vision Day.

Phillip Tong, President, AT&T Southwest Region Consumer Services, delivers opening remarks during Vision Day. More than 150 suppliers from the greater Dallas, TX area attended AT&T Vision Day to learn more about doing business with AT&T in the state of Texas.

2000 Awards and Recognition

AT&T recognizes the outstanding contributions of AT&T associates and Teams that have demonstrated commitment to furthering the supplier diversity business development process. The awards are presented in the categories of Outstanding Buyer, Teams, and the Director's Award. The 2000 recipients are:

BUYER'S AWARD

Jacinto (Jac) Blanco
Procurement Specialist,
Supplier Management Division
Basking Ridge, NJ

Shirley Delia
Procurement Manager,
Supplier Management Division
Basking Ridge, NJ

Fred Pepe
Procurement Specialist,
Supplier Management Division
Atlanta, GA

Elizabeth (Liz) Maggiore
Procurement Specialist,
Supplier Management Division
Basking Ridge, NJ

Warren Williams
Procurement Specialist,
Supplier Management Division
Denver, CO

TEAM AWARD

Network Outside Plant Team Led by
Warren Morgan, Procurement Manager,
Supplier Management Division, Atlanta, GA

Wendall Ervin, Procurement Specialist,
Supplier Management Division, Atlanta, GA

Switching Supply Team Led by
Bill Condon, Procurement Director, Supplier
Management Division, Bedminster, NJ

Construction Services Team Led by
James Ols, Procurement Manager, Supplier
Management Division, Chicago, IL

Texas Procurement Council Led by
Edwin Rutan, AT&T Law & Government
Affairs, Vice President, Dallas, TX

DIRECTOR'S AWARD

Peter Bye
District Manager,
AT&T Corporate Affairs
Basking Ridge, NJ

Shelia Bell
Manager,
AT&T Consumer Services
Basking Ridge, NJ

Bovis Lend Lease

SPECTRUM AWARD

AT&T acknowledges the contributions of minority-, women-, and veteran-owned suppliers and advocates who continue to provide a broad spectrum of services to our customers. Each year we present the AT&T Supplier Diversity Spectrum Awards. Award categories include Longevity, Innovation and Advocacy. Pictured with AT&T executives, Frank Ianna, Debra Bell and Esther Silver-Parker are our 2000 recipients.

Innovation
MR&S LLC
Patty Johnson

Longevity
Heritage Paper
Charles McCampbell, President

Advocacy
George Herrera, President & CEO
U.S. Hispanic Chamber of Commerce

Advocacy
Harriet R. Michel, President
National Minority Supplier
Development Council

AT&T AWARDS

We are pleased to note that in 2000 AT&T's Supplier Diversity Program received the following recognitions:

Pioneer Award (MED Week)

In 2000, AT&T was presented with a Pioneer Award by the US Department of Commerce for "significant impact on minority business growth" through the Supplier Diversity Program. AT&T Chairman and CEO, C. Michael Armstrong expressed his appreciation and reiterated AT&T's commitment to supporting the growth and development of minority enterprises, which help meet the demands of a competitive marketplace and the expectations of AT&T customers.

Women's Business Enterprise National Council Names "Sweet 16" as America's Top Corporations for Women's Business Enterprises

On October 2, 2000, in Washington, DC, The Women's Business Enterprise National Council (WBENC) named AT&T Corp. as one of America's Top Corporations for Women's Business Enterprises. This marked the second consecutive year that AT&T was named to the Top Corporations list, which is based on WBENC's annual survey and analysis of corporate best practices in supplier diversity programs for women's business enterprises (WBEs).

Results AT&T

AT&T

[illegible]

[illegible]

[illegible]

AT&T Inmate System Sample Reports

Sample Summary Reports

- Call Summary Report, Complete Totals
- Call Summary Report, Daily Totals
- Call Summary Report – Traffic Patterns Totals
- Phone Summary Report
- End Code Summary Report
- TNI Summary Report, Top 10%, Calls Sorted by TNI
- TNI Summary Report, Top 10%, Calls Sorted by Frequency
- Velocity Report
- Word Search Report

Sample Call Detail Reports

- Call Detail Listing by Time of Day
- Call Detail with Status Report
- Call Detail with Status by Dialed Number
- Call Detail with Status by ID Code
- Call Detail with Status by Phone
- Call Detail with Status by Trunk
- Call Detail with Status by DOC Number
- Call Detail with Status by Facility
- Call Detail with Status by Inmate/Resident Name
- Call Detail by SBI Number

Sample Graphical Reports

- Number Calls by Call Type/Status
- Number Calls Per Phone
- Number Calls by Trunk Usage Types
- Number Calls Validated by LIDB
- Number Minutes by Call Type
- Number Calls and Minutes by Call Type
- Number Calls and Minutes by Language Type
- Number Calls and Minutes by Billing Type
- Call Activity by ANI

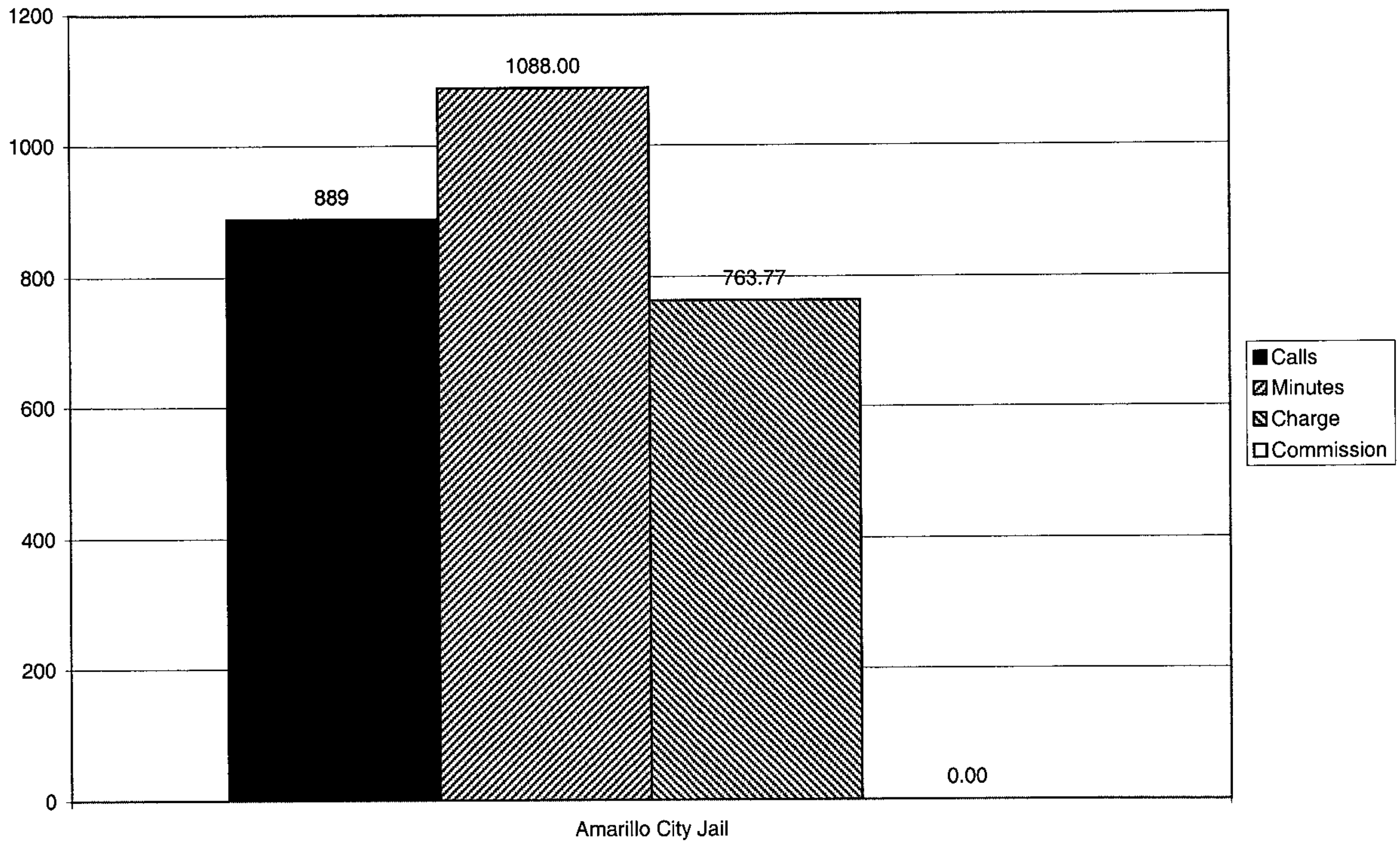
AT&T Inmate System Report

Call Date: Equal To 04/01/2001
Report Date: 04/20/2001 13:55:49

Group	Site	Total	Total Min	Total $
	T O T A L S -----------	**889**	**1,088.00**	**763.77**
INMATE COM	Amarillo City Jail	889	1,088.00	763.77

OUT=XLS;SHW=Y;RPT=STE;TOT=TOT;CNT=Y;MIN=Y;CHG=Y;COM=Y;
Site Is Equal To Amarillo City Jail
Call Date Is Equal To 04/01/2001

Call Summary Report, Complete Totals



AT&T Inmate System Report

Call Summary Report, Daily Totals

Call Date: 08/01/1998 to 08/31/1998
Run Date: 12/01/1998 14:56:07

State	Site	ACP	Phone ID	Total $	Average $ Per Day	Sat $ Aug 01,98	Sun $ Aug 02,98	Mon $ Aug 03,98	Tue $ Aug 04,98	Wed $ Aug 05,98	Thu $ Aug 06,98	Fri $ Aug 07,98
	T O T A L S	-----------		14021.71		141.45	199.75	361.40	469.20	347.75	395.83	489.70
NY	Buffalo Detention Center	BFL1A	1	112.44	3.88	0.00	0.00	3.10	0.00	3.25	4.15	1.15
NY	Buffalo Detention Center	BFL1A	2	371.80	12.39	0.00	9.25	11.95	5.05	14.65	30.20	2.50
NY	Buffalo Detention Center	BFL1A	3	483.35	16.11		9.75	7.75	25.80	13.50	8.80	11.25
NY	Buffalo Detention Center	BFL1A	4	319.12	10.64		10.75	33.80	15.85	3.70	3.30	7.20
NY	Buffalo Detention Center	BFL1A	5	299.13	9.97		0.00	1.15	3.75	5.25	13.50	33.40
NY	Buffalo Detention Center	BFL1A	6	315.09	10.50		0.00	0.00	0.00	0.00	9.50	24.75
NY	Buffalo Detention Center	BFL1A	7	43.67	3.12		8.35	11.35	7.00	10.30	1.00	0.00
NY	Buffalo Detention Center	BFL1A	8	318.45	10.27	4.20	4.25	13.40	7.05	4.45	7.30	5.75
NY	Buffalo Detention Center	BFL1A	9	355.85	11.48	0.00	1.75	11.15	46.75	18.00	8.00	6.25
NY	Buffalo Detention Center	BFL1A	10	194.15	6.93	4.50	8.75	8.30	15.25	17.65	3.00	22.00
NY	Buffalo Detention Center	BFL1A	11	474.10	15.29	1.25	12.65	16.50	42.90	20.00	8.00	20.20
NY	Buffalo Detention Center	BFL1A	12	307.83	10.26		10.65	12.20	14.50	23.90	1.25	5.15
NY	Buffalo Detention Center	BFL1A	13	386.60	12.89		2.40	14.20	7.00	24.70	13.35	22.15
NY	Buffalo Detention Center	BFL1A	14	687.81	22.19	0.00	8.00	11.40	33.10	8.25	8.40	44.23
NY	Buffalo Detention Center	BFL1A	15	496.71	17.13		8.00	6.80	7.80	7.25	17.90	10.09
NY	Buffalo Detention Center	BFL1A	16	41.55	4.62						0.50	
NY	Buffalo Detention Center	BFL1A	17	32.40	3.60						0.00	
NY	Buffalo Detention Center	BFL1A	18	428.48	14.28		0.00	11.30	1.30	4.90	23.71	12.00
NY	Buffalo Detention Center	BFL1A	19	483.61	17.91				0.00		4.05	5.90
NY	Buffalo Detention Center	BFL1A	20	0.00	0.00							0.00
NY	Buffalo Detention Center	BFL1A	22	0.00	0.00							0.00
NY	Buffalo Detention Center	BFL2A	1	89.98	6.92	9.75	10.00	12.25	10.50	8.25	17.73	7.00
NY	Buffalo Detention Center	BFL2A	2	657.97	21.22	3.50	11.75	17.55	16.15	25.75	11.15	7.10
NY	Buffalo Detention Center	BFL2A	3	874.60	28.21	12.75	2.20	20.50	24.15	13.35	39.35	23.15
NY	Buffalo Detention Center	BFL2A	4	56.55	2.46	4.95	0.00	9.30	12.45	19.00	10.85	0.00
NY	Buffalo Detention Center	BFL2A	5	520.03	16.78	1.75	4.15	11.80	26.25	6.35	5.00	0.00
NY	Buffalo Detention Center	BFL2A	6	0.00	0.00					0.00	0.00	0.00
NY	Buffalo Detention Center	BFL2A	7	315.79	10.19	11.50	6.70	2.20	5.90	21.45	2.90	17.60
NY	Buffalo Detention Center	BFL2A	8	260.08	8.39	0.00	0.00	3.90	8.85	0.00	14.75	32.50
NY	Buffalo Detention Center	BFL2A	9	432.70	13.96	13.25	10.50	22.00	26.50	7.25	25.25	7.25
NY	Buffalo Detention Center	BFL2A	10	718.70	23.18	12.25	6.90	23.25	26.40	7.50	7.75	8.00
NY	Buffalo Detention Center	BFL2A	11	1033.20	33.33	20.80	13.35	13.20	28.95	18.20	31.19	17.00
NY	Buffalo Detention Center	BFL2A	12	468.23	15.10	19.15	3.25	16.85	5.25	12.50	15.50	21.65
NY	Buffalo Detention Center	BFL2A	13	640.47	20.66	7.00	10.10	19.90	21.75	8.60	9.40	29.01
NY	Buffalo Detention Center	BFL2A	14	514.89	16.61	6.85	14.05	12.85	16.20	2.05	23.40	11.15
NY	Buffalo Detention Center	BFL2A	15	37.50	4.17						0.00	
NY	Buffalo Detention Center	BFL2A	16	42.90	5.36						0.50	
NY	Buffalo Detention Center	BFL2A	17	354.85	11.45	6.75	4.00	0.00	3.10	14.75	8.75	16.69
NY	Buffalo Detention Center	BFL2A	18	284.18	9.17	1.25	8.25	1.50	3.70	1.75	5.95	31.48
NY	Buffalo Detention Center	BFL2A	19	565.70	20.95	0.00					0.50	26.15
NY	Buffalo Detention Center	BFL2A	20	1.25	0.08	0.00				1.25	0.00	0.00

OUT=XLS;RPT=PID;TOT=DAY;COL=N;CHG=Y;
Bill Type Is Not Equal To Free Calls
Event Code Is Equal To Completed Calls
Call Date Is Between 08/01/1998 And 08/31/1998

AT&T Inmate System Re

[illegible]

Call Date: 08/01/1998 to 08/31/1998
R Date: 12/01/1998 14:56:07

State	Site	ACP	Phone ID	Sat $ Aug 08,98	Sun $ Aug 09,98	Mon $ Aug 10,98	Tue $ Aug 11,98	Wed $ Aug 12,98	Thu $ Aug 13,98	Fri $ Aug 14,98	Sat $ Aug 15,98	Sun $ Aug 16,98
	T O T A L	*S*	-----------	300.32	237.60	593.28	599.84	560.91	651.22	654.20	383.51	356.90
NY	Buffalo Detention Center	BFL1A	1	0.50	0.00	1.50	3.15	7.75	7.25	19.60	0.00	4.90
NY	Buffalo Detention Center	BFL1A	2	3.95	5.25	7.80	8.65	35.50	0.50	11.55	22.00	10.75
NY	Buffalo Detention Center	BFL1A	3	10.65	13.50	9.45	17.40	19.85	17.35	11.30	14.54	9.95
NY	Buffalo Detention Center	BFL1A	4	0.00	6.25	16.75	4.95	26.15	21.78	20.15	9.00	37.44
NY	Buffalo Detention Center	BFL1A	5	10.00	0.00	38.50	42.64	6.15	1.75	11.34	0.00	1.25
NY	Buffalo Detention Center	BFL1A	6	15.00	0.00	46.25	15.25	14.75	69.45	21.19	10.09	2.30
NY	Buffalo Detention Center	BFL1A	7				0.50		0.00	1.82		
NY	Buffalo Detention Center	BFL1A	8	0.00	9.75	19.25	8.25	23.10	9.55	8.25	2.00	0.00
NY	Buffalo Detention Center	BFL1A	9	6.30	11.50	15.50	9.50	9.05	12.60	8.50	2.50	17.95
NY	Buffalo Detention Center	BFL1A	10	8.75	20.75	2.50	2.00	14.28	21.10	5.00	0.00	5.25
NY	Buffalo Detention Center	BFL1A	11	0.00	8.25	7.75	16.75	7.20	8.80	37.71	26.50	17.00
NY	Buffalo Detention Center	BFL1A	12	18.55	0.50	5.95	22.05	2.80	17.25	32.75	4.50	5.05
NY	Buffalo Detention Center	BFL1A	13	12.15	10.70	20.00	21.00	14.05	14.25	40.06	1.50	1.00
NY	Buffalo Detention Center	BFL1A	14	9.25	4.70	37.50	32.83	38.55	39.70	13.60	19.25	2.25
NY	Buffalo Detention Center	BFL1A	15	0.00	3.25	1.50	19.05	2.75	64.59	37.31	2.50	0.00
NY	Buffalo Detention Center	BFL1A	16									
NY	Buffalo Detention Center	BFL1A	17									
NY	Buffalo Detention Center	BFL1A	18	2.20	2.05	19.06	19.36	5.75	17.20	28.15	5.75	5.25
NY	Buffalo Detention Center	BFL1A	19	18.00	0.00	9.50	10.70	31.87	53.94	31.05	6.25	7.65
NY	Buffalo Detention Center	BFL1A	20		0.00	0.00						
NY	Buffalo Detention Center	BFL1A	22			0.00	0.00	0.00	0.00	0.00		
NY	Buffalo Detention Center	BFL2A	1	7.25	0.00	3.25	3.00				1.00	
NY	Buffalo Detention Center	BFL2A	2	5.15	4.75	24.40	35.65	23.45	24.45	32.00	31.30	33.20
NY	Buffalo Detention Center	BFL2A	3	17.55	13.85	33.45	47.70	42.10	29.80	34.05	7.50	36.70
NY	Buffalo Detention Center	BFL2A	4	0.00	0.00	0.00		0.00		0.00		
NY	Buffalo Detention Center	BFL2A	5	8.75	8.70	30.00	11.35	27.75	31.80	30.90	25.75	13.20
NY	Buffalo Detention Center	BFL2A	6									
NY	Buffalo Detention Center	BFL2A	7	0.50	21.65	26.82	1.00	11.40	13.25	8.50	16.50	0.00
NY	Buffalo Detention Center	BFL2A	8	10.00	4.50	8.45	26.00	21.75	0.00	0.00	0.00	0.00
NY	Buffalo Detention Center	BFL2A	9	22.00	1.00	31.25	16.00	12.78	25.65	5.25	8.10	5.25
NY	Buffalo Detention Center	BFL2A	10	15.75	44.50	27.60	24.25	15.05	2.30	24.80	13.95	35.00
NY	Buffalo Detention Center	BFL2A	11	15.75	22.50	40.90	61.51	39.25	50.64	30.90	43.50	47.70
NY	Buffalo Detention Center	BFL2A	12	8.25	9.75	11.30	28.55	29.70	25.50	16.65	5.95	11.65
NY	Buffalo Detention Center	BFL2A	13	0.50	0.00	34.18	22.95	15.13	8.00	35.20	43.30	12.75
NY	Buffalo Detention Center	BFL2A	14	21.70	2.45	24.25	14.25	32.45	8.75	31.52	14.55	3.50
NY	Buffalo Detention Center	BFL2A	15									
NY	Buffalo Detention Center	BFL2A	16									
NY	Buffalo Detention Center	BFL2A	17	9.30	4.25	10.00	9.25	12.00	11.95	19.35	11.13	17.01
NY	Buffalo Detention Center	BFL2A	18	12.12	1.25	12.97	10.70	6.05	15.07	7.30	8.75	7.40
NY	Buffalo Detention Center	BFL2A	19	30.45	2.00	15.70	33.65	12.50	27.00	38.45	25.85	5.55
NY	Buffalo Detention Center	BFL2A	20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

OUT=XLS;RPT=PID;TOT=DAY;COL=N;CHG=Y;
Bill Type Is Not Equal To Free Calls
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Call Date Is Between 08/01/1998 And 08/31/1998

AT&T Inmate System Re

Call Summary Report, Daily Totals

Call Date: 08/01/1998 to 08/31/1998

R[illegible] Date: 12/01/1998 14:56:07

State	Site	ACP	Phone ID	Mon $ Aug 17,98	Tue $ Aug 18,98	Wed $ Aug 19,98	Thu $ Aug 20,98	Fri $ Aug 21,98	Sat $ Aug 22,98	Sun $ Aug 23,98	Mon $ Aug 24,98	Tue $ Aug 25,98
	T O T A L S -----------			514.59	639.71	515.24	438.90	618.72	407.38	232.44	524.93	483.31
NY	Buffalo Detention Center	BFL1A	1	3.75	0.00	0.50	0.00	2.25	5.35	2.75	0.00	1.00
NY	Buffalo Detention Center	BFL1A	2	27.25	19.00	20.95	8.00	16.15	4.25	8.70	7.10	13.15
NY	Buffalo Detention Center	BFL1A	3	12.25	27.75	8.90	25.25	30.06	5.00	3.25	30.20	11.55
NY	Buffalo Detention Center	BFL1A	4	17.80	8.70	0.50	13.55	5.00	0.00	0.50	0.00	13.35
NY	Buffalo Detention Center	BFL1A	5	2.95	10.15	1.45	3.05	9.07	3.25	5.84	22.75	31.96
NY	Buffalo Detention Center	BFL1A	6	11.35	5.85	18.71	4.90	0.00	1.00	2.35	13.30	7.75
NY	Buffalo Detention Center	BFL1A	7	0.00				3.35				
NY	Buffalo Detention Center	BFL1A	8	0.00	9.20	10.00	20.65	22.40	8.75	3.00	6.25	2.00
NY	Buffalo Detention Center	BFL1A	9	7.60	16.00	5.75	3.40	1.00	23.10	5.25	9.50	17.75
NY	Buffalo Detention Center	BFL1A	10	1.40	4.50	3.25	1.50	8.75	0.50		0.00	2.35
NY	Buffalo Detention Center	BFL1A	11	31.25	16.10	26.50	10.25	19.61	7.25	3.75	38.33	12.00
NY	Buffalo Detention Center	BFL1A	12	16.85	0.75	11.95	15.50	18.58	6.95	6.45	10.00	3.50
NY	Buffalo Detention Center	BFL1A	13	20.00	15.05	1.50	33.10	11.05	1.15	7.00	16.40	12.54
NY	Buffalo Detention Center	BFL1A	14	22.95	22.00	44.75	18.50	20.00	19.25	21.00	8.50	9.25
NY	Buffalo Detention Center	BFL1A	15	16.45	42.05	13.00	6.85	42.88		21.10	62.92	15.90
NY	Buffalo Detention Center	BFL1A	16								5.00	0.00
NY	Buffalo Detention Center	BFL1A	17								0.00	0.00
NY	Buffalo Detention Center	BFL1A	18	8.05	8.95	11.30	18.20	46.10	27.53	2.50	26.40	21.01
NY	Buffalo Detention Center	BFL1A	19	22.65	30.35	15.90	14.65	29.94	9.50	7.40	27.20	20.90
NY	Buffalo Detention Center	BFL1A	20	0.00	0.00	0.00					0.00	
NY	Buffalo Detention Center	BFL1A	22	0.00	0.00	0.00	0.00	0.00			0.00	0.00
NY	Buffalo Detention Center	BFL2A	1				0.00					
NY	Buffalo Detention Center	BFL2A	2	14.40	23.20	44.21	26.96	21.75	28.00	29.50	18.75	24.35
NY	Buffalo Detention Center	BFL2A	3	27.50	58.75	47.75	19.15	33.20	41.30	25.40	13.30	43.30
NY	Buffalo Detention Center	BFL2A	4	0.00	0.00	0.00	0.00	0.00			0.00	0.00
NY	Buffalo Detention Center	BFL2A	5	14.50	22.40	10.85	8.75	23.10	18.05	11.30	20.35	18.65
NY	Buffalo Detention Center	BFL2A	6			0.00		0.00				
NY	Buffalo Detention Center	BFL2A	7	0.00	2.50	0.00	5.25	14.00	9.75	8.75	12.50	19.60
NY	Buffalo Detention Center	BFL2A	8	11.80	7.95	1.00	9.40	4.40	0.00	0.00	17.25	22.00
NY	Buffalo Detention Center	BFL2A	9	20.50	3.95	22.79	20.90	10.75	2.10	1.25	8.25	2.00
NY	Buffalo Detention Center	BFL2A	10	48.80	40.15	49.31	13.80	39.10	54.00	1.50	32.84	32.75
NY	Buffalo Detention Center	BFL2A	11	40.51	75.89	32.71	9.40	45.80	44.45	20.35	22.20	22.40
NY	Buffalo Detention Center	BFL2A	12	21.80	20.20	17.00	16.24	35.40	11.25	3.75	27.84	11.50
NY	Buffalo Detention Center	BFL2A	13	13.75	47.85	20.61	15.15	29.30	17.50	13.25	11.65	25.85
NY	Buffalo Detention Center	BFL2A	14	24.55	12.50	11.15	27.10	16.83	24.75	7.30	26.43	21.10
NY	Buffalo Detention Center	BFL2A	15								0.50	11.75
NY	Buffalo Detention Center	BFL2A	16								3.25	2.35
NY	Buffalo Detention Center	BFL2A	17	10.00	35.52	1.00	15.15	11.40	7.00	5.50	9.10	11.55
NY	Buffalo Detention Center	BFL2A	18	10.33	12.05	14.15	11.45	15.25	5.75	0.50	1.82	9.05
NY	Buffalo Detention Center	BFL2A	19	33.60	40.40	47.80	42.85	32.25	20.65	3.25	15.05	9.15
NY	Buffalo Detention Center	BFL2A	20	0.00	0.00							

OUT=XLS;RPT=PID;TOT=DAY;COL=N;CHG=Y;
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AT&T Inmate System Re

Call Summary Report, Daily Totals

Call Date: 08/01/1998 to 08/31/1998
R[illegible] Date: 12/01/1998 14:56:07

State	Site	ACP	Phone ID	Wed $ Aug 26,98	Thu $ Aug 27,98	Fri $ Aug 28,98	Sat $ Aug 29,98	Sun $ Aug 30,98	Mon $ Aug 31,98
	T O T A L S -----------			**567.97**	**498.79**	**620.35**	**409.47**	**296.90**	**510.15**
NY	Buffalo Detention Center	BFL1A	1	6.11	17.18		0.00		17.25
NY	Buffalo Detention Center	BFL1A	2	23.25	11.55	10.10		5.00	17.80
NY	Buffalo Detention Center	BFL1A	3	19.55	24.85	49.75	14.00	9.00	11.15
NY	Buffalo Detention Center	BFL1A	4	3.95	17.85	14.10	0.00	0.00	6.75
NY	Buffalo Detention Center	BFL1A	5	9.50	0.00	18.98	11.50	0.00	0.00
NY	Buffalo Detention Center	BFL1A	6	10.85	0.00	6.50	4.00	0.00	0.00
NY	Buffalo Detention Center	BFL1A	7	0.00		0.00			0.00
NY	Buffalo Detention Center	BFL1A	8	23.10	5.95	14.20	21.15	7.50	37.75
NY	Buffalo Detention Center	BFL1A	9	23.00	23.25	5.40	19.25	8.25	2.05
NY	Buffalo Detention Center	BFL1A	10	8.82	0.00	2.00		2.00	
NY	Buffalo Detention Center	BFL1A	11	7.85	8.25	25.50	1.25	3.25	11.50
NY	Buffalo Detention Center	BFL1A	12	8.00	16.10	5.00	0.50	1.00	9.65
NY	Buffalo Detention Center	BFL1A	13	6.75	8.95	17.60	6.25	3.75	7.00
NY	Buffalo Detention Center	BFL1A	14	31.50	21.55	50.90	4.75	38.00	43.90
NY	Buffalo Detention Center	BFL1A	15	7.20	38.90	16.65	4.00	4.12	15.90
NY	Buffalo Detention Center	BFL1A	16	15.30	0.00	0.00	0.00	0.00	20.75
NY	Buffalo Detention Center	BFL1A	17	1.00	7.60	16.20	0.00	6.60	1.00
NY	Buffalo Detention Center	BFL1A	18	13.90	11.10	13.95	14.25	32.01	15.25
NY	Buffalo Detention Center	BFL1A	19	38.41	21.35	28.90	15.50	9.90	12.15
NY	Buffalo Detention Center	BFL1A	20	0.00	0.00	0.00			
NY	Buffalo Detention Center	BFL1A	22	0.00	0.00	0.00			0.00
NY	Buffalo Detention Center	BFL2A	1						
NY	Buffalo Detention Center	BFL2A	2	25.35	27.25	13.80	21.75	8.15	23.25
NY	Buffalo Detention Center	BFL2A	3	25.80	32.70	30.55	40.30	12.40	25.05
NY	Buffalo Detention Center	BFL2A	4	0.00	0.00	0.00			0.00
NY	Buffalo Detention Center	BFL2A	5	15.80	23.10	22.11	16.60	27.85	23.12
NY	Buffalo Detention Center	BFL2A	6		0.00	0.00			
NY	Buffalo Detention Center	BFL2A	7	14.00	11.90	16.70	6.35	13.80	12.82
NY	Buffalo Detention Center	BFL2A	8	29.50	0.00	21.33	4.25	0.00	0.50
NY	Buffalo Detention Center	BFL2A	9	26.78	13.80	40.80	11.65	5.25	2.65
NY	Buffalo Detention Center	BFL2A	10	20.90	14.35	37.75	15.95	18.50	3.75
N[illegible]	[illegible]uffalo Detention Center	BFL2A	11	60.50	26.30	44.90	60.50	7.25	24.70
N[illegible]	[illegible]uffalo Detention Center	BFL2A	12	5.00	14.25	1.25	20.38	14.72	6.20
NY	Buffalo Detention Center	BFL2A	13	41.50	30.90	22.28	19.00	6.00	48.11
NY	Buffalo Detention Center	BFL2A	14	7.25	33.41	18.00	12.75	11.65	20.15
NY	Buffalo Detention Center	BFL2A	15	0.00	3.00	6.25	8.25	7.75	0.00
NY	Buffalo Detention Center	BFL2A	16	11.40	1.00	2.00	5.15		17.25
NY	Buffalo Detention Center	BFL2A	17	10.35	16.20	22.00	15.05	1.00	25.75
NY	Buffalo Detention Center	BFL2A	18	3.05	6.00	14.25	14.34	16.60	14.10
NY	Buffalo Detention Center	BFL2A	19	12.75	10.20	10.65	20.80	15.60	32.90
NY	Buffalo Detention Center	BFL2A	20						

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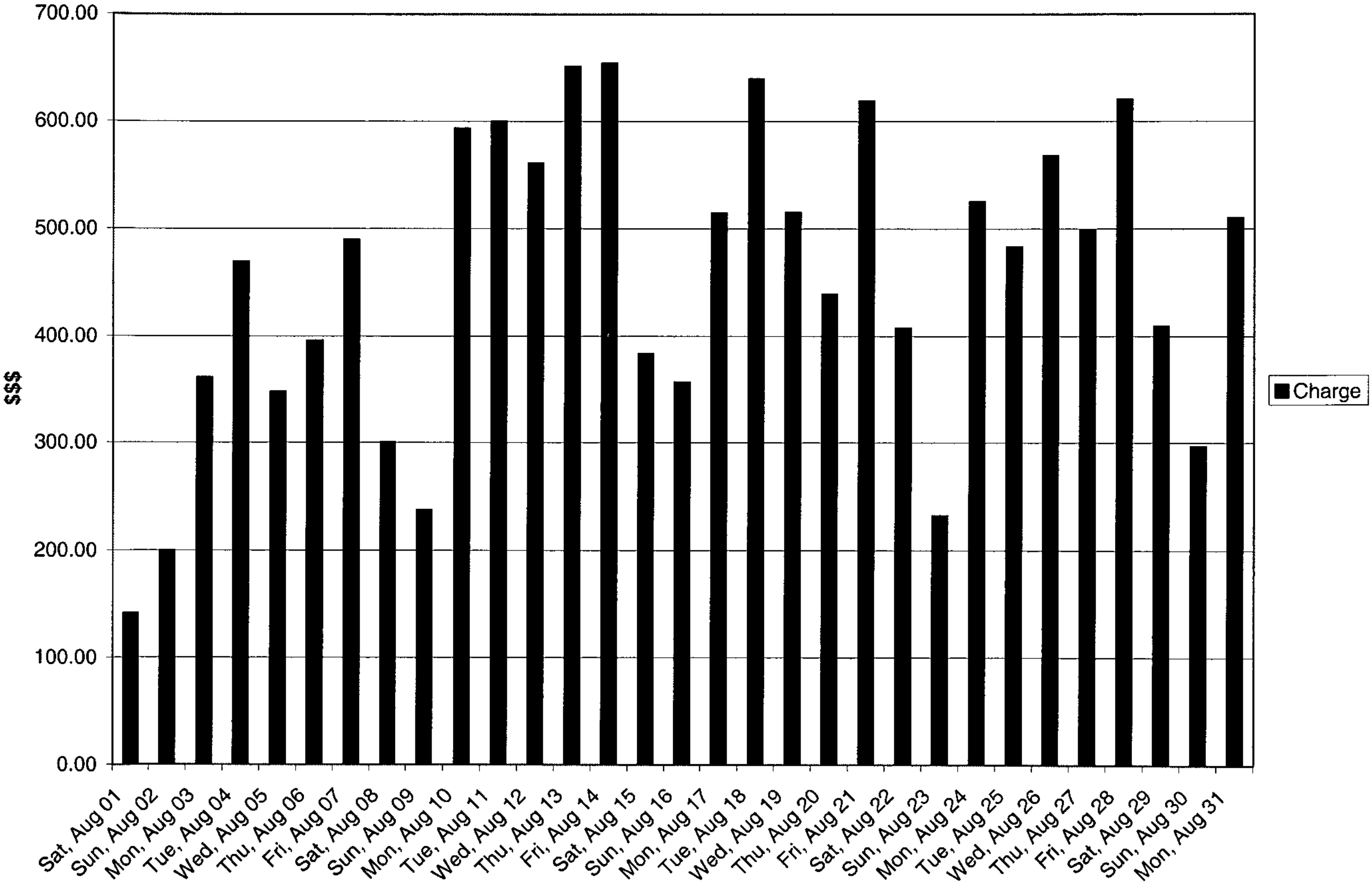
Revenue Generated Per Phone Per Day



AT&T Inmate System Report

Call Summary Report, Traffic Pattern Totals

Call Date: Between 08/01/1998 And 08/31/1998
Report Date: 12/15/1998 16:00:41

State	Site	ACP	Phone ID	Total Calls	Total Min	Total $	Commission $	Free Calls	Free Min	Local Calls	Local Min	Local $	Local Comm
	T O T A L S ------------			**14213**	**152944.35**	**14021.71**	**7010.96**	**38**	**273.91**	**175**	**1922.39**	**64.00**	**32.04**
NY	Buffalo Detention Center	BFL1A	1	105	897.57	112.44	56.22			5	10.78	0.85	0.43
NY	Buffalo Detention Center	BFL1A	2	221	2075.73	371.80	185.90	1	14.73	17	202.97	6.80	3.40
NY	Buffalo Detention Center	BFL1A	3	514	4539.08	483.35	241.68						
NY	Buffalo Detention Center	BFL1A	4	310	2681.52	319.12	159.56						
NY	Buffalo Detention Center	BFL1A	5	417	3917.10	299.13	149.57	1	5.40	5	10.00	0.00	0.00
NY	Buffalo Detention Center	BFL1A	6	431	4794.33	315.09	157.55						
NY	Buffalo Detention Center	BFL1A	7	77	448.98	43.67	21.84	2	19.85				
NY	Buffalo Detention Center	BFL1A	8	315	2744.65	318.45	159.23						
NY	Buffalo Detention Center	BFL1A	9	374	4594.02	355.85	177.93			19	256.03	16.60	8.30
NY	Buffalo Detention Center	BFL1A	10	214	1839.22	194.15	97.08			2	10.48	0.40	0.20
NY	Buffalo Detention Center	BFL1A	11	408	3942.57	474.10	237.05			5	111.33	1.70	0.85
NY	Buffalo Detention Center	BFL1A	12	497	6930.30	307.83	153.92	1	4.18	1	0.83	0.35	0.18
NY	Buffalo Detention Center	BFL1A	13	570	6261.58	386.60	193.30						
NY	Buffalo Detention Center	BFL1A	14	566	5831.25	687.81	343.91			3	41.60	0.00	0.00
NY	Buffalo Detention Center	BFL1A	15	334	2479.28	496.71	248.36	5	24.30	7	73.20	3.05	1.53
NY	Buffalo Detention Center	BFL1A	16	31	433.77	41.55	20.78						
NY	Buffalo Detention Center	BFL1A	17	53	629.60	32.40	16.20						
NY	Buffalo Detention Center	BFL1A	18	416	2371.72	428.48	214.24	3	18.03	7	104.77	0.70	0.35
NY	Buffalo Detention Center	BFL1A	19	550	4323.30	483.61	241.81	1	0.25				
NY	Buffalo Detention Center	BFL1A	20	36	408.17	0.00	0.00						
NY	Buffalo Detention Center	BFL1A	22	93	555.18	0.00	0.00			3	9.03	0.00	0.00
NY	Buffalo Detention Center	BFL2A	1	102	830.37	89.98	44.99	2	34.87				
NY	Buffalo Detention Center	BFL2A	2	684	7066.35	657.97	328.99						
NY	Buffalo Detention Center	BFL2A	3	587	8097.45	874.60	437.30	1	19.12	9	65.14	3.60	1.80
NY	Buffalo Detention Center	BFL2A	4	142	1110.32	56.55	28.28			1	4.25	0.00	0.00
NY	Buffalo Detention Center	BFL2A	5	488	4793.88	520.03	260.02	1	8.15				
NY	Buffalo Detention Center	BFL2A	6	13	5.85	0.00	0.00						
NY	Buffalo Detention Center	BFL2A	7	316	4880.98	315.79	157.90	2	2.92				
NY	Buffalo Detention Center	BFL2A	8	434	5419.80	260.08	130.04	1	8.75	5	22.90	0.00	0.00
NY	Buffalo Detention Center	BFL2A	9	416	5621.67	432.70	216.35			2	1.60	0.75	0.38
NY	Buffalo Detention Center	BFL2A	10	602	8661.07	718.70	359.35	1	8.10	13	109.83	9.05	4.53
NY	Buffalo Detention Center	BFL2A	11	708	7951.67	1033.20	516.60			4	50.40	1.30	0.65
NY	Buffalo Detention Center	BFL2A	12	695	9940.13	468.23	234.12						
NY	Buffalo Detention Center	BFL2A	13	525	5277.95	640.47	320.24	2	12.10				
NY	Buffalo Detention Center	BFL2A	14	748	9399.70	514.89	257.45	1	4.68	1	1.47	0.40	0.20
NY	Buffalo Detention Center	BFL2A	15	42	413.23	37.50	18.75						
NY	Buffalo Detention Center	BFL2A	16	41	454.72	42.90	21.45						
NY	Buffalo Detention Center	BFL2A	17	373	2606.63	354.85	177.43	6	23.58	12	117.52	3.85	1.93
NY	Buffalo Detention Center	BFL2A	18	286	1924.30	284.18	142.09	6	50.98	8	81.45	5.05	2.53
NY	Buffalo Detention Center	BFL2A	19	430	5248.83	565.70	282.85	1	13.92	20	197.73	8.30	4.15
NY	Buffalo Detention Center	BFL2A	20	49	540.53	1.25	0.63			26	439.08	1.25	0.63

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Event Code Is Equal To Completed Calls
Call Date Is Between 08/01/1998 And 08/31/1998

AT&T Inmate System Report

Call Summary Report, Traffic Pattern Totals

Call Date: Between 08/01/1998 And 08/31/1998
Report Date: 12/15/1998 16:00:41

State	Site	ACP	Phone ID	Toll Calls	Toll Min	Toll $	Toll Comm	LD Calls	LD Mins	LD $$$	LD Comm
	T O T A L S ------------			**2923**	**28553.65**	**3175.10**	**1587.62**	**10740**	**120589.57**	**9718.25**	**4859.22**
NY	Buffalo Detention Center	BFL1A	1	20	227.69	27.90	13.95	77	647.33	64.25	32.13
NY	Buffalo Detention Center	BFL1A	2	60	538.25	94.50	47.25	143	1319.78	270.50	135.25
NY	Buffalo Detention Center	BFL1A	3	125	1024.24	138.80	69.40	379	3504.40	341.25	170.63
NY	Buffalo Detention Center	BFL1A	4	70	493.52	83.60	41.80	227	2140.10	180.75	90.38
NY	Buffalo Detention Center	BFL1A	5	45	314.13	38.20	19.10	356	3556.46	207.75	103.88
NY	Buffalo Detention Center	BFL1A	6	50	434.05	37.05	18.53	377	4343.92	253.00	126.50
NY	Buffalo Detention Center	BFL1A	7	27	163.80	26.10	13.05	47	264.28	15.75	7.88
NY	Buffalo Detention Center	BFL1A	8	92	1050.88	126.35	63.18	222	1692.82	190.25	95.13
NY	Buffalo Detention Center	BFL1A	9	34	160.65	20.50	10.25	321	4177.33	318.75	159.38
NY	Buffalo Detention Center	BFL1A	10	29	160.44	21.90	10.95	177	1646.78	137.25	68.63
NY	Buffalo Detention Center	BFL1A	11	48	366.53	38.55	19.28	352	3415.94	393.75	196.88
NY	Buffalo Detention Center	BFL1A	12	153	1869.28	115.45	57.73	325	5017.43	183.25	91.63
NY	Buffalo Detention Center	BFL1A	13	166	1356.63	103.40	51.70	376	4810.35	261.00	130.50
NY	Buffalo Detention Center	BFL1A	14	65	342.43	63.15	31.58	495	5414.67	593.25	296.63
NY	Buffalo Detention Center	BFL1A	15	58	345.93	68.70	34.35	235	1878.06	204.00	102.00
NY	Buffalo Detention Center	BFL1A	16	5	85.47	7.55	3.78	26	348.30	34.00	17.00
NY	Buffalo Detention Center	BFL1A	17	17	308.62	24.90	12.45	36	320.98	7.50	3.75
NY	Buffalo Detention Center	BFL1A	18	85	349.05	103.20	51.60	308	1855.12	252.50	126.25
NY	Buffalo Detention Center	BFL1A	19	136	1374.02	147.35	73.68	399	2929.08	314.00	157.00
NY	Buffalo Detention Center	BFL1A	20	2	9.80	0.00	0.00	34	398.37	0.00	0.00
NY	Buffalo Detention Center	BFL1A	22	13	97.33	0.00	0.00	77	448.82	0.00	0.00
NY	Buffalo Detention Center	BFL2A	1	7	18.52	6.35	3.18	87	769.40	81.75	40.88
NY	Buffalo Detention Center	BFL2A	2	93	804.65	100.20	50.10	579	6247.70	551.25	275.63
NY	Buffalo Detention Center	BFL2A	3	207	2962.48	421.00	210.50	370	5050.72	450.00	225.00
NY	Buffalo Detention Center	BFL2A	4	37	308.12	14.80	7.40	104	797.95	41.75	20.88
NY	Buffalo Detention Center	BFL2A	5	192	2232.35	229.90	114.95	291	2548.88	284.00	142.00
NY	Buffalo Detention Center	BFL2A	6					13	5.85	0.00	0.00
NY	Buffalo Detention Center	BFL2A	7	102	1374.10	88.05	44.03	210	3502.76	225.50	112.75
NY	Buffalo Detention Center	BFL2A	8	43	544.45	18.85	9.43	382	4836.15	228.00	114.00
NY	Buffalo Detention Center	BFL2A	9	53	304.55	41.35	20.68	352	5295.58	357.50	178.75
NY	Buffalo Detention Center	BFL2A	10	77	456.89	67.20	33.60	507	8059.40	607.25	303.63
NY	Buffalo Detention Center	BFL2A	11	112	910.90	150.20	75.10	583	6943.74	829.25	414.63
NY	Buffalo Detention Center	BFL2A	12	176	2149.98	149.75	74.88	468	7394.68	259.50	129.75
NY	Buffalo Detention Center	BFL2A	13	60	565.79	104.60	52.30	445	4546.02	454.00	227.00
NY	Buffalo Detention Center	BFL2A	14	213	2532.41	145.50	72.75	497	6646.51	305.25	152.63
NY	Buffalo Detention Center	BFL2A	15	5	31.65	1.00	0.50	37	381.58	36.50	18.25
NY	Buffalo Detention Center	BFL2A	16	11	137.72	15.15	7.58	30	317.00	27.75	13.88
NY	Buffalo Detention Center	BFL2A	17	67	440.72	77.65	38.83	271	1949.45	220.50	110.25
NY	Buffalo Detention Center	BFL2A	18	52	224.88	69.00	34.50	209	1508.00	165.75	82.88
NY	Buffalo Detention Center	BFL2A	19	109	1450.50	187.40	93.70	300	3586.68	370.00	185.00
NY	Buffalo Detention Center	BFL2A	20	7	30.25	0.00	0.00	16	71.20	0.00	0.00

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Event Code Is Equal To Completed Calls
Call Date Is Between 08/01/1998 And 08/31/1998

AT&T Ini [illegible]e System Report

Call Summary Report, Traffic Pattern Totals

Call Date: Between 08/01/1998 And 08/31/1998
Report Date: 12/15/1998 16:00:41

State	Site	ACP	Phone ID	Intl Calls	Intl Mins	Intl $$$	Intl Comm
	T O T A L S ------------			**337**	**1604.80**	**1064.36**	**532.22**
NY	Buffalo Detention Center	BFL1A	1	3	11.77	19.44	9.72
NY	Buffalo Detention Center	BFL1A	2				
NY	Buffalo Detention Center	BFL1A	3	10	10.45	3.30	1.65
NY	Buffalo Detention Center	BFL1A	4	13	47.90	54.77	27.39
NY	Buffalo Detention Center	BFL1A	5	10	31.10	53.18	26.59
NY	Buffalo Detention Center	BFL1A	6	4	16.37	25.04	12.52
NY	Buffalo Detention Center	BFL1A	7	1	1.05	1.82	0.91
NY	Buffalo Detention Center	BFL1A	8	1	0.95	1.85	0.93
NY	Buffalo Detention Center	BFL1A	9				
NY	Buffalo Detention Center	BFL1A	10	6	21.52	34.60	17.30
NY	Buffalo Detention Center	BFL1A	11	3	48.77	40.10	20.05
NY	Buffalo Detention Center	BFL1A	12	17	38.57	8.78	4.39
NY	Buffalo Detention Center	BFL1A	13	28	94.60	22.20	11.10
NY	Buffalo Detention Center	BFL1A	14	3	32.55	31.41	15.71
NY	Buffalo Detention Center	BFL1A	15	29	157.78	220.96	110.48
NY	Buffalo Detention Center	BFL1A	16				
NY	Buffalo Detention Center	BFL1A	17				
NY	Buffalo Detention Center	BFL1A	18	13	44.75	72.08	36.04
NY	Buffalo Detention Center	BFL1A	19	14	19.95	22.26	11.13
NY	Buffalo Detention Center	BFL1A	20				
NY	Buffalo Detention Center	BFL1A	22				
NY	Buffalo Detention Center	BFL2A	1	6	7.58	1.88	0.94
NY	Buffalo Detention Center	BFL2A	2	12	14.00	6.52	3.26
NY	Buffalo Detention Center	BFL2A	3				
NY	Buffalo Detention Center	BFL2A	4				
NY	Buffalo Detention Center	BFL2A	5	4	4.50	6.13	3.07
NY	Buffalo Detention Center	BFL2A	6				
NY	Buffalo Detention Center	BFL2A	7	2	1.20	2.24	1.12
NY	Buffalo Detention Center	BFL2A	8	3	7.55	13.23	6.62
NY	Buffalo Detention Center	BFL2A	9	9	19.93	33.10	16.55
NY	Buffalo Detention Center	BFL2A	10	4	26.85	35.20	17.60
NY	Buffalo Detention Center	BFL2A	11	9	46.63	52.45	26.23
NY	Buffalo Detention Center	BFL2A	12	51	395.47	58.98	29.49
NY	Buffalo Detention Center	BFL2A	13	18	154.05	81.87	40.94
NY	Buffalo Detention Center	BFL2A	14	36	214.61	63.74	31.87
NY	Buffalo Detention Center	BFL2A	15				
NY	Buffalo Detention Center	BFL2A	16				
NY	Buffalo Detention Center	BFL2A	17	17	75.37	52.85	26.43
NY	Buffalo Detention Center	BFL2A	18	11	58.98	44.38	22.19
NY	Buffalo Detention Center	BFL2A	19				
NY	Buffalo Detention Center	BFL2A	20				

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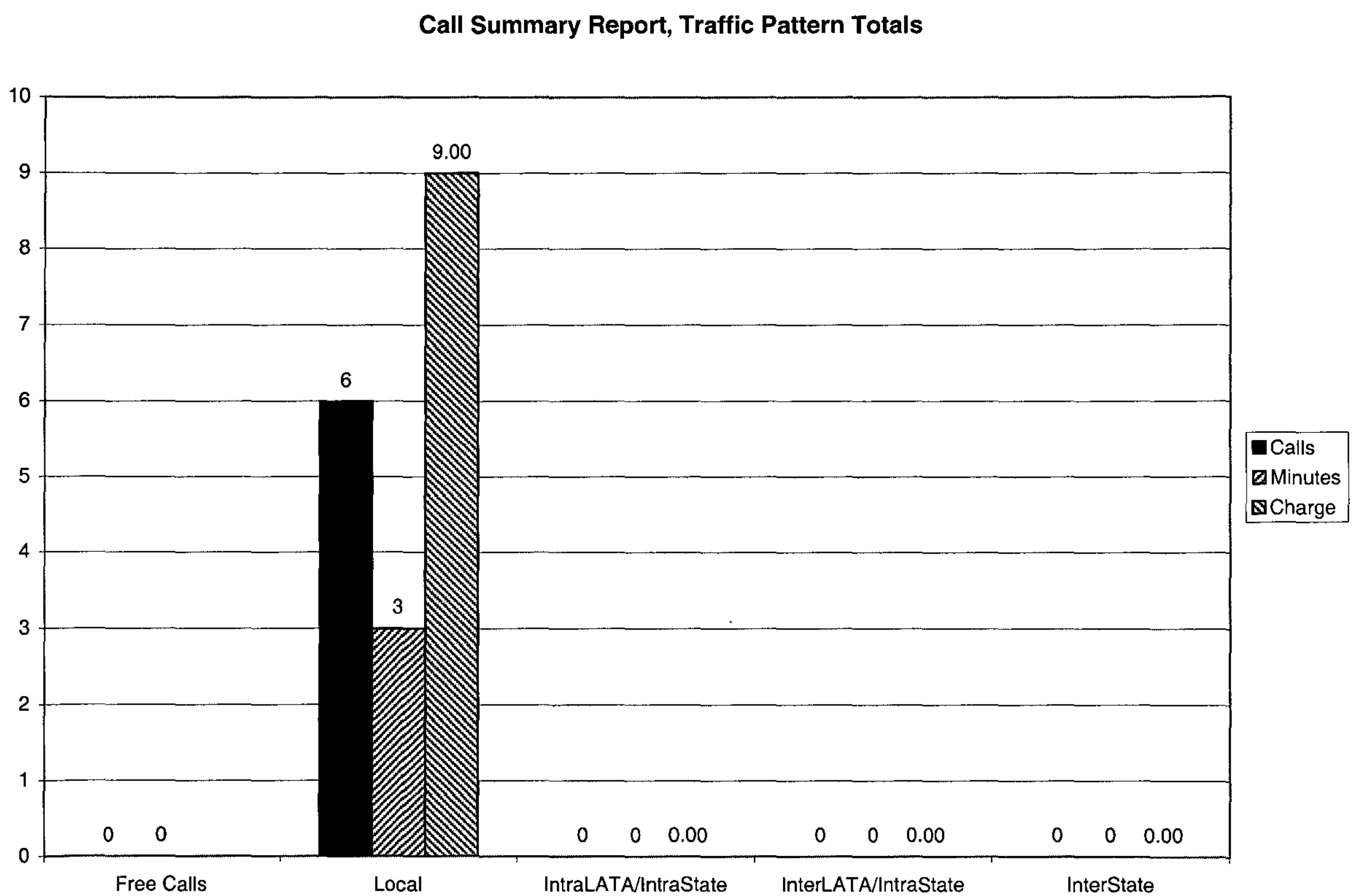
Event Code Is Equal To Completed Calls
Call Date Is Between 08/01/1998 And 08/31/1998



Call Summary Report, Traffic Pattern Totals
10
9
8
7
6
5
4
3
2
1
0
9.00
6
3
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0
0
0
0.00
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0
0.00
0
0
0.00
Free Calls
Local
IntraLATA/IntraState
InterLATA/IntraState
InterState
Calls
Minutes
Charge

AT&T Inmate System Report

Phone Summary Report

Call Date: 08/01/1998 to 08/31/1998
Report Date: 12/04/1998 17:07:54

State	Site	ACP	Phone	Total Calls	Total Mins	Attempts	Answered	Connected
	T O T A L S	**--------------**		**54,828**	**187,920**	**33,683**	**6932**	**14213**
NY	Buffalo Detention Center	BFL1A	**0**	23	-	21	2	
NY	Buffalo Detention Center	BFL1A	**1**	459	1,220	290	64	105
NY	Buffalo Detention Center	BFL1A	**2**	857	2,623	529	107	221
NY	Buffalo Detention Center	BFL1A	**3**	1,971	5,920	1,172	285	514
NY	Buffalo Detention Center	BFL1A	**4**	1,242	3,500	773	159	310
NY	Buffalo Detention Center	BFL1A	**5**	2,094	4,993	1,449	228	417
NY	Buffalo Detention Center	BFL1A	**6**	2,001	5,859	1,361	209	431
NY	Buffalo Detention Center	BFL1A	**7**	415	702	274	64	77
NY	Buffalo Detention Center	BFL1A	**8**	1,238	3,558	743	180	315
NY	Buffalo Detention Center	BFL1A	**9**	1,410	5,463	885	151	374
NY	Buffalo Detention Center	BFL1A	**10**	1,002	2,436	657	131	214
NY	Buffalo Detention Center	BFL1A	**11**	1,415	4,941	809	198	408
NY	Buffalo Detention Center	BFL1A	**12**	1,811	8,132	1,101	213	497
NY	Buffalo Detention Center	BFL1A	**13**	1,937	7,670	1,100	267	570
NY	Buffalo Detention Center	BFL1A	**14**	1,968	7,163	1,107	295	566
NY	Buffalo Detention Center	BFL1A	**15**	1,273	3,240	834	105	334
NY	Buffalo Detention Center	BFL1A	**16**	121	494	81	9	31
NY	Buffalo Detention Center	BFL1A	**17**	135	735	67	15	53
NY	Buffalo Detention Center	BFL1A	**18**	1,775	3,321	1,209	150	416
NY	Buffalo Detention Center	BFL1A	**19**	1,933	5,669	1,025	358	550
NY	Buffalo Detention Center	BFL1A	**20**	177	511	107	34	36
NY	Buffalo Detention Center	BFL1A	**22**	562	872	386	83	93
NY	Buffalo Detention Center	BFL2A	**0**	2	-		2	
NY	Buffalo Detention Center	BFL2A	**1**	567	1,182	376	89	102
NY	Buffalo Detention Center	BFL2A	**2**	2,349	8,798	1,282	383	684
NY	Buffalo Detention Center	BFL2A	**3**	1,966	9,396	1,153	226	587
NY	Buffalo Detention Center	BFL2A	**4**	605	1,509	386	77	142
NY	Buffalo Detention Center	BFL2A	**5**	1,544	5,889	834	222	488
NY	Buffalo Detention Center	BFL2A	**6**	307	60	281	13	13
NY	Buffalo Detention Center	BFL2A	**7**	1,159	5,692	660	183	316
NY	Buffalo Detention Center	BFL2A	**8**	1,945	6,536	1,304	207	434
NY	Buffalo Detention Center	BFL2A	**9**	1,767	6,777	1,114	237	416
NY	Buffalo Detention Center	BFL2A	**10**	2,299	9,999	1,446	251	602
NY	Buffalo Detention Center	BFL2A	**11**	2,395	9,569	1,326	361	708
NY	Buffalo Detention Center	BFL2A	**12**	2,442	11,564	1,480	267	695
NY	Buffalo Detention Center	BFL2A	**13**	1,702	6,488	943	234	525
NY	Buffalo Detention Center	BFL2A	**14**	3,026	11,279	1,920	358	748
NY	Buffalo Detention Center	BFL2A	**15**	98	491	47	9	42
NY	Buffalo Detention Center	BFL2A	**16**	123	550	69	13	41
NY	Buffalo Detention Center	BFL2A	**17**	1,625	3,579	1,087	165	373
NY	Buffalo Detention Center	BFL2A	**18**	1,212	2,579	831	95	286
NY	Buffalo Detention Center	BFL2A	**19**	1,499	6,261	887	182	430
NY	Buffalo Detention Center	BFL2A	**20**	377	697	277	51	49

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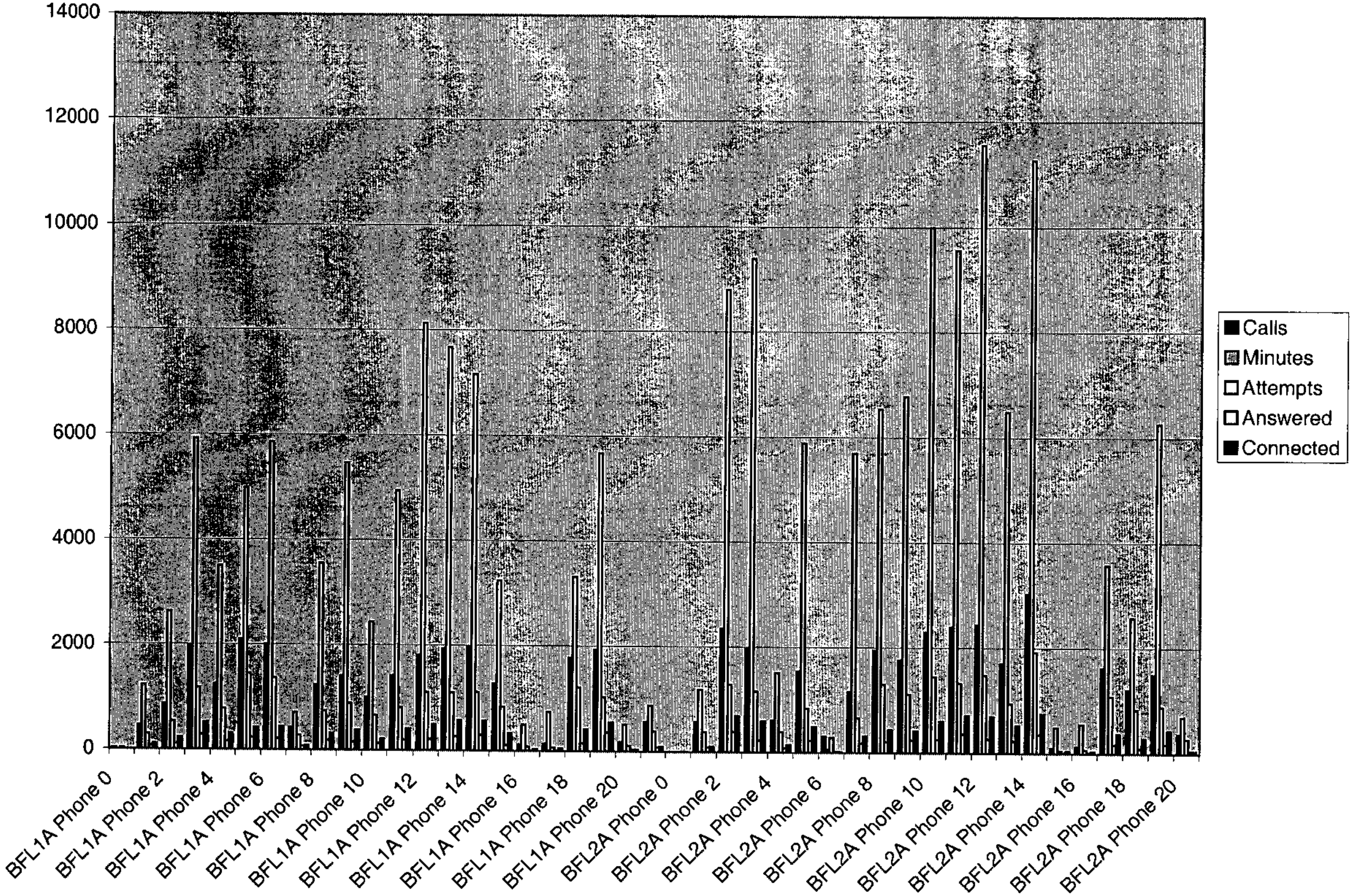
Call Date Is Between 08/01/1998 And 08/31/1998

Phone Summary Report



AT&T Inmate System Report

End Code Summary Report, Complete Totals

Call Date: Between 08/01/1998 And 08/31/1998
Report Date: 12/02/1998 16:48:31

Code	End Code	Total	Total Min.
	T O T A L S	**54828**	**152944.34**
0	Out of Service	5236	0.00
1	Normal End	13657	143517.23
2	No Answer Busy	716	0.00
3	No Answer Time Out	4187	0.00
4	No RingBack	358	0.00
5	Intercept Op	91	0.00
6	Validate Check	5	0.00
7	Dial Digit Stop	57	0.00
8	Time Out End	1515	0.00
9	No Answer Hang Up	4417	0.00
10	Hang Up Stop	4989	0.00
13	Dial Digits End	152	989.37
15	Time Out End	452	8122.88
16	Loop Drop End	15	126.10
17	Digit 0 Stop	56	0.00
18	Digit 0 End	21	187.68
19	Loop Drop Stop	9	0.00
20	Interrupted	133	0.00
23	Validate Block	959	0.00
26	ID Code Quit	17601	1.08
28	Term Num? Quit	23	0.00
29	Validate No Answer	52	0.00
30	Validate Time Out	65	0.00
32	Term Num Quit	27	0.00
33	No Answer Bad Loop	35	0.00

OUT=XLS;RPT=END;TOT=TOT;CNT=Y;MIN=Y;
Call Date Is Between 08/01/1998 And 08/31/1998

AT&T Inmate System Report

Call Date: 08/01/1998 to 08/31/1998
Report Date: 12/01/1998 15:06:36

State	Site	TNI	Total	Local	IntraLata	InterLata	Int'l
	T O T A L S -----	[redacted]	1000	122	272	594	12
NY	Buffalo Detention Center		12				12
NY	Buffalo Detention Center		13			13	
NY	Buffalo Detention Center		12			12	
NY	Buffalo Detention Center		103			103	
NY	Buffalo Detention Center		51			51	
NY	Buffalo Detention Center		32			32	
NY	Buffalo Detention Center		14			14	
NY	Buffalo Detention Center		13			13	
NY	Buffalo Detention Center		22			22	
NY	Buffalo Detention Center		16			16	
NY	Buffalo Detention Center		13			13	
NY	Buffalo Detention Center		12			12	
NY	Buffalo Detention Center		12			12	
NY	Buffalo Detention Center		15			15	
NY	Buffalo Detention Center		37			37	
NY	Buffalo Detention Center		42			42	
NY	Buffalo Detention Center		12			12	
NY	Buffalo Detention Center		14			14	
NY	Buffalo Detention Center		16			16	
NY	Buffalo Detention Center		12			12	
NY	Buffalo Detention Center		12			12	
NY	Buffalo Detention Center		18			18	
NY	Buffalo Detention Center		40			40	
NY	Buffalo Detention Center		26			26	
NY	Buffalo Detention Center		15			15	
NY	Buffalo Detention Center		15		15		
NY	Buffalo Detention Center		61	61			
NY	Buffalo Detention Center		25	25			
NY	Buffalo Detention Center		15	15			
NY	Buffalo Detention Center		21	21			
NY	Buffalo Detention Center		14		14		
NY	Buffalo Detention Center		25		25		
NY	Buffalo Detention Center		36		36		
NY	Buffalo Detention Center		12		12		
NY	Buffalo Detention Center		15		15		
NY	Buffalo Detention Center		20		20		
NY	Buffalo Detention Center		19		19		
NY	Buffalo Detention Center		28		28		
NY	Buffalo Detention Center		18		18		
NY	Buffalo Detention Center		34		34		
NY	Buffalo Detention Center		20		20		
NY	Buffalo Detention Center		16		16		
NY	Buffalo Detention Center		22			22	

OUT=XLS;RPT=VLT;TOT=TR1;CNT=Y;GI OUT=XLS;RPT=VLT;TOT=TR1;CNT=Y;GRP=C%10;
Bill Type Is Not Equal To Free Calls Bill Type Is Not Equal To Free Calls
Event Code Is Equal To Completed Calls Event Code Is Equal To Completed Calls
Call Date Is Between 08/01/1998 And 08/3 Call Date Is Between 08/01/1998 And 08/31/1998

AT&T Inmate System Report

Call Date: 08/01/1998 to 08/31/1998
Report Date: 12/01/1998 15:06:36

State	Site	TNI	Total	Local	IntraLata	InterLata	Int'l
	T O T A L S ------	[redacted]	**2843**	**61**	**817**	**1965**	**12**
NY	Buffalo Detention Center	[redacted]	153		153		12
NY	Buffalo Detention Center	[redacted]	119			119	
NY	Buffalo Detention Center	[redacted]	117		117		
NY	Buffalo Detention Center	[redacted]	106			106	
NY	Buffalo Detention Center	[redacted]	105		105		
NY	Buffalo Detention Center	[redacted]	104			104	
NY	Buffalo Detention Center	[redacted]	103			103	
NY	Buffalo Detention Center	[redacted]	95			95	
NY	Buffalo Detention Center	[redacted]	89			89	
NY	Buffalo Detention Center	[redacted]	89			89	
NY	Buffalo Detention Center	[redacted]	84		84		
NY	Buffalo Detention Center	[redacted]	83			83	
NY	Buffalo Detention Center	[redacted]	79		79		
NY	Buffalo Detention Center	[redacted]	77			77	
NY	Buffalo Detention Center	[redacted]	71			71	
NY	Buffalo Detention Center	[redacted]	70			70	
NY	Buffalo Detention Center	[redacted]	69			69	
NY	Buffalo Detention Center	[redacted]	61	61			
NY	Buffalo Detention Center	[redacted]	61			61	
NY	Buffalo Detention Center	[redacted]	57			57	
NY	Buffalo Detention Center	[redacted]	55			55	
NY	Buffalo Detention Center	[redacted]	54			54	
NY	Buffalo Detention Center	[redacted]	54		54		
NY	Buffalo Detention Center	[redacted]	54		54		
NY	Buffalo Detention Center	[redacted]	52			52	
NY	Buffalo Detention Center	[redacted]	51			51	
NY	Buffalo Detention Center	[redacted]	50			50	
NY	Buffalo Detention Center	[redacted]	50			50	
NY	Buffalo Detention Center	[redacted]	49			49	
NY	Buffalo Detention Center	[redacted]	47			47	
NY	Buffalo Detention Center	[redacted]	46		46		
NY	Buffalo Detention Center	[redacted]	46		46		
NY	Buffalo Detention Center	[redacted]	45			45	
NY	Buffalo Detention Center	[redacted]	45			45	
NY	Buffalo Detention Center	[redacted]	45			45	
NY	Buffalo Detention Center	[redacted]	45			45	
NY	Buffalo Detention Center	[redacted]	43		43		
NY	Buffalo Detention Center	[redacted]	42			42	
NY	Buffalo Detention Center	[redacted]	36		36		
NY	Buffalo Detention Center	[redacted]	36			36	
NY	Buffalo Detention Center	[redacted]	36			36	
NY	Buffalo Detention Center	[redacted]	35			35	
NY	Buffalo Detention Center	[redacted]	35			35	

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Bill Type Is Not Equal To Free Calls Bill Type Is Not Equal To Free Calls
Event Code Is Equal To Completed ‹ Event Code Is Equal To Completed Calls
Call Date Is Between 08/01/1998 An Call Date Is Between 08/01/1998 And 08/31/1998

AT&T Inmate System Report

Hierarchy Report

Call Date: Equal To 04/01/2001
Report Date: 04/20/2001 14:19:22

State	Site	ACP	Total	Total Min	Total $	Free Calls	Free Min	Local	Local Min	Local $
	T O T A L S --------------------		**6**	**3**	**9.00**	**0**	**0**	**6**	**3**	**9.00**
TX	Karnes County Correctiona	KNS2A	6	3	9.00			6	3	9.00

IntraLATA	IntraLATA Min	IntraLATA $	InterLATA	InterLATA Min	InterLATA $	InterState	InterState Min	InterState $
0	**0**	**0.00**	**0**	**0**	**0.00**	**0**	**0**	**0.00**

OUT=XLS;SHW=Y;RPT=ACP;TOT=TR1;CNT=Y;MIN=Y;CHG=Y;
Call Date Is Equal To 04/01/2001
Site Is Equal To Karnes County Correctiona
TNI Is Equal To '8307803747'

Inmate System

AudioMining Search Results

News & Events
Awards
Case Studies / Testimonials
Support

Path: Home · Search Results

call

Search

Help

Found 12 documents matching call

6024
Length: 0:00:11 **Topic:**
Description:

6025
Length: 0:00:10 **Topic:**
Description:

bmctest
Length: 0:00:25 **Topic:**
Description:

8318
Length: 0:00:09 **Topic:**
Description:

kensupress1
Length: 0:03:35 **Topic:**
Description:

KEN_2

[redacted]

Length: 0:01:03 **Topic:**
Description:

searge
Length: 0:03:24 **Topic:**
Description:

lh4a
Length: 0:06:14 **Topic:**
Description:

KEN
Length: 0:01:03 **Topic:**
Description:

kensupress
Length: 0:03:35 **Topic:**
Description:

mohamad
Length: 0:04:55 **Topic:**
Description:

6023
Length: 0:00:25 **Topic:**
Description:

AT&T Inmate System Report

Call Detail Listing by Time of Day

Call Date: 08/01/1998

Report Date: 12/01/1998 15:09:16

ACPID	Phone ID ANI	TNI	Call Date	Call Time	Duration	Cost
T O T A L S					2352	141.45
BFL2A	[redacted]		8/1/98	00:10:22	12	3.50
BFL2A	[redacted]		8/1/98	00:15:57	1	1.15
BFL2A	[redacted]		8/1/98	00:19:46	25	4.75
BFL2A	[redacted]		8/1/98	00:31:57	0	0.00
BFL2A	[redacted]		8/1/98	00:40:19	1	0.00
BFL2A	[redacted]		8/1/98	07:10:56	30	5.35
BFL2A	[redacted]		8/1/98	07:24:44	0	0.00
BFL2A	[redacted]		8/1/98	07:31:47	3	1.25
BFL2A	[redacted]		8/1/98	07:32:10	30	0.00
BFL2A	[redacted]		8/1/98	07:36:14	19	1.30
BFL2A	[redacted]		8/1/98	07:38:44	12	3.50
BFL2A	[redacted]		8/1/98	07:49:36	16	0.00
BFL2A	[redacted]		8/1/98	07:53:49	2	0.00
BFL2A	[redacted]		8/1/98	07:58:53	23	0.00
BFL2A	[redacted]		8/1/98	08:00:33	1	0.50
BFL2A	[redacted]		8/1/98	08:02:16	1	0.00
BFL2A	[redacted]		8/1/98	08:04:12	3	0.00
BFL2A	[redacted]		8/1/98	08:05:19	22	0.00
BFL2A	[redacted]		8/1/98	08:08:27	30	0.00
BFL2A	[redacted]		8/1/98	08:24:21	26	0.00
BFL2A	[redacted]		8/1/98	08:25:59	5	0.00
BFL2A	[redacted]		8/1/98	08:27:11	5	0.00
BFL2A	[redacted]		8/1/98	08:29:09	1	0.00
BFL2A	[redacted]		8/1/98	08:35:28	0	0.00
BFL2A	[redacted]		8/1/98	08:40:18	30	0.00
BFL2A	[redacted]		8/1/98	08:40:24	4	1.45
BFL2A	[redacted]		8/1/98	08:47:26	9	0.00
BFL2A	[redacted]		8/1/98	08:49:36	8	0.00
BFL2A	[redacted]		8/1/98	08:53:55	10	0.00
BFL2A	[redacted]		8/1/98	08:55:29	0	0.00
BFL2A	[redacted]		8/1/98	09:00:48	3	1.00
BFL2A	[redacted]		8/1/98	09:09:22	29	0.00
BFL2A	[redacted]		8/1/98	09:16:17	30	0.00
BFL2A	[redacted]		8/1/98	09:40:36	30	0.00
BFL2A	[redacted]		8/1/98	09:46:22	1	0.00
BFL2A	[redacted]		8/1/98	09:47:30	9	2.50
BFL2A	[redacted]		8/1/98	09:48:36	30	0.00
BFL2A	[redacted]		8/1/98	09:53:37	20	5.25
BFL2A	[redacted]		8/1/98	09:53:52	2	0.75
BFL2A	[redacted]		8/1/98	10:12:31	30	7.75
BFL2A	[redacted]		8/1/98	10:13:20	0	0.00
BFL2A	[redacted]		8/1/98	10:14:55	0	0.00
BFL2A	[redacted]		8/1/98	10:17:21	7	0.00
BFL2A	[redacted]		8/1/98	10:18:23	7	0.00
BFL2A	[redacted]		8/1/98	10:20:21	7	0.00
BFL2A	[redacted]		8/1/98	10:24:51	0	0.00
BFL2A	[redacted]		8/1/98	10:25:40	8	0.00
BFL2A	[redacted]		8/1/98	10:32:48	22	0.00
BFL2A	[redacted]		8/1/98	10:34:02	18	0.00
BFL2A	[redacted]		8/1/98	10:38:44	10	3.00

AT&T Inmate System Report

Call Detail Listing by Time of Day

Call Date: 08/01/1998
Report Date: 12/01/1998 15:09:16

ACPID	Phone ID	ANI	TNI	Call Date	Call Time	Duration	Cost
T O T A L S						2352	141.45
BFL2A	[redacted]			8/1/98	10:45:05	29	0.00
BFL2A				8/1/98	10:45:45	3	0.00
BFL2A				8/1/98	10:50:33	9	0.00
BFL2A				8/1/98	11:01:08	1	0.50
BFL2A				8/1/98	11:01:21	1	0.00
BFL2A				8/1/98	11:04:28	8	0.00
BFL2A				8/1/98	11:05:53	16	0.00
BFL2A				8/1/98	11:06:00	16	0.00
BFL2A				8/1/98	12:20:08	1	0.00
BFL2A				8/1/98	12:20:35	1	0.00
BFL2A				8/1/98	12:21:39	7	2.00
BFL2A				8/1/98	12:22:05	14	0.00
BFL2A				8/1/98	12:22:38	4	1.50
BFL2A				8/1/98	12:23:52	3	1.45
BFL2A				8/1/98	12:25:29	1	0.00
BFL2A				8/1/98	12:27:06	15	0.00
BFL2A				8/1/98	12:28:35	1	0.50
BFL2A				8/1/98	12:30:02	30	0.00
BFL2A				8/1/98	12:30:41	11	0.00
BFL2A				8/1/98	12:32:29	1	0.50
BFL2A				8/1/98	12:34:51	12	0.00
BFL2A				8/1/98	12:36:00	7	2.00
BFL2A				8/1/98	12:36:51	0	0.00
BFL2A				8/1/98	12:38:43	17	0.00
BFL2A				8/1/98	12:39:22	6	0.00
BFL2A				8/1/98	12:39:35	1	0.00
BFL2A				8/1/98	12:40:27	30	0.00
BFL2A				8/1/98	12:43:13	0	0.00
BFL2A				8/1/98	12:43:39	9	0.00
BFL2A				8/1/98	12:45:18	1	0.00
BFL2A				8/1/98	12:45:26	1	0.50
BFL2A				8/1/98	12:47:46	24	0.00
BFL2A				8/1/98	12:48:08	12	0.00
BFL2A				8/1/98	12:49:33	4	1.25
BFL2A				8/1/98	12:51:37	1	0.00
BFL2A				8/1/98	12:59:44	4	0.00
BFL2A				8/1/98	13:01:36	30	0.00
BFL2A				8/1/98	13:03:58	8	0.00
BFL2A				8/1/98	13:09:21	21	0.00
BFL2A				8/1/98	13:11:44	17	0.00
BFL2A				8/1/98	13:14:50	14	0.00
BFL2A				8/1/98	13:31:15	5	1.50
BFL2A				8/1/98	13:32:12	2	0.00
BFL2A				8/1/98	13:32:19	1	0.00
BFL2A				8/1/98	13:34:16	30	0.00
BFL2A				8/1/98	13:38:20	30	0.00
BFL2A				8/1/98	13:39:32	7	2.00
BFL2A				8/1/98	13:42:32	1	0.00
BFL2A				8/1/98	13:45:29	30	0.00
BFL2A				8/1/98	13:59:03	3	1.00

AT&T Inmate System Report

Call Detail Listing by Time of Day

Call Date: 08/01/1998
Report Date: 12/01/1998 15:09:16

ACPID	Phone ID ANI	TNI	Call Date	Call Time	Duration	Cost
	T O T A L	S - - - - - - - - - - - - - - - - -			2352	141.45
BFL2A	[redacted]		8/1/98	14:02:27	18	0.00
BFL2A			8/1/98	14:03:49	2	0.00
BFL2A			8/1/98	14:07:56	10	0.00
BFL2A			8/1/98	14:08:20	13	0.00
BFL2A			8/1/98	14:09:57	22	0.00
BFL2A			8/1/98	14:10:21	10	0.00
BFL2A			8/1/98	14:12:57	2	1.00
BFL2A			8/1/98	14:14:18	0	0.00
BFL2A			8/1/98	14:16:57	2	0.00
BFL2A			8/1/98	14:17:14	8	0.00
BFL2A			8/1/98	14:17:48	1	0.75
BFL2A			8/1/98	14:20:05	14	0.00
BFL2A			8/1/98	14:27:19	3	1.00
BFL2A			8/1/98	14:36:09	10	0.00
BFL2A			8/1/98	14:44:46	18	0.00
BFL2A			8/1/98	14:46:34	20	5.25
BFL2A			8/1/98	14:50:26	1	0.00
BFL2A			8/1/98	14:55:14	12	0.00
BFL2A			8/1/98	14:57:37	30	0.00
BFL2A			8/1/98	14:58:13	30	0.00
BFL2A			8/1/98	15:06:43	3	1.00
BFL2A			8/1/98	15:07:19	30	0.00
BFL2A			8/1/98	15:13:14	1	0.50
BFL2A			8/1/98	15:17:51	1	0.00
BFL2A			8/1/98	15:21:47	5	0.00
BFL2A			8/1/98	15:23:53	0	0.00
BFL2A			8/1/98	15:28:29	25	0.00
BFL2A			8/1/98	15:29:22	2	0.00
BFL2A			8/1/98	15:30:08	2	0.75
BFL2A			8/1/98	15:30:50	17	0.00
BFL2A			8/1/98	15:33:36	18	0.00
BFL2A			8/1/98	15:34:23	10	2.75
BFL2A			8/1/98	15:35:41	30	0.00
BFL2A			8/1/98	15:39:13	4	0.00
BFL2A			8/1/98	15:49:35	1	0.50
BFL2A			8/1/98	15:52:25	7	2.25
BFL2A			8/1/98	15:54:27	1	0.00
BFL2A			8/1/98	15:54:57	1	0.00
BFL2A			8/1/98	15:55:29	6	0.00
BFL2A			8/1/98	15:56:02	7	2.00
BFL2A			8/1/98	15:57:28	8	0.00
BFL2A			8/1/98	16:04:44	1	0.50
BFL2A			8/1/98	17:13:20	11	3.00
BFL2A			8/1/98	17:33:15	29	0.00
BFL2A			8/1/98	17:34:54	1	0.75
BFL2A			8/1/98	17:38:00	0	0.50
BFL2A			8/1/98	17:38:18	2	0.00
BFL2A			8/1/98	17:43:32	29	0.00
BFL2A			8/1/98	17:54:53	5	0.00
BFL2A			8/1/98	17:59:34	28	0.00

AT&T Inmate System Report

Call Detail Listing by Time of Day

Call Date: 08/01/1998
Report Date: 12/01/1998 15:09:16

ACPID	Phone ID ANI	TNI	Call Date	Call Time	Duration	Cost
T O T A L S ------------------					2352	141.45
BFL2A	[redacted]	[redacted]	8/1/98	18:01:33	13	3.50
BFL2A	[redacted]	[redacted]	8/1/98	18:06:17	1	0.75
BFL2A	[redacted]	[redacted]	8/1/98	18:13:57	2	0.00
BFL2A	[redacted]	[redacted]	8/1/98	18:14:42	30	0.00
BFL2A	[redacted]	[redacted]	8/1/98	18:16:00	1	0.75
BFL2A	[redacted]	[redacted]	8/1/98	18:18:01	20	0.00
BFL2A	[redacted]	[redacted]	8/1/98	18:21:53	0	0.00
BFL2A	[redacted]	[redacted]	8/1/98	18:25:27	1	0.00
BFL2A	[redacted]	[redacted]	8/1/98	18:29:45	7	0.00
BFL2A	[redacted]	[redacted]	8/1/98	18:29:56	4	1.60
BFL2A	[redacted]	[redacted]	8/1/98	18:30:13	16	0.00
BFL2A	[redacted]	[redacted]	8/1/98	18:31:50	0	0.00
BFL2A	[redacted]	[redacted]	8/1/98	18:45:47	0	0.50
BFL2A	[redacted]	[redacted]	8/1/98	18:48:00	2	0.00
BFL2A	[redacted]	[redacted]	8/1/98	18:48:38	30	0.00
BFL2A	[redacted]	[redacted]	8/1/98	18:49:26	2	1.15
BFL2A	[redacted]	[redacted]	8/1/98	18:51:34	1	0.00
BFL2A	[redacted]	[redacted]	8/1/98	18:51:56	4	0.00
BFL2A	[redacted]	[redacted]	8/1/98	18:52:00	2	0.00
BFL2A	[redacted]	[redacted]	8/1/98	18:53:35	22	0.00
BFL2A	[redacted]	[redacted]	8/1/98	18:59:18	1	0.00
BFL2A	[redacted]	[redacted]	8/1/98	18:59:45	2	0.00
BFL2A	[redacted]	[redacted]	8/1/98	19:00:58	0	0.00
BFL2A	[redacted]	[redacted]	8/1/98	19:03:16	0	0.00
BFL2A	[redacted]	[redacted]	8/1/98	19:04:43	4	0.00
BFL2A	[redacted]	[redacted]	8/1/98	19:10:26	0	0.00
BFL2A	[redacted]	[redacted]	8/1/98	19:23:58	0	0.50
BFL2A	[redacted]	[redacted]	8/1/98	19:26:48	2	0.00
BFL2A	[redacted]	[redacted]	8/1/98	19:27:40	7	0.00
BFL2A	[redacted]	[redacted]	8/1/98	19:28:44	24	6.25
BFL2A	[redacted]	[redacted]	8/1/98	19:30:36	30	0.00
BFL2A	[redacted]	[redacted]	8/1/98	19:30:56	1	0.00
BFL2A	[redacted]	[redacted]	8/1/98	19:32:48	3	0.00
BFL2A	[redacted]	[redacted]	8/1/98	19:35:53	8	0.00
BFL2A	[redacted]	[redacted]	8/1/98	19:50:18	1	0.00
BFL2A	[redacted]	[redacted]	8/1/98	19:51:21	4	0.00
BFL2A	[redacted]	[redacted]	8/1/98	19:58:33	11	0.00
BFL2A	[redacted]	[redacted]	8/1/98	19:58:55	0	0.50
BFL2A	[redacted]	[redacted]	8/1/98	20:00:04	8	2.05
BFL2A	[redacted]	[redacted]	8/1/98	20:01:24	11	3.00
BFL2A	[redacted]	[redacted]	8/1/98	20:01:48	10	3.00
BFL2A	[redacted]	[redacted]	8/1/98	20:07:35	8	0.00
BFL2A	[redacted]	[redacted]	8/1/98	20:07:46	0	0.00
BFL2A	[redacted]	[redacted]	8/1/98	20:08:10	29	0.00
BFL2A	[redacted]	[redacted]	8/1/98	20:09:03	9	2.50
BFL2A	[redacted]	[redacted]	8/1/98	20:11:49	1	0.00
BFL2A	[redacted]	[redacted]	8/1/98	20:14:02	9	2.75
BFL2A	[redacted]	[redacted]	8/1/98	20:14:47	10	2.75
BFL2A	[redacted]	[redacted]	8/1/98	20:15:55	30	0.00
BFL2A	[redacted]	[redacted]	8/1/98	20:26:24	3	0.00

AT&T Inmate System Report

Call Detail Sorting by Time of Day

Call Date: 08/01/1998
Report Date: 12/01/1998 15:09:16

ACPID	Phone ID ANI	TNI	Call Date	Call Time	Duration	Cost
	T O T A L S	-----------------			2352	141.45
BFL2A	[redacted]		8/1/98	20:27:40	7	2.00
BFL2A	[redacted]		8/1/98	20:32:34	1	0.50
BFL2A	[redacted]		8/1/98	20:33:18	6	0.00
BFL2A	[redacted]		8/1/98	20:44:29	30	0.00
BFL2A	[redacted]		8/1/98	20:46:38	2	0.00
BFL2A	[redacted]		8/1/98	20:47:05	30	0.00
BFL2A	[redacted]		8/1/98	20:48:50	9	2.50
BFL2A	[redacted]		8/1/98	20:56:57	23	0.00
BFL2A	[redacted]		8/1/98	21:01:35	4	0.00
BFL2A	[redacted]		8/1/98	21:07:53	1	0.00
BFL2A	[redacted]		8/1/98	21:11:45	8	2.25
BFL2A	[redacted]		8/1/98	21:13:58	6	0.00
BFL2A	[redacted]		8/1/98	21:17:52	1	0.00
BFL2A	[redacted]		8/1/98	21:18:30	1	0.00
BFL2A	[redacted]		8/1/98	21:19:59	0	0.00
BFL2A	[redacted]		8/1/98	22:22:45	0	0.00
BFL2A	[redacted]		8/1/98	22:23:12	0	0.00
BFL2A	[redacted]		8/1/98	22:23:34	0	0.00
BFL2A	[redacted]		8/1/98	22:54:27	2	0.00
BFL2A	[redacted]		8/1/98	22:57:42	2	0.00
BFL2A	[redacted]		8/1/98	22:58:27	2	0.00
BFL1A	[redacted]		8/1/98	22:59:30	3	1.25
BFL2A	[redacted]		8/1/98	23:15:52	16	4.25
BFL2A	[redacted]		8/1/98	23:16:15	19	0.00
BFL2A	[redacted]		8/1/98	23:16:39	30	0.00
BFL2A	[redacted]		8/1/98	23:16:52	1	0.00
BFL1A	[redacted]		8/1/98	23:17:27	4	1.25
BFL2A	[redacted]		8/1/98	23:18:39	10	2.50
BFL1A	[redacted]		8/1/98	23:19:02	30	0.00
BFL2A	[redacted]		8/1/98	23:19:03	1	0.50
BFL2A	[redacted]		8/1/98	23:19:24	8	0.00
BFL1A	[redacted]		8/1/98	23:19:32	30	0.00
BFL1A	[redacted]		8/1/98	23:20:40	18	0.00
BFL2A	[redacted]		8/1/98	23:22:29	3	1.25
BFL1A	[redacted]		8/1/98	23:23:37	9	0.00
BFL1A	[redacted]		8/1/98	23:24:06	13	2.95
BFL2A	[redacted]		8/1/98	23:30:14	0	0.00
BFL2A	[redacted]		8/1/98	23:30:29	0	0.00
BFL2A	[redacted]		8/1/98	23:34:50	0	0.00
BFL2A	[redacted]		8/1/98	23:35:23	14	4.00
BFL1A	[redacted]		8/1/98	23:36:42	0	0.00
BFL1A	[redacted]		8/1/98	23:36:44	0	0.00
BFL1A	[redacted]		8/1/98	23:39:06	2	0.75
BFL2A	[redacted]		8/1/98	23:41:34	4	0.00
BFL1A	[redacted]		8/1/98	23:42:43	13	3.75
BFL1A	[redacted]		8/1/98	23:50:58	0	0.00

OUT=XLS;RPT=CDR;
Bill Type Is Not Equal To Free Calls
Event Code Is Equal To Completed Calls

AT&T Inmate System Report

Call Detail Listing By Time of Day

Call Date: 08/01/1998
Report Date: 12/01/1998 15:09:16

ACPID	Phone ID	ANI	TNI	Call Date	Call Time	Duration	Cost
	T O T A L S					2352	141.45

Call Date Is Equal To 08/01/1998
Site Is Equal To Buffalo Detention Center
Duration is the Termination time - the Connection time

AT&T Inmate System Report

Call Date: Equal To 04/01/2001
Report Date: 04/20/2001 14:02:54

Phn	Trk	Zone	ID Code	Call Type	Destination Number Dialed	Time HH:MM	Termination Status	MMM :SS
		CDR Date:	04/01/2001					
S206	03	129B	14958930	InterLATA	[redacted]	07:16	Validate Check	:00
S205	02	191AR	0100087533	Dial Only	[redacted]	07:35	ID Code Quit	:00
S205	02	191AR	0100087533	Dial Only	[redacted]	07:35	ID Code Bad	:00
S205	02	191AR	01000875	Dial Only	[redacted]	07:35	Term Num? Quit	:00
S123	11	250CL	67221836	IntraLATA	[redacted]	07:42	Normal End	14
S309	02	250CR	27443484	Interstate	[redacted]	07:44	Time Out Stop	:00
S117	12	205AL	01018908	InterLATA	[redacted]	07:53	Time Out Stop	:00
S117	12	205AL	01018908	InterLATA	[redacted]	07:55	Normal End	14
S218	09	205AR	003	Dial Only	[redacted]	07:57	ID Code Quit	:00
S218	11	205AR	00936838	InterLATA	[redacted]	07:57	Normal End	14
S205	03	191AR	01005895	InterLATA	[redacted]	08:03	No Answer Time (	:00
S212	03	257DR	85387876	InterLATA	[redacted]	08:19	No Answer Time (	:00
S205	02	191AR	01009079	Dial Only	[redacted]	08:20	Term Num? Quit	:00
S205	03	191AR	01009079	InterLATA	[redacted]	08:21	Validate Block	:00
S117	09	205AL	01018908	Dial Only	[redacted]	08:23	ID Code Quit	:00
S117	11	205AL	01018908	InterLATA	[redacted]	08:23	Time Out End	15
S212	03	257DR	85387876	InterLATA	[redacted]	08:29	No Answer Time (	:00
S112	02	272D	14960650	Dial Only	[redacted]	08:47	ID Code Quit	:00
S217	11	250CC	27443484	Interstate	[redacted]	08:49	Time Out Stop	:00
S112	03	272D	14960650	InterLATA	[redacted]	08:52	Validate Time Out	:00
S217	09	250CC	27443484	Dial Only	[redacted]	08:52	Term Num? Quit	:00
S217	09	250CC	27443484	Dial Only	[redacted]	08:53	Term Num? Quit	:00
S217	09	250CC	274484	Dial Only	[redacted]	08:54	ID Code Quit	:00
S217	09	250CC	274484	Dial Only	[redacted]	08:54	ID Code Bad	:00
S217	09	250CC	27443484	Dial Only	[redacted]	08:55	Term Num? Quit	:00
S205	03	191AR	00920820	InterLATA	[redacted]	08:59	Normal End	14
S117	11	205AL	01012344	IntraLATA	[redacted]	09:07	No Answer Time (	:00
S121	12	208FR	00937319	InterLATA	[redacted]	09:07	No Answer Time (	:00
S211	02	260DR	14958210	Dial Only	[redacted]	09:27	Term Num? Quit	:00
S309	02	250CR	27443484	Interstate	[redacted]	09:27	Time Out Stop	:00
S211	03	260DR	14958210	Interstate	[redacted]	09:27	Normal End	4
S114	03	264DL	32155243	InterLATA	[redacted]	09:29	Normal End	3
S123	11	250CL	16392656	InterLATA	[redacted]	09:31	Normal End	5
S309	02	250CR	27443484	Interstate	[redacted]	09:33	Time Out Stop	:00
S211	02	260DR	014958210	Dial Only	[redacted]	09:33	ID Code Quit	:00
S211	02	260DR	014958210	Dial Only	[redacted]	09:33	ID Code Bad	:00
S207	04	126B	14958700	InterLATA	[redacted]	09:35	Validate Block	:00
S207	04	126B	14958700	InterLATA	[redacted]	09:36	Validate Block	:00
S120	12	208FL	00937319	InterLATA	[redacted]	09:37	No Answer Time (	:00
S207	02	126B		Dial Only	[redacted]	09:46	ID Code Quit	:00
S204	04	197AR	00923116	Dial Only	[redacted]	09:47	ID Code Quit	:00
S114	03	264DL	33634168	InterLATA	[redacted]	09:47	Normal End	14

OUT=XLS;SHW=Y;RPT=CD2;
Call Date Is Equal To 04/01/2001
Site Is Equal To Karnes County Correctiona
Duration is actual time from Termination time - Connection time

AT&T Inmate System Report

Call Detail w/ Status Report by Dialed Number

Call Date: Equal To 04/01/2001
Report Date: 04/20/2001 14:13:58

Phn	Trk	Zone	ID Code	Call Type	Destination Number Dialed	Time HH:MM	Termination Status	MMM :SS
		CDR Date:	04/01/2001					
S210	02	202A	00003827	Local	[redacted]	10:00	No Answer Time (	:00
S210	02	202A	00003827	Local		10:02	No Answer Time (	:00
S210	02	202A	00003827	Local		10:11	No Answer Time (	:00
S210	02	202A	00003827	Local		13:45	Normal End	:16
S210	01	202A	00003827	Local		13:47	Normal End	:37
S210	02	202A	00003827	Local		13:52	Normal End	1
S210	03	202A	00003827	Dial Only		15:17	Term Num? Quit	:00

OUT=XLS;SHW=Y;RPT=CD2;
Call Date Is Equal To 04/01/2001
Site Is Equal To Karnes County Correctiona
TNI Is Equal To '8307803747'
Duration is actual time from Termination time - Connection time

AT&T Inmate System Report

Call Detail w Status Report by ID Code

Call Date: Equal To 04/01/2001

Report Date: 04/20/2001 14:08:10

Phn	Trk	Zone	ID Code	Call Type	Destination Number Dialed	Time HH:MM	Termination Status	MMM :SS
		CDR Date:	04/01/2001					
S117	12	205AL	01018908	InterLATA	[redacted]	07:53	Time Out Stop	:00
S117	12	205AL	01018908	InterLATA	[redacted]	07:55	Normal End	14
S117	09	205AL	01018908	Dial Only	[redacted]	08:23	ID Code Quit	:00
S117	11	205AL	01018908	InterLATA	[redacted]	08:23	Time Out End	15

OUT=XLS;SHW=Y;RPT=CD2;

Call Date Is Equal To 04/01/2001

Site Is Equal To Karnes County Correctiona

Inmate ID Is Equal To '01018908'

Duration is actual time from Termination time - Connection time

AT&T Inmate System Report

Call Detail w Status Report by Phone

Call Date: Equal To 04/01/2001
Report Date: 04/20/2001 14:10:30

Phn	Trk	Zone	ID Code	Call Type	Destination Number Dialed	Time HH:MM	Termination Status	MMM :SS
		CDR Date:	04/01/2001					
S210	02	202A	00003827	Local	[redacted]	10:00	No Answer Time (	:00
S210	02	202A	00003827	Local	[redacted]	10:02	No Answer Time (	:00
S210	02	202A	00003827	Local	[redacted]	10:11	No Answer Time (	:00
S210	02	202A	00001202	Local	[redacted]	11:07	Validate Block	:00
S210	02	202A	00003827	Local	[redacted]	13:45	Normal End	:16
S210	01	202A	00003827	Local	[redacted]	13:47	Normal End	:37
S210	02	202A	00003827	Local	[redacted]	13:49	No Answer Time (	:00
S210	02	202A	00003827	Dial Only	[redacted]	13:52	Term Num? Quit	:00
S210	02	202A	00003827	Local	[redacted]	13:52	Normal End	1
S210	03	202A	00003827	Dial Only	[redacted]	15:17	Term Num? Quit	:00
S210	01	202A	00003827	Local	[redacted]	15:18	No Answer Time (	:00
S310	02	251CL	14959250	Dial Only	[redacted]	16:02	ID Code Quit	:00
S210	01	202A	00003827	Local	[redacted]	16:13	No Answer Time (	:00
S210	02	202A	00003827	Local	[redacted]	17:10	No Answer Busy	:00
S210	02	202A	00003827	Local	[redacted]	17:23	Normal End	:17
S110	03	234E	44342924	Interstate	[redacted]	19:43	Time Out End	1
S110	05	234E	57882346	Dial Only	[redacted]	20:25	Term Num? Quit	:00
S110	03	234E	14123062	InterLATA	[redacted]	20:54	Validate Block	:00
S310	02	251CL	14954040	InterLATA	[redacted]	21:22	Hang Up Stop	:00
S310	02	251CL	14954040	Dial Only	[redacted]	21:24	Term Num? Quit	:00
S310	02	251CL	14954040	Dial Only	[redacted]	21:24	ID Code Quit	:00
S310	02	251CL	14954040	InterLATA	[redacted]	21:25	Hang Up Stop	:00
S310	02	251CL	14954040	InterLATA	[redacted]	21:27	Intercept Op	:00
S310	02	251CL	14954040	InterLATA	[redacted]	21:29	No Answer Hang !	:00

OUT=XLS;SHW=Y;RPT=CD2;
Call Date Is Equal To 04/01/2001
Site Is Equal To Karnes County Correctiona
Phone ID Is Equal To 10
Duration is actual time from Termination time - Connection time

AT&T Inmate System Report

[illegible]

Call Date: Equal To 04/01/2001
Report Date: 04/20/2001 14:16:53

Phn	Trk	Zone	ID Code	Call Type	Destination Number Dialed	Time HH:MM	Termination Status	MMM :SS
		CDR Date:	04/01/2001					
S205	02	191AR	0100087533	Dial Only	[redacted]	07:35	ID Code Quit	:00
S205	02	191AR	0100087533	Dial Only	[redacted]	07:35	ID Code Bad	:00
S205	02	191AR	01000875	Dial Only	[redacted]	07:35	Term Num? Quit	:00
S309	02	250CR	27443484	Interstate	[redacted]	07:44	Time Out Stop	:00
S205	02	191AR	01009079	Dial Only	[redacted]	08:20	Term Num? Quit	:00
S112	02	272D	14960650	Dial Only	[redacted]	08:47	ID Code Quit	:00
S211	02	260DR	14958210	Dial Only	[redacted]	09:27	Term Num? Quit	:00
S309	02	250CR	27443484	Interstate	[redacted]	09:27	Time Out Stop	:00
S309	02	250CR	27443484	Interstate	[redacted]	09:33	Time Out Stop	:00
S211	02	260DR	014958210	Dial Only	[redacted]	09:33	ID Code Quit	:00
S211	02	260DR	014958210	Dial Only	[redacted]	09:33	ID Code Bad	:00
S207	02	126B		Dial Only	[redacted]	09:46	ID Code Quit	:00
S309	02	250CR	27443484	Interstate	[redacted]	09:48	Hang Up Stop	:00
S112	02	272D	14960650	Dial Only	[redacted]	10:00	ID Code Quit	:00
S210	02	202A	00003827	Local	[redacted]	10:00	No Answer Time (	:00
S112	02	272D	09566825685	Dial Only	[redacted]	10:02	ID Code Quit	:00
S112	02	272D	09566825685	Dial Only	[redacted]	10:02	ID Code Bad	:00
S210	02	202A	00003827	Local	[redacted]	10:02	No Answer Time (	:00
S210	02	202A	00003827	Local	[redacted]	10:11	No Answer Time (	:00
S308	02	247CR	95484753	Dial Only	[redacted]	10:20	Term Num? Quit	:00
S111	02	268D	111255313	Dial Only	[redacted]	11:05	ID Code Quit	:00
S111	02	268D	111255313	Dial Only	[redacted]	11:05	ID Code Bad	:00
S111	02	268D	11255313	Dial Only	[redacted]	11:06	Term Num? Quit	:00
S210	02	202A	00001202	Local	[redacted]	11:07	Validate Block	:00
S114	02	264DL	321553	Dial Only	[redacted]	11:21	ID Code Quit	:00
S205	02	191AR	00	Dial Only	[redacted]	11:24	ID Code Quit	:00
S205	02	191AR	00570	Dial Only	[redacted]	11:29	ID Code Quit	:00
S112	02	272D	14960650	Dial Only	[redacted]	11:35	Term Num? Quit	:00
S104	02	217F	00655926	Dial Only	[redacted]	11:36	Term Num? Quit	:00
S200	02		01005895	Dial Only	[redacted]	11:53	Out of Service	:00
S205	02	191AR	01005895	Dial Only	[redacted]	11:54	ID Code Quit	:00
S205	02	191AR	00570379	Dial Only	[redacted]	11:58	ID Code Quit	:00
S309	02	250CR	274437	Dial Only	[redacted]	12:07	ID Code Quit	:00
S309	02	250CR	27443484	Interstate	[redacted]	12:08	Time Out Stop	:00
S307	02	244CR	64	Dial Only	[redacted]	12:11	ID Code Quit	:00
S307	02	244CR	64	Dial Only	[redacted]	12:11	ID Code Bad	:00
S106	02	224E	62592279	Dial Only	[redacted]	12:15	Term Num? Quit	:00
S106	02	224E	62592279	Dial Only	[redacted]	12:41	ID Code Quit	:00
S301	02	191AL	01005895	InterLATA	[redacted]	12:57	Normal End	2
S308	02	247CR	85671666	Interstate	[redacted]	13:22	Time Out End	3

OUT=XLS;SHW=Y;RPT=CD2;
Call Date Is Equal To 04/01/2001
Site Is Equal To Karnes County Correctiona
Trunk Is Equal To 2
Duration is actual time from Termination time - Connection time

AT&T Inmate System Report

Call Date: Equal To 04/01/2001
Report Date: 04/20/2001 14:08:10

Phn	Trk	Zone	DOC Number	ID Code	Call Type	Destination Number Dialed	Time HH:MM	Termination Status	MMM :SS
		CDR Date:	04/01/2001						
S117	12	205AL	563231	01018908	InterLATA	[redacted]	07:53	Time Out Stop	:00
S117	12	205AL	563231	01018908	InterLATA	[redacted]	07:55	Normal End	14
S117	09	205AL	563231	01018908	Dial Only	[redacted]	08:23	ID Code Quit	:00
S117	11	205AL	563231	01018908	InterLATA	[redacted]	08:23	Time Out End	15

OUT=XLS;SHW=Y;RPT=CD2;
Call Date Is Equal To 04/01/2001
Site Is Equal To Karnes County Correctiona
Inmate DOC Number Is Equal To '563231'
Duration is actual time from Termination time - Connection time

AT&T Inmate System Report

Call Date: Equal To 04/01/2001
Report Date: 04/20/2001 14:02:54

Phn	Trk	Zone	ID Code	Call Type	Destination Number Dialed	Time HH:MM	Termination Status	MMM :SS
		CDR Date:	04/01/2001					
S206	03	129B	14958930	InterLAT	[redacted]	07:16	Validate Check	:00
S205	02	191AR	0100087533	Dial Only	[redacted]	07:35	ID Code Quit	:00
S205	02	191AR	0100087533	Dial Only	[redacted]	07:35	ID Code Bad	:00
S205	02	191AR	01000875	Dial Only	[redacted]	07:35	Term Num? Quit	:00
S123	11	250CL	67221836	IntraLAT	[redacted]	07:42	Normal End	14
S309	02	250CR	27443484	Interstate	[redacted]	07:44	Time Out Stop	:00
S117	12	205AL	01018908	InterLAT	[redacted]	07:53	Time Out Stop	:00
S117	12	205AL	01018908	InterLAT	[redacted]	07:55	Normal End	14
S218	09	205AR	003	Dial Only	[redacted]	07:57	ID Code Quit	:00
S218	11	205AR	00936838	InterLATA	[redacted]	07:57	Normal End	14
S205	03	191AR	01005895	InterLATA	[redacted]	08:03	No Answer Time (	:00
S212	03	257DR	85387876	InterLATA	[redacted]	08:19	No Answer Time (	:00
S205	02	191AR	01009079	Dial Only	[redacted]	08:20	Term Num? Quit	:00
S205	03	191AR	01009079	InterLATA	[redacted]	08:21	Validate Block	:00
S117	09	205AL	01018908	Dial Only	[redacted]	08:23	ID Code Quit	:00
S117	11	205AL	01018908	InterLATA	[redacted]	08:23	Time Out End	15
S212	03	257DR	85387876	InterLATA	[redacted]	08:29	No Answer Time (	:00
S112	02	272D	14960650	Dial Only	[redacted]	08:47	ID Code Quit	:00
S217	11	250CC	27443484	Interstate	[redacted]	08:49	Time Out Stop	:00
S112	03	272D	14960650	InterLATA	[redacted]	08:52	Validate Time Out	:00
S217	09	250CC	27443484	Dial Only	[redacted]	08:52	Term Num? Quit	:00
S217	09	250CC	27443484	Dial Only	[redacted]	08:53	Term Num? Quit	:00
S217	09	250CC	274484	Dial Only	[redacted]	08:54	ID Code Quit	:00
S217	09	250CC	274484	Dial Only	[redacted]	08:54	ID Code Bad	:00
S217	09	250CC	27443484	Dial Only	[redacted]	08:55	Term Num? Quit	:00
S205	03	191AR	00920820	InterLATA	[redacted]	08:59	Normal End	14
S117	11	205AL	01012344	IntraLATA	[redacted]	09:07	No Answer Time (	:00
S121	12	208FR	00937319	InterLATA	[redacted]	09:07	No Answer Time (	:00
S211	02	260DR	14958210	Dial Only	[redacted]	09:27	Term Num? Quit	:00
S309	02	250CR	27443484	Interstate	[redacted]	09:27	Time Out Stop	:00
S211	03	260DR	14958210	Interstate	[redacted]	09:27	Normal End	4
S114	03	264DL	32155243	InterLATA	[redacted]	09:29	Normal End	3
S123	11	250CL	16392656	InterLATA	[redacted]	09:31	Normal End	5
S309	02	250CR	27443484	Interstate	[redacted]	09:33	Time Out Stop	:00
S211	02	260DR	014958210	Dial Only	[redacted]	09:33	ID Code Quit	:00
S211	02	260DR	014958210	Dial Only	[redacted]	09:33	ID Code Bad	:00
S211	03	260DR	14958210	InterLATA	[redacted]	09:33	Normal End	7
S207	04	126B	14958700	InterLATA	[redacted]	09:36	Validate Block	:00
S120	12	208FL	00937319	InterLATA	[redacted]	09:37	No Answer Time (	:00
S120	09	208FL	00937319	Dial Only	[redacted]	09:38	ID Code Quit	:00
S123	11	250CL	16392656	InterLATA	[redacted]	09:41	Normal End	14
S211	03	260DR	14958210	Interstate	[redacted]	09:42	Normal End	4

OUT=XLS;SHW=Y;RPT=CD2;
Call Date Is Equal To 04/01/2001
Site Is Equal To Karnes County Correctiona
Duration is actual time from Termination time - Connection time

AT&T Inmate System Report

Call Detail w/ Status Report By Inmate Name

Call Date: **Equal To 04/01/2001**
Report Date: **04/20/2001 14:08:10**

Phn	Trk	Zone	Inmate Name	ID Code	Call Type	Destination Number Dialed	Time HH:MM	Termination Status	MMM :SS
		CDR Date:	04/01/2001						
S117	12	205AL	Joe Smith	01018908	InterLATA		07:53	Time Out Stop	:00
S117	12	205AL	Joe Smith	01018908	InterLATA		07:55	Normal End	14
S117	09	205AL	Joe Smith	01018908	Dial Only		08:23	ID Code Quit	:00
S117	11	205AL	Joe Smith	01018908	InterLATA		08:23	Time Out End	15

OUT=XLS;SHW=Y;RPT=CD2;
Call Date Is Equal To 04/01/2001
Site Is Equal To Karnes County Correctiona
Inmate Name Is Equal To 'Joe Smith'
Duration is actual time from Termination time - Connection time

AT&T Inmate System Report

Call Detail w/ Status Report by SBI Number

Call Date: **Equal To 04/01/2001**

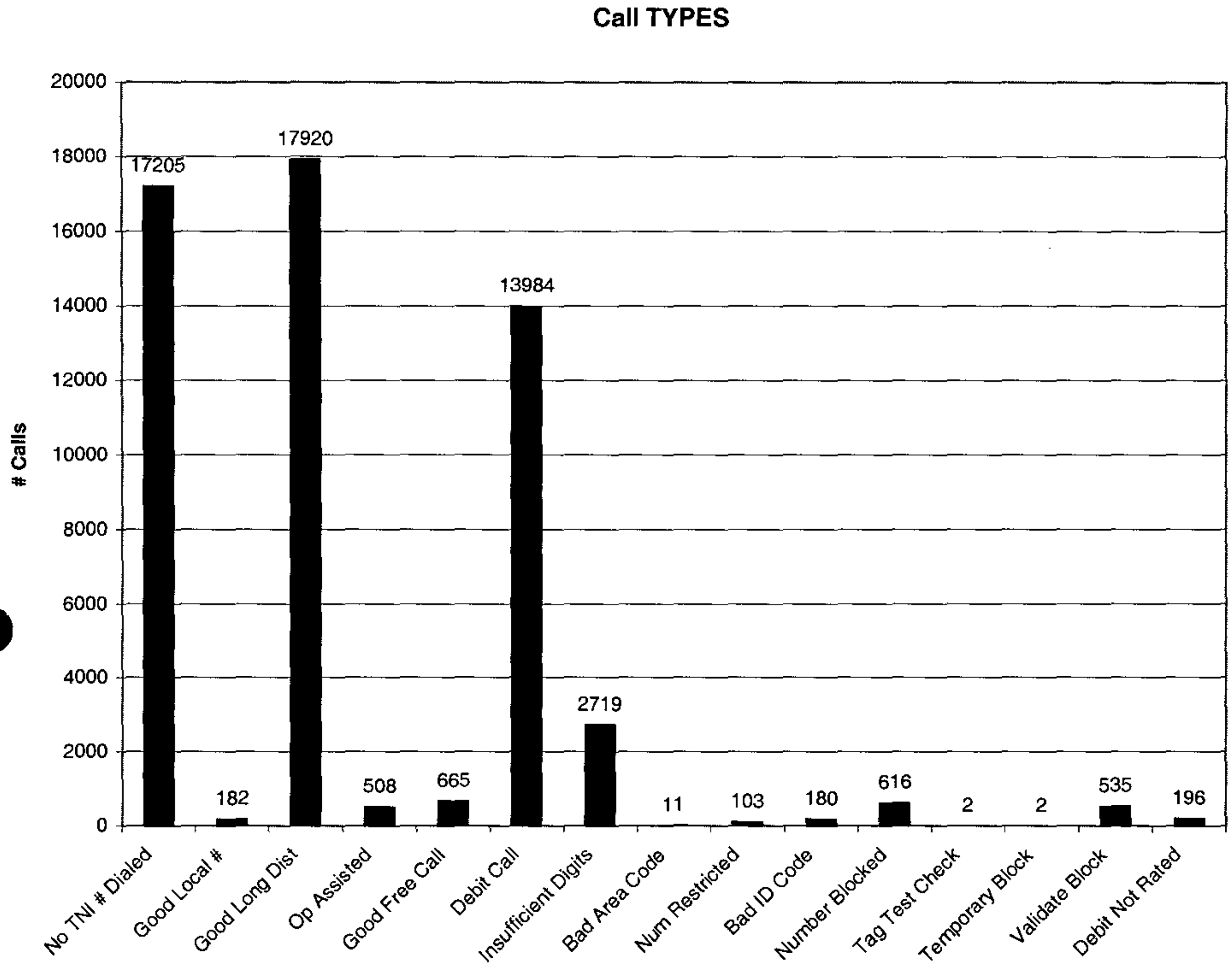
Report Date: **04/20/2001 14:08:10**

Phn	Trk	Zone	SBI Number	ID Code	Call Type	Destination Number Dialed	Time HH:MM	Termination Status	MMM :SS
		CDR Date:	04/01/2001						
S117	12	205AL	21202	01018908	InterLATA	[redacted]	07:53	Time Out Stop	:00
S117	12	205AL	21202	01018908	InterLATA	[redacted]	07:55	Normal End	14
S117	09	205AL	21202	01018908	Dial Only	[redacted]	08:23	ID Code Quit	:00
S117	11	205AL	21202	01018908	InterLATA	[redacted]	08:23	Time Out End	15

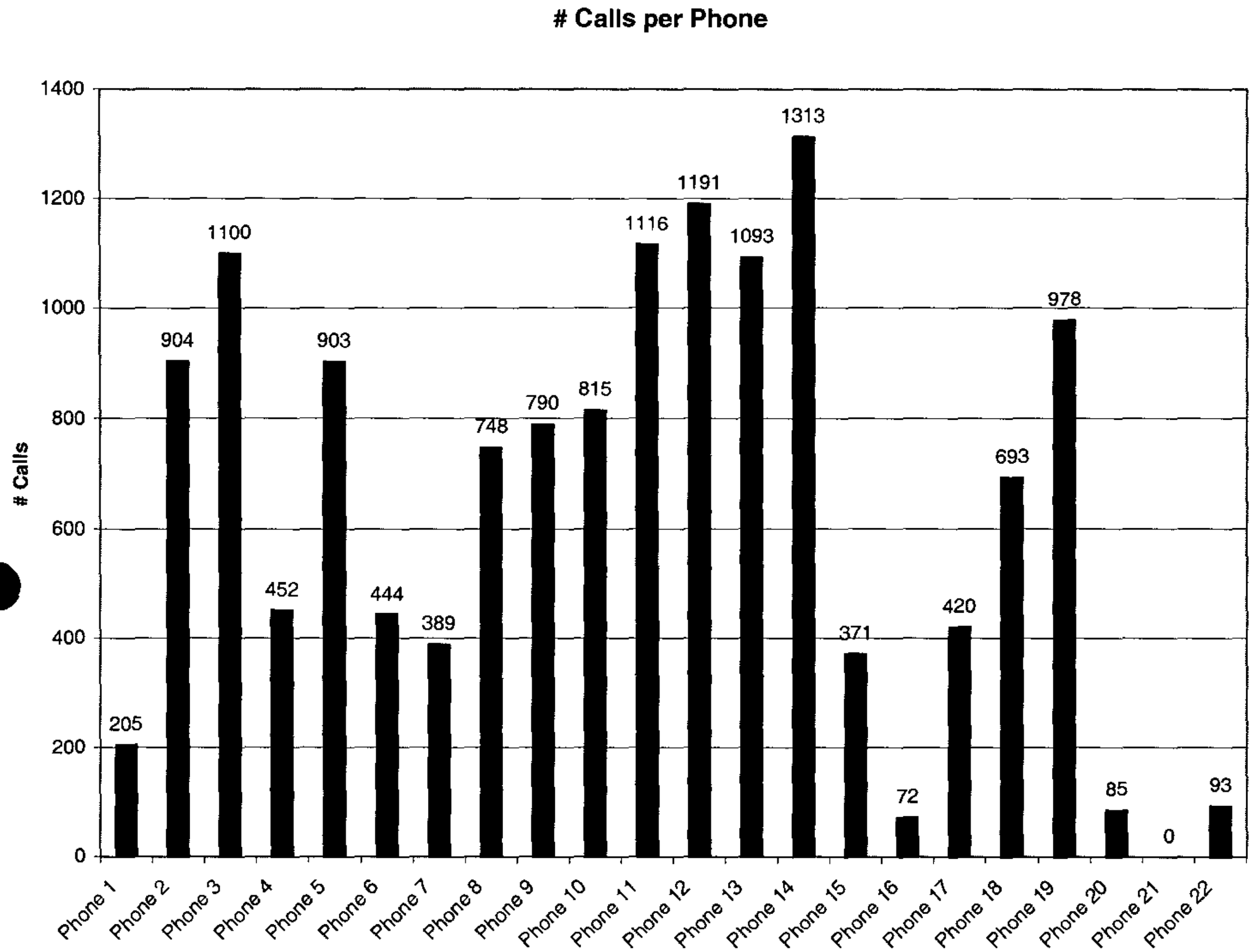
OUT=XLS;SHW=Y;RPT=CD2;
Call Date Is Equal To 04/01/2001
Site Is Equal To Karnes County Correctiona
Inmate SBI Number Is Equal To '21202'
Duration is actual time from Termination time - Connection time

Sample Graphical Reports

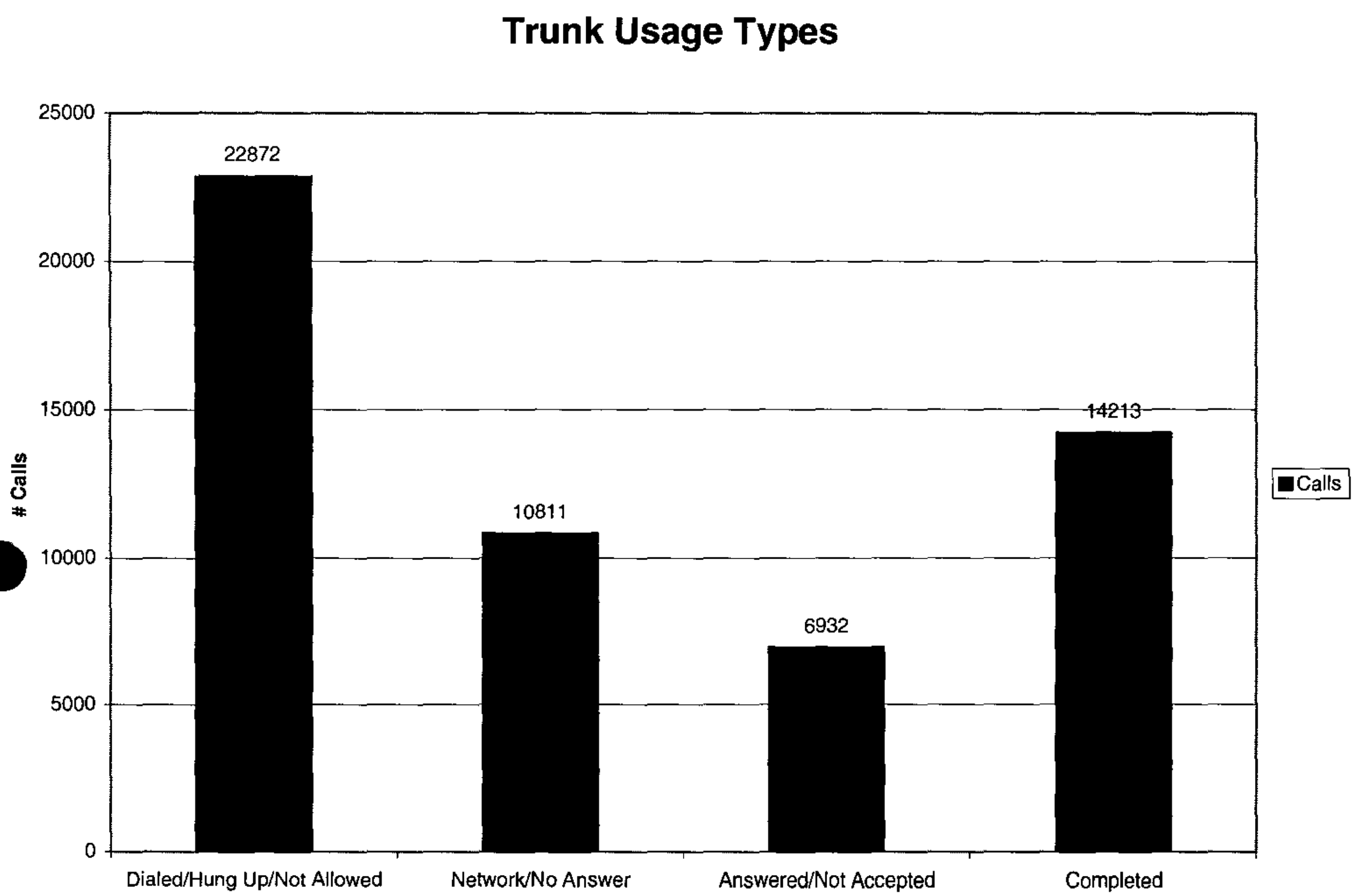
Number Calls by Call Type/Status



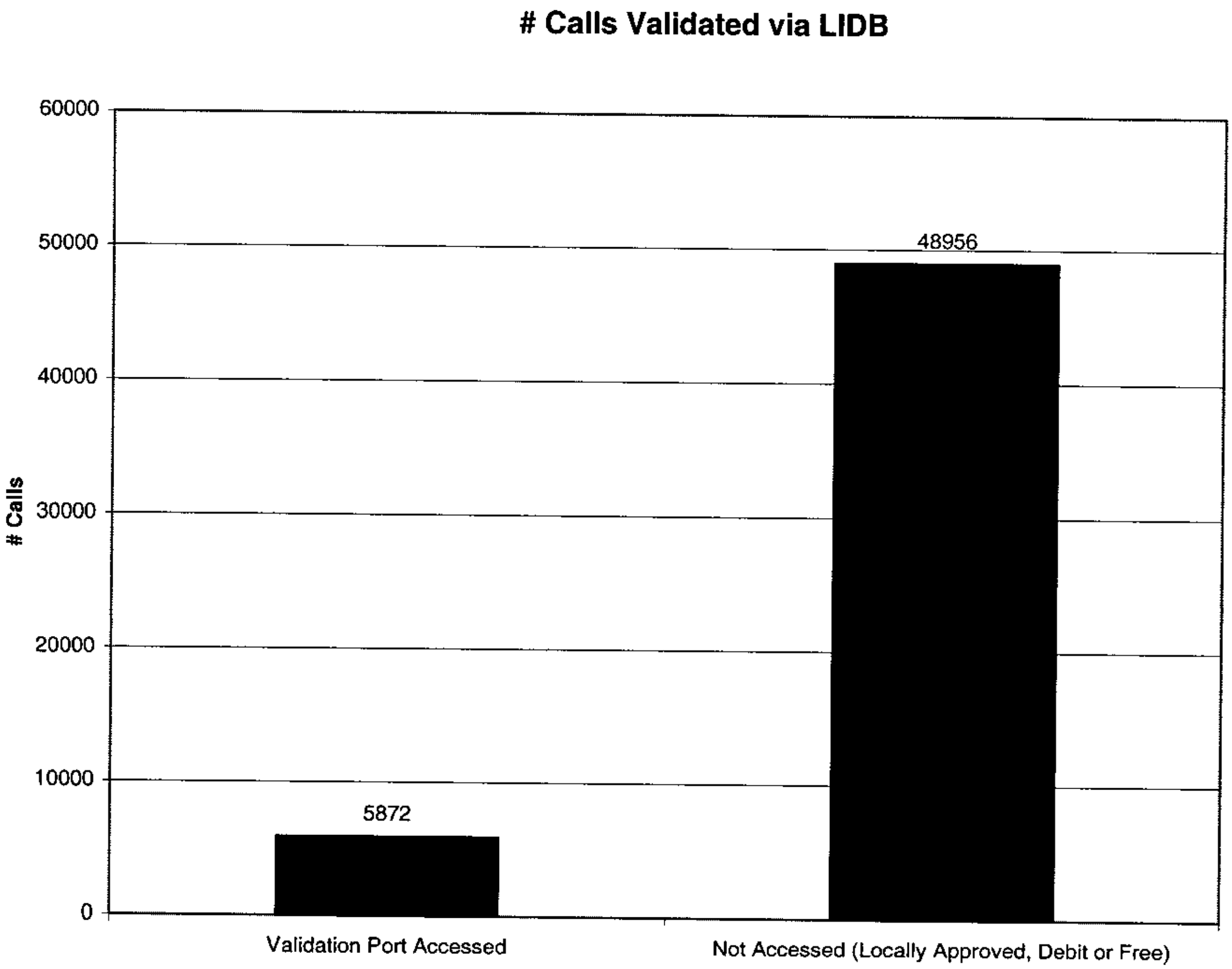
Number Calls Per Phone



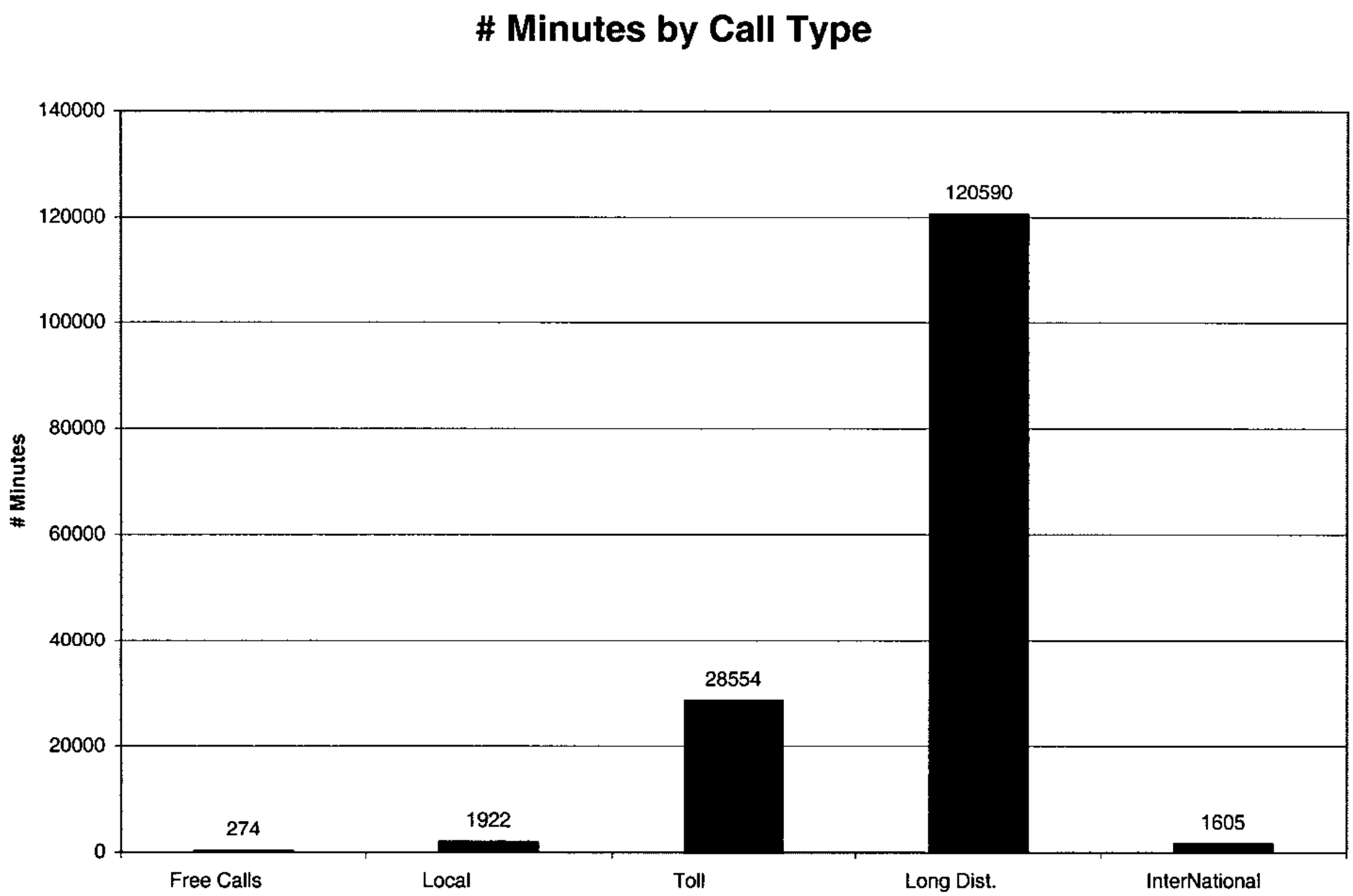
Number Calls by Trunk Usage Types



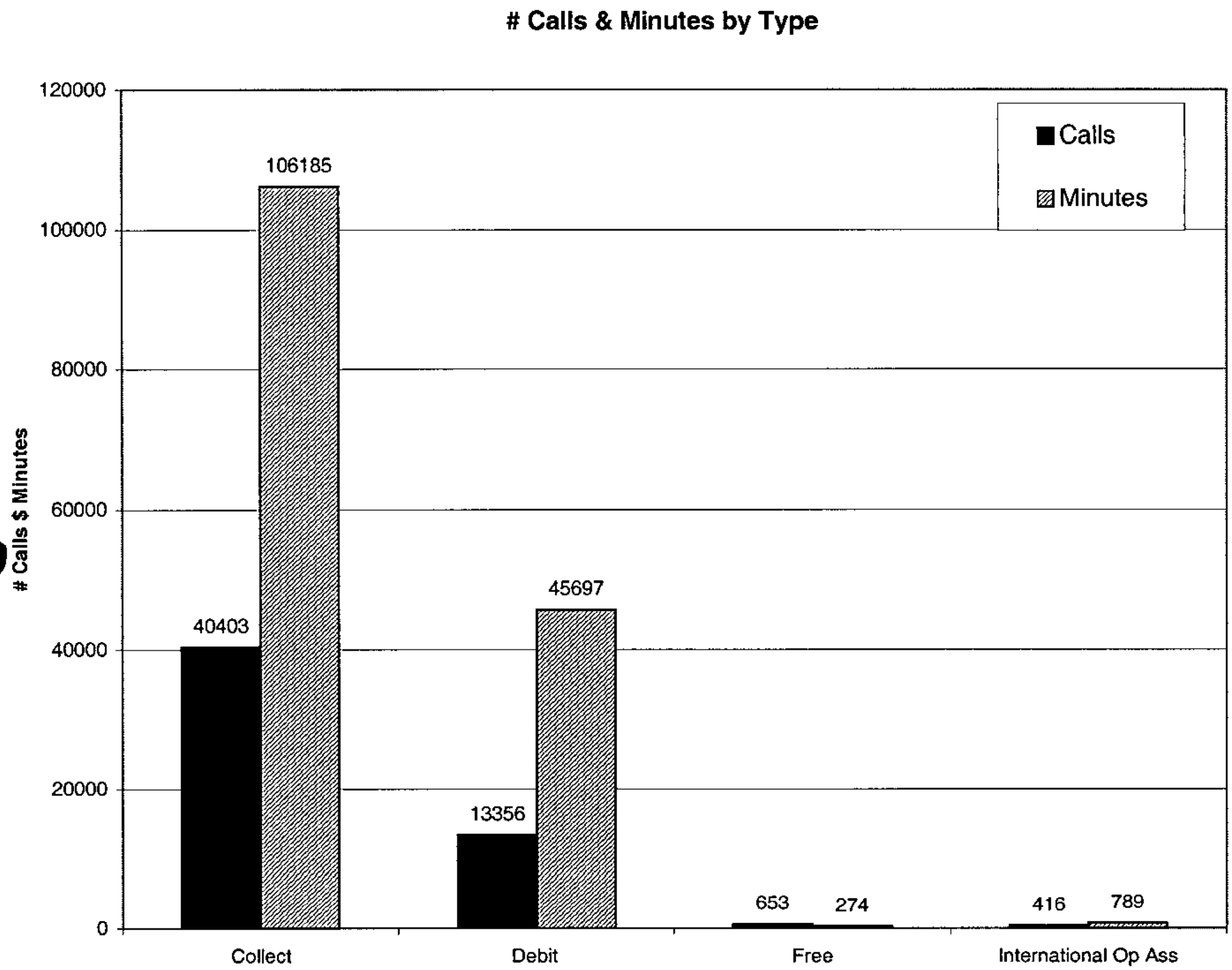
Number of Calls Validate by LIDB



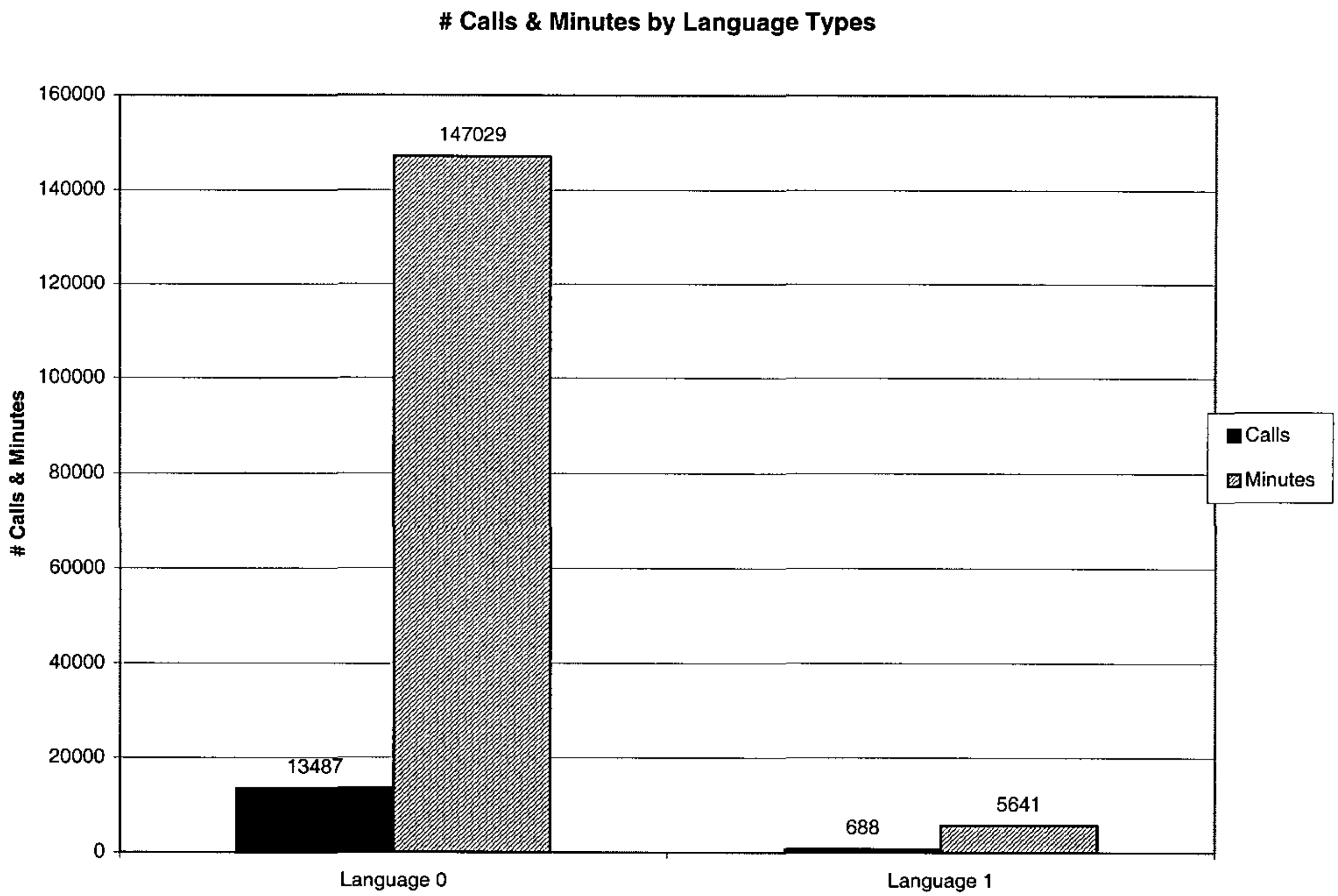
Number Minutes by Call Type



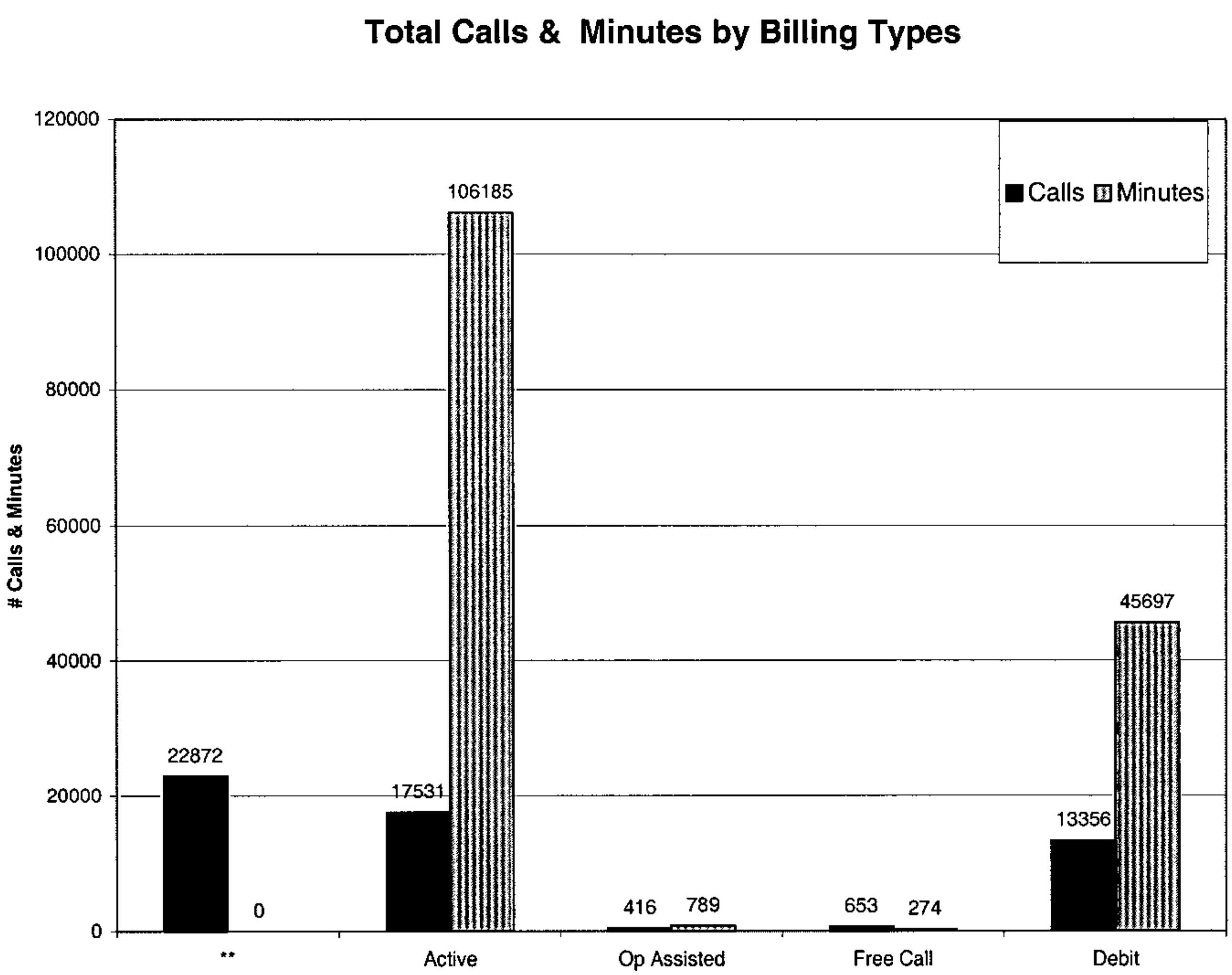
Number Calls and Minutes by Call Type



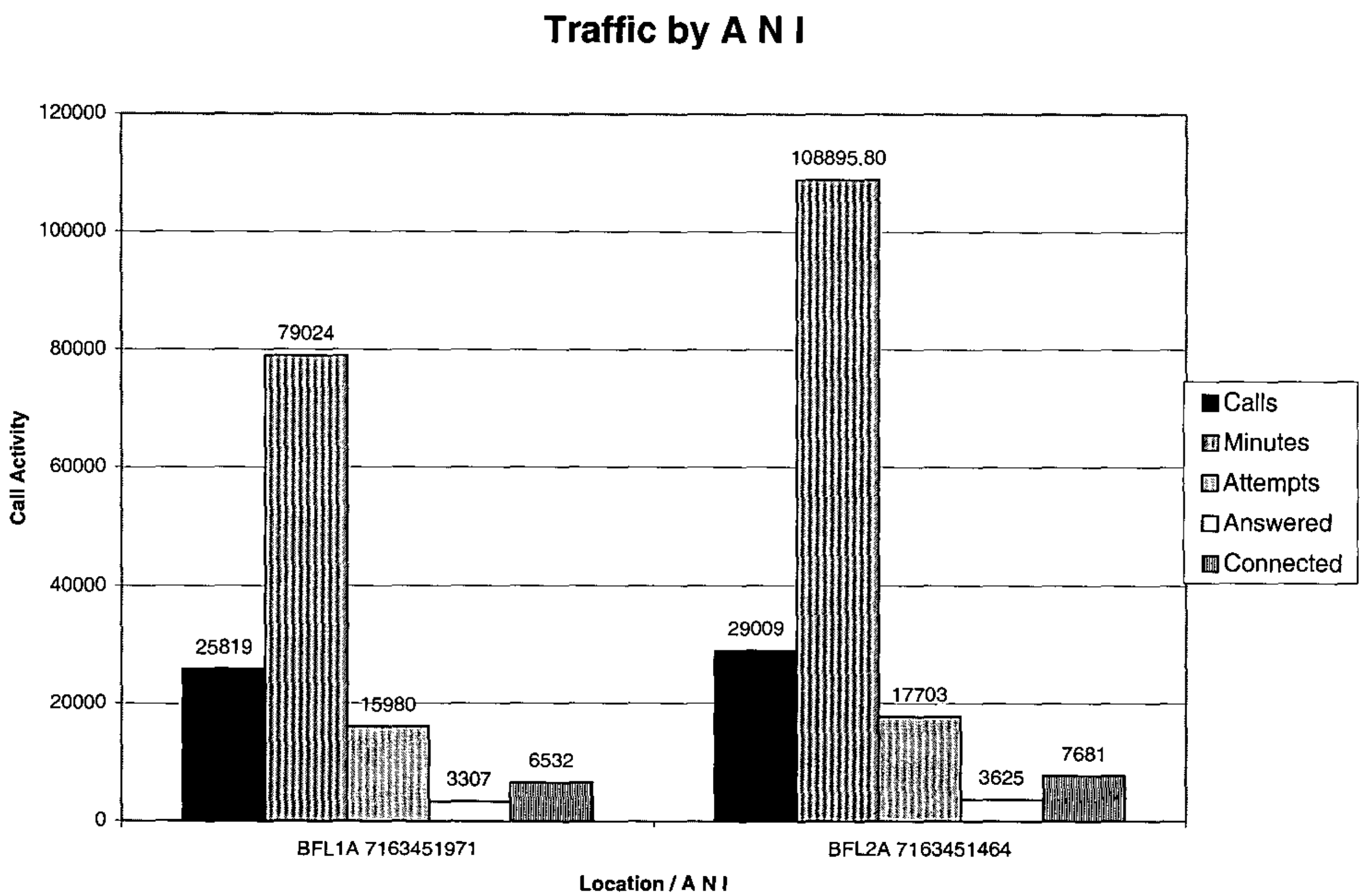
Number Calls and Minutes by Language Type



Number Calls and Minutes by Billing Type

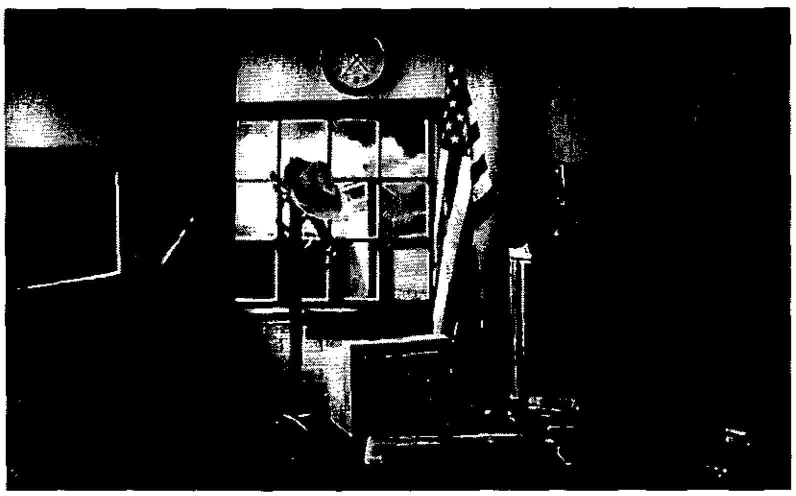


Call Activity by ANI



AT&T

Inmate System



System Features

- **DIGITAL ACP ®**
- **T.O.M.™**
- **HearSay™**

DIGITAL ACP ® Automated Call Processor
Standard Features

The DIGITAL ACP ® is a fully automated call processor that was engineered for maximum flexibility and reliability. Housed in a rack-mountable chassis, the DIGITAL ACP offers extensive feature selections and investigative tools through the use of proprietary software.

The following list of system features is standard with each DIGITAL ACP ®. A qualified technician must activate these features remotely or prior to shipment of the system.

Standard Features	Description
Automated Station to Station Collect Call Processing	Fully automated operator system
Automated Person to Person Collect Call Processing	Fully automated operator system with option to record called party's name
Extensive Bi-Lingual Voice Prompt Library	Over 250 English and Spanish voice prompts
Positive Collect Call Acceptance	Requires active acceptance by called party
Inmate Name Recording	Pre-recorded or recorded with each call
Direct Dial International	Process collect calls to all international destinations
Operator Assistance	Ability to "splash" calls to customer chosen operator center
Facility Specified Free Calls	Calls will not be flagged for billing, usually to attorneys
Trunk Concentration	Fewer c.o. lines are required than inmate phones
Non-Concentration	A 1:1 ratio of phones to trunks
1:1 Ratio with Concentrator Function	Equal number of phones to trunks with ability to bypass out of service trunks
Trunk Switching	Least cost routing, available with concentrator only
Flexible Remote Call Detail Reporting	Reports provided upon request
Speed Dial	Available for one number
Call Blocking	Numbers are blocked remotely
Phone/Trunk Blocking	Phones or Trunks blocked remotely usually due to an out of service condition
Automated Operating Hours	Available globally, by inmate phone, day of week, and holidays
Automated Call Duration Limitation	Available globally, by inmate phone, and call type (local or long distance)
Inmate Alert Voice Overlay Recording	Random announcement played throughout call
3-Way Click Detect	Flagging/Disconnection of possible 3-Way call attempts
Post Connection Keypad Detection	Limits dialing ability during active call
Rotary Click Detect	Enable/Disable identification of rotary signal
Call Branding	Phone specific up to two messages to be played upon

	answer detection
Maximum Rate Quote	Maximum charge stated for interstate calls
V&H Rate Quoting	Maximum charge stated for all call types
Phone ID Message	Played during call setup for ease of ACP phone identification for installation and diagnostics
Activity Guard	Limits the number of calls placed during a specified period of time, programmed globally
Hard Drive Detail Storage	All call detail stored locally on the ACP hard disk
Expandable to include multiple systems	Modular capability to fit any number of inmate phones

DIGITAL ACP ® Automated Call Processor
Software Feature Options

The following software feature options may be added to the DIGITAL ACP ®. Options listed for each software feature should be chosen prior to installation and will be installed by a qualified technician prior to shipment of the system. Software features may be used alone or in combination with others.

Software Feature	Description
Additional Languages	Voice prompts for other languages in addition to the standard English and Spanish prompts.
LIDB Validation	Dial-up or WAN
PIN* (4 –16 digits in length)	Options listed are available at the Global, PIN, and/or Allowed Call List Levels: - Call duration control (Global level) - Day/Time Restrictions (Global level) - Administrative Hold (PIN level) - Self Learn Mode (PIN level) - Activity Guard (Global) - Recording (Global, PIN, and Allowed Call List) - Monitoring (Global, PIN, and Allowed Call List) - 3-Way Call Detect (Global level) - Language Preference (Global level)
PIN w/ Allowed Call List	Options listed are available at the Global, PIN, and/or Allowed Call List Levels: - Call duration control (Global level) - Day/Time Restrictions (Global level) - Administrative Hold (PIN level) - Activity Guard (Global) - Recording (Global, PIN, and Allowed Call List) - Monitoring (Global, PIN, and Allowed Call List) - 3-Way Call Detect (Global level) - Language Preference (Global level)

Debit (requires PIN numbers)	Options listed are available at the Global, PIN, and/or Allowed Call List Levels: - Call duration control (Global level) - Day/Time Restrictions (Global level) - Administrative Hold (PIN level) - Activity Guard (Global level) - Recording (Global, PIN, and Allowed Call List) - Monitoring (Global, PIN, and Allowed Call List) - 3-Way Call Detect (Global level) - Language Preference (Global level)
Debit w/Allowed Call List*	Options listed are available at the Global, PIN, and/or Allowed Call List Levels: - Call duration control (Global level) - Day/Time Restrictions (Global level) - Administrative Hold (PIN level) - Activity Guard (Global level) - Recording (Global, PIN, and Allowed Call List) - Monitoring (Global, PIN, and Allowed Call List) - 3-Way Call Detect (Global level) - Language Preference (Global level)
Debit Smart Card (requires Debit Feature)	- Weapon-proof - Pre-printed with site and/or company name - Pre-printed dollar amount (any denomination)

DIGITAL ACP ® Automated Call Processor
Additional System Components

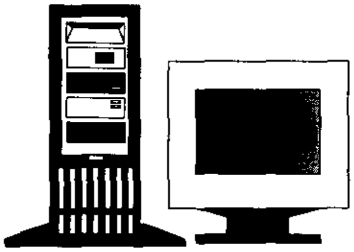
The DIGITAL ACP ® may be used as a stand-alone system for automated collect calling without features such as PIN or Debit.

Digital ACP

The telephone switching system that controls all inmate phone calls.

T.O.M.
<u>TELEQUIP On-Site Manager</u>

The TOM offers site personnel the ability to control various call administrative functions without the need for remote technical assistance. A Local Area Network (LAN) connection to the DIGITAL ACP ® provides real-time viewing and processing capabilities. Sites no longer have to depend on their suppliers to perform such activities as call number blocking, real-time call activity viewing and call detail reporting. See "T.O.M. Features" for a list of available options.



Telequip's On-site Manager (TOM) is an administrative workstation and printer for monitoring and changing any call control requirements.

T.O.M. FEATURES

Feature	Description
Color Monitor	Standard 15" monitor (larger sizes available upon request at extra cost)
Laser Printer	Prints 11ppm
Keyboard	Standard 101-key
Mouse	Microsoft Serial Mouse
Microsoft Windows NT	Microsoft Windows NT Operating System
View Current Phone Status	Real-time call activity display
Call Number Blocking	Real-time call number blocking database by: - Number (up to 16 digits) - Area code - Country code - Exchange - Range of numbers
Flexible Call Detail Reporting	Standard report options: - All calls - All calls by phone - All calls by called number (TNI) - All calls by PIN (when PIN is active)
Ad Hoc Reporting	Create reports from SQL database with reporting software such as FoxPro, Crystal Reports, etc.
Activity Tracking	Tracks all administrative user activity
UID Manager	PIN Management with the following special features: - Random PIN generation - Administrative Hold function - Creating an allowed call list
Debit Manager	Debit Management (combined with the UID Manager) with the following special features: - Random PIN generation - Real-time account balance display - Creating an allowed call list - Commissary Interface (requires development)
PlayVox** (Added when the HearSay component is purchased)	HearSay call recording management with the following special features: - Call recording manifest by date, time, PIN, called number, and inmate phone - Playback functions - Recording archival - Archival restoration - Alert Numbers

HearSay

Call Recording and Monitoring

HearSay, when purchased, is fully integrated with and resides within the DIGITAL ACP® chassis. HearSay provides digital recording and audio listening capabilities and enables correctional facility personnel (investigators, officers, and administrators) to record and/or listen to inmate conversations. Calls are recorded on the HearSay hard drive and archived to a customer chosen form of media such as digital tape, RAID, or optical disk. HearSay is fully integrated with the T.O.M. through LAN connection providing time synchronization and complete data accuracy. Full channel or Selective recording options are available. See "HearSay Features" for a list of available options.

Digital ACP with HearSay

Digital recording system to record and monitor inmate telephone conversations. HearSay resides within the Digital ACP.

HearSay Features

Feature	Description
Full Channel Recording	Records all calls at all times
Selective Recording	Choice of the number of recording channels desired; typically 20% of total phones
Archiving	-Digital Audio Tape (DAT) Archival -Digital Linear Tape (DLT) Archival -RAID - Options for 30 to 365 days online
Remote Monitoring	Ability to monitor calls from any telephone anywhere.
Remote Playback	Forward a recorded call to any telephone from the TOM Playback Station.
Captain Monitoring Phone	Standard single-line speaker phone equipped with a 120 character liquid crystal display (LCD)
CD Recorder	Enables the user to create Audio CDs for use as an interchange device for taking inmate recordings to evidentiary proceedings

Traffic Cop
Data Communications Manager

The Traffic Cop is now imbedded within one DIGITAL ACP ® chassis at each facility and offers multi-level call processing control through a central database. The DIGITAL ACP ®, HearSay, and Traffic Cop functions are network integrated and are further interconnected with the T.O.M. to form the most complete call control system available. When WAN connectivity is required for multiple site installations where centralized control is required, the Traffic Cop within the DIGITAL ACP ® will provide complete centralized control. The site Traffic Cop holds cashed data received from the master Traffic Cop at a central location, and acts as a single point of data for that site's call processing activity. The central data base is the Master Traffic Cop designed to support collect calling activity across multiple facilities. Updates from each site, and database requests generated by each call, and other system activity are processed through the Site Traffic Cop and on to the Master Traffic Cop Central Database via the WAN. The Traffic Cop is required for all PIN, Debit, and/or WAN systems. There are no feature option choices for the Traffic Cop.

Digital ACP with Traffic Cop

A Server Database that stores the inmate information, allowed call numbers, blocked numbers, and other data about each call. The Traffic Cop resides within the Digital ACP.

Hardware Specifications

DIGITAL ACP
Includes HearSay and Traffic Cop, if applicable.

19" Black Chassis contains:
MS NT Workstation OS
Dual IDE Hard Drives
- 20 GB System
- 36 – 80 GB Call Recordings

or
Optional RAID-1 or RAID-5
Redundant, hot swappable power supplies
Redundant fans
ATX Motherboard – 233 Mhz Intel Pentium
or
Pentium 550 Single Board Computer or greater
14 to 20 slot passive backplane
RAM 64MB or greater
Dialogic Based Switching
Analog and/or T1 interface cards
120/1.44MB Floppy Disk Drive
CD-ROM
56 Kbps Modem
15" Monitor
Keyboard, Mouse

TOM

MS NT Workstation OS
ATX Motherboard – 233 Mhz Intel Pentium
128MB RAM
120/1.44MB Floppy Disk Drive
CD-ROM or CD-R/W (HearSay only)
DAT, DLT, or LTO Tape Backup Unit (HearSay only)
56 Kbps Modem
17" Color Monitor
Keyboard, Mouse
Laser Printer

Monitor Phone

Nortel Model #390

Hardware Specifications con't.

UPS

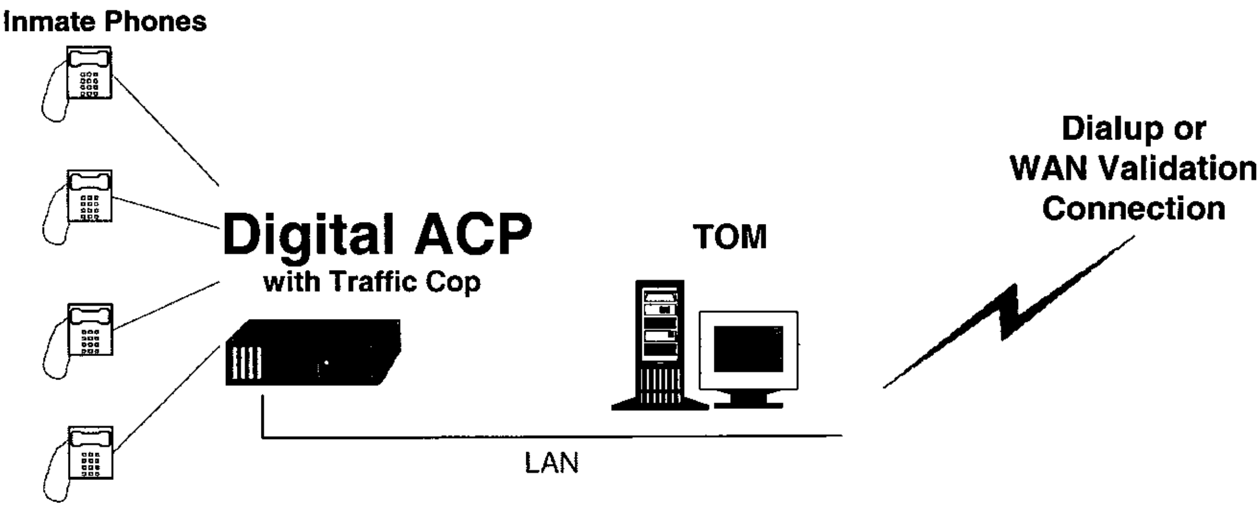
Minuteman Enterprise Series rack mount or equivalent

Racks

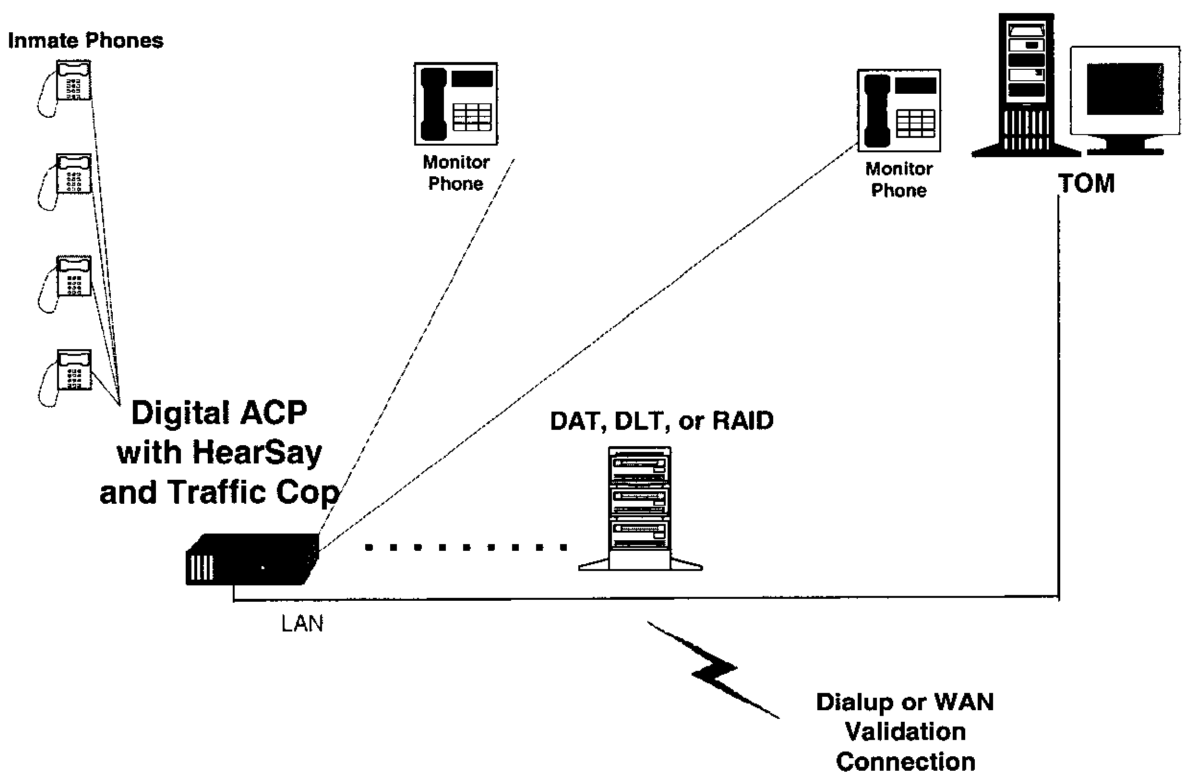
19" equipment rack with shelves

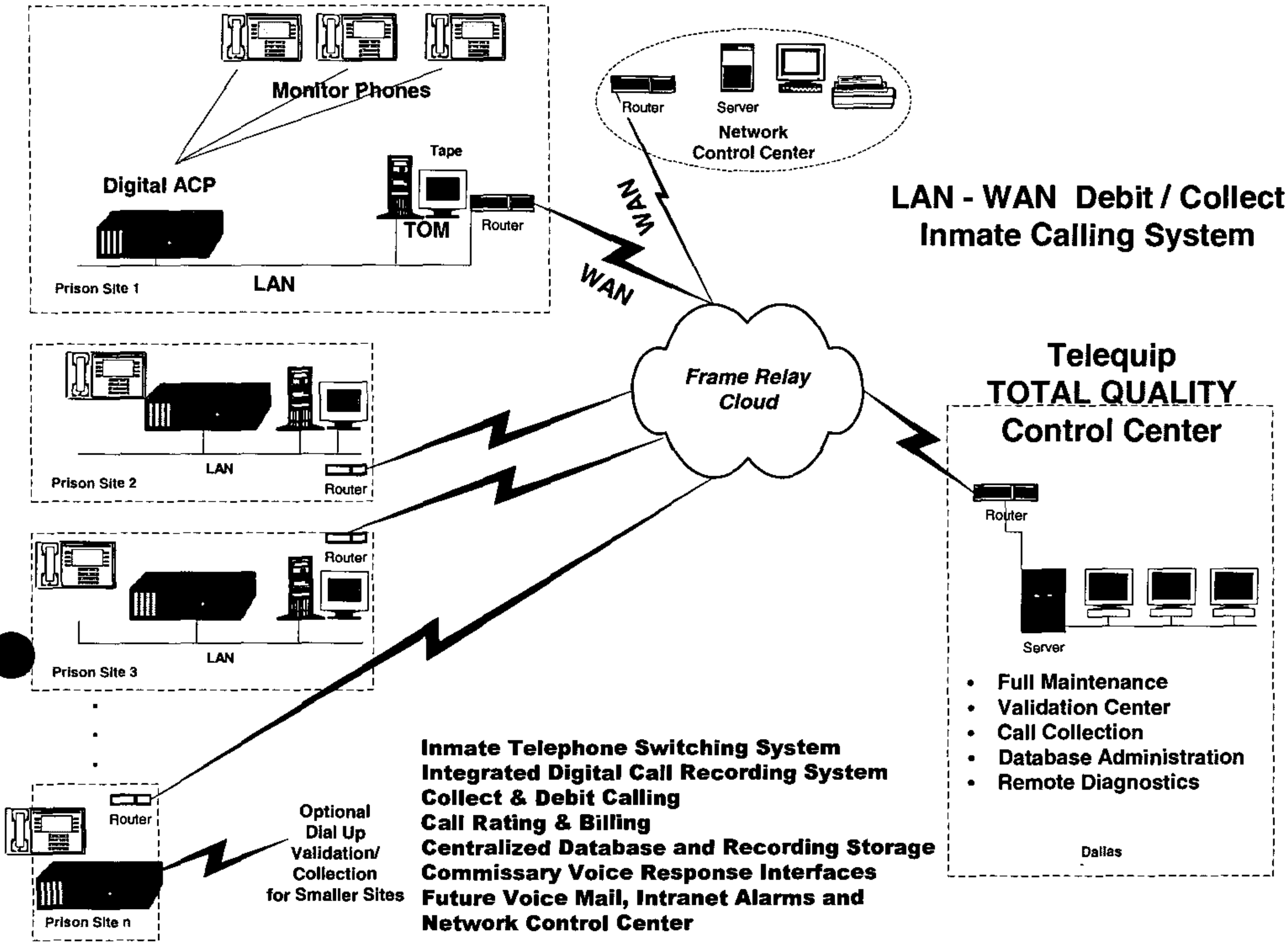
This list represents equipment comprising the AT&T Inmate System platform. All items are subject to change without notice. Changes to the equipment will be equivalent to or greater then those represented in this specification.

Small Site Configuration



Large Site Configuration




Monitor Phones
Digital ACP
Tape
TOM
Router
LAN
Prison Site 1
Router
Server
Network Control Center
WAN
WAN
LAN - WAN Debit / Collect Inmate Calling System
Frame Relay Cloud
Telequip TOTAL QUALITY Control Center
Router
Server
Full Maintenance
Validation Center
Call Collection
Database Administration
Remote Diagnostics
Dallas
LAN
Prison Site 2
Router
Router
LAN
Prison Site 3
Router
Prison Site n
Optional Dial Up Validation/ Collection for Smaller Sites
Inmate Telephone Switching System
Integrated Digital Call Recording System
Collect & Debit Calling
Call Rating & Billing
Centralized Database and Recording Storage
Commissary Voice Response Interfaces
Future Voice Mail, Intranet Alarms and Network Control Center

AT&T Inmates Systems

Digital ACP®
Voice Prompting

Introduction

This engineering manual is designed for use with the Digital ACP® Inmate Call Processor manufactured by TELEQUIP Labs, Inc. In particular, this document provides detailed description of the system voice prompts and inmate input involved in the collect call process.

This document contains the following sections:

Section	**Description**
One	Detailed text description of call process from off-hook to call termination.
Two	Flow chart of entire call process logic including an extensive listing of possible call conditions and results.
Three	Reference Table – Complete text of ACP® voice messages in both English and Spanish.
Index	Quick Reference Index

Call Process Description

This section describes the action, status of the user, and the voice message flow used in the call process. The steps used in this section are listed by user action, system prompt and voice message.

Purpose

After reading this section, you should be able to achieve the following:
1.) Understand the voice message flow of the call process.
2.) Visualize each voice message and its role in the call process.

Call Process Description
Start of Call

Step	User Action or Status	System Response	Msg. ID	Voice Message Text
1	User takes phone off hook.		371 277	Please dial your identification code, now For Spanish language messages, dial four. (recorded in Spanish)
2	User enters PIN			

User Enters PIN

Step	User Action or Status	System Response	Msg. ID	Voice Message Text
3	PIN Entered			
	No	Time Out		
			379	A valid ID code must be entered before dialing a telephone number.
		Dial Tone	150	
		SIT Tone	170	
			377	You must enter your inmate ID code first.
			376	To check that your ID code is valid, please ask your counselor.
			379	A valid ID code must be entered before dialing a telephone number.
			277	For Spanish language messages, dial four. (Recorded in Spanish)
		Busy Tone	155	
			376	To check that your ID code is valid, please ask your counselor.
			379	A valid ID code must be entered before dialing a telephone number.
		SIT Tone	170	
		Pause		
		Busy Tone	155	
			306	Please hang up first before placing another call.
		Busy Tone	155	
		SIT Tone	170	
			306	Please hang up first before placing another call.
		Busy Tone	155	
		Pause		
		Process returns to step 1		
	Yes	Go to Step 4		

PIN Correct Amount of Digits

Step	User Action or Status	System Response	Msg. ID	Voice Message Text
4	Was the PIN entered, the correct amount of digits?			
	Yes		249	One moment while your number is being validated.
		Go to Step 5		
	No	SIT Tone	170	
			213	The number that you dialed…
		Recorded dialed digits		For example, 1, 2, 3, 4, 5, 6
			215	….cannot be processed.
			234	Your number had an invalid number of digits.
			252	To try your number again please hang up first.
		Busy Tone	155	
			234	Your number had an invalid number of digits.
			252	To try your number again please hang up first.
		Busy Tone	155	
		SIT Tone	170	
			306	Please hang up first before placing another call.
		Busy Tone	155	
		Pause		
		SIT Tone	170	
			306	Please hang up first before placing another call.
		Busy Tone SIT Tone	155 175	
		Busy Tone On Hook Pause Process returns to Step 1	155	

PIN Verified

Step	User Action or Status	System Response	Msg. ID	Voice Message Text
5	Was PIN good?			
	Yes	Go to Step 6		
	No	SIT Tone	170	
			373	I'm sorry, your ID code is not accepted.
			213	The number you dialed….
		Recorded dialed digits		
				For example, 1, 2, 3, 4, 5, 6
			215	…cannot be processed.
			375	To enter your ID code again, hang up first.
		Busy Tone	155	
			373	I'm sorry your ID code is not accepted.
			375	To enter your ID code again, hang up first.
		Busy Tone	155	
		Pause		
		Process returns to Step 1		
6	PIN authorized from this phone?			
			372	Your ID code is accepted.
	Yes		256	To place a collect call, dial zero before dialing the number.
		Dial Tone	150	
	User enters Telephone Number Identification (TNI)	Go to Step 7		
		SIT Tone	170	
			224	Access to your number had been restricted.
	No			
			228	Your PIN number is not permitted from this phone.
		Busy Tone	155	
		Pause		
		Process returns to Step 1		

TNI Entered

Step	User Action or Status	System Response	Msg. ID	Voice Message Text
7	TNI Entered?			
	No		254	Please dial zero plus the number you are calling, now.
			277	For Spanish language messages, dial four. (recorded in Spanish)
		Dial Tone	150	
			250	You must always dial a zero before your number.
			277	For Spanish language messages, dial four. (recorded in Spanish)
		Dial Tone	150	
		SIT Tone	170	
			256	To place a collect call, dial zero plus the number you are calling.
			250	You must always dial a zero before your number.
			201	Your call will be placed as a collect call.
			276	For Spanish language messages, dial four.
			277	For Spanish language messages, dial four. (recorded in Spanish)
		Pause		
		SIT Tone	170	
			306	Please hang up first before placing another call.
		Busy Tone	155	
		SIT Tone	170	
			306	Please hang up first before placing another call.
		Busy Tone	155	
		Pause		
		Process returns to Step 1		
		Go to Step 8		
	Yes			

TNI Valid

Step	User Action or Status	System Response	Msg. ID	Voice Message Text
8	Dialed 0?			
	Yes	Go to Step 9		
	No		250	You must always dial a zero before you number.
			254	Please dial zero plus the number you are calling, now.
		Dial Tone	150	
		SIT Tone	170	
			256	To place a collect call, dial zero plus the number you are calling.
			250	You must always dial a zero before your number.
			201	Your call will be placed as a collect call.
			276	For Spanish language messages, dial four.
			277	For Spanish language messages, dial four. (recorded in Spanish)
		Pause		
		SIT Tone	170	
			306	Please hang up first before placing another call.
		Busy Tone	155	
		SIT Tone	170	
			306	Please hang up first before placing another call.
		Busy Tone	155	
		Pause		
		Process returns to Step 1		

Record Name

Step	User Action or Status	System Response	Msg. ID	Voice Message Text
9	Valid number of digits? Yes No	 Go to Step 10 SIT Tone Play dialed Digits Pause Process returns to Step 1	 170 213 215 234	 The number you dialed.... For example, 21461209 ....cannot be processed. Your number had an invalid number of digits.
10	TNI Valid? No Yes	 SIT Tone Play dialed numbers Pause Process returns to Step 1 Go to Step 11	 170 213 215	 The number you dialed..... For example, 1, 2, 3, 4, 5, 6 ......cannot be processed.
11	Is Inmate SLM (Self Learn Mode)? Yes No	 Go to Step 13 Go to Step 12		

Record Name Again

Step	User Action Status	System Response	Msg. ID	Voice Message Text
12	Is TNI on user's list?			
	Yes		201 236	Your call will be placed as a collect call. State your name now.
	User records name			for example, John Brown
			238	Your name has been recorded as…
		Replay recorded name		for example, John Brown
		Go to Step 14		
	No		378 252	I'm sorry but your number has not been authorized. To try your number again, please hang up first
		Busy Tone	155 378 252	 I'm sorry but your number has not been authorized. To try your number again, please hang up first.
		Busy Tone SIT Tone	155 170 256 250 201 276 277	 To place a collect call, dial zero plus the number you are calling. You must always dial a zero before your number. Your call will be placed as a collect call. For Spanish language, dial four. For Spanish language, dial four. (recorded in Spanish)
		Pause SIT Tone	 170 306	 Please hang up first before placing another call.
		Busy Tone SIT Tone	155 170 306	 Please hang up first before placing another call.

Call Blocked

Step	User Action or Status	System Response	Msg. ID	Voice Message Text
12	No (continued)	Busy Tone Pause Process returns to Step 1	155	
13	Maximum SLM reached? Yes		378 252	I'm sorry but your number has not been authorized. To try your number again please hang up.
		Process returns to Step 1		
	No	Program Adds TNI to user's SLM list.	201 236	Your call will be placed as a collect call. State your name now.
	User records Name		238	for example, John Brown Your name has been recorded as…
		Name played back Go to Step 14		for example, John Brown
14	Record name two times? Yes		240	If you want to record your name again dial two at any time.
		Go to Step 15		
	No	Go to Step 16		

Call Terminated

Step	User Action or Status	System Response	Msg. ID	Voice Message Text
15	Dialed 2 to record name again? Yes User records name again No	 Recorded name is played back. Go to Step 16 Go to Step 16	242 244	State your name again. For example, John Brown Your name has been changed to…. For example, John Brown
16	Process call		246	One moment, while your call is being processed.
17	Call blocked by Telco? Yes No	 Busy Tone Go to Step 21 Go to Step 18	257 229 155	Access to your number has been blocked by the telephone company. Your number does not permit collect calls.
18	Call blocked by billing and collect? Yes No	 Busy Tone Go to Step 21 Go to Step 19	261 229 155	Access to your number has been blocked by a billing and collection company. Your number does not permit collect calls.

Call Completed

Step	User Action or Status	System Response	Msg. ID	Voice Message Text
19	Call blocked by facility administrator? Yes		263	Access to your number has been blocked by your facility administrator.
			232	The number you dialed is not permitted.
		Busy Tone Go to Step 21	155	
	No	Go to Step 20		
20	Call blocked by called party? Yes		269	Access to your number has been blocked by the party you called.
			232	The number you dialed is not permitted.
		Busy Tone Go to Step 21	155	
	No	At the same time the process goes to Step 22 (Calling Party) And Step 30 (Called Party)		

Optional Feature Started

Step	User Action or Status	System Response	Msg. ID	Voice Message Text
21	Has anyone hung up?			
	No			
	First try		2XX	Access blocked by…(2XX Msg from either Steps 17, 18, 19, or 20)
			306	Please hang up first before placing another call.
			2XX	Access blocked by…(2XX Msg from either Steps 17, 18, 19, or 20)
			306	Please hang up first before placing another call.
		Process returns to Step 21		
	Second try		2XX	Access blocked by…(2XX Msg from either Steps 17, 18, 19, or 20)
			306	Please hang up first before placing another call.
			2XX	Access blocked by…(2XX Msg from either Steps 17, 18, 19, or 20)
			306	Please hang up first before placing another call.
		SIT Tone	170	
		On Hook	175	
		Pause		
	Yes	SIT Tone	170	
		On Hook	175	
		Pause		
22	Calling Party	Progress tone generated during dial out process of the call.		

Called Party

Step	User Action or Status	System Response	Msg. ID	Voice Message Text
23	Calling Party Call Answered? No Yes	 Go to Step 39 Go to Step 24		
24	Calling Party Call Accepted? Yes No	 Talk Path Completed (Optional Feature) Connect Start timing Go to Step 25 Time out Busy Tone Go to Step 29	 349 308 155	 Your call could not be completed at this time. Please wait until a later time before trying your call again.
25	Calling Party Call Accepted Optional Feature One minute passed? Yes No	 Go to Step 26 Process returns to start of Step 25		

Called Party Dialed 3

Step	User Action or Status	System Response	Msg. ID	Voice Message Text
26	Calling Party Call Accepted Optional Feature is feature installed? Yes No	 Go to Step 27 Go to Step 28		
27	Calling Party call Accepted Optional Feature has X minutes passed? Yes No	 Go to Step 28	 318 323	 This call is from. An inmate at a correctional facility.
28	Calling Party Call Accepted Optional Feature Time limit (1 minute) passed? Yes No	 Talk Path disconnected Process returns to Step 25	 336 338 352	 You have one more minute for your call. You have only fifteen seconds left. Your call has been terminated.

Optional Feature

Step	User Action or Status	System Response	Msg. ID	Voice Message Text
29	Calling Party Hang Up? Yes No	 Phone on hook Busy Tone Pause Process returns to Step 1	 349 306 155	 Your call could not be completed at this time. Please hang up first before placing another call.
30	Called Party	Pause		
31	Called Party Call Answered? Yes No	 Recording of user's name Go to Step 32 Go to Step 39	 320 322 4986 324	 Hello. You have a collect call from… for example, John Brown …an inmate at a correctional facility. If you will pay, dial three now.

No Ringback

Step	User Action or Status	System Response	Msg. ID	Voice Message Text
32	Called Party Dialed three? Yes No	 Talk Path Completed Optional Feature installed, Connect start timing Go to Step 35 Recording of person making the call Go to Step 33	 334 324 326 328	 Go ahead. If you will pay, dial three now. To accept your call from… for example, John Brown Dial three at the pause.
33	Called Party dialed three? (2nd time) Yes No	 Talk Path Completed Go to Step 34	 334 330	 Go ahead. If you will not pay, please hang up now.
34	Called Party Hang Up? Yes No	 Phone on Hook Time out Dial Tone	 150	

Call Busy

Step	User Action or Status	System Response	Msg. ID	Voice Message Text
35	Called Party Optional Feature one minute passed? Yes No	 Go to Step 36 Process returns to start of Step 35		
36	Called Party Optional feature is feature installed? Yes No	Go to Step 37 Go to Step 38		
37	Called Party Optional Feature has X minutes passed? Yes No	 Go to Step 38 Go to Step 38	318 323	This call is from. An inmate at a correctional facility.

Intercept Operator

Step	User Action or Status	System Response	Msg. ID	Voice Message Text
38	Called Party Optional Feature Time limit (-1 minute) passed?			
	Yes		336	You have one more minute for your call.
			338	You have only fifteen seconds left.
		Talk Path disconnected		
			352	Your call has been terminated.
		Call is terminated		
	No	Process returns to Step 35		
39	Calling Party/ Called Party Call Answered			
	No			
	No Ringback?	SIT Tone	170	
	Yes		344	I'm sorry but no ringback signal was detected.
			308	Please wait until a later time before trying your call again.
			260	To place the next call please hang up first.
		Busy Tone	155	
		SIT Tone	170	
			344	I'm sorry but no ringback signal was detected.
			308	Please wait until a later time before trying your call again.
			260	To place the next call please hang up first.
		Busy Tone	155	
		SIT Tone	170	
	No	Go to Step 40		

No Answer

Step	User Action or Status	System Response	Msg. ID	Voice Message Text
40	Calling Party/ Called Party Call Answered No Busy? Yes	SIT Tone	170	
			264	I'm sorry there is a busy signal at this time.
			262	Please try your number again at a later time.
			306	Please hang up first before placing another call.
		Busy Tone	155	
		SIT Tone	170	
			264	I'm sorry there is a busy signal at this time.
			262	Please try your number again at a later time.
			306	Please hang up first before placing another call.
		Busy Tone	155	
		SIT Tone	170	
	No	Go to Step 41		

No Answer

Step	User Action or Status	System Response	Msg. ID	Voice Message Text
41	Calling Party/ Called Party Call Answered No Intercept Operator? Yes	 SIT Tone	 170 214 306	 The number you dialed is not a working number. Please hang up first before placing another call.
		Busy Tone SIT Tone	155 170 214 306	 The number you dialed is not a working number. Please hang up first before placing another call.
		Busy Tone Pause SIT Tone	155 170	
	No	Go to Step 42		

No Answer

Step	User Action or Status	System Response	Msg. ID	Voice Message Text
42	Calling Party/ Called Party			
	Call Answered			
	No			
	No Answer?	SIT Tone	170	
	Yes		342	Your party has not answered.
			262	Please try your number again at this time.
			306	Please hang up first before placing another call.
		Busy Tone	155	
		SIT Tone	170	
			342	Your party has not answered.
			262	Please try your number again at this time.
			306	Please hang up first before placing another call.
		Busy Tone	155	
		Pause		
		SIT Tone	170	
		Pause		
	No	SIT Tone	170	

2

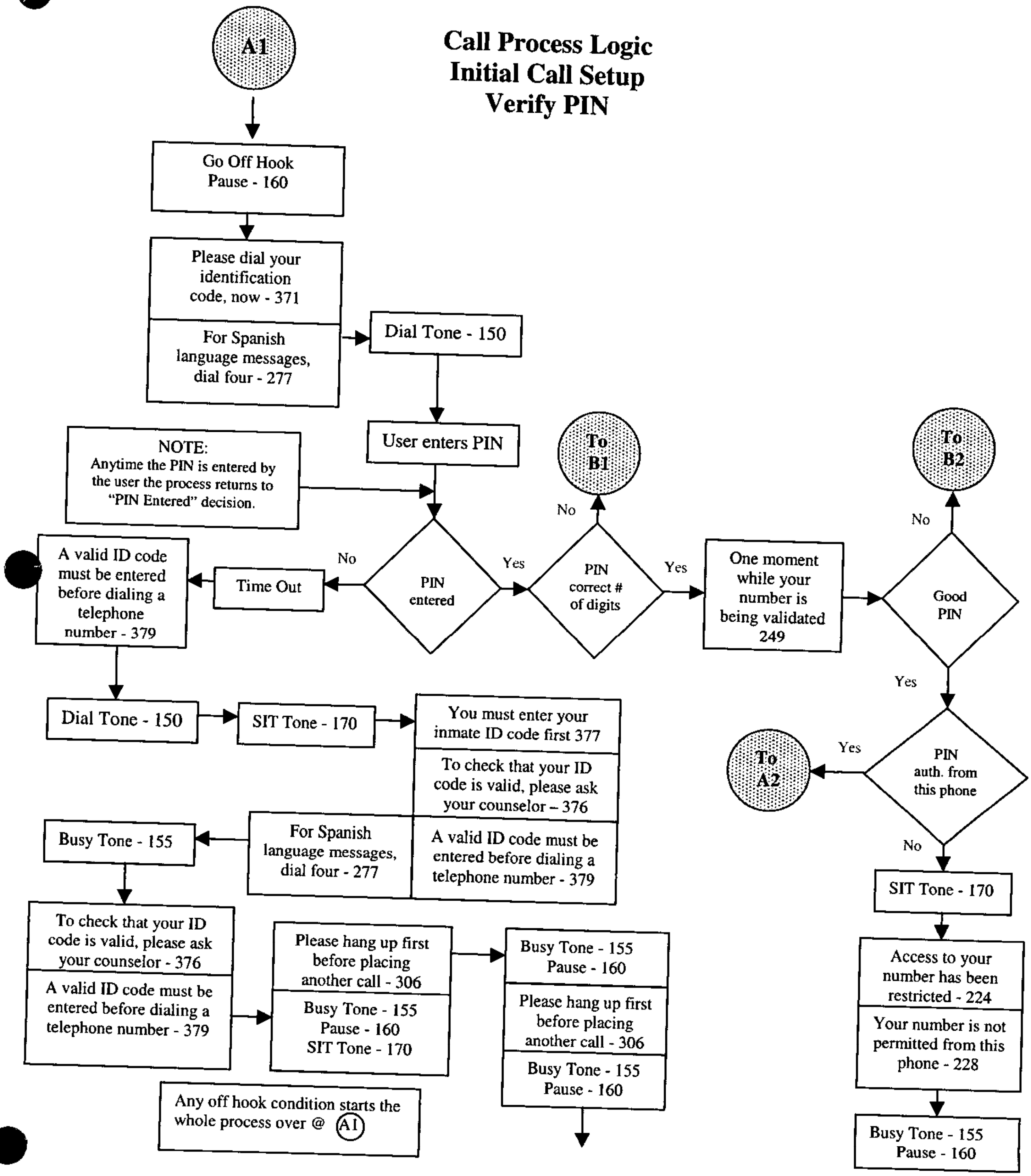
Call Process Logic

This section depicts the call sequence from off hook to call completion in a flow chart representation. The chart also reflects extensive call progress scenarios. The logic flowchart contains messages, decision blocks and system signals.

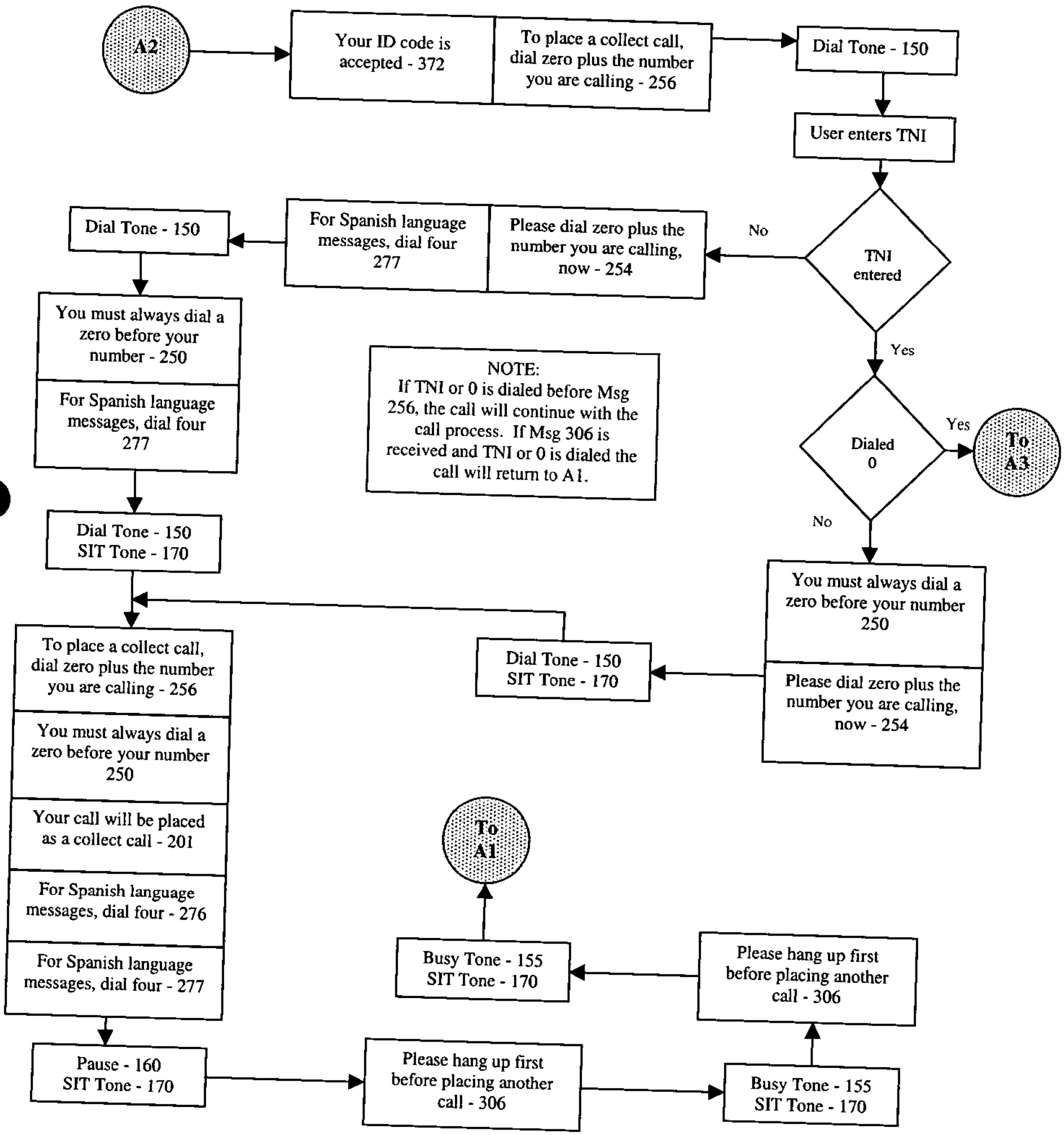
Purpose

After reading this section, you should be able to achieve the following:
1.) Understand the call process from off hook to call completion.
2.) Trace the call in progress using the logic flow chart.

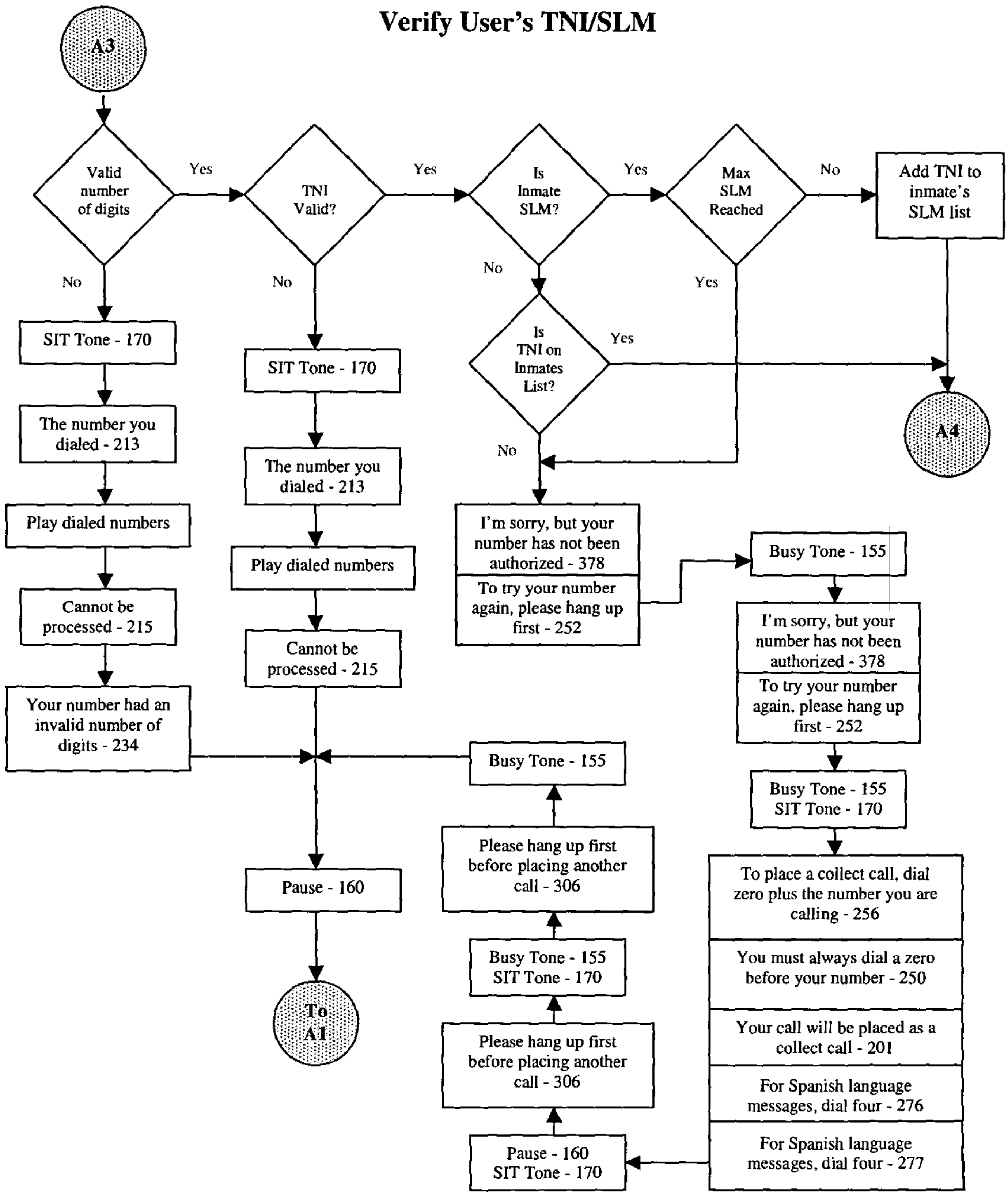
Call Process Logic
Initial Call Setup
Verify PIN



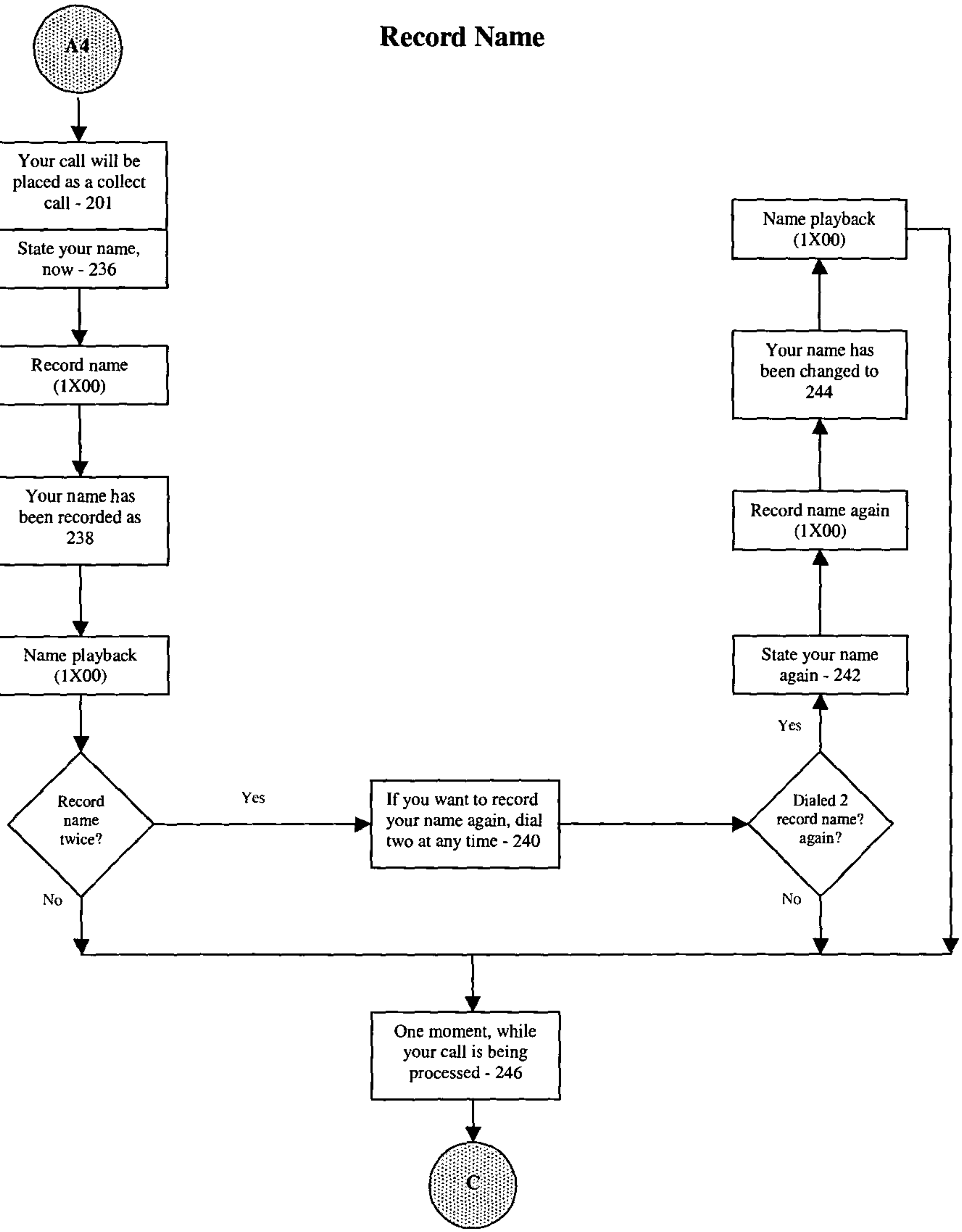
Verify TNI


A2
Your ID code is accepted - 372
To place a collect call, dial zero plus the number you are calling - 256
Dial Tone - 150
User enters TNI
TNI entered
No
Please dial zero plus the number you are calling, now - 254
For Spanish language messages, dial four 277
Dial Tone - 150
You must always dial a zero before your number - 250
For Spanish language messages, dial four 277
Dial Tone - 150
SIT Tone - 170
NOTE:
If TNI or 0 is dialed before Msg 256, the call will continue with the call process. If Msg 306 is received and TNI or 0 is dialed the call will return to A1.
Yes
Dialed 0
Yes
To A3
No
You must always dial a zero before your number 250
Please dial zero plus the number you are calling, now - 254
Dial Tone - 150
SIT Tone - 170
To place a collect call, dial zero plus the number you are calling - 256
You must always dial a zero before your number 250
Your call will be placed as a collect call - 201
For Spanish language messages, dial four - 276
For Spanish language messages, dial four - 277
Pause - 160
SIT Tone - 170
Please hang up first before placing another call - 306
Busy Tone - 155
SIT Tone - 170
Please hang up first before placing another call - 306
Busy Tone - 155
SIT Tone - 170
To A1

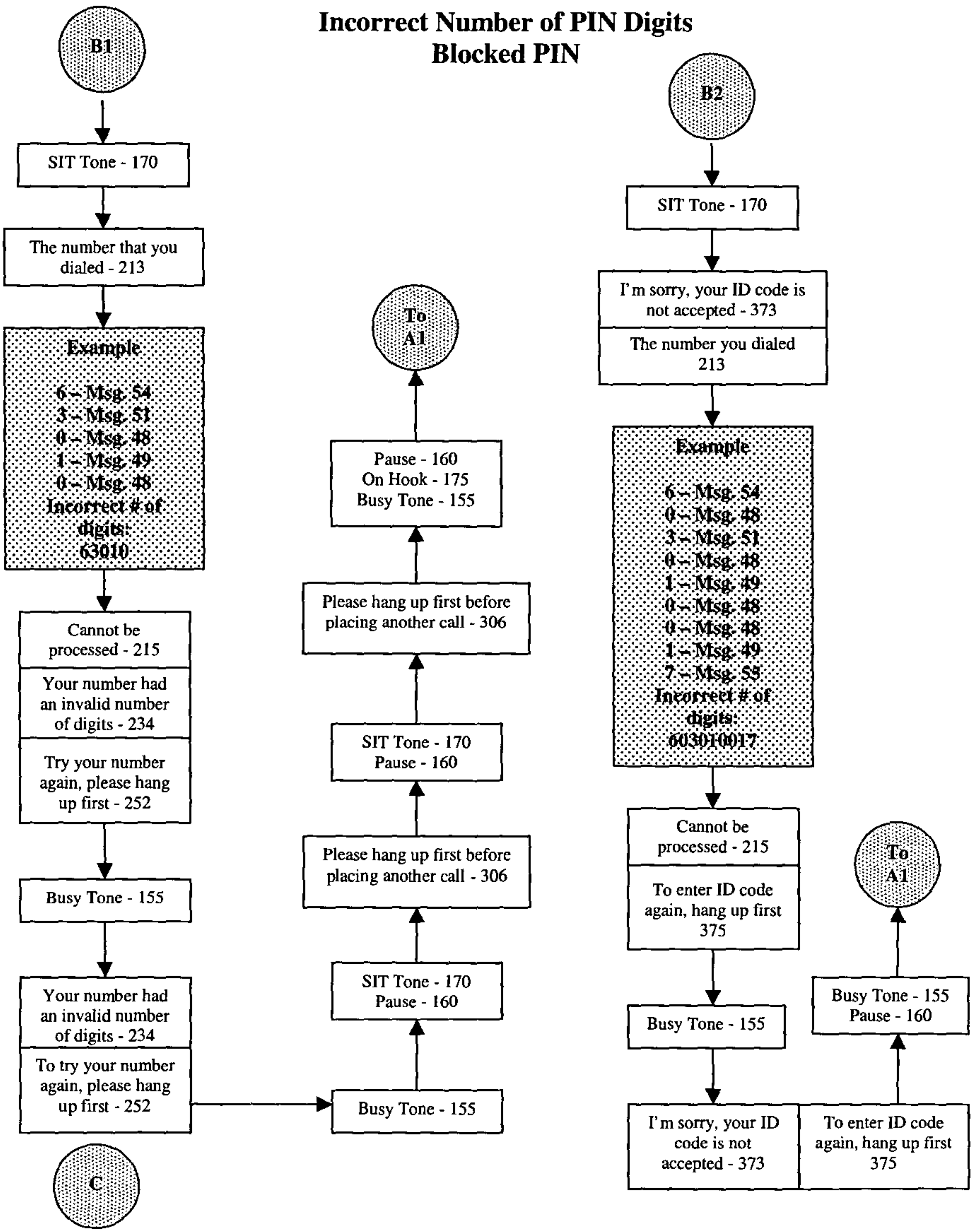
Verify User's TNI/SLM



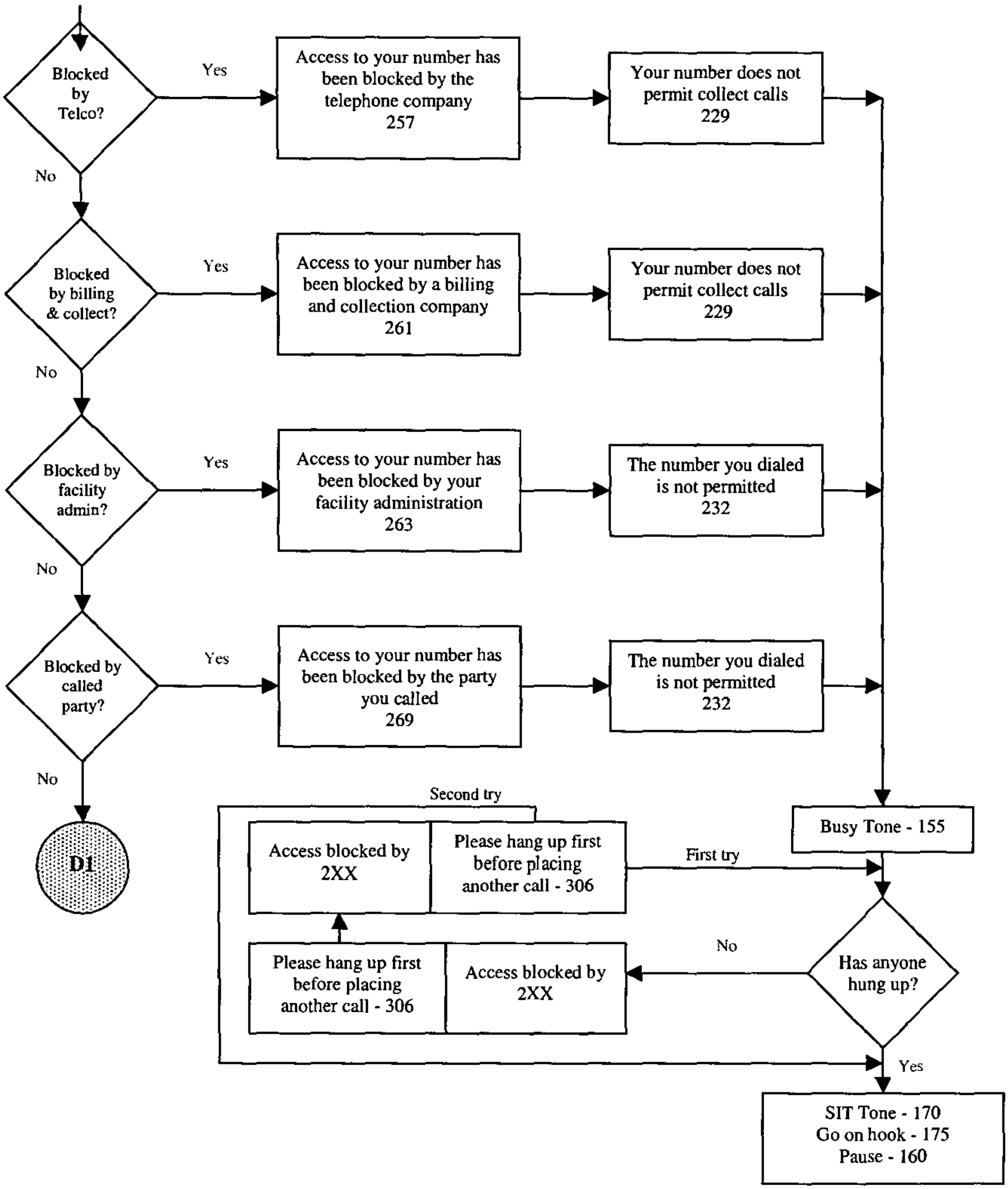
Record Name


A4
Your call will be placed as a collect call - 201
State your name, now - 236
Record name (1X00)
Your name has been recorded as 238
Name playback (1X00)
Record name twice?
Yes
No
If you want to record your name again, dial two at any time - 240
Dialed 2 record name? again?
Yes
No
State your name again - 242
Record name again (1X00)
Your name has been changed to 244
Name playback (1X00)
One moment, while your call is being processed - 246
C

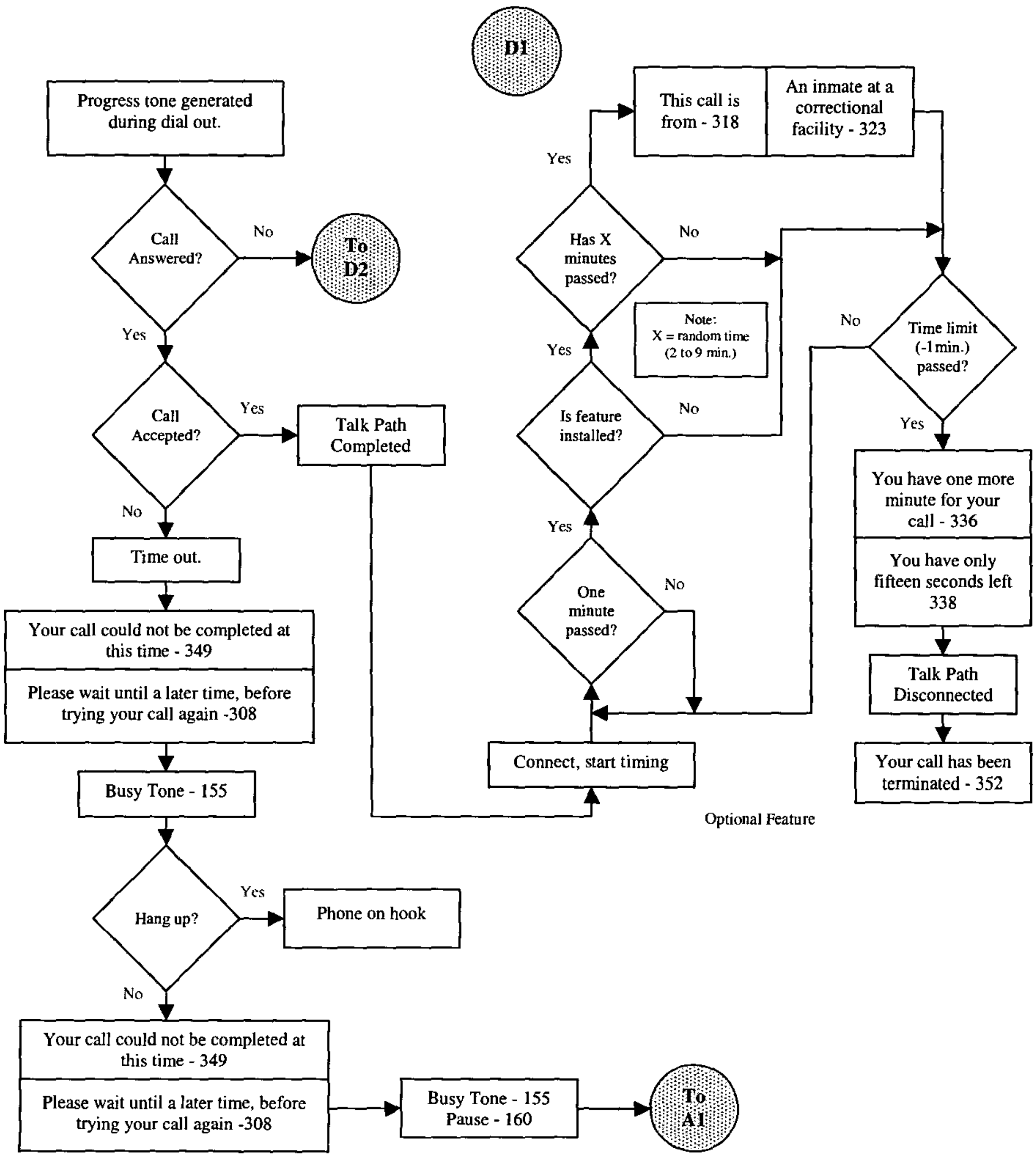
Incorrect Number of PIN Digits
Blocked PIN



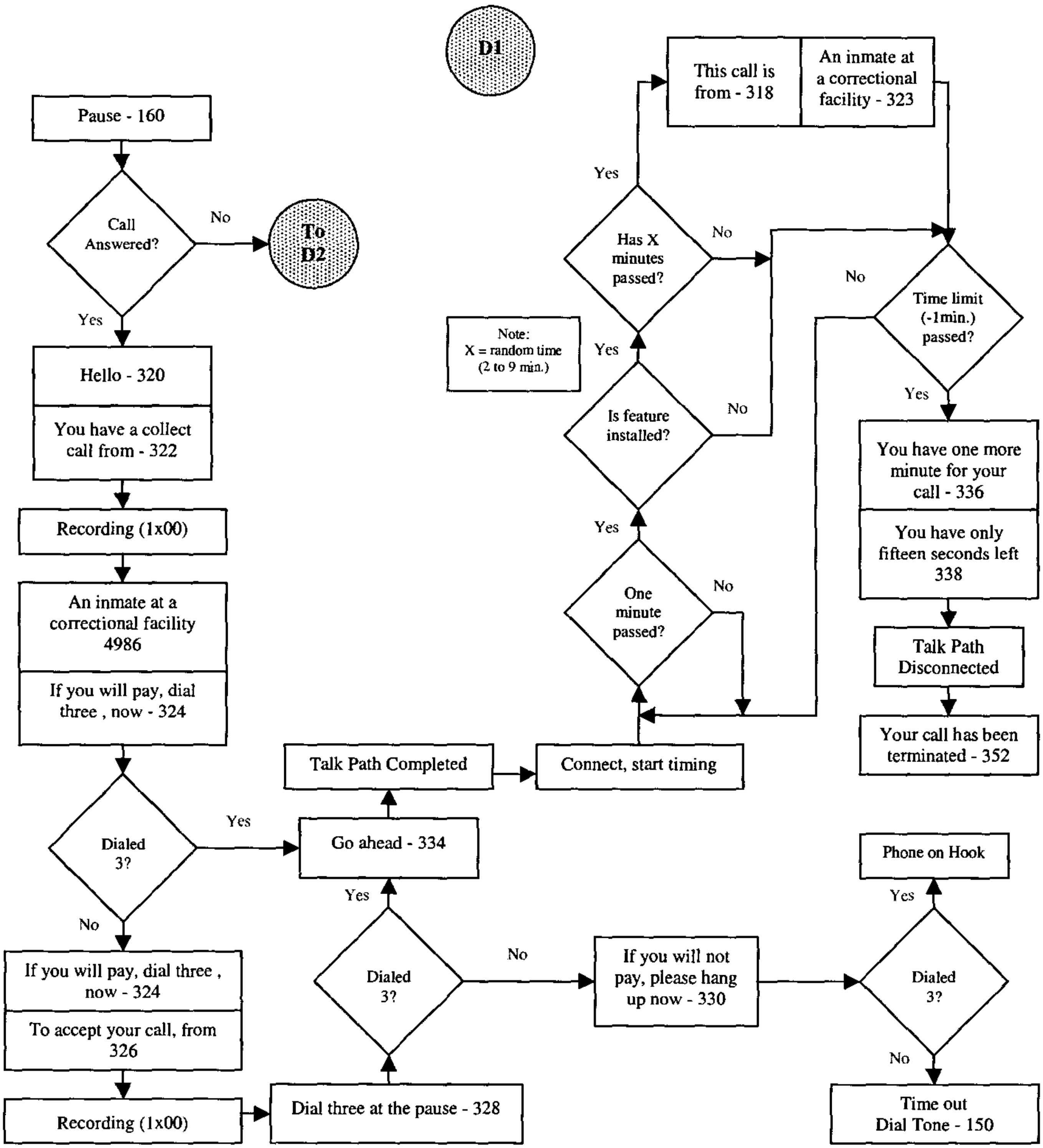
Blocked TNI


Blocked by Telco?
Yes
Access to your number has been blocked by the telephone company 257
Your number does not permit collect calls 229
No
Blocked by billing & collect?
Yes
Access to your number has been blocked by a billing and collection company 261
Your number does not permit collect calls 229
No
Blocked by facility admin?
Yes
Access to your number has been blocked by your facility administration 263
The number you dialed is not permitted 232
No
Blocked by called party?
Yes
Access to your number has been blocked by the party you called 269
The number you dialed is not permitted 232
No
D1
Second try
Access blocked by 2XX
Please hang up first before placing another call - 306
Busy Tone - 155
First try
Please hang up first before placing another call - 306
Access blocked by 2XX
No
Has anyone hung up?
Yes
SIT Tone - 170
Go on hook - 175
Pause - 160

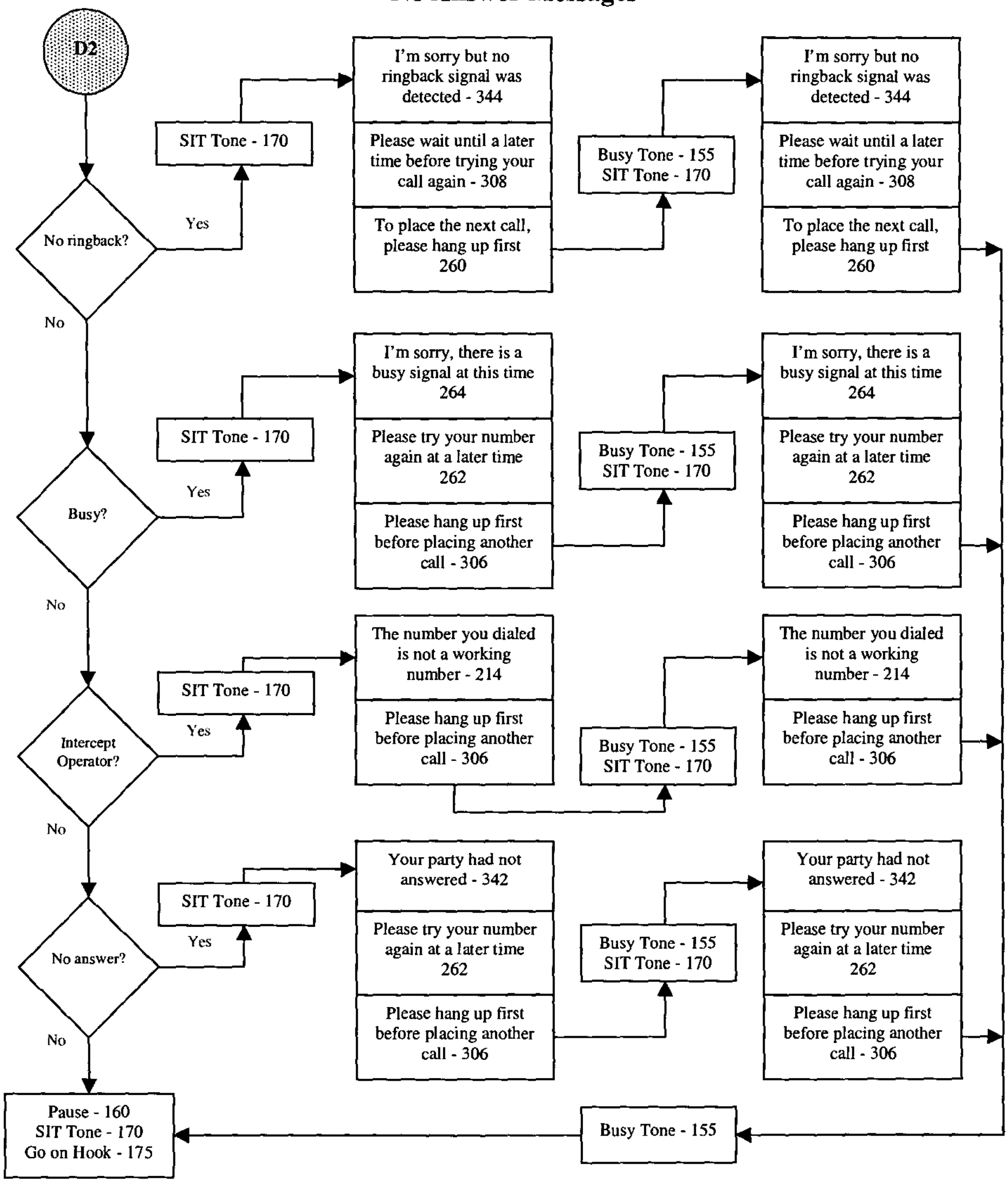
Call Completion



Call Completion



No Answer Messages



3

Voice Message Library

This section presents each voice messages used in the ACP ® call process. The voice messages are listed by number in English and Spanish with the associated text description.

Purpose

After reading this section, you should be able to achieve the following:

1) Understand each voice message contents.
2) Find the meaning of each voice message.

Inmate Dialing and Call Setup

ENGL ID#	SPAN ID#	MESSAGE TEXT (ENGLISH)
201	401	Your call will be placed as a collect call.
202	402	Your call will be placed as a LOCAL COLLECT call.
203	403	You have..
204	404	Your call will be placed as a LONG DISTANCE, COLLECT call.
205	405	..left in your Debit Account.
206	406	Your call will be placed as an INTERNATIONAL call.
207	407	Your call will be placed as a DOMESTIC U.S. call.
208	408	Your call will be placed without reversing the charges.
209	409	for person-to-person collect, dial SEVEN.
210	410	Your call will be placed with a second attempt.
211	411	Your call will be placed as person-to-person collect.
212	412	The number you dialed cannot be processed.
213	413#	The number you dialed..
214	414	The number you dialed is not a working number.
215	415#`	..cannot be processed.
216	416	Your number had an invalid area code.
217	417	..minutes..
218	418	Your number had an invalid local exchange.
219	419#	..calls..
220	420	The area code for your number is restricted.
221	421#	To block all calls from this prison press the pound key.
222	422	The local exchange for your number is restricted.
223	423#	Your access to this number has been temporarily suspended due to excessive, not-accepted calls.
224	424	Access to your number has been restricted.
225	425	Your number has been temporarily restricted..
226	426	Your number could not be connected from this phone.
227	427	Your number could not be validated for collect charges.
228	428	Your number is not permitted from this phone.
229	429	Your number does not permit collect calls.
230	430	International calls are not permitted.
231	431	..because, it is being dialed too often.
232	432	The number you dialed is not permitted.
233	433	Domestic U.S. calls cannot be paid from a Debit Account.
234	434	Your number had an invalid number of digits.

Name Recording and Playback

ENGL ID#	SPAN ID#	MESSAGE TEXT (ENGLISH)
235	435	State your name and identification number, NOW.
236	436	State YOUR name, NOW:
237	437	State the PARTY'S name you are calling, NOW:
238	438	Your name has been recorded as..
240	440	If you want to record you name again, dial "TWO" at any time.
241	441	To record your party's name again, dial "THREE" at any time.
242	442	State your name again:
243	443	State your party's name again, now:
244	444	Your name has been changed to:
245	445	Your party's name has been changed to:
246	446	One moment, while your call is being processed.
247	447	To record your party's name again, dial "ONE" at any time.

Call Processing & Blocking Messages

ENGL ID#	SPAN ID#	MESSAGE TEXT (ENGLISH)
248	448	Processing of your call is continuing.
249	449	One moment, while your number is being validated.
250	450	You must always dial a "zero" before your number.
251	451	Your Debit Account cannot be found.
252	452	To try your number again, please hang up first.
253	453	To enter your Code again, please hang up first.
254	454	Please dial ZERO plus the number you are calling, NOW:
255	455	This Debit Account is either empty, or is already in use.
256	456	To place a collect call, dial ZERO plus the number you are calling.
257	457#	Access to your number has been blocked by the Telephone Company.
258	458	For more calling instructions, dial "STAR".
259	459	<For more calling instructions, dial "STAR".> NOTE: 259 is in Spanish and 459 is in English.
260	460	To place the next call, please hang up first.
261	461#	Access to your number has been blocked by a Billing and Collection Company.
262	462	Please try your number again at later time.
263	463#	Access to your number has been blocked by your facility administrator.
264	464	I'm sorry, there is a busy signal at this time.
265	465	Network conditions have prevented completion of your call.

266	466#	This call may be monitored and recorded at any time.
267	467#	We do this to maintain security and intercept contraband.
268	468	Please hang up to make another call.
269	469#	Access to your number has been blocked by the party you called.
270	470	Your call will be processed with additional operator assistance.
271	471#	Access to your number has been blocked by a long distance carrier.
272	472	I'm sorry, but this telephone is temporarily out of service.
273	473	One moment, while your Debit Account is being validated.
274	474	For more information, or to select a language, dial "STAR".
275	475	One moment while your ID Code is being validated.
276	476	For Spanish language messages, dial "FOUR".
277	477	<For Spanish language messages, dial "FOUR".> NOTE: 277 is in Spanish and 477 is in English.
278	478	For French language messages, dial "FIVE".
280	480	For German language messages, dial "SIX".
281	481	This call requires operator assistance, and is restricted to collect.
282	482	This is an automated call..
283	483	Collect..

Information Messages

ENGL ID#	SPAN ID#	MESSAGE TEXT (ENGLISH)
284	484	..from..
285	485	..as a collect call.
286	486	..with no collect charges.
288	488	..that is restricted to collect.
289	489	To accept your call..
290	490	..requiring operator assistance.
291	491#	To get the charge for this call dial zero.
292	492#	This is a local collect call.
293	493#	This is a long distance collect call.
294	494#	The charge is..
295	495#	The charge will not exceed..
296	496#	.. for the first minute, and..
297	497#	.. Dollars, and..
298	498#	..Cents..
299	499#	.. for each additional minute.

Network Responses

ENGL ID#	SPAN ID#	MESSAGE TEXT (ENGLISH)
300	500	The problem you had with your call will be checked.
301	501	I'm sorry, but your call cannot be processed.
302	502	To try the same call again, please hang up first.
303	503	The circuits for handling your number are busy.
304	504	Please hang up before trying your call again.
305	505	You may dial a different number, now, or retry the same number in a few minutes.
306	506	Please hang up first before placing another call.
308	508	Please wait until a later time, before trying your call again.
310	510	If you are having trouble accepting this call, please check that your telephone has BUTTONS, and is set to produce TONES.

Call Completion Messages

ENGL ID#	SPAN ID#	MESSAGE TEXT (ENGLISH)
311	511	.. no more that GTE or AT&T rates.
312	512	.. no more than Bell or AT&T rates.
313	513	.. no more than C&P or AT&T rates.
314	515	The charges for this call will be..
315	515	.. for a comparable call..
316	516	..from a coin phone.
318	517	..local call in this area code.
318	518	This call is from..
319	519	This call is from an inmate..
320	520	Hello!
321	521	You have a collect call FOR..
322	522	You have a collect call FROM..
323	523	..an inmate at a correctional facility.
324	524	If you will PAY, dial THREE, now.
325	525	If you will PAY, dial FOUR, now.
326	526	To accept your call FROM..
327	527	Your call is FROM..
328	528	..dial THREE at the pause.
329	529	..dial FOUR at the pause.
330	530	If you will NOT PAY, please hang up NOW.

331	531	This call is for..
332	532	Go ahead with your call.
334	534	Go ahead.
335	535	You have one more minute to accept this call.
336	536	You have one more minute for your call.
337	537	You have 30 more seconds to accept this call.
338	538	You have only fifteen seconds left.
339	539	You have only 10 more seconds to accept.
340	540	I'm sorry, your call has been refused.
341	541	This is a collect call.
342	542	Your party has not answered.
343	543	This is a collect call.
344	544	I'm sorry, but no ringback signal was detected.
345	545	To accept your call TO..
346	546	A digit was detected that means your call was refused.
347	547	To refuse this call, hang up now.
348	548	Acceptance of your call was not received.
349	549	Your call could not be completed at this time.
350	550	Dialing is not permitted during your call.
351	551	Please dial "THREE," again, to accept this collect call.
352	552	Your call has been terminated.
353	553	I'm sorry, your call was not accepted.
354	554	If you want to try the same call again, press the POUND key, now.
355	555	Please wait several hours,
356	556	This is a second attempt to place a collect call from..
357	557	Please wait until a later time..
358	558	To accept this call, do not hang up, and you will be billed.
359	559	..before trying your number again.
360	560	If your party was TRYING to accept charges, dial "SEVEN", now.
361	561	..to place your call again.
362	562	If this call reached a WRONG NUMBER, dial "EIGHT", now.
363	563	A network condition occurred that terminated your call.
364	564	If this call was answered by a MACHINE, dial "NINE", now.
366	566	If this call reached an operator, dial "ZERO", now.
368	568	Thank you.
370	570	If you do NOT hang up, your call will be connected and you will be billed.

IDC and PIN Number Controls

ENGL ID#	SPAN ID#	MESSAGE TEXT (ENGLISH)
371	571	Please dial your identification code, now:
372	572	Your ID Code is accepted.
373	573	I'm sorry, your ID Code is NOT accepted.
374	574	You may dial a number authorized by your counselor, now.
375	575	To enter your ID Code again, hang up first.
376	576	To check that your ID Code is valid, please ask your counselor.
377	577	You must enter your inmate ID Code first.
378	578	I'm sorry, but your number has not been authorized.
379	579	A valid ID Code must be entered before dialing a telephone number.
380	580	To check the "Speed Index" for your authorized numbers, please ask your counselor.
381	581	You may dial another number, now.
382	582	To select an authorized number to call, you may enter just the "Speed Index" for that number, followed by the "Pound" key.
383	583	Please dial your inmate identification code, now
384	584	I'm sorry, but this number is temporarily restricted.
385	585	You may have reached this number too often.
386	586	A call to this number will be allowed after the restriction has been removed.
387	587	To pay for calls with your Debit Account, dial "8".
388	588	Please dial your Debit Account code.
389	589	This call will be paid from your Debit Account.
390	590	You must enter your Debit Account, now.
391	591	Then enter your Debit Account code as requested.
392	592	Dial "ZERO" "ONE" plus the country code, city code, and the number of your International Party.
393	593	To open or add to a Debit Account, ask your facility administrator.
394	594	You Debit Account Code is accepted.

Index

The index is used for quick reference to specific subject matter such as parts of the call process, tones, codes, signals, and names.

Inmate System

AT&T

T.O.M.

Administrative Terminal User's Guide

Table of Contents

INTRODUCTION

WHO SHOULD READ THIS MANUAL

This manual is designed for technical personnel who are administrating the inmate phone system.

- Site personnel
- Administrators
- Investigators

OVERVIEW

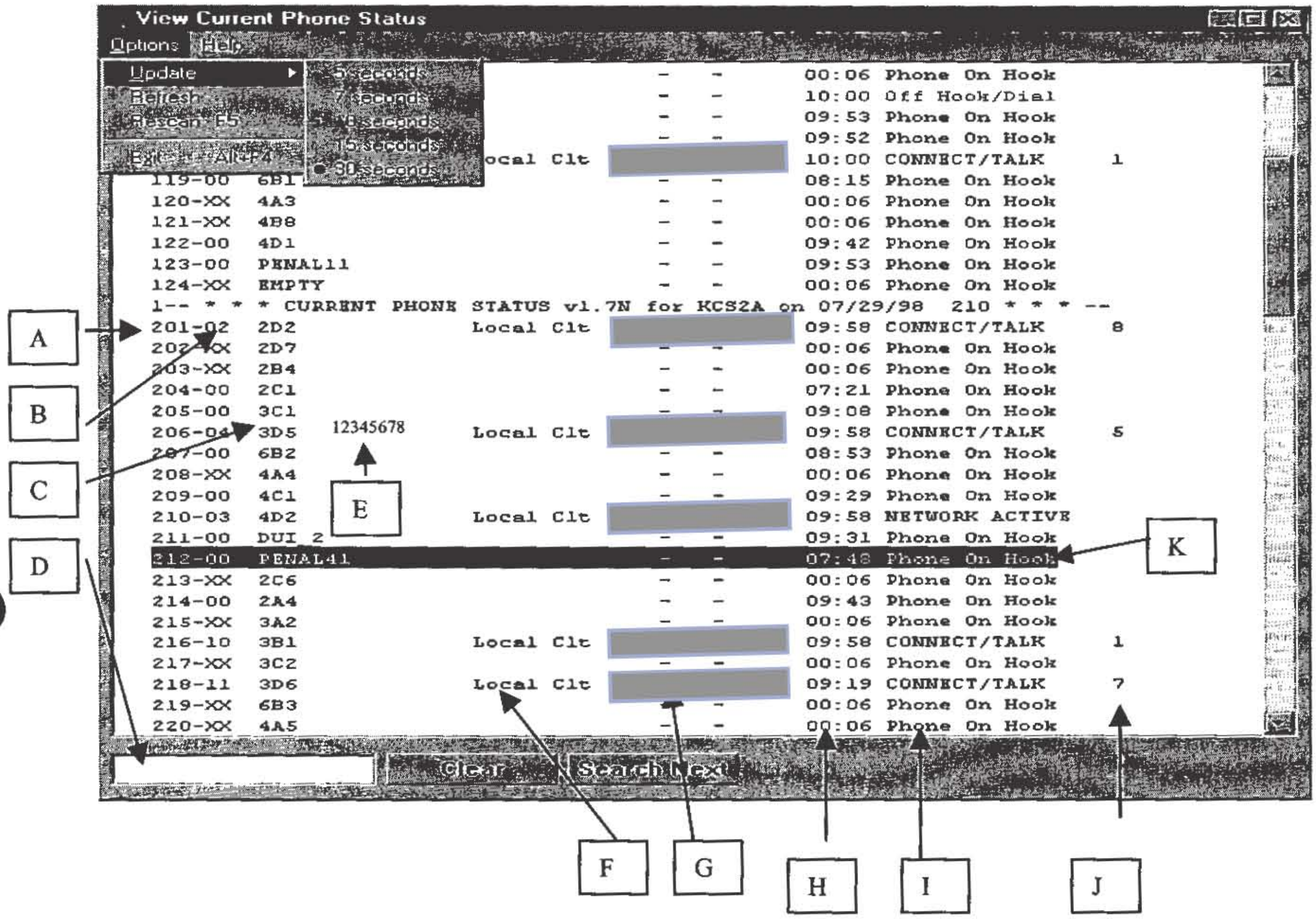
The TELEQUIP On-site Manager (**TOM™**), **HEARSAY™**, and Digital Automated Call Processor (**Digital ACP®**) were developed as a "hands-on" approach to the inmate telephone system. **TOM™** is an administrative system, which connects via high-speed Local Area Network (LAN), to the correctional facility's **Digital ACP®**.

- The **TOM™** assists the administrative site personnel with generating reports, PIN editing, blocking numbers, viewing current phone status, playing back recordings and setting alert numbers.
- The **HEARSAY™** monitors and records inmate conversations.
- The **Digital ACP®** processes inmate telephone calls.
- **MONITORING PHONE™** is part of the **HEARSAY™** product for monitoring, recording and visually displaying the inmate's PIN, dialed number and phone ID.

☎ **Note:** The **Digital ACP®** can operate without any of the other products listed above. Each site configuration is unique.

I. View Current Phone Status

To view the phone status in real time, you may double click the "View Current Phone Status" icon on the TOM administrative terminal. Once opened, the View Current Phone Status window will appear on the screen. See Figure 1.



View Current Phone Status Window **Figure 1**

A = ACP and phone ID i.e. (209) 2=ACP number 09=phone ID
B = Trunk ID (The trunk number that the ACP uses to dial the number)
C = Phone [Zone Location] (Phone location)
D = Search for (By any of the information displayed on the screen. i.e. Phone, Trunk, PIN)
E = Inmate ID Code (PIN) if applicable
F = Call type (Local or Long distance, collect or debit)
G= TNI (Terminating Number Identification) Also known as Dialed Number.

"#" at the beginning and end of the TNI indicates this call is privileged (Not subject to monitoring or recording.)

"*" at the beginning and end of the TNI indicates this call is an alert call and is being recorded.

H = Begin time of the call
I = Current status of the call
J = Call Duration
K = Line selected by the user via the mouse

Note: When the screen is updated, it returns to the top line of the View Current Phone Status. In order to view a line or area you must enter a search "D" or highlight the line by using the mouse.

The main window (Figure 1) is a **real-time** picture of the activities taking place on the phone system. From the Options tab at the top of the window, you have the following options:

Options:

Update: This option allows you to choose how often the screen should be updated (5, 7, 10, 15 or 30 seconds)

Refresh/Rescan: This option allows you to update the screen immediately.

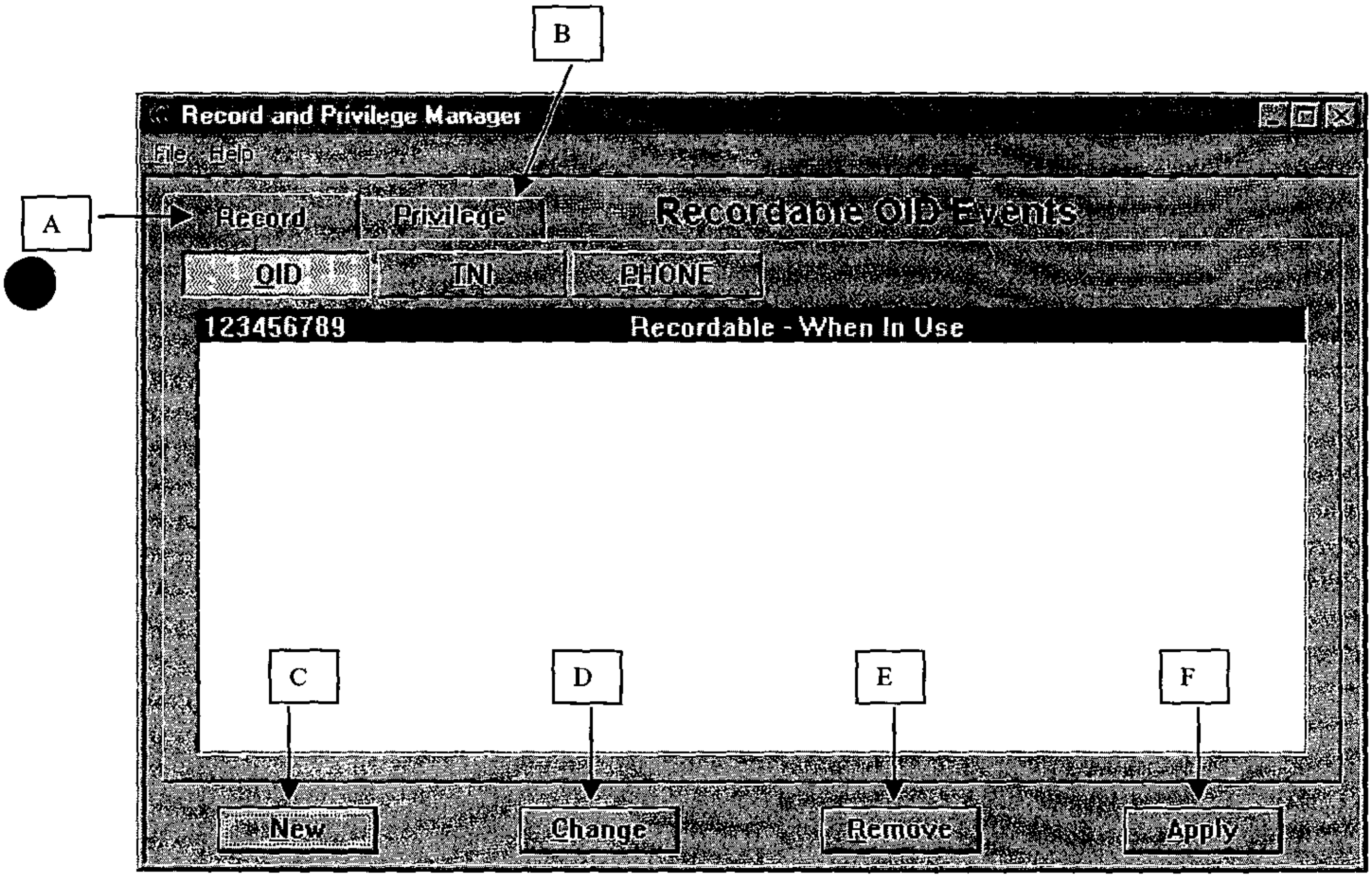
Exit: This option allows you to exit the View Current Phone Status program.

II. Enter Numbers to Record (Record & Privilege Manager)

From the TOM main screen, you may double click the "Enter Numbers to Record" icon to gain access to the Record and Privilege Manager. This program allows you to record calls from a specific **O**ffender **ID** (OID, or inmate ID#), **T**erminating **N**umber **I**dentification (**TNI**, number called), or Phone. You can also specify the OID, TNI, and Phone that are not to be recorded. i.e. Attorney calls (Privileged calls).

For both the Record and Privilege tabs shown in Figure 2 (items A and B), you may create new alerts, change, remove, or apply (items C, D, E, and F).

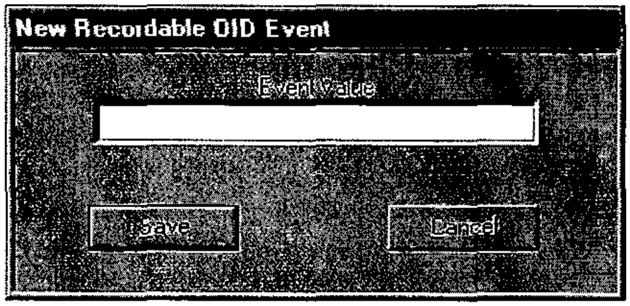
- **A. Record:** Records selected call activities by OID, TNI, or Phone.
- **B. Privilege:** Marks as Do Not Record (i.e. Attorney numbers) by OID, TNI, or Phone.
- **C. New:** Adds new items.
- **D. Change:** Alters an existing item.
- **E. Remove:** Deletes from recording status line.
- **F. Apply:** Sends information to the ACP after all entries are completed.



Record and Privilege Manager Window **Figure 2**

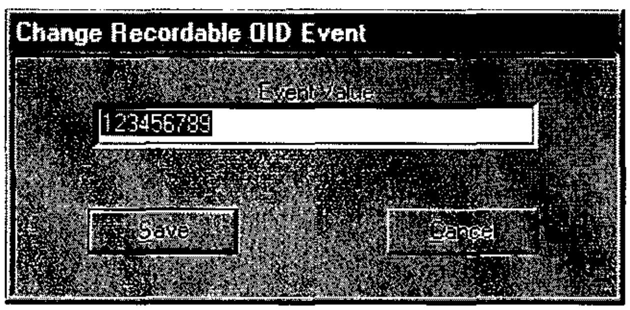
C. If you press the New tab (item C in Figure 2), a new window will pop up onto the screen. See Figure 3. If you're in the OID tab, you may enter an inmate's PIN # (OID) that you want to record (or that you don't want to record if you're in the Privilege screen) and press Save.

If you have clicked the TNI or Phone Tab, you may enter new TNIs or Phones in the space provided in the "New" window seen in Figure 3.



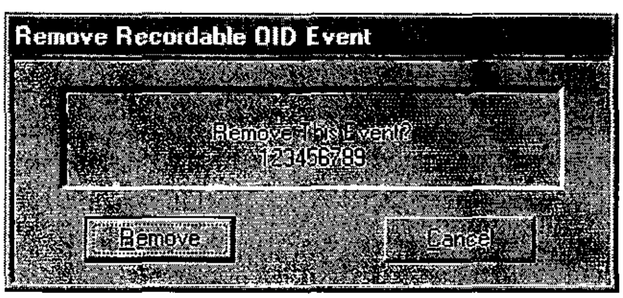
"New" Window **Figure 3**

D. If you want to change a PIN number (OID), TNI, or Phone, simply highlight the item you wish to change in the Record and Privileged Manager main window, and click the Change tab (item D in Figure 2). See Figure 4. Once you've changed the number, click Save.



"Change" Window **Figure 4**

E. If you want to remove a PIN number (OID), TNI, or Phone from the Record and Privileged Manager list, simply highlight the item you wish to remove in the Record and Privileged Manager main window, and click the Remove tab (item E in Figure 2). See Figure 5. To remove the item from the list, click Remove.



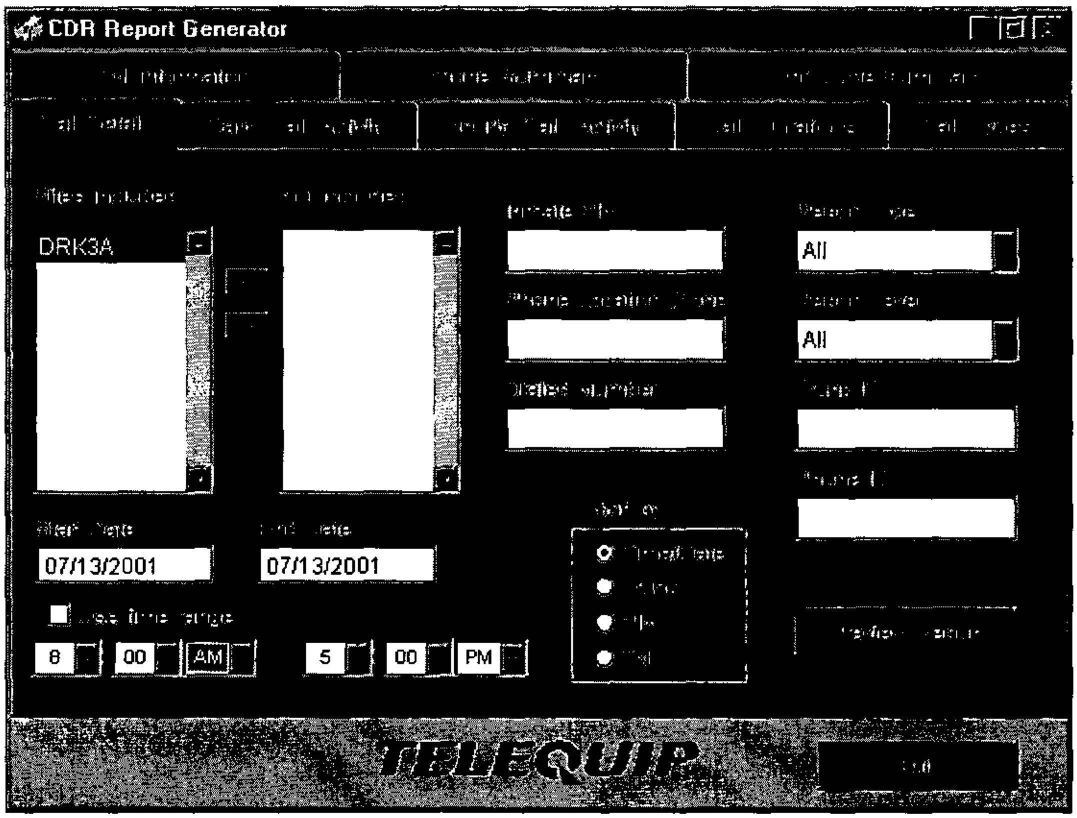
"Remove" Window **Figure 5**

F. After you've completed the additions, changes, or removals of PIN numbers (OID's), TNI's, or Phones, you should click Apply (item F in Figure 2). By clicking Apply, you are sending the new Recording and Privilege information to the ACP. At that time, the ACP will be updated and will regulate the ability to record or not record the PIN numbers (OID's), TNI's, or Phones as specified.

To exit the Record and Privilege Manager program, click the X in the upper right hand corner.

III. Report Generator

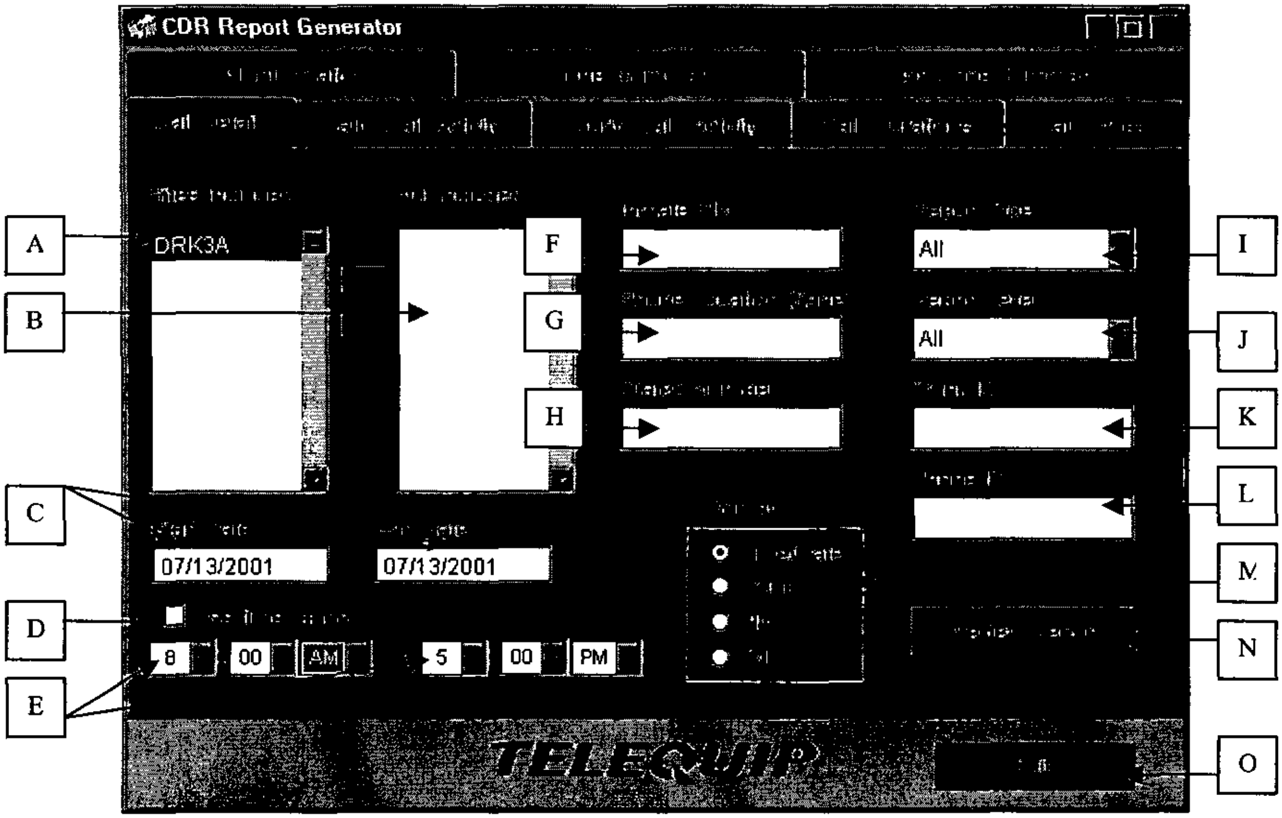
Access the CDR Report Generator by clicking the Reports icon on the TOM's main screen or desktop. Tabs delineate the CDR Report Generator report options. The report for Call Detail will be the first tab/screen displayed. See Figure 6.



Call Detail Report Screen **Figure 6**

Call Detail Report

The Call Detail Report displays all call detail data for the criteria selected by the user. See Figure 7.



Call Detail Report Tab **Figure 7**

The following fields are available for customizing the report:

A. Site(s) Included:	List of Digital ACP unit(s) from which the report will be generated.
B. Not Included:	Individual Digital ACP unit(s) from which call record detail is not desired.
C. Start Date – End Date:	Enter the Begin and End Dates required for the report. The "/" will appear automatically, i.e. enter 071301 and it will be displayed 07/13/2001.
D. Use Time Range:	Click this box if the call detail displayed is only needed from a certain time period. Otherwise, all calls for the day will display.
E. Time of Day:	If the "Use Time Range" option was selected. Enter the time period desired in this field. Dropdown boxes are available for quick selection.
F. Inmate PIN:	Enter the Inmate PIN number to display all calls placed by that PIN.
G. Phone Location/Zone:	Enter the Phone ID/Zone to display all calls placed by that Phone/Zone. (i.e. POD1)
H. Dialed Number:	Enter the destination number dialed (TNI) to display all calls placed by the number (TNI).
I. Report Type:	Defines which call types will be displayed. A dropdown box is available for selection.

All – Information of all call types (default).
Collect – The called party has accepted the charges.
Debit – Prepaid phone charges.
Free – Free calls (i.e. calls to attorney phone numbers).

J. Report Level: Defines the status of the call at completion. A dropdown box is available for selection.
All – Information about every call attempted (default).
Answer – Calls answered by the called party, but not accepted by positive answer supervision (DTMF).
Completed – Calls that were answered, accepted, and proceeded long enough to imply a conversation occurred and then terminated.
Dial – All the events that took place in the phone system that did not reach the network.
Network – The dial events that reached the network, but were not answered.

K. Trunk ID: Enter the ID for the outbound trunk to display all calls placed out that trunk.

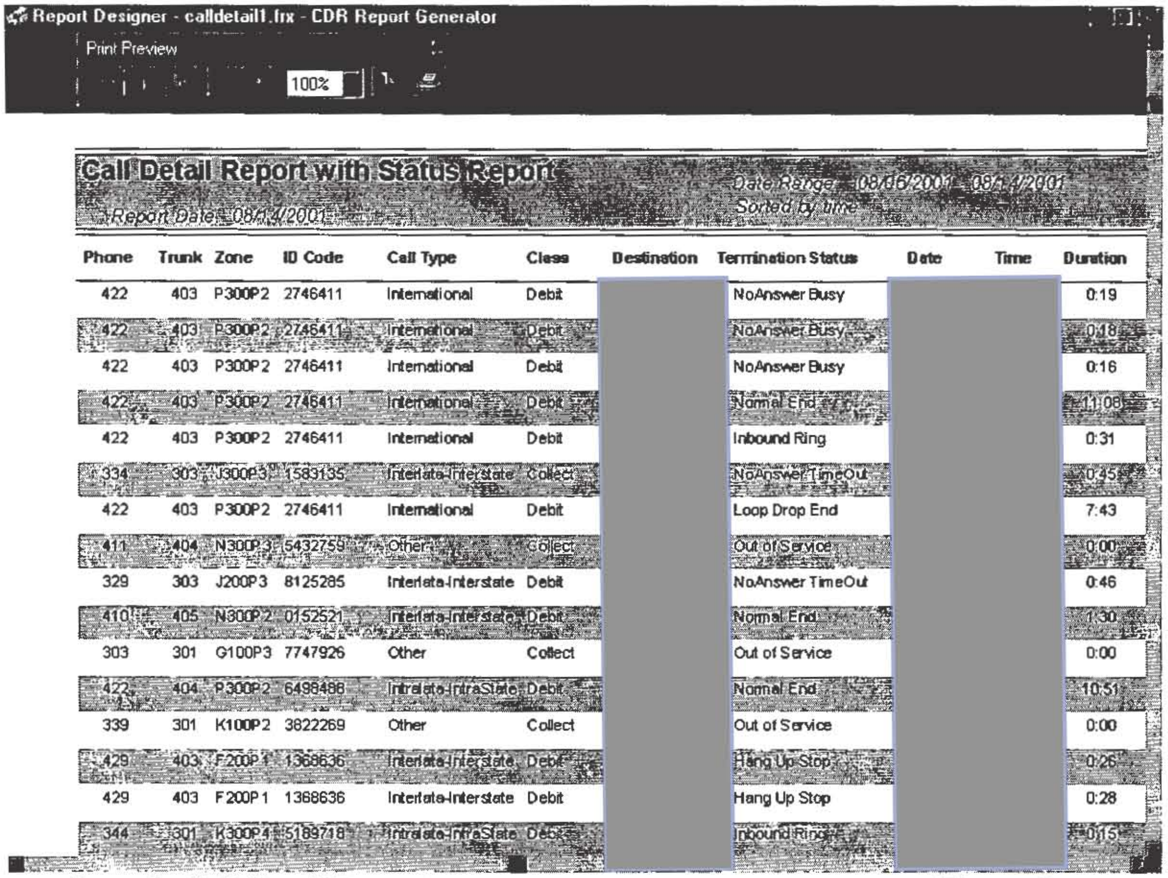
L. Phone ID: The location of the phone, i.e. L102. L= the last character in the site ID. Refer to your site name for the correct letter.

M. Sort By: Click the desired sort option.
Date/Time – All calls will be listed in date order and by the time of day .
Trunk – All calls will be listed in order by the trunk on which the call was placed. Date and time will further sort the records.
PIN – All calls will be listed in ascending order by the PIN placing the call. Date and time will further sort the records.
TNI – All calls will be list in ascending order by the destination number or TNI. Date and time will further sort the records.

N. Preview Report: Click the Preview Report button to process and display the report.

O. Exit: Click the Exit button to close the CDR Report Generator program.

Enter all the data needed to accomplish the call detail report in the fields as described above. Click the "Preview Report" button when finished. The report will process and automatically display on your screen. Reports requesting more then 30 days data may take several minutes to process. Figure 8 shows a sample call detail report with no special query options selected. Print the report by clicking the printer icon displayed at the top of the report.



Call Detail Report with Status Report

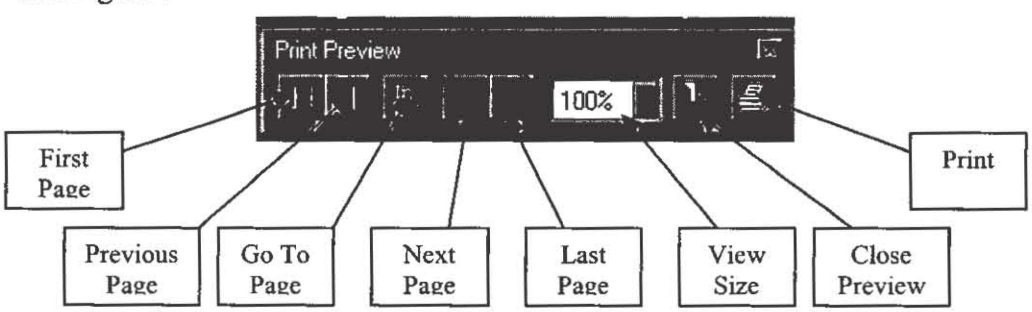
Report Date: 08/14/2001

Date Range: 08/06/2001 - 08/14/2001
Sorted by time

Phone	Trunk	Zone	ID Code	Call Type	Class	Destination	Termination Status	Date	Time	Duration
422	403	P300P2	2746411	International	Debit	[redacted]	NoAnswer Busy	[redacted]	[redacted]	0:19
422	403	P300P2	2746411	International	Debit	[redacted]	NoAnswer Busy	[redacted]	[redacted]	0:18
422	403	P300P2	2746411	International	Debit	[redacted]	NoAnswer Busy	[redacted]	[redacted]	0:16
422	403	P300P2	2746411	International	Debit	[redacted]	Normal End	[redacted]	[redacted]	11:08
422	403	P300P2	2746411	International	Debit	[redacted]	Inbound Ring	[redacted]	[redacted]	0:31
334	303	J300P3	1583135	Interlata-Interstate	Collect	[redacted]	NoAnswer TimeOut	[redacted]	[redacted]	0:45
422	403	P300P2	2746411	International	Debit	[redacted]	Loop Drop End	[redacted]	[redacted]	7:43
411	404	N300P3	5432759	Other	Collect	[redacted]	Out of Service	[redacted]	[redacted]	0:00
329	303	J200P3	8125285	Interlata-Interstate	Debit	[redacted]	NoAnswer TimeOut	[redacted]	[redacted]	0:46
410	405	N300P2	0152521	Interlata-Interstate	Debit	[redacted]	Normal End	[redacted]	[redacted]	1:30
303	301	G100P3	7747926	Other	Collect	[redacted]	Out of Service	[redacted]	[redacted]	0:00
422	404	P300P2	6498488	Intralata-IntraState	Debit	[redacted]	Normal End	[redacted]	[redacted]	10:51
339	301	K100P2	3822269	Other	Collect	[redacted]	Out of Service	[redacted]	[redacted]	0:00
429	403	F200P1	1368636	Interlata-Interstate	Debit	[redacted]	Hang Up Stop	[redacted]	[redacted]	0:26
429	403	F200P1	1368636	Interlata-Interstate	Debit	[redacted]	Hang Up Stop	[redacted]	[redacted]	0:28
344	301	K300P4	5189718	Intralata-IntraState	Debit	[redacted]	Inbound Ring	[redacted]	[redacted]	0:15

Sample Call Detail Report **Figure 8**

While displaying the report, the "Print Preview" toolbar allows the user to navigate through the report. See Figure 9.

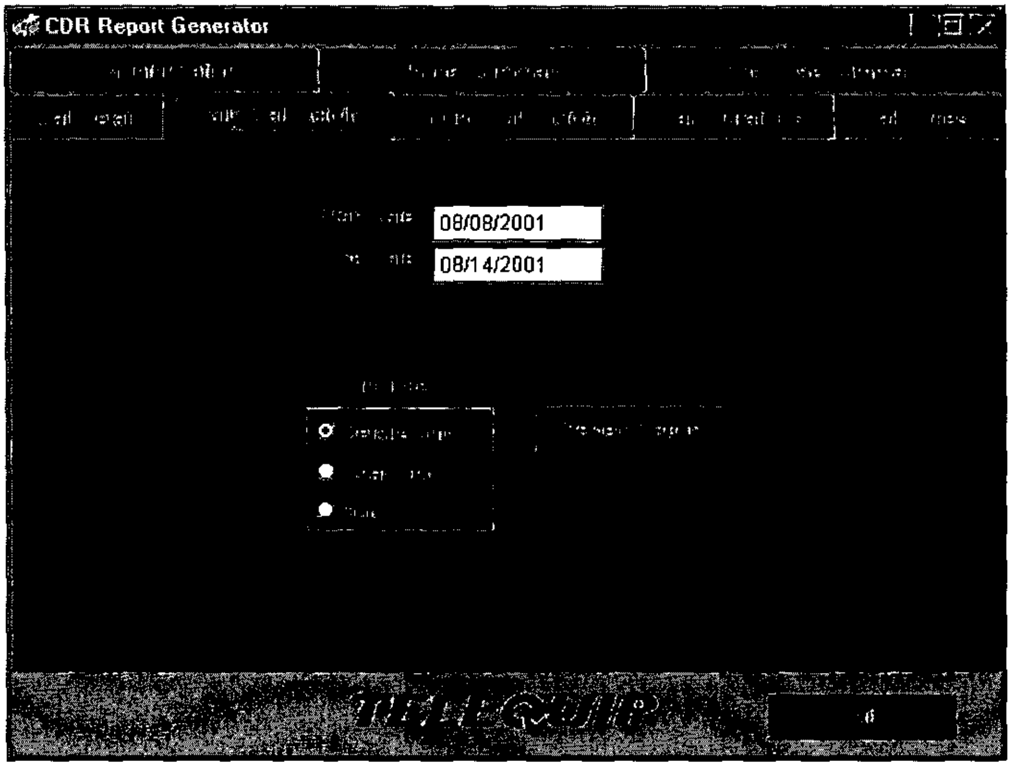


Print Preview Tool Bar **Figure 9**

Close the report preview by clicking the "Close Preview" icon on the toolbar or by clicking the "X" in the top right hand corner of the display. The file will not be saved at this point.

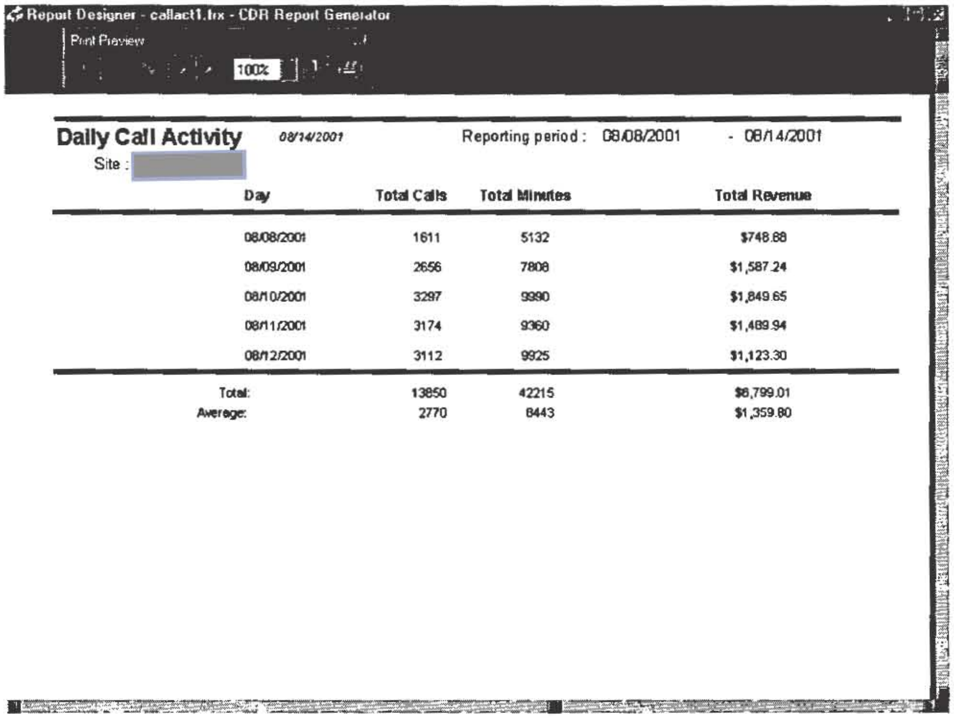
Daily Call Activity

The Daily Call Activity report displays a summary of the total number of calls, total call minutes, and total revenue generated for the specified date range. If multiple days are selected a total of all days selected is calculated along with the averages for that date range. See Figure 10.



Daily Call Activity **Figure 10**

Create the Daily Call Activity report by entering the desired date range and click the "Preview Report" button. Additionally, the report may be displayed in detail or in graphical format or both. Simply click next to the desired option. A sample report is shown in Figure 11.



Daily Call Activity 08/14/2001 Reporting period : 08/08/2001 - 08/14/2001

Site :

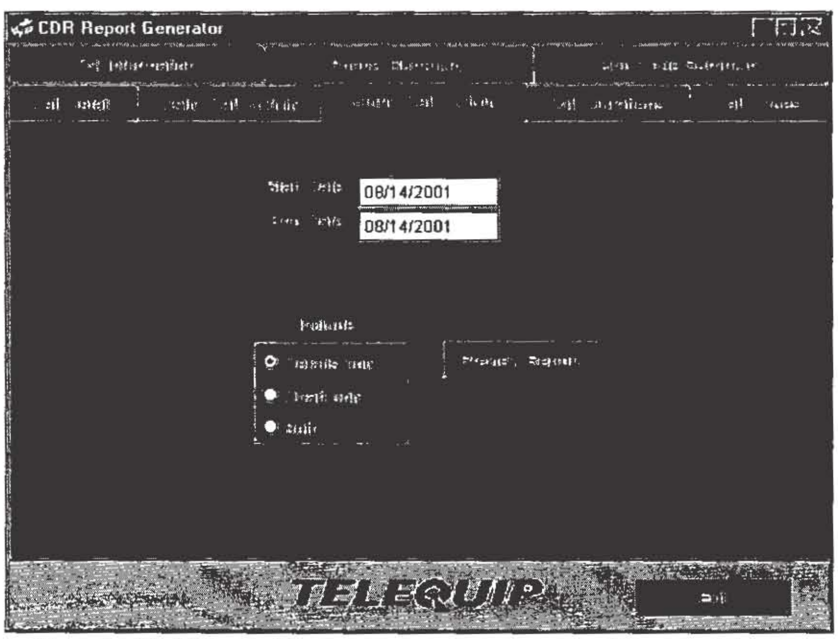
Day	Total Calls	Total Minutes	Total Revenue
08/08/2001	1611	5132	$748.88
08/09/2001	2656	7808	$1,587.24
08/10/2001	3297	9990	$1,849.65
08/11/2001	3174	9360	$1,489.94
08/12/2001	3112	9925	$1,123.30
Total:	13850	42215	$6,799.01
Average:	2770	8443	$1,359.80

Daily Call Activity Report Sample **Figure 11**

Use the "Print Preview" toolbar to navigate through the report. See Figure 4.

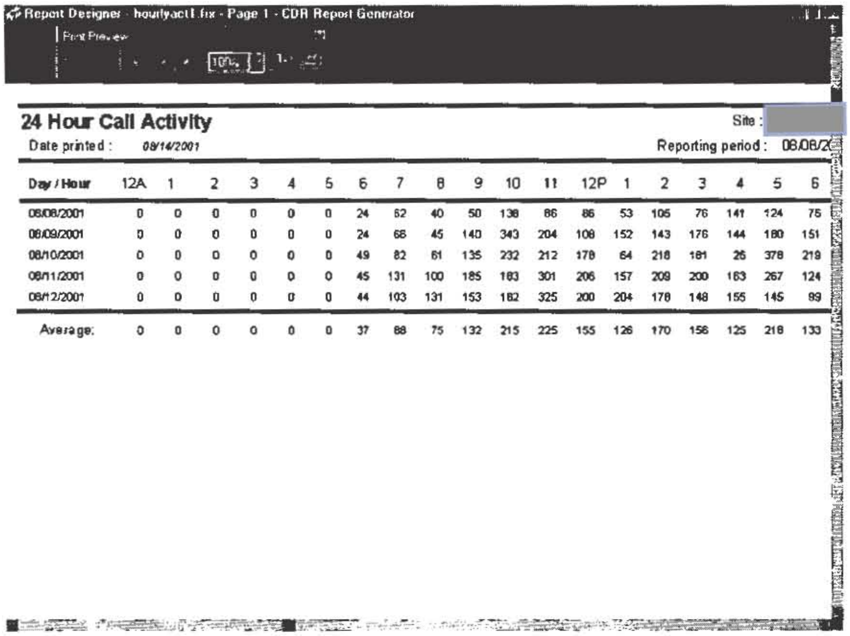
Hourly Call Activity

Hourly Call Activity displays a matrix of the total number of calls placed each hour per day for the entire facility. An average for all days is also provided. See Figure 12.



Hourly Call Activity **Figure 12**

Create the Hourly Call Activity report by entering the desired date range and click the "Preview Report" button. Additionally, the report may be displayed in detail or in graphical format or both. Simply click next to the desired option. A sample report is shown in Figure 13.



Report Designer - hourlyact1.frx - Page 1 - CDR Report Generator

24 Hour Call Activity Site :

Date printed : *08/14/2001* Reporting period : 08/08/2

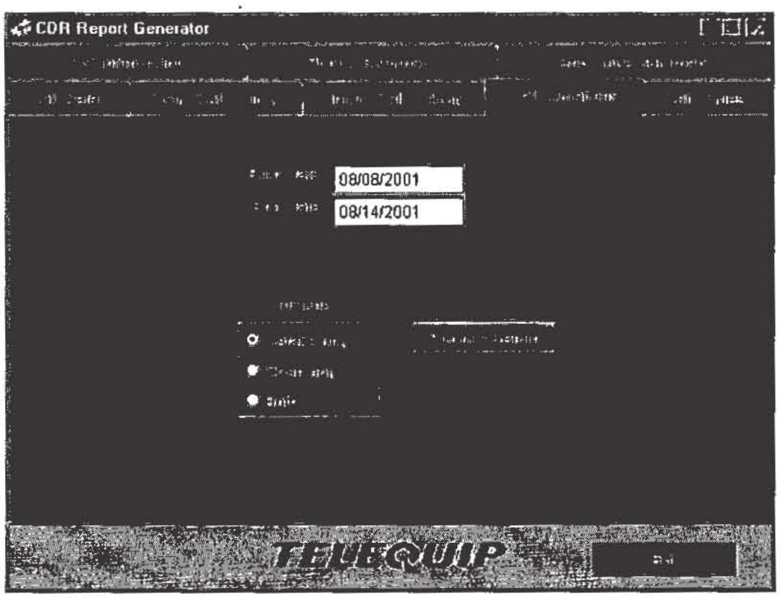
Day / Hour	12A	1	2	3	4	5	6	7	8	9	10	11	12P	1	2	3	4	5	6
08/08/2001	0	0	0	0	0	0	24	62	40	50	138	86	86	53	105	76	141	124	75
08/09/2001	0	0	0	0	0	0	24	68	45	140	343	204	108	152	143	176	144	180	151
08/10/2001	0	0	0	0	0	0	49	82	61	135	232	212	178	64	218	181	26	378	219
08/11/2001	0	0	0	0	0	0	45	131	100	185	183	301	206	157	209	200	163	267	124
08/12/2001	0	0	0	0	0	0	44	103	131	153	182	325	200	204	178	148	155	145	99
Average:	0	0	0	0	0	0	37	88	75	132	215	225	155	126	170	156	125	218	133

Hourly Call Activity Report Sample **Figure 13**

Use the "Print Preview" toolbar to navigate through the report. See Figure 4.

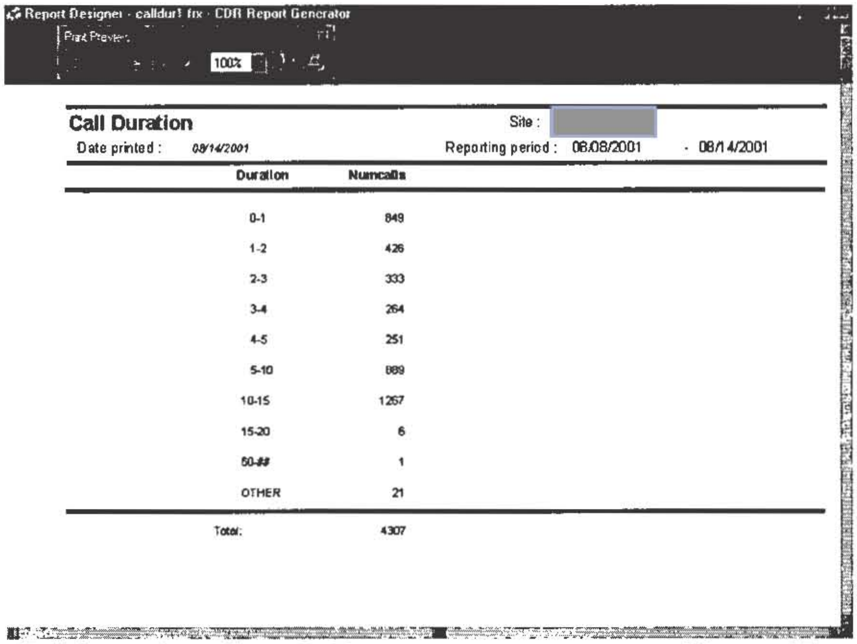
Call Durations

The Call Durations report provides a summary of the total number of calls by range of call duration. See Figure 14.



Call Durations **Figure 14**

Create the Call Durations report by entering the desired date range and click the "Preview Report" button. Additionally, the report may be displayed in detail or in graphical format or both. Simply click next to the desired option. A sample report is shown in Figure 15.



Call Duration Site :

Date printed : 08/14/2001 Reporting period : 08/08/2001 - 08/14/2001

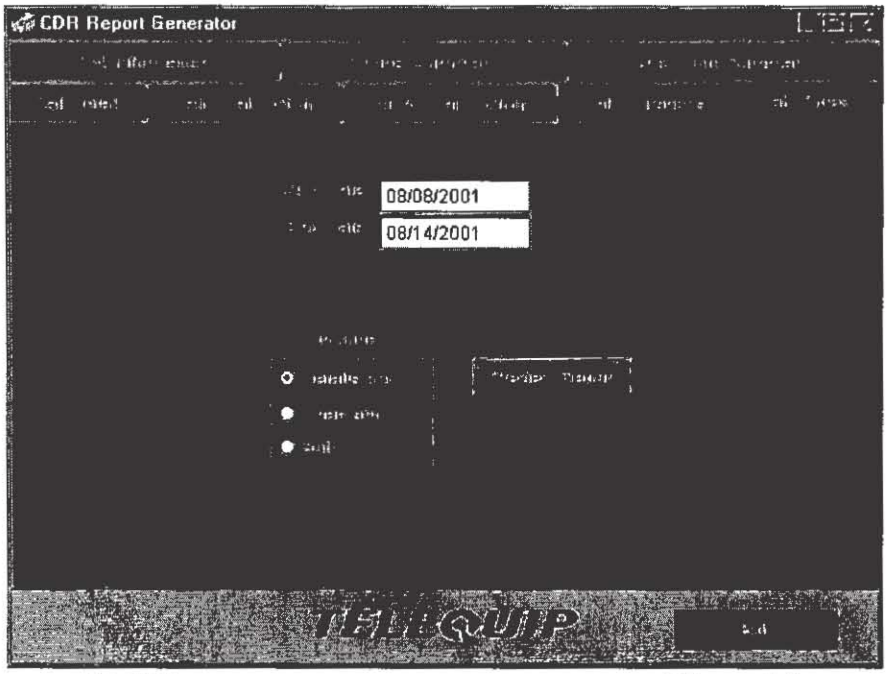
Duration	Numcalls
0-1	849
1-2	426
2-3	333
3-4	264
4-5	251
5-10	889
10-15	1257
15-20	6
60-##	1
OTHER	21
Total:	4307

Call Durations Sample Report **Figure 15**

Use the "Print Preview" toolbar to navigate through the report. See Figure 4.

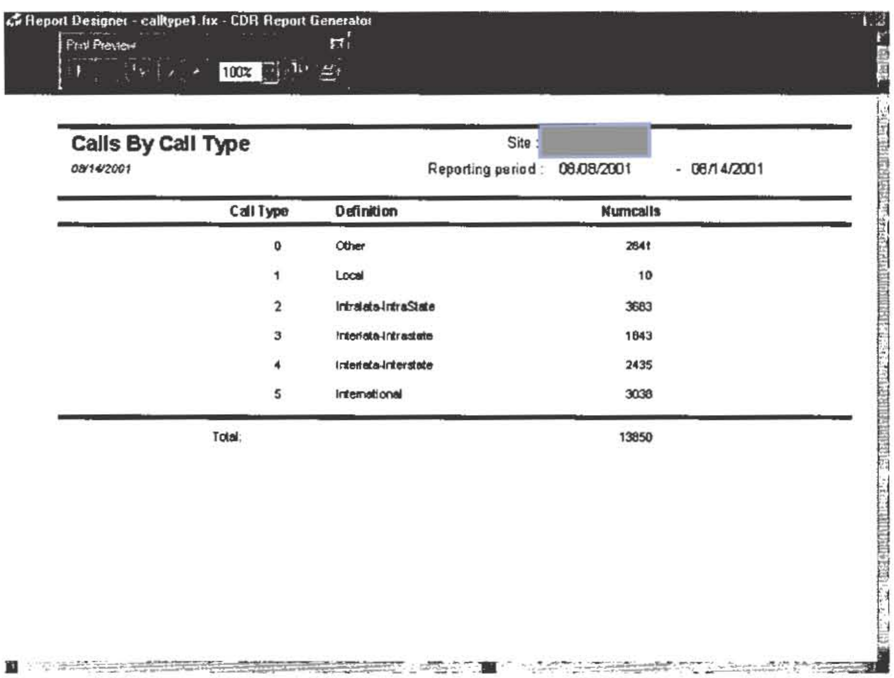
Calls By Call Type

The Calls by Call Type report displays the total number of calls per call type i.e., Local, IntraLata-IntraState, InterLata-IntraState, InterLata-InterState, and International for a specified date range. See Figure 16.



Call Types **Figure 16**

Create the Call Types report by entering the desired date range and click the "Preview Report" button. Additionally, the report may be displayed in detail or in graphical format or both. Simply click next to the desired option. A sample report is shown in Figure 17.


Report Designer - calltype1.frx - CDR Report Generator

Print Preview

Calls By Call Type

08/14/2001

Site :

Reporting period : 08/08/2001 - 08/14/2001

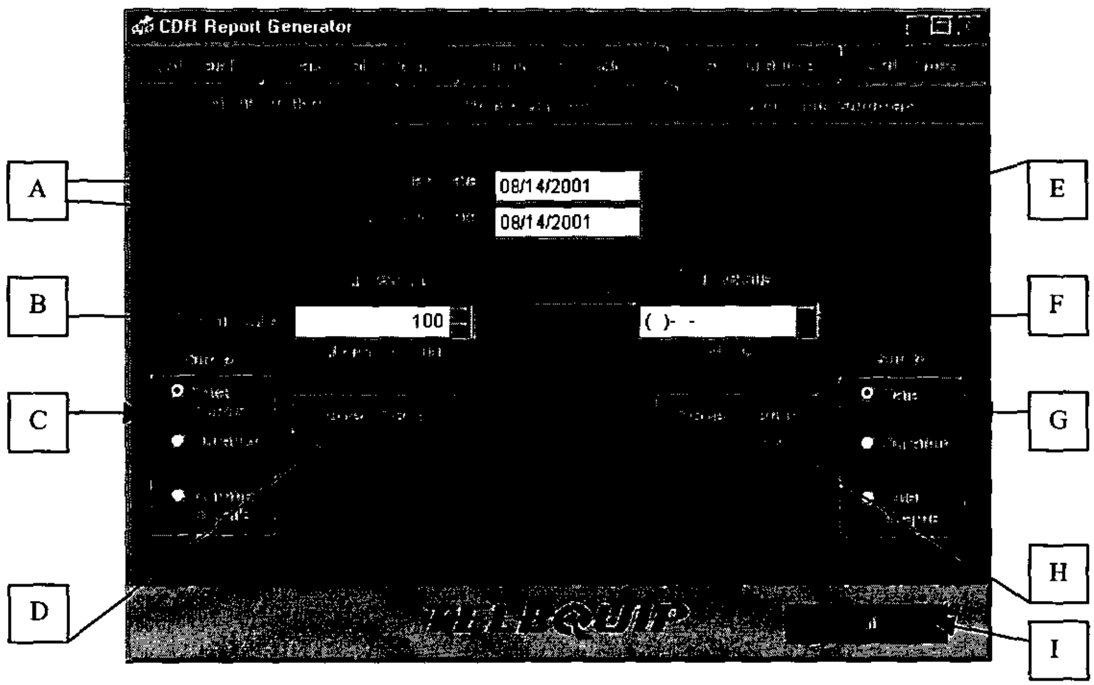
Call Type	Definition	Numcalls
0	Other	2841
1	Local	10
2	Intralata-IntraState	3683
3	Interlata-Intrastate	1843
4	Interlata-Interstate	2435
5	International	3038
Total:		13850

Call Types Sample Report **Figure 17**

Use the "Print Preview" toolbar to navigate through the report. See Figure 4.

TNI Information

The TNI Information report displays a frequently called number or velocity list. The user specifies the minimum number of calls placed within the time period. The TNI will be displayed with the total number of calls, total minutes, and total charges incurred. The report can be sorted by any of these three options. Further, once the list is created the user may choose to display call detail for one of the TNI's in the list. This report can be sorted by Date, Duration, or Total Charges. See Figure 18.



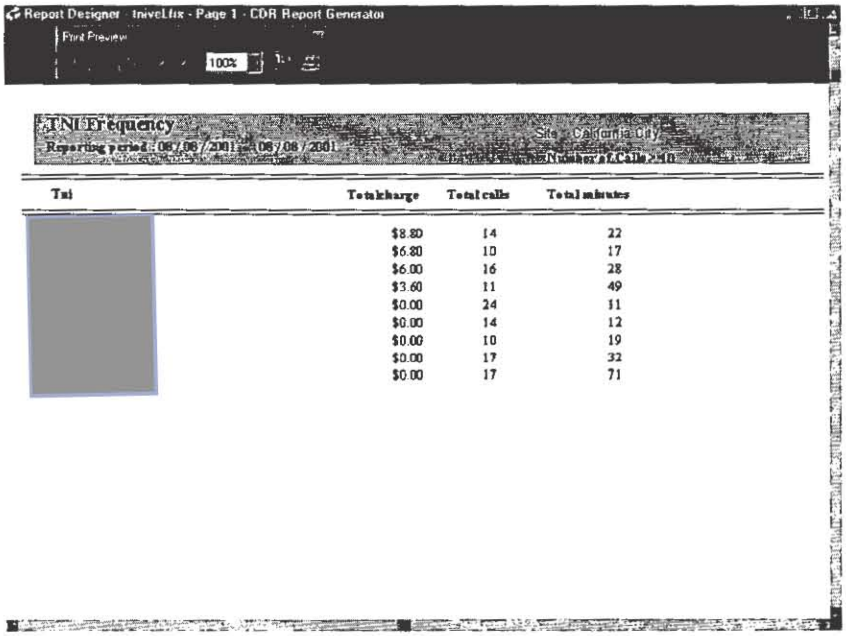
TNI Information **Figure 18**

The following fields are available for customizing the report:

A. Start Date and End Date:	Enter the date range desired for the report.
B. # of Calls/TNI Velocity:	Enter the minimum frequency of the TNI. Example: If the User wants to view all TNI's that were called 10 times or more, enter 10 in this field.
C. Sort By:	Select how the report should be sorted. Descending order by total charges incurred, Descending order by total duration incurred, or Descending order by total number of calls.
D. Preview Report:	Click the Preview Report button to process and display the TNI Velocity report.
E. Update:	When clicked, the update button will place the TNI's that are] reported in the TNI Velocity report in the TNI Details field. The user can then run call detail on those TNI's.

F. TNI Details/TNI List:	A list of TNI's (view using the dropdown list) that were generated when the TNI Velocity report was processed.
G. Sort By:	Sort the TNI Call Detail report by ascending date order, descending order by duration, or descending order by total charge per call incurred.
H. Preview Report:	Click the Preview Report button to process and display the TNI Call Detail report.
I. Exit:	Click the Exit button to close the CDR Report Generator Program.

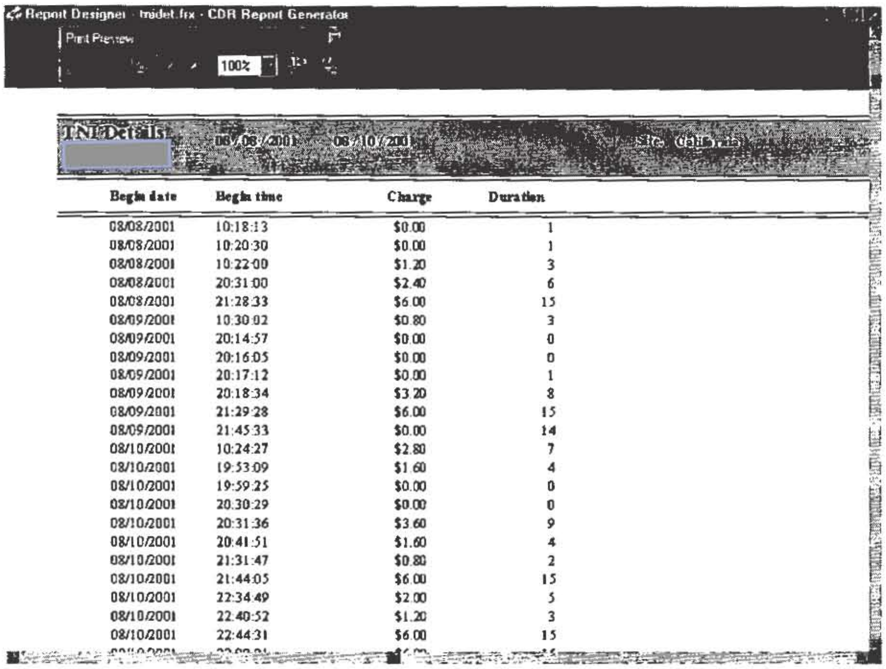
A sample TNI Velocity report with a frequency of 10 calls or more and sorted by total charges incurred is shown in Figure 19.



Tni	Totalcharge	Total calls	Total minutes
[redacted]	$8.80	14	22
	$6.80	10	17
	$6.00	16	28
	$3.60	11	49
	$0.00	24	11
	$0.00	14	12
	$0.00	10	19
	$0.00	17	32
	$0.00	17	71

TNI Velocity Report **Figure 19**

A sample TNI Call Detail Report of a number found in the TNI Velocity report sorted by date is shown in Figure 20.



Print Preview

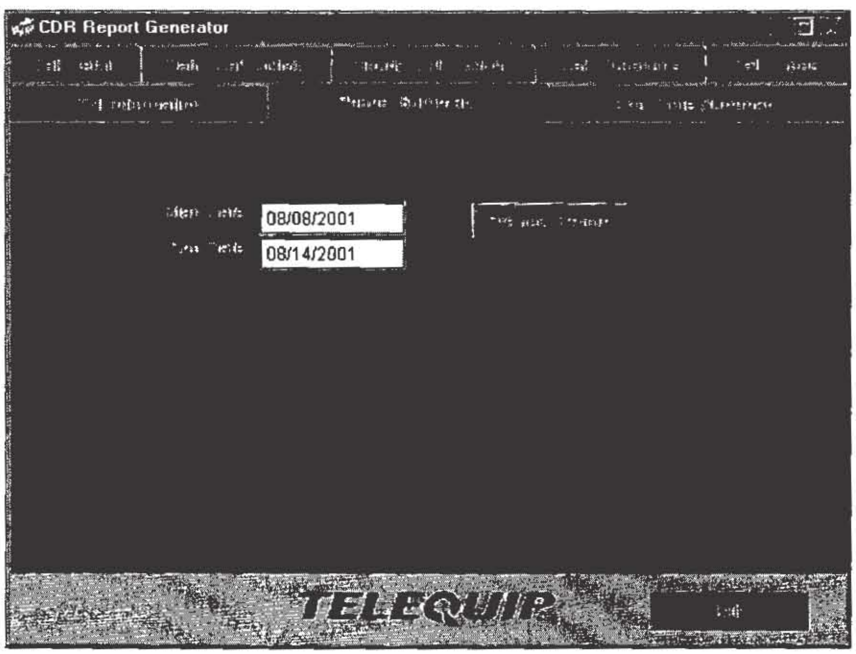
TNI Details 08/08/2001 08/10/2001

Begin date	Begin time	Charge	Duration
08/08/2001	10:18:13	$0.00	1
08/08/2001	10:20:30	$0.00	1
08/08/2001	10:22:00	$1.20	3
08/08/2001	20:31:00	$2.40	6
08/08/2001	21:28:33	$6.00	15
08/09/2001	10:30:02	$0.80	3
08/09/2001	20:14:57	$0.00	0
08/09/2001	20:16:05	$0.00	0
08/09/2001	20:17:12	$0.00	1
08/09/2001	20:18:34	$3.20	8
08/09/2001	21:29:28	$6.00	15
08/09/2001	21:45:33	$0.00	14
08/10/2001	10:24:27	$2.80	7
08/10/2001	19:53:09	$1.60	4
08/10/2001	19:59:25	$0.00	0
08/10/2001	20:30:29	$0.00	0
08/10/2001	20:31:36	$3.60	9
08/10/2001	20:41:51	$1.60	4
08/10/2001	21:31:47	$0.80	2
08/10/2001	21:44:05	$6.00	15
08/10/2001	22:34:49	$2.00	5
08/10/2001	22:40:52	$1.20	3
08/10/2001	22:44:31	$6.00	15

TNI Velocity – TNI Call Detail Report **Figure 20**

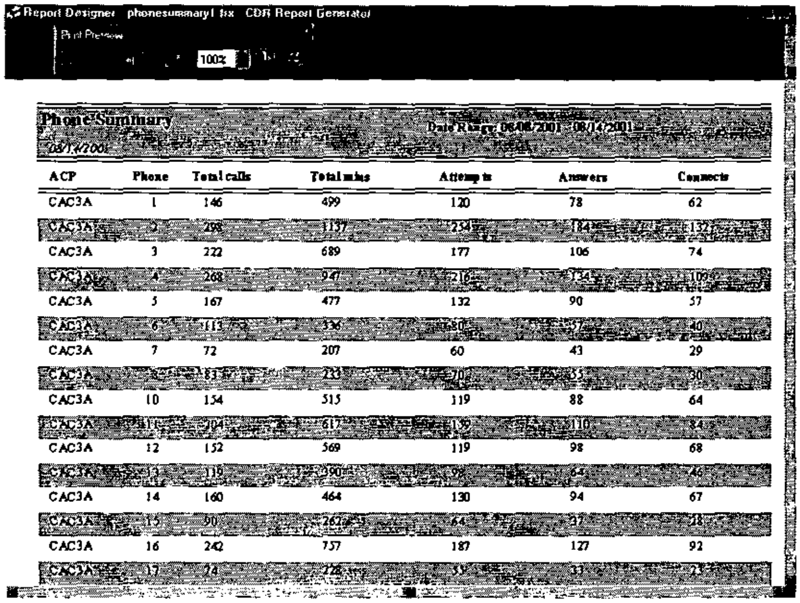
Phone Summary

The Phone Summary report displays the total number of calls, total number of minutes, total attempts, total answered, and total connected calls by phone by Digital ACP. See Figure 21.



Phone Summary **Figure 21**

- Create the Phone Summary report by entering the desired date range and click the "Preview Report" button. A sample report is shown in Figure 22.



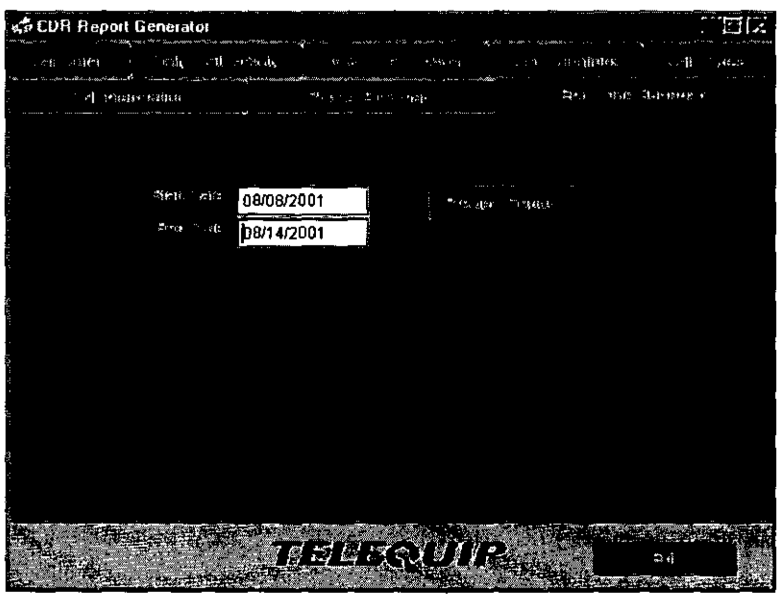
Phone Summary
08/14/2001
Date Range: 08/08/2001 - 08/14/2001

ACP	Phone	Total calls	Total mins	Attempts	Answers	Connects
CAC3A	1	146	499	120	78	62
CAC3A	2	298	1137	254	184	132
CAC3A	3	222	689	177	106	74
CAC3A	4	268	947	216	134	109
CAC3A	5	167	477	132	90	57
CAC3A	6	113	336	80	57	40
CAC3A	7	72	207	60	43	29
CAC3A	8	83	233	70	55	30
CAC3A	10	154	515	119	88	64
CAC3A	11	204	617	159	110	84
CAC3A	12	152	569	119	98	68
CAC3A	13	119	390	98	64	46
CAC3A	14	160	464	130	94	67
CAC3A	15	90	262	64	37	28
CAC3A	16	242	757	187	127	92
CAC3A	17	74	228	55	33	23

Phone Summary Sample Report **Figure 22**

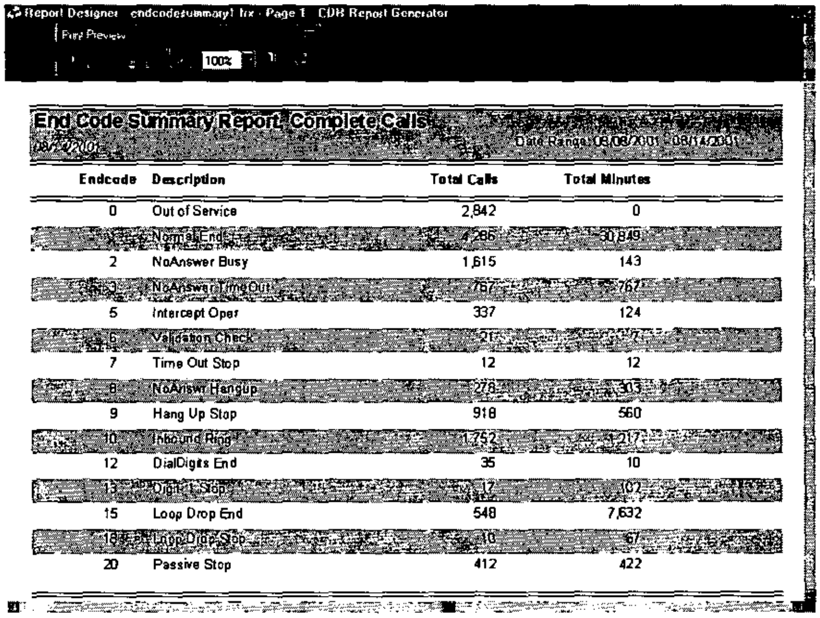
- Use the "Print Preview" toolbar to navigate through the report. See Figure 4.

End Code Summary
The End Code Summary report displays the End Codes that have occurred for all completed calls for the data range specified. Additionally, the total number of calls and total number of minutes accumulated is also displayed for each end code. See Figure 23.



- **End Code Summary** **Figure 23**

- Create the End Code Summary report by entering the desired date range and click the "Preview Report" button. A sample report is shown in Figure 24.



Report Designer endcodesummary1.frx · Page 1 CDR Report Generator

Print Preview

100%

End Code Summary Report: Complete Calls

08/?/2001 Date Range: 08/08/2001 - 08/14/2001

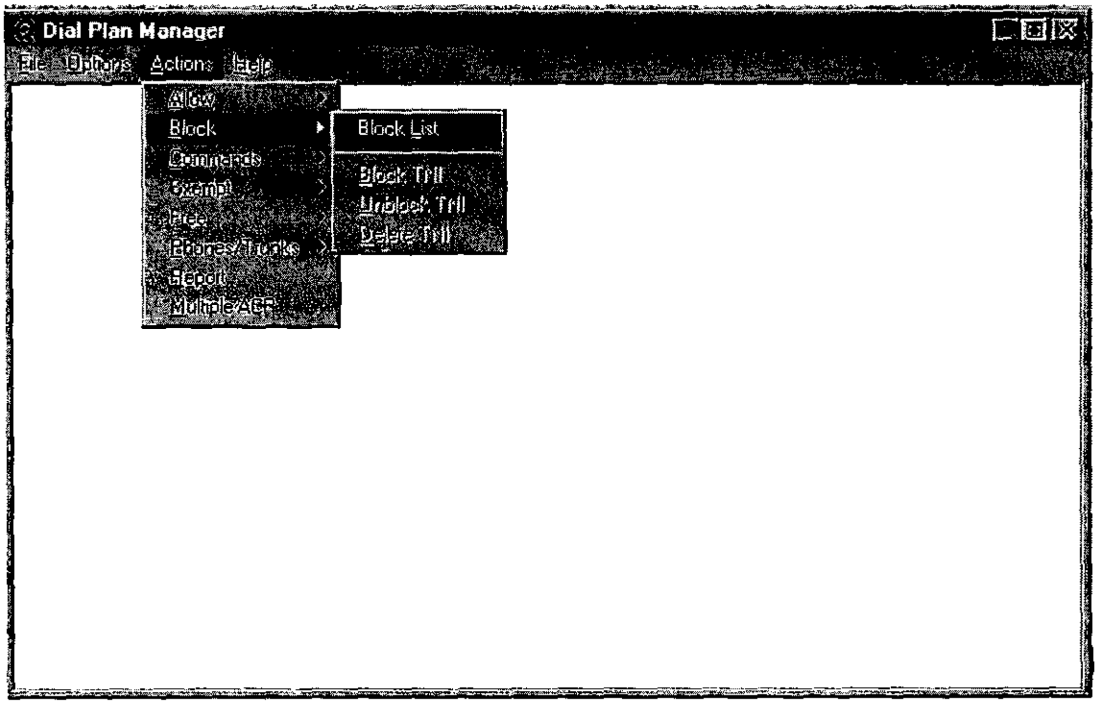
Endcode	Description	Total Calls	Total Minutes
0	Out of Service	2,842	0
[illegible]	Normal End	4,286	30,849
2	NoAnswer Busy	1,615	143
3	NoAnswer TimeOut	767	767
5	Intercept Oper	337	124
6	Validation Check	21	7
7	Time Out Stop	12	12
8	NoAnswr Hangup	278	303
9	Hang Up Stop	918	560
10	Inbound Ring	1,752	1,217
12	DialDigits End	35	10
13	Digit 1 Stop	17	102
15	Loop Drop End	548	7,632
18	Loop Drop Stop	10	67
20	Passive Stop	412	422

End Code Summary Sample Report **Figure 24**

- Use the "Print Preview" toolbar to navigate through the report. See Figure 4.

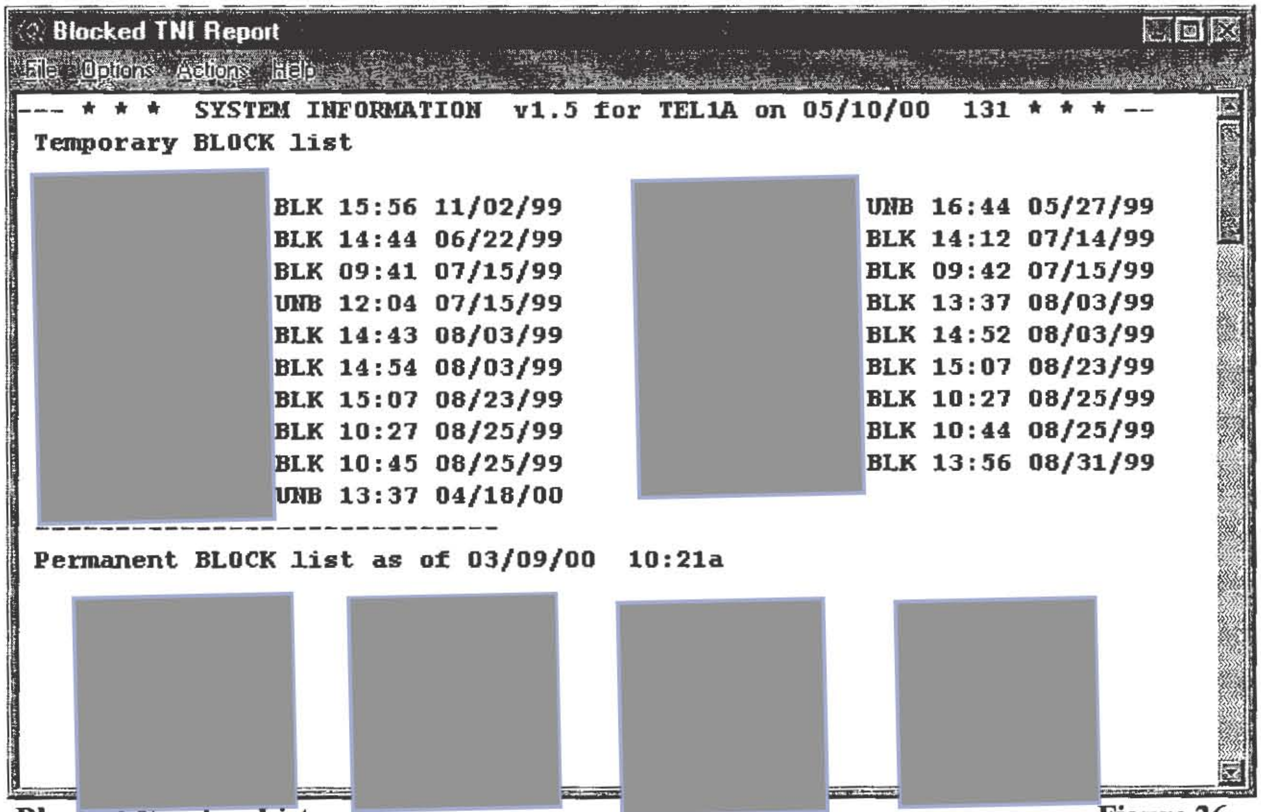
IV. <u>Dial Plan Manager</u>

The Dial Plan Manager is used to block, unblock, or edit blocked numbers. From the TOM administrative terminal's main screen, double click the Dial Plan Manager. To view the list of blocked and unblocked numbers, click the Actions menu, then Block, then Block List. See Figure 25. Hot keys are also available in the Dial Plan Manager.



Dial Plan Manager **Figure 25**

Under the Actions menu, the following functions are available. See Figure 26.


Blocked TNI Report

File Options Actions Help

```
--- * * *  SYSTEM INFORMATION  v1.5 for TEL1A on 05/10/00  131 * * * --
Temporary BLOCK list

[redacted] BLK 15:56 11/02/99   [redacted] UNB 16:44 05/27/99
           BLK 14:44 06/22/99              BLK 14:12 07/14/99
           BLK 09:41 07/15/99              BLK 09:42 07/15/99
           UNB 12:04 07/15/99              BLK 13:37 08/03/99
           BLK 14:43 08/03/99              BLK 14:52 08/03/99
           BLK 14:54 08/03/99              BLK 15:07 08/23/99
           BLK 15:07 08/23/99              BLK 10:27 08/25/99
           BLK 10:27 08/25/99              BLK 10:44 08/25/99
           BLK 10:45 08/25/99              BLK 13:56 08/31/99
           UNB 13:37 04/18/00
----------------------------
Permanent BLOCK list as of 03/09/00  10:21a

[redacted]
```

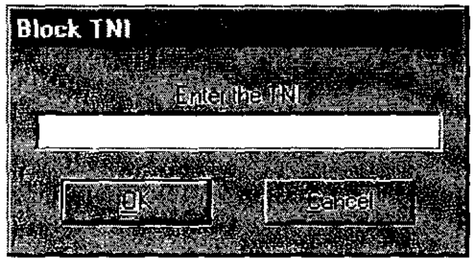
Blocked Number List **Figure 26**

Block TNI:	Enables the administrator to block all calls to a specific number (TNI).
Unblock TNI:	Unblocks a TNI.
Delete:	Deletes a TNI from the Block Number List.
Refresh Block List:	Updates the screen. This must be executed to update the screen when a block or unblock is initiated.
Search for TNI:	Finds a specific TNI.
Next TNI:	Proceeds to the next TNI.

(For Allow, Exempt, and Free options contact your service provider.)

Note: The Temporary BLOCK list is where the user information is stored and can be modified. The Permanent BLOCK list cannot be modified. This is used by the billing company.

To enter a new blocked number, simply click Block List under the Actions menu, then click Block TNI. A window will appear on the screen prompting you to enter the new TNI to block. See Figure 27. Similar windows will appear with Unblock TNI, Delete TNI, and Search for TNI.



Block TNI **Figure 27**

V. HearSay Recording Playback

To play back HearSay recordings of inmate conversations, simply double click the HearSay PlayBack icon from the TOM's main screen. Instructions for this program are available in the **TELEQUIP HearSay Recording User's Guide** which is separate from this manual.

APPENDIX A

CALL DETAIL RECORD END CODE DEFINITIONS

Overview

Call detail records are created and stored on each Digital ACP system. Within these records lies specific codes developed to track the progress of each inmate call. Two of these CDR parameters are of particular interest to users of the administrative reports created by the TELEQUIP Report Program. The first parameter is the Begin Code which is also known as the Verify Phone Number (VPN) Code. Second is the End Code.or Terminate Code.

The Begin Code or VPN Code describes a broad, internal evaluation of the number dialed (TNI) against a large set of parameters within the Digital ACP. The Begin Code also reports if the TNI is found in the Validation Buffer and blocked, if the TNI is found in the Activity Guard Buffer and blocked, or if the TNI was found in the Blocked Number file created from the TOM Administrative Terminal. The Begin Code may also show that a PIN has been refused, or that a Debit Account had insufficient funds. The Begin Code relies only on the ACP internal databases and managed files for this information.

The End Code or Terminate Code describes a broad range of reasons why each call that reached the network was terminated, either normally or abnormally. The End Code describes a summary and interpretation made by the ACP of the most significant event(s) associated with the end of the call, and is useful for reporting and debug purposes. The End Code label is a result of a conclusion based on conditions found by the ACP Application Program.

BEGIN CODES

Begin Code	Begin Code Label
0	No TNI Num
No TNI was dialed to determine a Begin Code. The call attempt was blocked.	
1	Good Local
This call is a Collect Station Call to a Local TNI Number. This call may have proceeded to reach the network and be completed for collect billing.	
2	Good LgDst
This call is a Collect Station Call to a Long Distance or Toll/IntraLATA TNI, or at least the TNI is not local. This call may have proceeded to reach the network and be completed for collect billing.	
3	OperatrAst
This call is an Operator Assisted Call to a TNI identified for special non-automated handling. This call will not be billed from the ACP CDR data, even if it reached the network and was completed.	
4	Good Free
This call is a Free Call to a TNI identified for special automated handling, not requiring the called party to dial "3" nor to accept collect charges. This call will not be billed from the ACP CDR data, even if it reached the network and was completed.	
5	Local Pasv
This call is a Collect Station Call to a specific Local TNI identified for special automated handling, not requiring the called party to dial "3" in order to accept collect charges. This call may have proceeded to reach the network and be completed for collect billing.	

6	LgDst Pasv
This call is a Collect Station Call to a specific Long Distance, Toll, or IntraLATA TNI identified for special automated handling, not requiring the called party to dial "3" in order to accept collect charges. This call may have proceeded to reach the network and be completed for collect billing.	
7	P2Pr Local
This call is a Collect Person-to-Person Call to a Local TNI Number, usually chosen by the inmate dialing a "7" before the TNI is dialed, when the feature is installed. This call may have proceeded to reach the network and be completed for collect billing.	
8	P2Pr LgDst
This call is a Collect Person-to-Person Call to a Long Distance, Toll, or IntraLATA TNI Number, usually chosen by the inmate dialing a "7" before the TNI is dialed, when the feature is installed. This call may have proceeded to reach the network and be completed for collect billing.	
9	Debit Paid
This call is a Debit Account Charge Call, usually chosen by the inmate dialing "8" before the TNI is dialed, when the feature is installed. This call will be billed from the inmate's prepaid account.	
10	VPN PrgChk
An abnormal condition has occurred. The call attempt failed and was blocked.	
11	No IniZero
No leading zero was dialed at the beginning of the TNI dialing string, and the call attempt was blocked.	
12	Bad Dgt Ct
An invalid count of digits was dialed, such as a local number with 6 or fewer digits, or a Domestic Long Distance number with 8, 9, 11, or more digits. The call attempt was blocked.	
14	Bad Exchng
The 3 digits indentifying the Exchange portion of the TNI were expressly disallowed. The call attempt was blocked.	
15	Restricted
The TNI was absolutely restricted. The TNI cannot be accessed or unblocked by other means. The call attempt was blocked.	
16	Bad IDCode
The ID Code or PIN dialed by an inmate was not found in the database and the call attempt was blocked. This applies to both Debit and Collect accounts.	
17	Bad Intrnl
An International TNI was dialed that was not permitted or was expressly blocked and the call attempt was blocked.	
18	NUM Block
The TNI was disallowed and the call attempt was blocked. The TNI could be either specifically blocked or it could be included within a range of numbers all of which are blocked.	
19	A/C Block
The Area Code was disallowed and the call attempt was blocked.	
20	TagTest OK
A technician has dialed a specific sequence of numbers to identify the inmate phone. The Tag Test call does not continue.	
21	TagTest Ck
A technician has dialed a specific sequence of numbers to identify the inmate phone and the test failed. The Tag Test call does not continue.	

22	BUB Block
A block was found in the database of numbers created from the TOM. The call attempt was blocked.	
23	ValidatBuf
A block was found in the Validation Buffer, an accumulated list of number temporarily cached as a result of a prior access to an Online Validation port and database. The call attempt was blocked.	
24	TrunksBusy
The class of trunk specified for that type of call cannot handle the TNI dialed. The call attempt was blocked.	
25	ActGrd Blk
The TNI dialed was temporarily blocked by repeated attempts that exceeded the Activity Guard parameters, when the feature is installed. The call attempt was blocked.	
26	NoDebtRate
The TNI dialed was not found in the rate table, and could not be handled and properly charged to the inmate Debit Account, when the feature is installed. The Debit call attempt was blocked.	
27	DebtFund=0
The TNI dialed had a charge for the first minute that exceeded the balance in the inmate Debit Account, thus insufficient funds to start the call. The call attempt was blocked.	
28	Bad TNILst
The TNI dialed was not found in the inmate's allowed call list. The call attempt was blocked.	

COMPLETED CALL END CODES

1	Normal End
The call completed in a normal manner short of the maximum time permitted for the call. The inmate either hung up first, or a network-originated disconnect signal occurred.	
15	TimeOut End
The call lasted to the end of the maximum time permitted for the call, and the Digital ACP has forced the call to be disconnected.	
13	Digits End
The inmate has dialed one or more digits during the completed call, and the Digital ACP has forced the call to be disconnected. The limiting count is preset in the system.	
16	LoopDrp End
The completed call experienced one or more loop drops of duration too short to be a normal ending or network disconnect, and the ACP has forced the call to be disconnected.	
18	Digit-0 End
The inmate has dialed a single "0" digit during the completed call, and the Digital ACP has forced the call to be disconnected.	
24	3-Way End
The system has detected a 3-way call attempt, and the ACP has forced the call to be disconnected.	

ANSWERED CALL STOP END CODES

10	HangUp Stop

<table>
<tr><td colspan="2">The answered call was stopped either by the inmate hanging up his phone or by the network sending a disconnect loop drop, either before acceptance of a Collect call or before expiration of a Debit call "free time" period.</td></tr>
<tr><td>8</td><td>TimeOut Stop</td></tr>
<tr><td colspan="2">The answered Collect call was stopped by the Digital ACP and forced to be disconnected, after the Digital ACP had determined that the maximum time programmed for acceptance of the call has been reached without receiving an acceptance digit. Does not apply to Debit calls.</td></tr>
<tr><td>7</td><td>Digits Stop</td></tr>
<tr><td colspan="2">The answered Collect call was stopped by the Digital ACP and forced to be disconnected after the Digital ACP had determined that the digit received was not a "3". Also applies to Debit calls that are stopped when digits are detected during the "free time" period.</td></tr>
<tr><td>17</td><td>Digit-0 Stop</td></tr>
<tr><td colspan="2">The answered call was stopped by the Digital ACP and forced to be disconnected, after the Digital ACP detected a single "zero" digit was likely dialed by the called party.</td></tr>
<tr><td>19</td><td>LoopDrp Stop</td></tr>
<tr><td colspan="2">The answered call was stopped by the Digital ACP and forced to be disconnected when one or more loop drops were experienced with a duration too short to be a hang up event or network disconnect.</td></tr>
<tr><td>21</td><td>Passive Stop</td></tr>
<tr><td colspan="2">An attempt was made to place a collect call specifically enabled for passive acceptance, but the answered call was stopped either by the inmate hanging up his phone or by the network sending a disconnect loop drop, before expiration of the Passive Accept fixed 10-second "free time" period.</td></tr>
<tr><td>14</td><td>Digit-1 Stop</td></tr>
<tr><td colspan="2">During an attempt to solicit collect acceptance, the answered call detected numerous "1" digits.</td></tr>
</table>

NO ANSWER CALL END CODES

<table>
<tr><td>9</td><td>NoAnswr HgUp</td></tr>
<tr><td colspan="2">The unanswered call was stopped either by the inmate hanging up his phone or by the network sending a disconnect loop drop.</td></tr>
<tr><td>3</td><td>NoAnswrTmOut</td></tr>
<tr><td colspan="2">The unanswered call was stopped by the Digital ACP and forced to be disconnected after the Digital ACP determined that the maximum time programmed for answer of the call had been reached without detecting any kind of answer event by the called party.</td></tr>
<tr><td>2</td><td>NoAnswrBusy</td></tr>
<tr><td colspan="2">The unanswered call was stopped and forced to be disconnected after the Digital ACP answer supervision detected a busy signal.</td></tr>
<tr><td>5</td><td>Intrcept Opr</td></tr>
<tr><td colspan="2">The call attempt was stopped when answer supervision detected Special Information Tones (SIT) preceding a recorded intercept message, and the Digital ACP forced the attempt to be disconnected.</td></tr>
<tr><td>33</td><td>NoAnsBadLoop</td></tr>
<tr><td colspan="2">The call attempt was stopped by the Digital ACP when, after dialing the TNI onto the network, a check for loop current failed usually due to fraudulent flash hook activity by the inmate. The Digital ACP forces a disconnect when loop current is undetected.</td></tr>
<tr><td>34</td><td>NoAnsBadTone</td></tr>
<tr><td colspan="2">The call attempt was stopped by the Digital ACP when, after dialing the TNI onto the network, a check for dial tone passed.</td></tr>
</table>

BLOCKED ATTEMPTS END CODES

23	Validate Blk
The TNI dialed by the inmate did not support collect call billing with reversed charges and the call attempt was blocked.	
29	ValidatNoAns
The Digital ACP was unable to detect a signal for the online validation port after waiting approximately 15 seconds. The call was not connected.	
30	ValidatTmOut
The Digital ACP was unable to detect a complete DTMF response, validating the TNI for call completion, from the online validation server after waiting about 10 seconds. The call was not connected.	
6	Validate Chk
The call attempt received an invalid digit string from the online validation server. The call was not connected.	
11	Inbound Ring
An inbound ring condition was detected when the Digital ACP accessed the c.o. trunk. The call was not connected.	
0	No Service
No loop current was detected on the outgoing trunk and the process was aborted without dialing the number.	
12	No Dial Tone
Normal loop current was detected on the outgoing trunk, but no dial tone was received and the process was aborted without dialing the number.	
4	No Ringback
After the Digital ACP dialed the TNI, no ringback signal was detected confirming that the call made its way to the terminating party's CO switch. The call attempt was disconnected.	
20	Interrupted
The call was interrupted and forced to an early termination by an authorized service representative during a communications session invoking a manual shutdown command.	

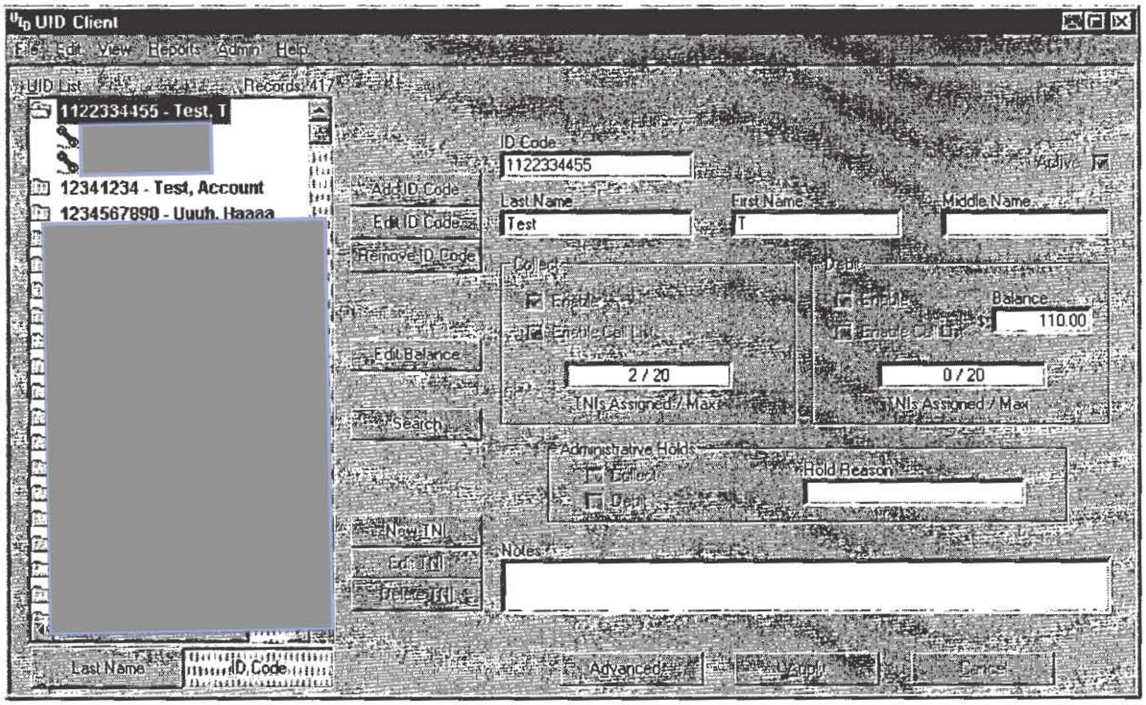
CONTROLLED EVENTS END CODES

22	ID Code Bad
The inmate dialed an invalid ID Code or PIN.	
25	ID Code Busy
The ID Code or PIN dialed by an inmate was locked in the database and was unavailable for use, even thought the ID Code existed, because it was already in use by another inmate.	
26	ID Code Quit
The call attempt was terminated either by the Digital ACP timing out, or by the inmate voluntarily abandoning the call setup and hanging up after dialing a good ID Code.	
27	ID Code?Quit
The call attempt was terminated either by the Digital ACP timing out, or by the inmate voluntarily abandoning the call prior to receiving a good code response from the database.	
28	TermNum?Quit
The call attempt was terminated either by the Digital ACP timing out, or by the inmate voluntarily abandoning the call prior to receiving a good TNI response from the allowed call list database.	

CONTROLLED EVENTS END CODES (con't.)

31	Term Num Bad
The call attempt was terminated either by the Digital ACP timing out, or by the inmate voluntarily abandoning the call after the Digital ACP determined that the TNI dialed was blocked or restricted.	
32	TermNum Quit
The call attempt was terminated either by the Digital ACP timing out, or by the inmate voluntarily abandoning the call setup and hanging up after dialing a good TNI.	
35	Debit Fund=0
The call attempt was terminated in a Debit Account application after it was determined that a good debit account has insufficient funds to complete the call.	
36	No Tcop Data
The call attempt was blocked because no response was received from the PIN database verifying the PIN or TNI was a good number.	
37	IDC StatsBad
The call attempt was blocked by the Digital ACP in a PIN application, where the inmate's status did not match the phone status.	
38	SLM MaxLimit
The call attempt was blocked by the Digital ACP in a PIN application, where the count of TNIs accumulated by a Self Learn Mode inmate has reached its maximum limit, and the inmate has dialed yet another new TNI.	
39	ActvGard IDC
The call attempt was blocked by the Digital ACP in a PIN application, where the total count of completed calls that is accumulated has exceeded the maximum count for that PIN.	
40	ActvGard TNI
The call attempt was blocked by the Digital ACP in a PIN application, where the total count of completed calls, to a particular TNI, that are accumulated has exceeded the maximum count for that PIN.	

Inmate System



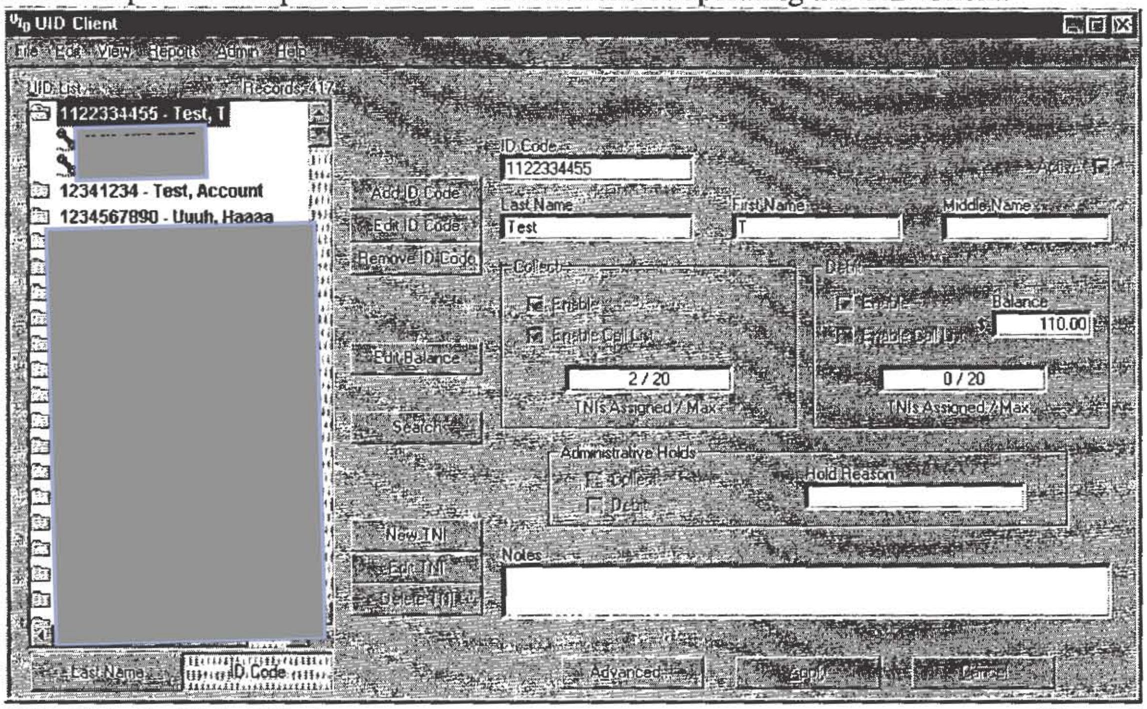
UID Client

PIN Management System

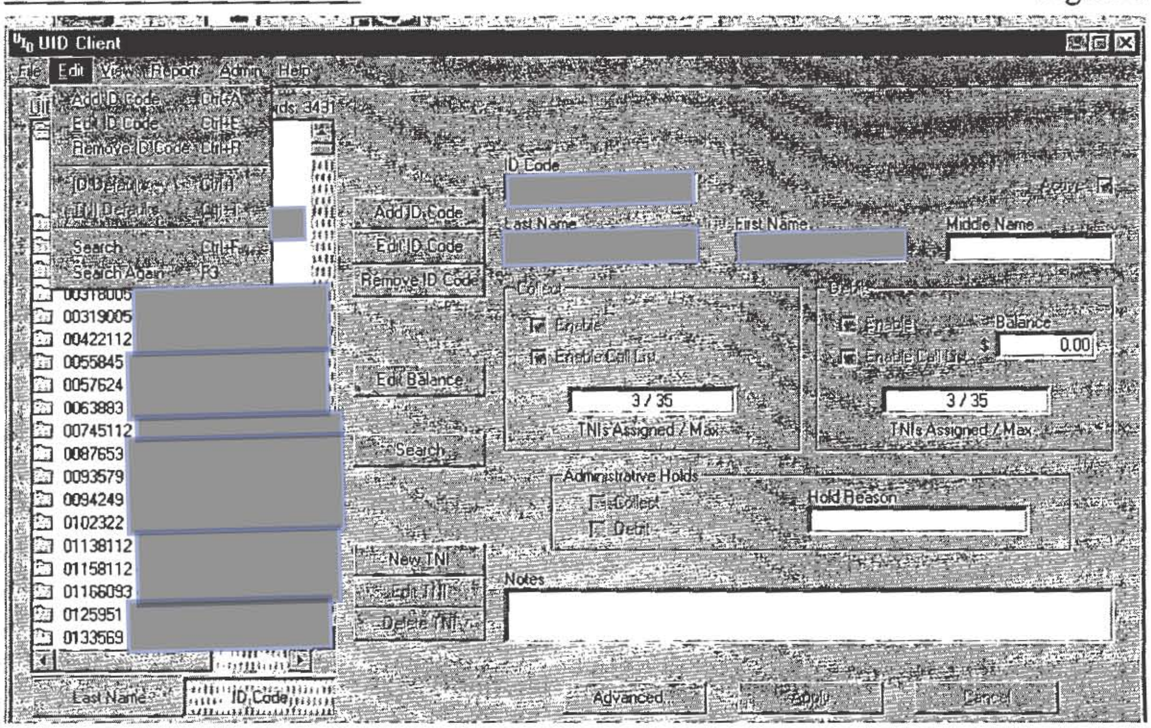
Table of Contents

I. Operating the UID Client – ID Codes

The UID Client Main Window will appear when the operating system is launched. Shown in Figure 1. The UID Client is operable by pull down menus, hot keys and control buttons, located on each screen. Figure 2 shows the pull down option menu for all functions of operating the UID Client.



UID Client - Main Window Figure 1



Edit Option – Pull Down Window Figure 2

I-1. Adding ID Codes

To Add a new ID Code, select **Add ID Code**. The information tree to the left of the main window will fade and the user will enter all necessary information into the fields located to the right of the main window. See Figure 3.

A. Enter ID Code

B. Enter the Last, First and Middle names (whichever may apply) of the person using the Debit Account.

Collect/Debit is the second section of this window.

C. Check the Enable box for Collect/Debit.

D. Check the Enable Call List box.

E. In the Balance field, enter the amount of money that will be credited to the account.

Administrative Holds is the third section of this window. If an Administrative hold should be added to an account proceed with the following:

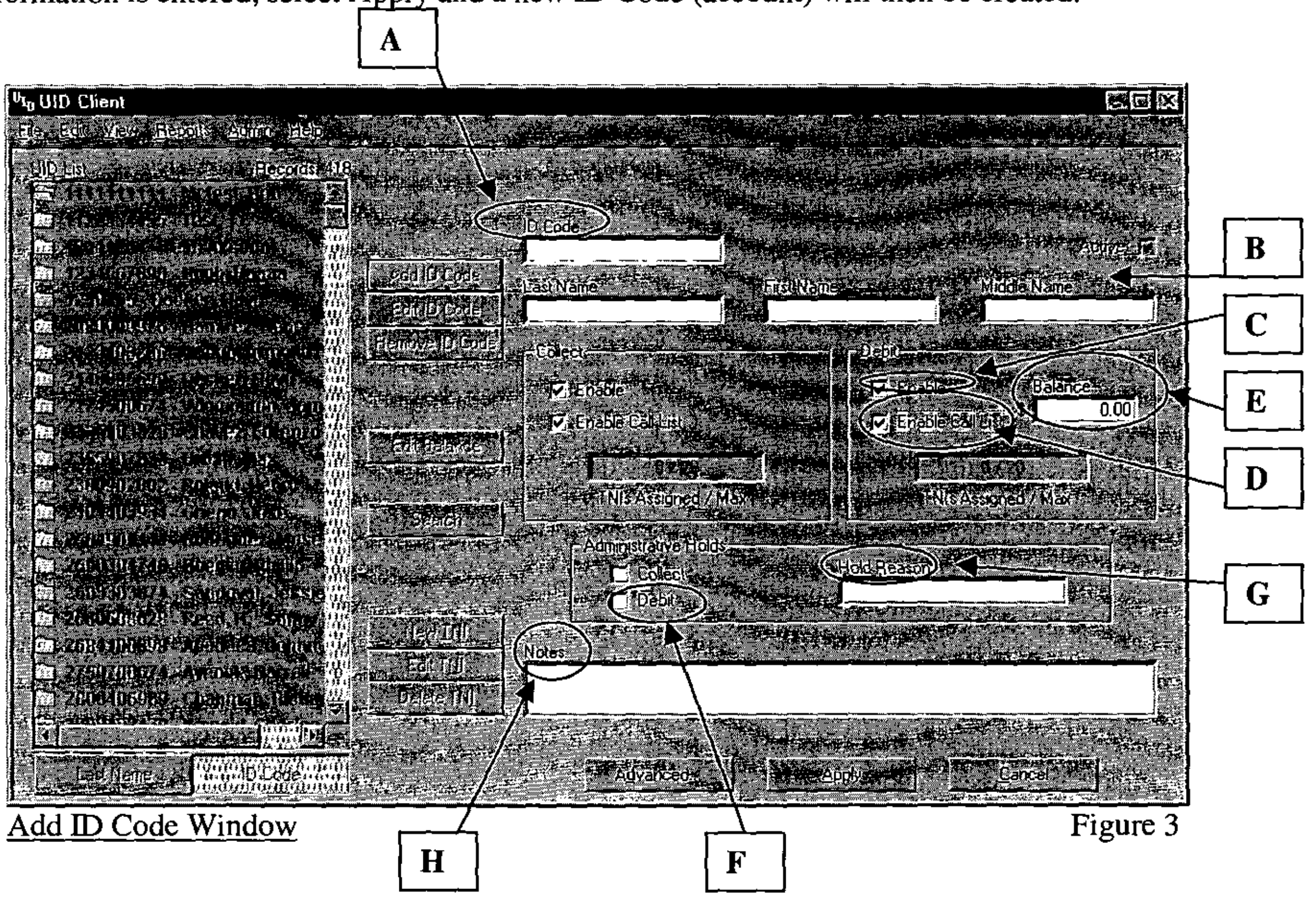
F. Check the Collect/Debit box (whichever may apply).

G. In the Hold Reason field, enter the necessary information.

The Notes field is the final field in this window.

H. In this field, any special notes on the account may be entered.

When all information is entered, select Apply and a new ID Code (account) will then be created.



Add ID Code Window Figure 3

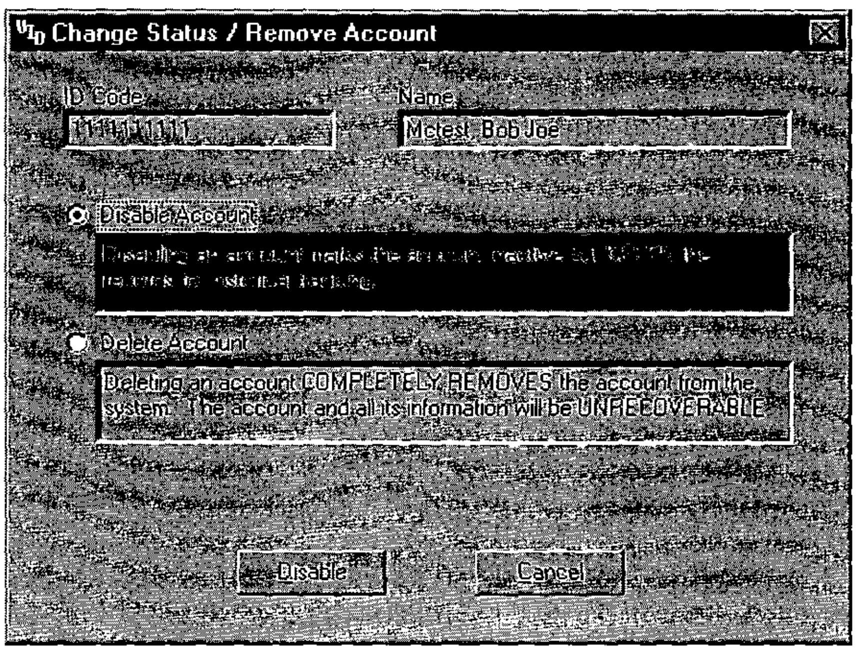
I-2. Edit ID Code

To Edit an ID Code, simply select **Edit ID Code**. The same window that appears for adding an ID Code will appear. See Figure 3. When editing an account, only attributes of the ID Code may be edited. The ID Code and PIN may not be edited. Listed below are the fields in which the user may edit:

Name (Last, First and Middle)
Collect Enable Box
Debit Enable Box
Enable Call List Box
Administrative Holds/Reason
Notes

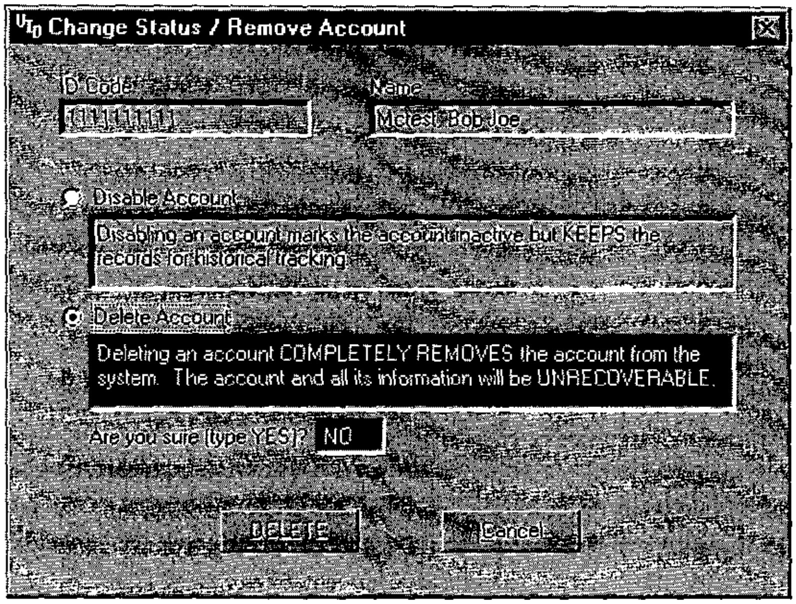
I-3. Remove ID Code

When the **Remove ID Code** option is selected the user will be prompted by an additional pop up window that will offer to disable the account, or to completely remove the ID code from the database. Disabling the ID Code keeps the records on file for historical tracking, but does not delete the record completely. See Figure 4.



Remove ID Code Window Figure 4

To delete the ID Code from the database, the user must click the Delete Account button. The system will prompt the user with a warning that the account information will be unrecoverable if deleted. The user must type "YES" to delete the record. See Figure 5.

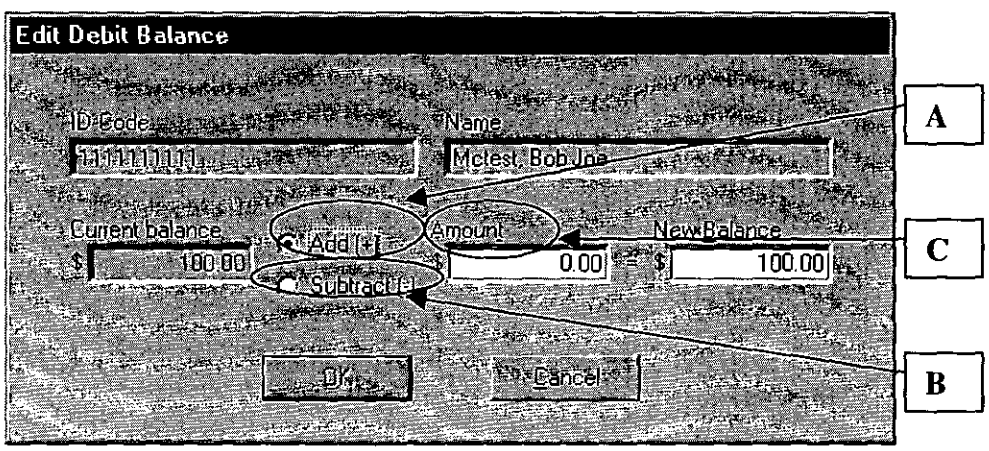


Remove ID Code/Delete Account Window Figure 5

I-4. Edit Balance

In the **Edit Balance** window the user is able to make adjustments to an account balance. The ID Code, Name and Current Balance may not be edited. When the balance is changed, the system will show the new balance. See Figure 6.

A. Add box – Check if you wish to add monies to the account balance.
B. Subtract box – Check if you wish to subtract monies from the account balance.
C. Amount – Enter the amount to be added/subtracted for an account.

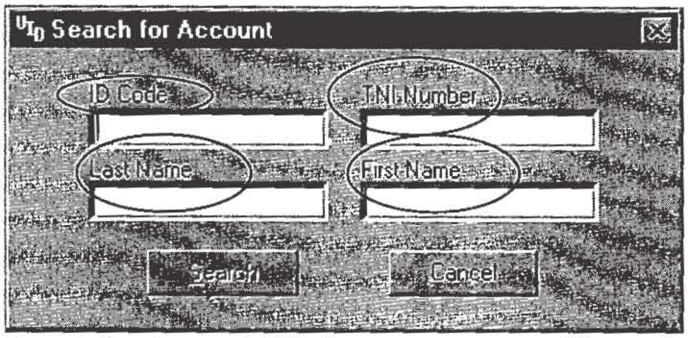


Edit Debit Balance Window Figure 6

II. Sort & Search Options

II-1. Search

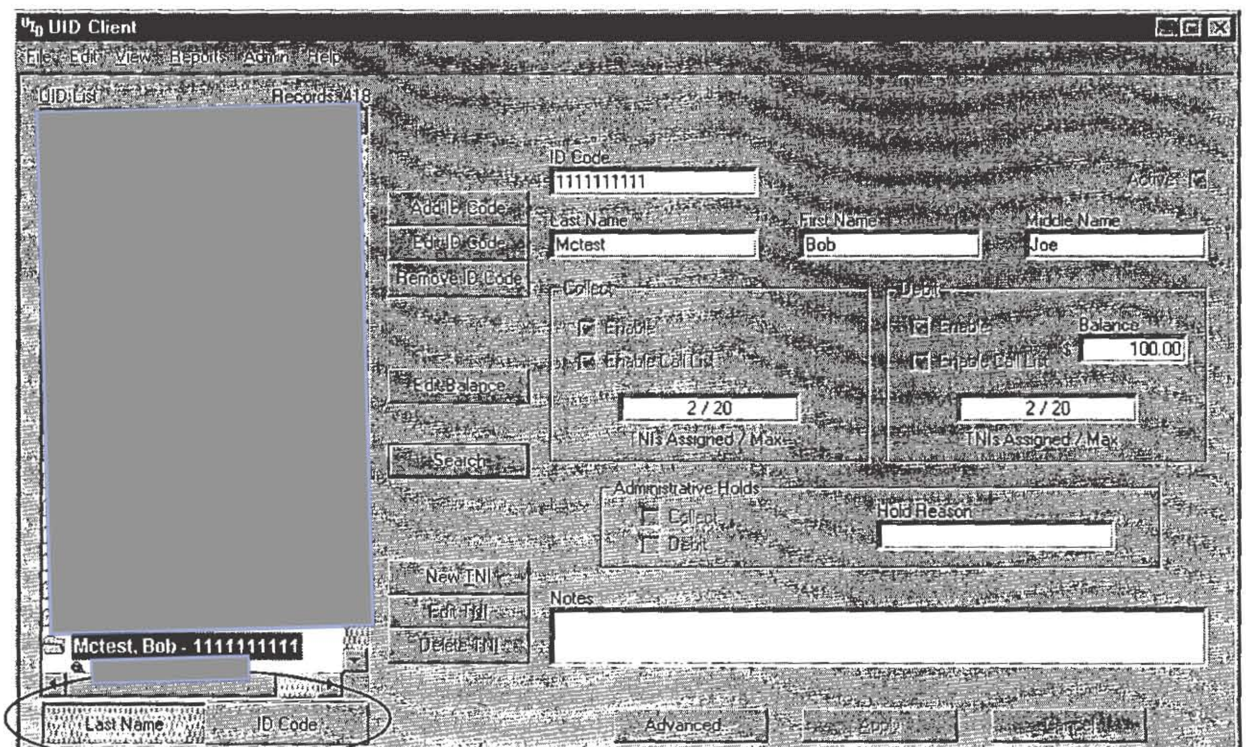
The **Search** window allows the user to search for a particular account by either ID Code, TNI Number, Last Name or First Name. See Figure 7.



Search for Account Window Figure 7

II-2. Sort by Last Name or ID Code

There are two ways in which the information tree may be sorted, by Last Name or by ID Code. The information tree located to the left of the Main Window in Figure 1 is sorted by ID Code. Figure 8 shows the information tree sorted by Last Name.



Sort Option in Main Window Figure 8

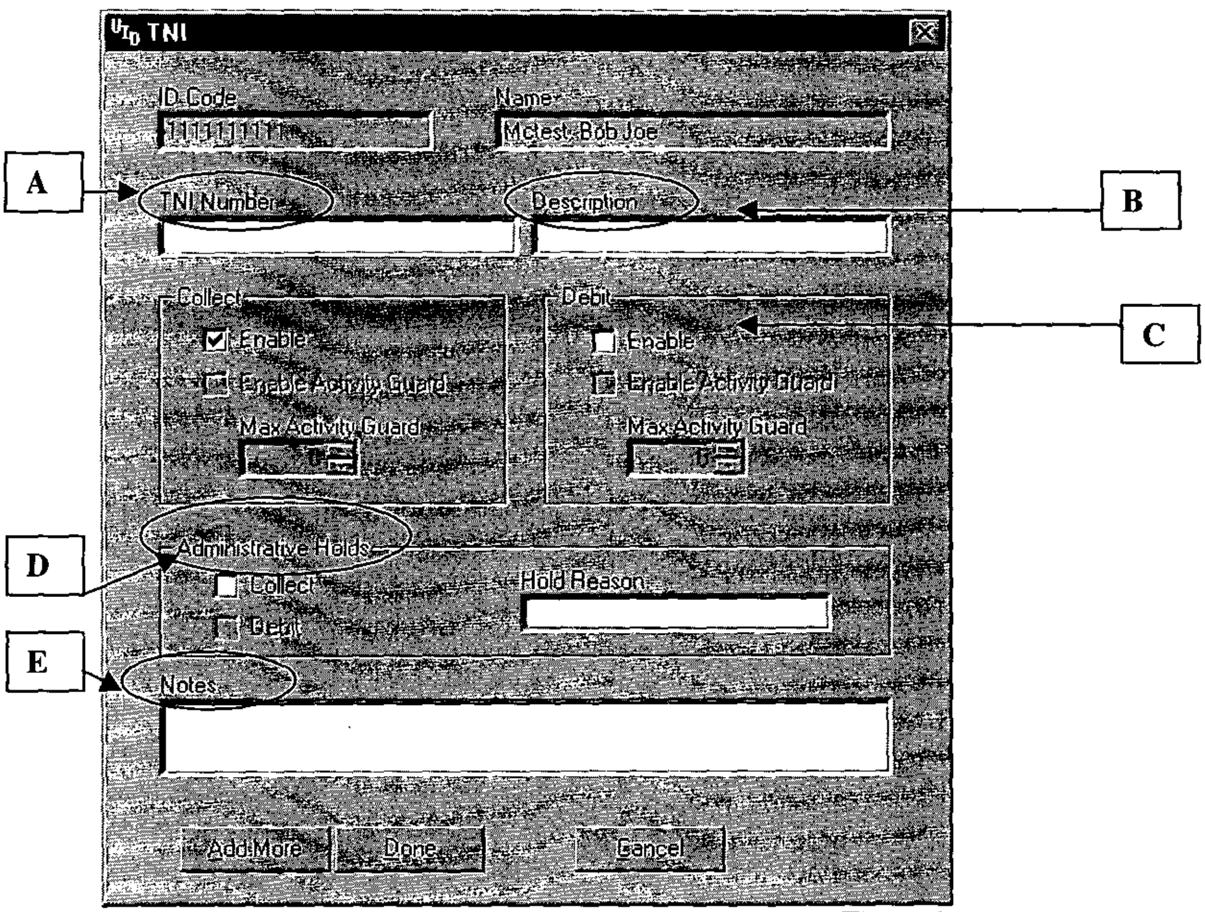
III. Operating the UID Client – TNI's

III-1. New TNI

The **New TNI** Window will allow the user to enter new TNI's for an account. The ID Code and Name fields cannot be edited from this window.

A. TNI Number – Enter the TNI in which the inmate will be calling.
B. Description – In this field the user can enter the name of the party to be called.
C. Collect/Debit – Check the enable box that applies.
D. Administrative Holds/Reason – Check the Collect/Debit box, whichever applies and enter the reason for the Admin. Hold.
E. Notes – In the notes field the user may enter any special notes on an account.

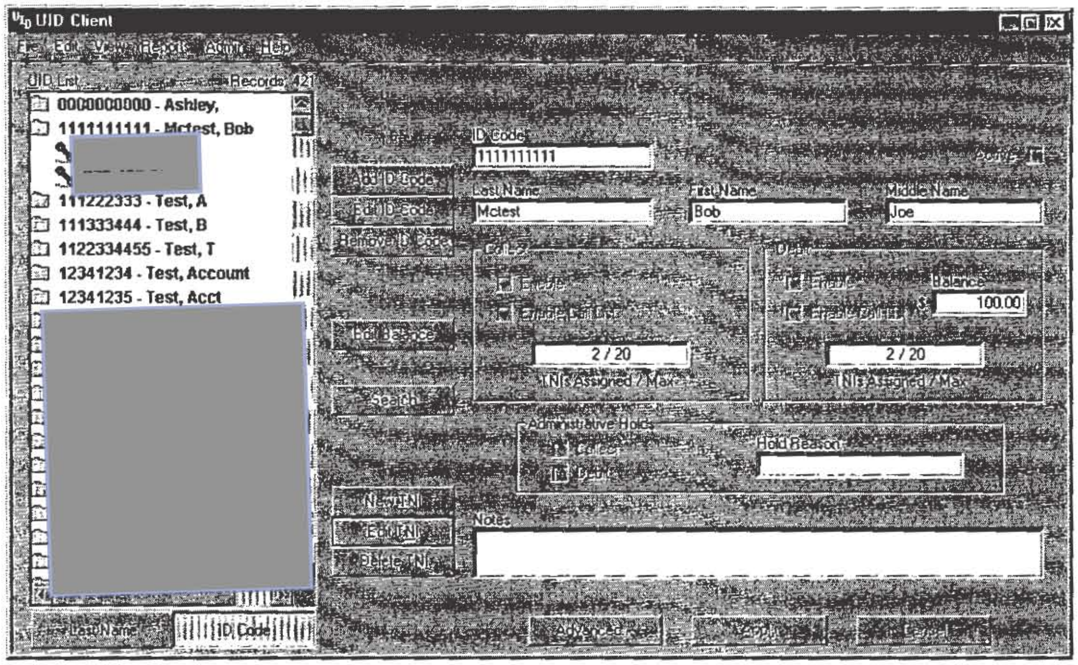
*Note: The Enable Activity Guard and Max Activity Guard fields are not available in the current version of the UID Client.



New TNI Window Figure 9

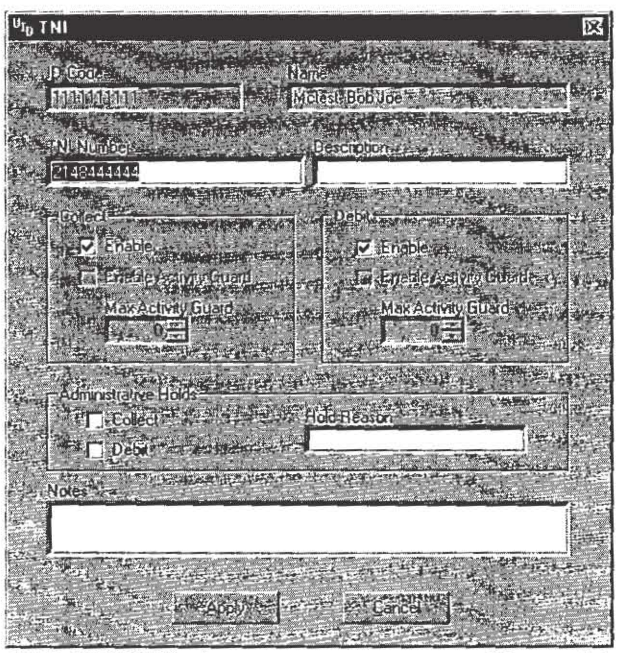
III-2. Edit TNI

To **Edit a TNI**, the user must highlight the TNI (located under the Name in the Information Tree on the left side of the main window). See Figure 10.



Main Window Figure 10

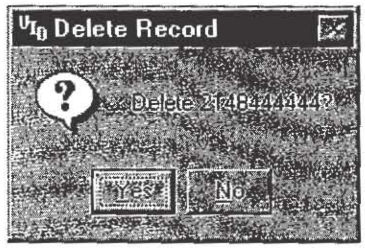
Once the user clicks the Edit TNI button, the **EDIT TNI** window will appear. See Figure 11. In this window, only the TNI and certain attributes of the TNI may be edited. The ID Code and Name fields may not be edited.



Edit TNI Window Figure 11

III-3. Delete TNI

To **Delete a TNI**, the user must highlight the TNI listed below the Name and PIN number in the information tree on the main window. See Figure 10. When the **Delete TNI** option is selected the user will be prompted by an additional pop up window that will confirm that the user is certain of deleting the account information. This window is just to reassure that the user will not delete a TNI that does not need to be deleted. This window will look like the window shown in Figure 11. An additional pop up window will appear to confirm the deletion. See Figure 12.

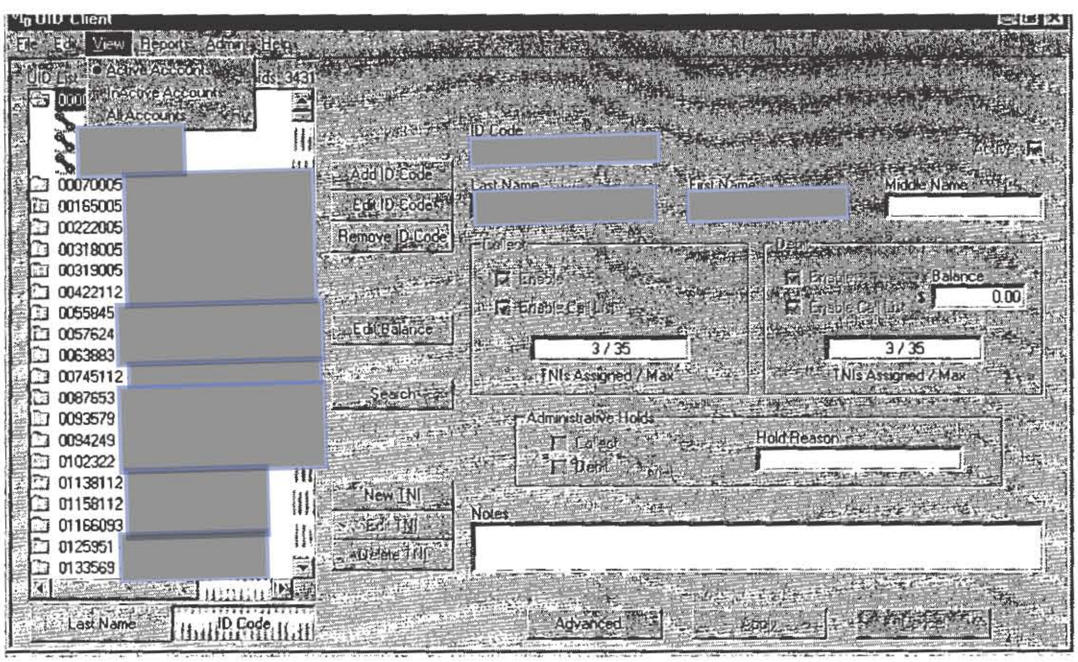


Delete Record Window Figure 12

IV. Viewing

IV-1. Active Accounts

The user has the option to view the UID List from the Main Window by active accounts only. The user must click Active Accounts from the View menu. See Figure 13.



View Option - Pull Down Menu Figure 13

IV-2. Inactive Accounts

The user may view only the inactive accounts in the UID List from the Main Window by clicking Inactive Accounts from the View pull down menu. See Figure 13.

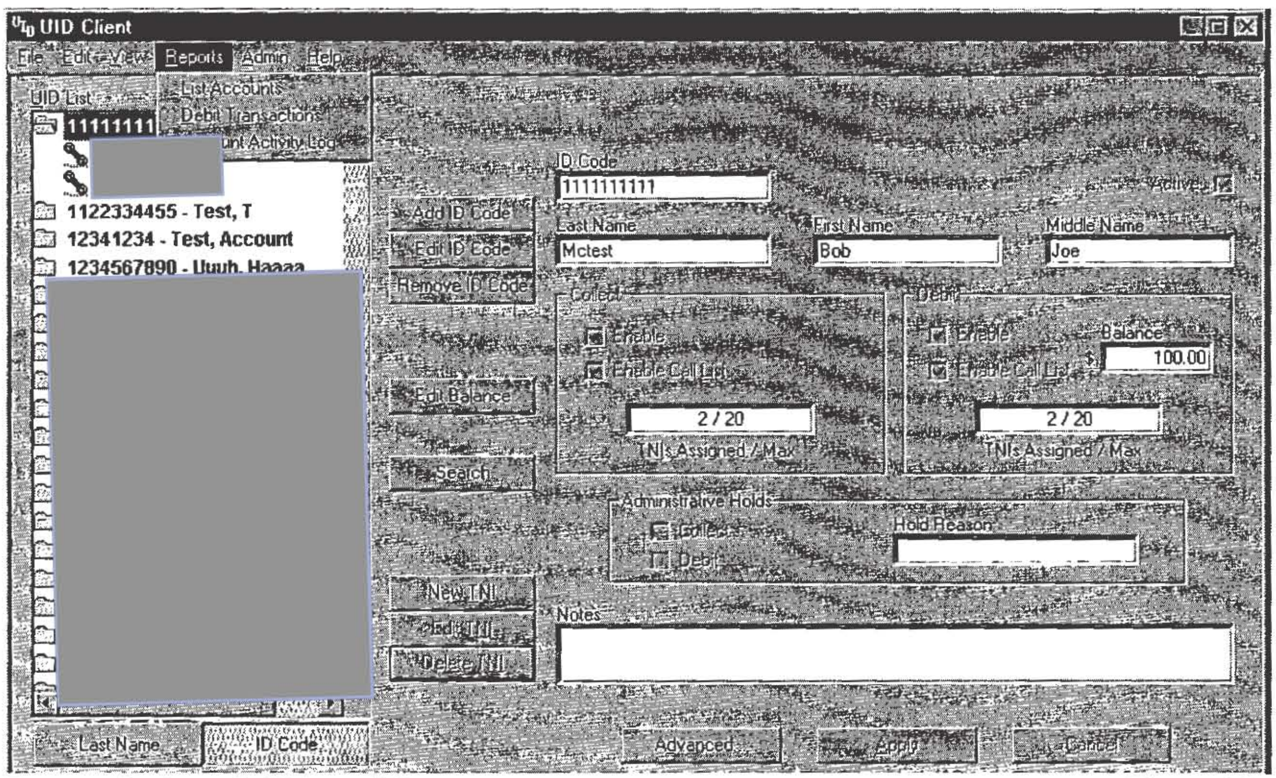
IV-3. All Accounts

The third viewing option is to view all accounts in the UID List. Simply click All Accounts from the View pull down menu. See Figure 13.

V. Reporting

V-1. Report Options

There are three report options listed under the Reports pull down menu, which the user may administer. See Figure 14.

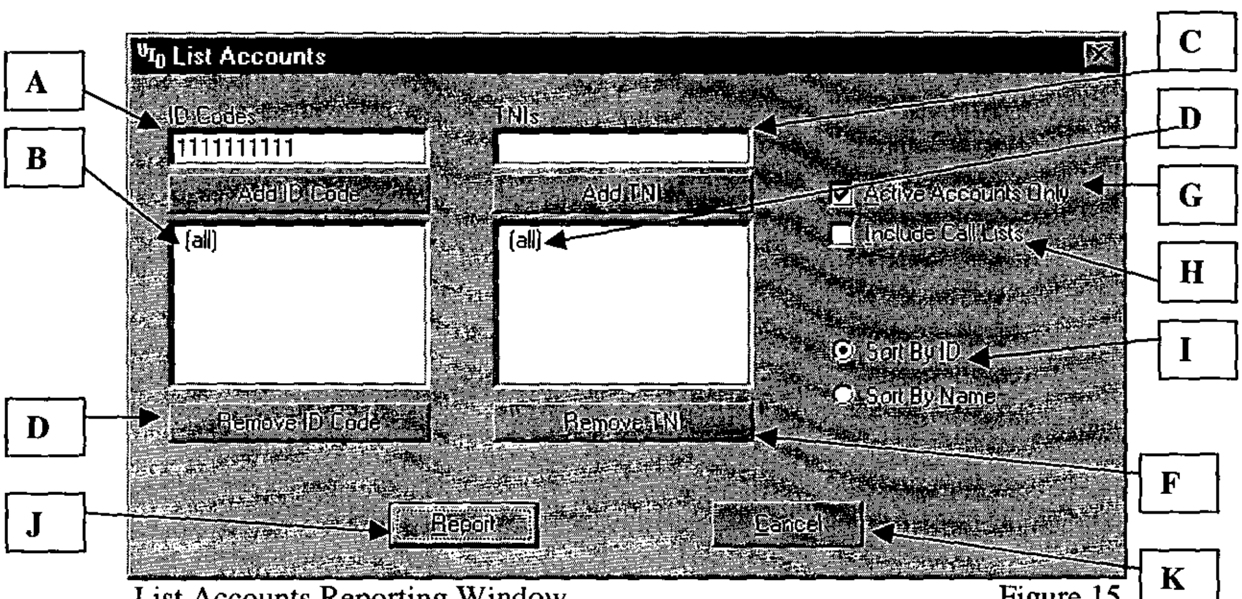


Reports Option - Pull Down Menu Figure 14

V-2. List Accounts Reporting

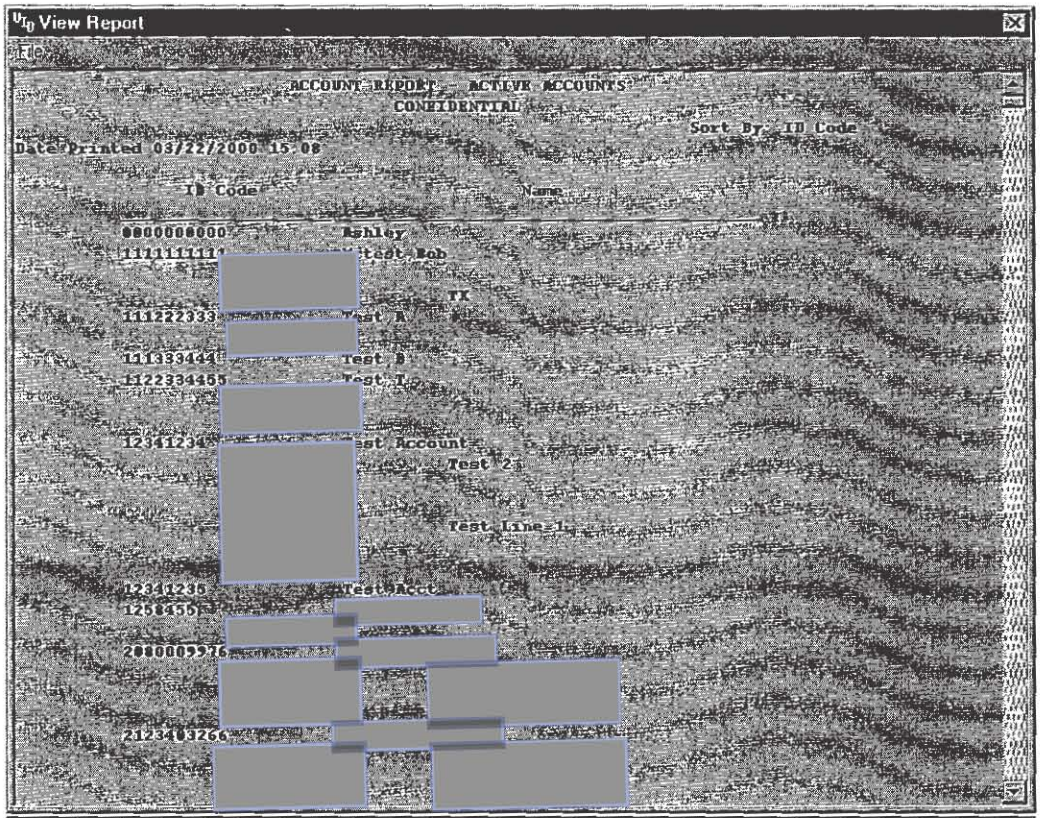
The **List Accounts Reporting** option allows the user to run reports based on various information. See Figure 15.

A. Enter ID Codes to be included in report, or
B. Leave default to (all) to include all ID's in the report.
C. Enter the TNIs to be included in report, or
D. Leave default to (all) to include all TNIs in the report.
E. To remove an ID Code, highlight the ID Code you wish to remove from the report and click Remove ID Code button.
F. To remove a TNI, highlight the TNI you wish to remove from the report and click Remove TNI button.
G. To run the report with Active accounts only, check this box. To include all accounts, leave box without a check.
H. Check Include Call Lists box if you want the allowed call lists to appear in the report.
I. Click either Sort by ID, or Sort by Name.
J. Click Report when ready to run the report, or
K. Click Cancel to exit report.



List Accounts Reporting Window Figure 15

See Figure 16 for a sample List Accounts Report.



List Accounts Report Window Figure 16

V-3. Debit Transaction Reporting

The **Debit Transaction Reporting** option allows the user to run debit reports on an account(s) by using various types of information. See Figure 17.

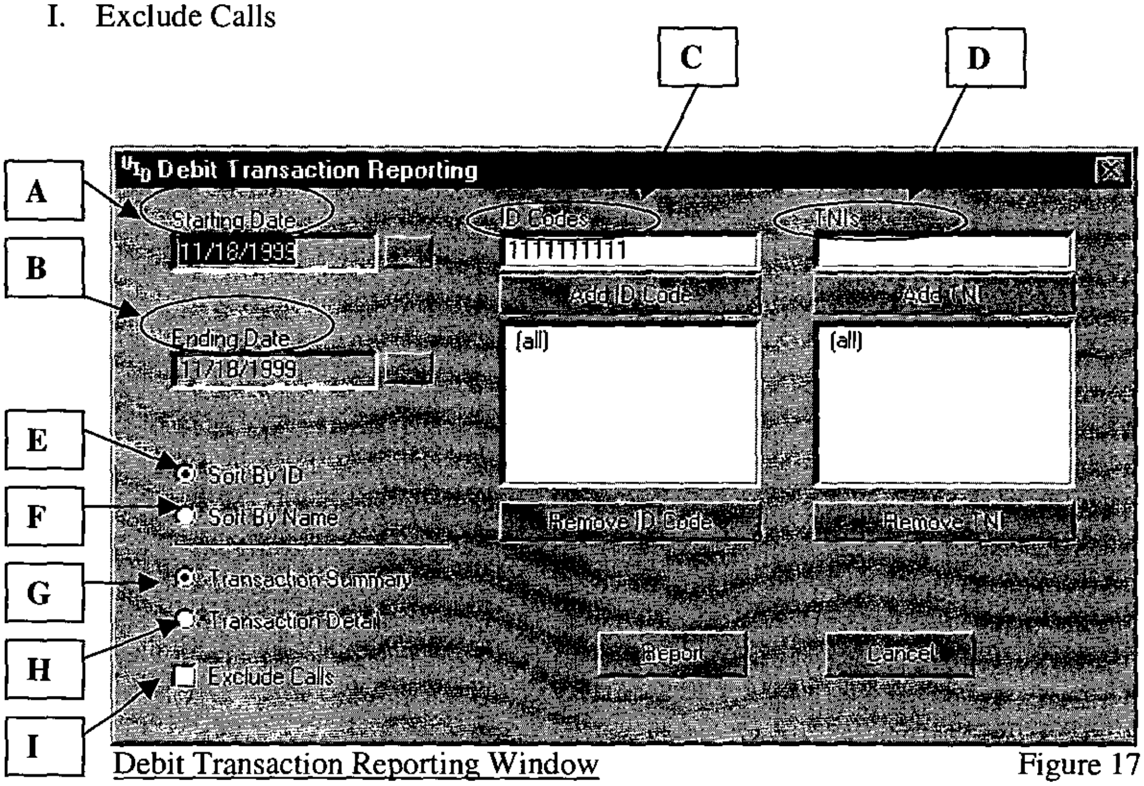
A. Enter the Starting Date for the report. (see calendar in figure 15)
B. Enter the Ending Date for the report. (see calendar in figure 15)
C. Add ID Code(s) for report.
D. Add TNI(s) for report

Each report may be run by either ID Code or TNI(s). The Reports may be sorted by either ID or Name.

E. Sort by ID
F. Sort by Name

The report may also be as detailed as the user wishes. There are 3 options:

G. Transaction Summary
H. Transaction Detail
I. Exclude Calls

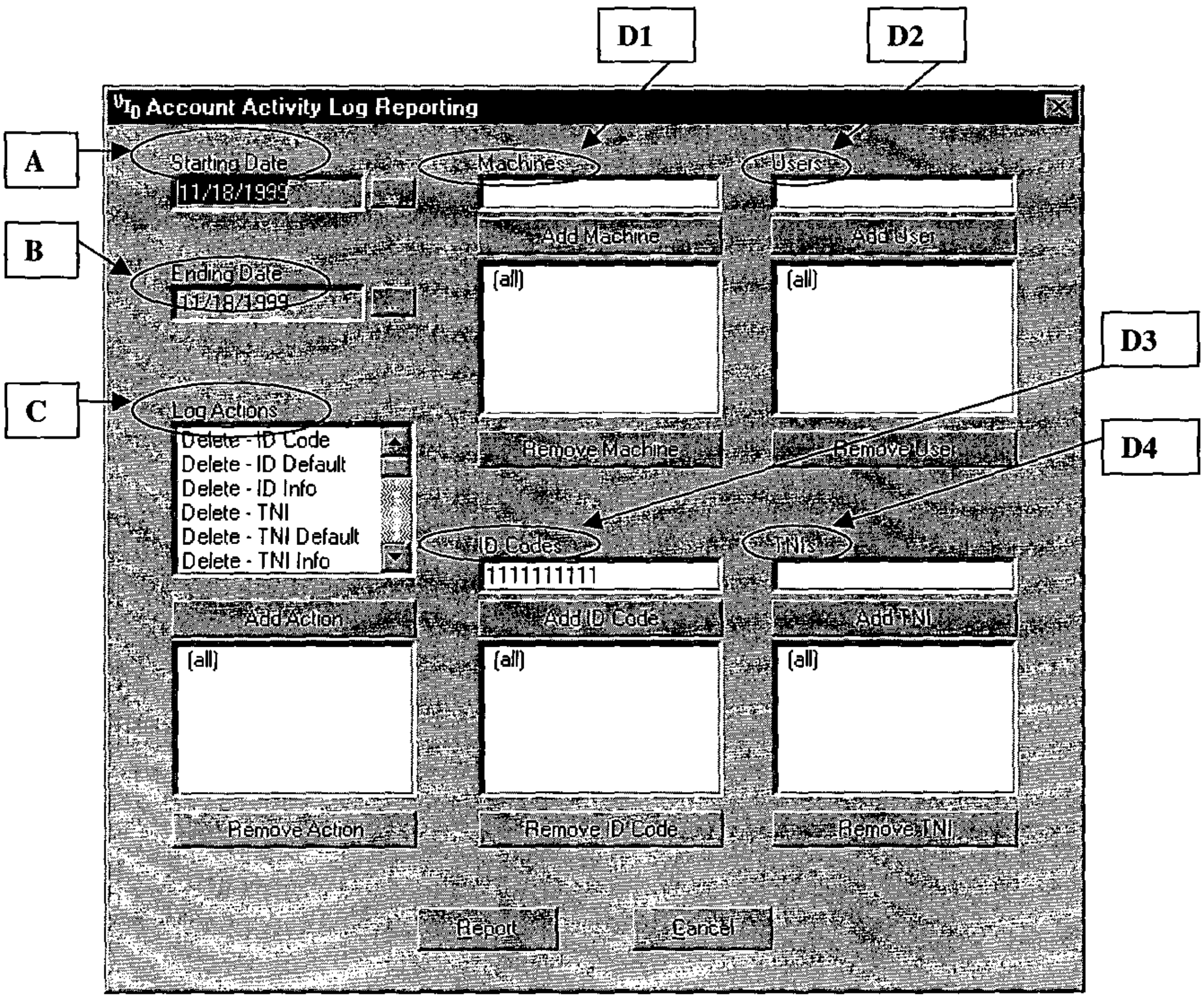


Debit Transaction Reporting Window Figure 17

V-4. Account Activity Log Reporting

This report will allow the user to view any activity which has taken place on an account. See Figure 18.

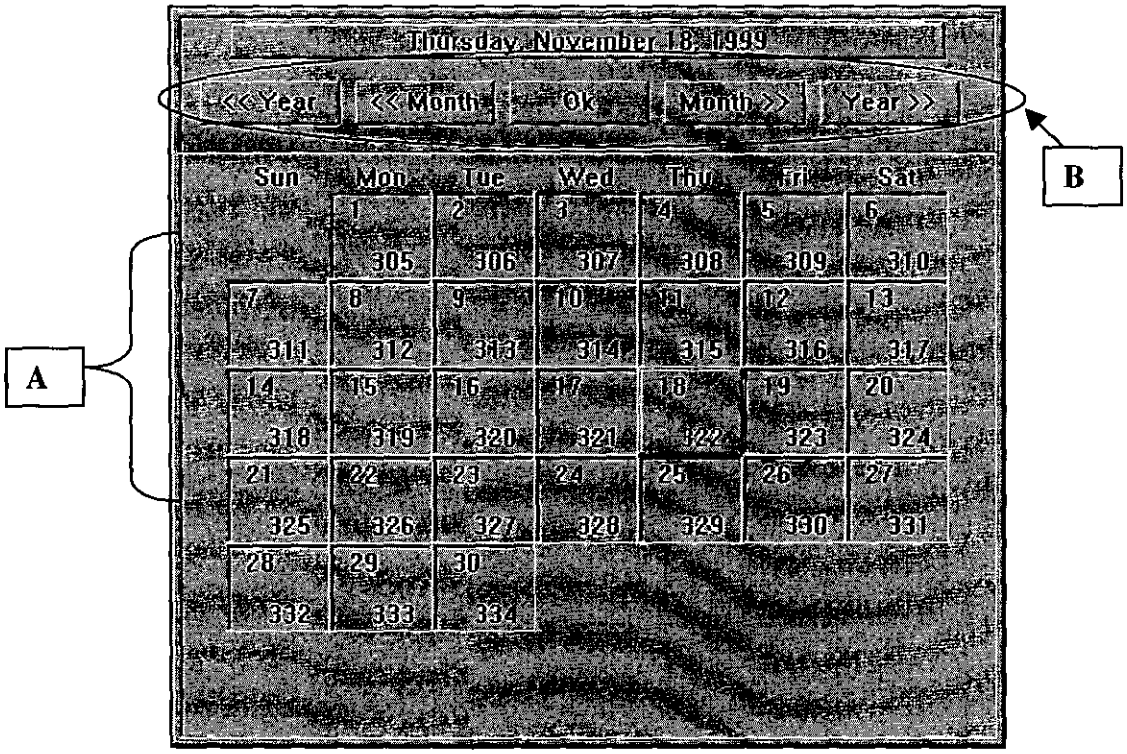
A. Enter Starting Date of report. (see calendar, figure 15)
B. Enter Ending Date of report. (see calendar, figure 15)
C. Select the Log Action desired.
D. Enter one of the following in which to run the report:
   1. Machines
   2. Users
   3. ID Codes
   4. TNI(s)



Account Activity Log Reporting Window Figure 18

V-5. Reports Calendar

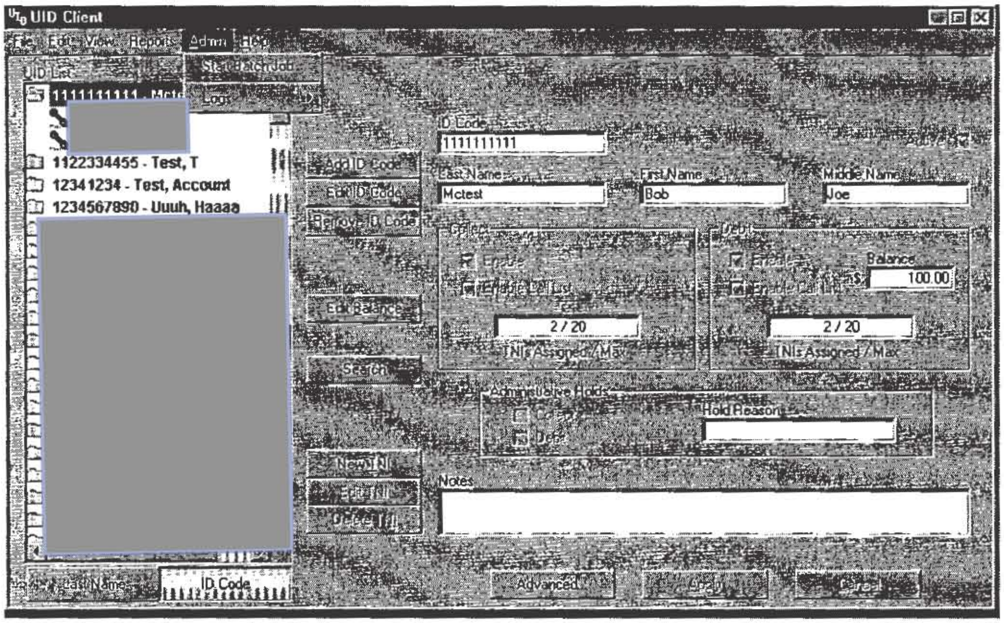
Figure 19 shows the calendar that is used for the Starting Date and Ending Date of each report. The user may simply select a date from the calendar (A) by clicking on the desired date. The Month/Year buttons at the top of the window (B) may also be used to select the Starting Date and Ending Date of each report.



Report Calendar Figure 19

VI. Admin Menu

The Admin pull down menu from the Main Window has two options that the user may choose to perform. See Figure 20.



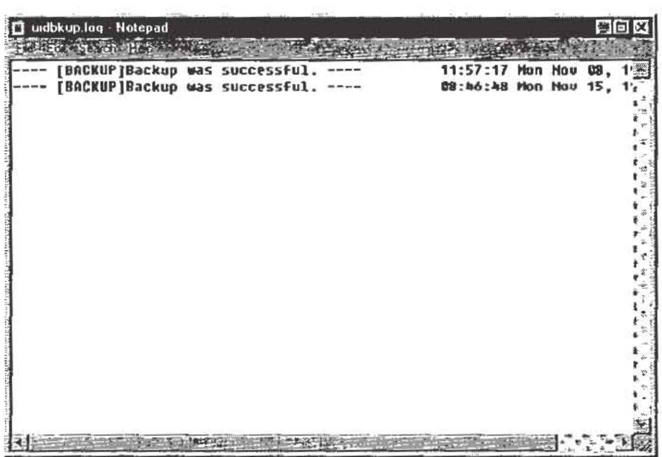
Admin (pull down) Menu Figure 20

VI-1. Start Batch Job

This function enables the user to modify accounts in bulk.

VI-2. Logs

If an error occurs in the backup log, a window will pop up when initializing the UID Client program. The user should click Logs item under the Admin Menu and go to Backup. A file will appear that contains errors or confirmations of backups. See Figure 21.

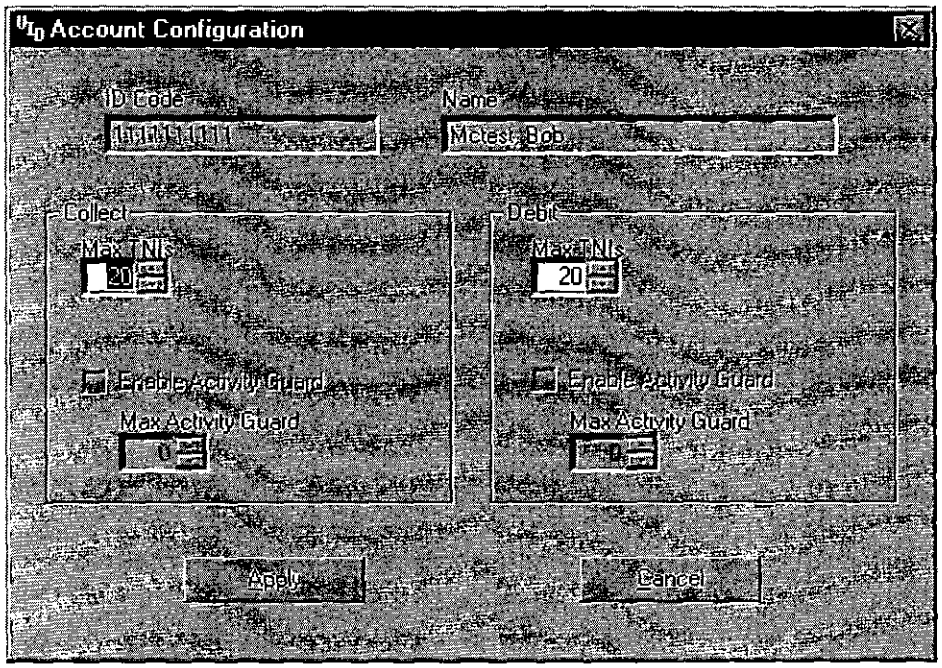


Backup Window Figure 21

VII. Advanced Option

V-1. Account Configuration

On most of the Windows throughout the program there is a button located at the bottom of the window labeled **Advanced**. This option will administer a window titled **Account Configuration**. In this window the user will be able to change the settings for the Collect/Debit Max TNI's. See Figure 22.
*Note: Enable Activity Guard and the Max (limit) Activity Guard are not available in the current UID Client.



Account Configuration Figure 22

VIII. Definitions & Helpful Tips

VIII-1.Definitions

1. TNI – (Terminating Identification Number) Telephone number to be called by inmate.
2. ID Code – This is the inmates account number.
3. PIN – A unique number, auto generated by the system, that is added to the end of an ID Code.
4. Activity Guard – Velocity Controlled. Allows "X" amount of calls to a certain TNI in a specified time period. **This option is not available at this time.**
5. Administrative Hold – An Administrative Hold is used by facility administrators to place an active account on hold. The holds may be placed or lifted at the users discretion.
6. Information Tree – A field located to the left of the main window of the UID Client in which all database information is viewed.

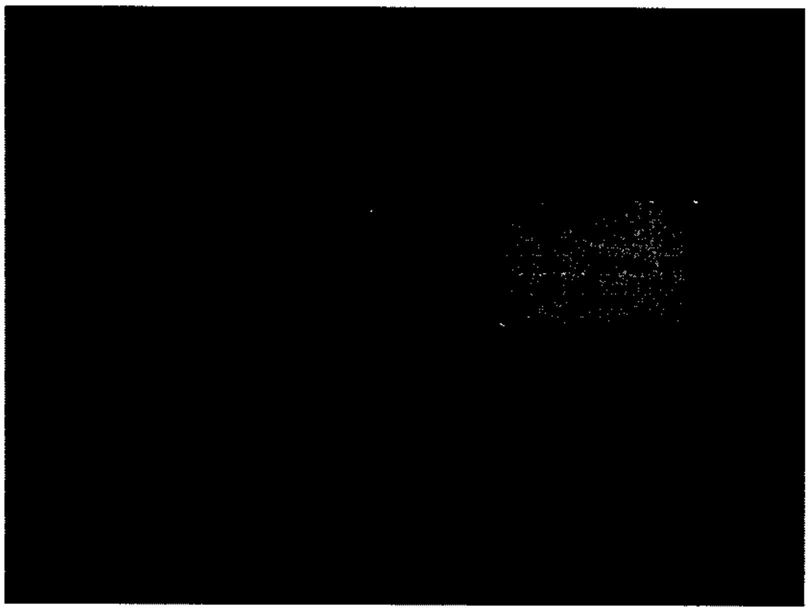
VIII-2. Helpful Hints

1. The maximum amount of digits that are allowed for an account is 20. This includes the ID Code and the PIN (if applicable).

2. It is always advantageous to double-check all data entry. This will make searching for an account as well as editing accounts much easier.

Inmate System

AT&T



Monitoring Phone
User's Guide

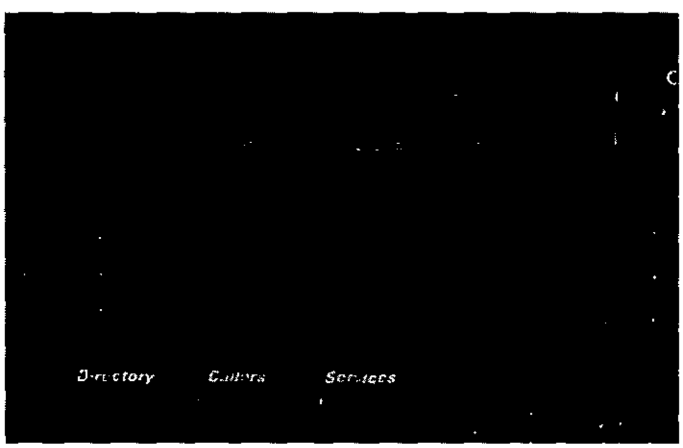
Table of contents

I. Powering On the Monitoring Phone

To power on the monitoring phone, the user simply presses the round blue button to the left of the handset. See Figure 1. By pressing the blue button, the phone automatically defaults to the speakerphone. For more privacy, the user may lift the handset. The red LED located above the power button will illuminate.

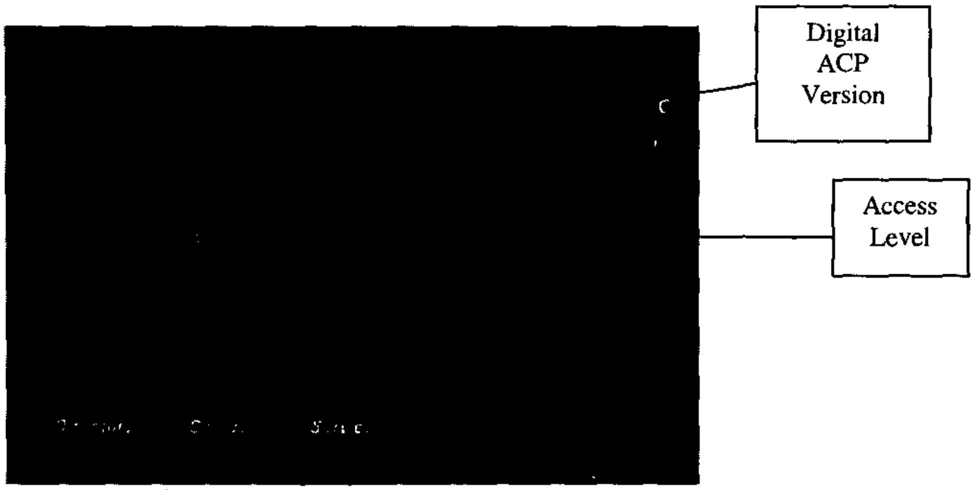
Monitoring Phone Figure 1

Each time the Monitoring Phone is powered on, a user passcode is required to gain access to Monitoring Phone functions. Simply enter your four-digit passcode. See Figure 2. A maximum of 20 passcodes is available per system.



Input Passcode Figure 2

Once the passcode has been properly entered, the current Digital ACP version will be displayed on the Lead Crystal Display (LCD) screen as well as the access level allowed by passcode. Access levels are programmable up to 20 characters. See Figure 3.



<u>Digital ACP Version</u> Figure 3

Invalid Passcode – If your passcode is not accepted, access will be denied. Depress the Goodbye key to turn off the Monitoring Phone. Begin again by pressing the power button as shown in Figure 1.

If no calls are active on the system when the user turns on the Monitoring Phone, a "No Active Trunks" screen will be displayed. See Figure 4. If trunks are active when the Monitoring Phone is turned on, the first active call will be displayed in Silent Seek mode. (Note: Active trunk data displayed is determined by user passcode.)

<u>No Active Trunks Screen</u> Figure 4