EXHIBIT A

NEWS

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FOR IMMEDIATE RELEASE
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Press Statement of Chairman Michael K. Powell and Commissioners Kathleen Q. Abernathy, Michael J. Copps, Kevin J. Martin and Jonathan S. Adelstein On Triennial Review Next Steps

Today, we sent a letter to telecommunications carriers and trade associations urging them to begin a period of commercial negotiations designed to restore certainty and preserve competition in the telecommunications market. Ongoing litigation has unsettled the market. To address this uncertainty, we ask all carriers to engage in a period of good faith negotiations to arrive at commercially acceptable arrangements for the availability of unbundled network elements. We trust the parties will utilize all means at their disposal, including the selection of a third-party mediator, to maximize the success of this effort. The Communications Act emphasizes the role of commercial negotiations as a tool in shaping a competitive communications marketplace. After years of litigation and uncertainty, such agreements are needed now more than ever.

To provide additional time for these negotiations, we intend to petition the D.C. Circuit for a 45-day extension of the stay of its decision vacating our unbundling rules. We likewise will request that the Solicitor General seek a comparable extension of the deadline for filing a petition for certiorari. The express, limited purpose of this request is to allow these negotiations to take place and for the parties to reach commercial agreements. We have asked the carriers to indicate to us by Tuesday, April 6 whether they will participate and will support a stay of the court's mandate.

In the past, the Commission has been divided on these issues. Today, we come together with one voice to send a clear and unequivocal signal that the best interests of America's telephone consumers are served by a concerted effort to reach a negotiated arrangement. We call on all sides to commit to working in good faith toward a prompt negotiated resolution.

- FCC -

EXHIBIT B

Sage **Finally, the choice is yours. ™**

SAGE TELECOM CONTINUES TO ADD NEW RESIDENTIAL AND SMALL BUSINESS TELEPHONE CUSTOMERS.

Growth continues as competitors leave marketplace.

DALLAS, TEXAS, June 25, 2004

Sage Telecom announced early this morning that it will continue to add new local and long distance customers in the eleven states where it currently does business. Included are California, Illinois, Indiana, Kansas, Michigan, Oklahoma, Texas and Wisconsin. Sage will also actively market its services in Arkansas, Missouri and Ohio, three of the states in which AT&T Corp. has announced it will stop selling traditional local and long distance residential services.

Based on Sage's recently announced private agreement with SBC, Sage plans to continue its program of controlled expansion and growth in both the residential and business telephone segments. The agreement between Sage and SBC assures the continuation of competitive choices and innovative services in areas where SBC is the incumbent telephone company.

Sage is also expanding into data services and will introduce high speed internet service to many of its rural markets.

Sage Telecom currently serves over 550,000 residential and small business customers throughout the U.S. For more information about Sage Telecom services, consumers can call 1-888-972-7243 during normal business hours Monday through Saturday or visit the Sage Telecom website (www.sagetelecom.net).

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News Release

FOR RELEASE WEDNESDAY, JUNE 23, 2004

AT&T To Stop Competing In The Residential Local and Long-Distance Market In Seven States

MORRISTOWN, N.J. -- AT&T today announced that it will stop competing for local and long-distance residential customers in Ohio, Missouri, Washington, Tennessee, Louisiana, Arkansas and New Hampshire -- states comprising a population of nearly 38 million Americans.

This action is a result of a June 9 decision by the Administration and the FCC not to appeal a recent Federal court decision that overturned FCC wholesale rules put in place to introduce competition in local markets. The reversal of local competition policy by the Administration will permit the Bell companies to raise wholesale rates as early as November. This increase in wholesale rates means that AT&T will likely be unable to economically serve customers with the competitive bundles currently available.

The Administration's decision two weeks ago effectively eliminated pro-competition rules adopted by the FCC nearly 18 months ago. Without these rules, AT&T has been forced to reassess its ability to serve residential consumers in the other 39 states in which it provides local and long-distance service.

Today's announcement to stop competing in seven states for residential customers is a result of that reassessment. AT&T will make further announcements as it continues its review.

"We foresee a future with less choice for consumers," said David Dorman, chairman and CEO of AT&T. "Competitive alternatives are simply not available today for most Americans," he added, "because as AT&T loses the ability to provide them with an alternative to the Bell companies, they will have virtually no choice of telecommunications provider."

Dorman noted that for the consumer market, the ability of a competitor to bundle a variety of services -- particularly local and long-distance service -- has essentially been eradicated by the June 9 decision. Without an effective local product in its service bundle, AT&T foresees that it will not be able to effectively provide customers with a complete package of telecommunications services.

Since the passage of the Telecom Act in 1996, almost 30 million lines, representing more than 20 million consumers and small businesses, are receiving local phone service from a non-Bell service provider. Studies have shown that all purchasers of local phone service save over $11 billion a year because competition brings better pricing and improved service offers.

The company stressed that it will continue to serve its existing residential customers in the affected states, and that its announcement today does not affect its enterprise, government and other small- and medium-sized business customers. It will also not affect customers with DSL and cable modem offerings who subscribe to the company's Voice over IP offering, AT&T CallVantage℠ Service.

About AT&T

For more than 125 years, AT&T (NYSE "T") has been known for unparalleled quality and reliability in communications. Backed by the research and development capabilities of AT&T Labs, the company is a global leader in local, long distance, Internet and transaction-based voice and data services.

AT&T 'Safe Harbor'

The foregoing contains "forward-looking statements" which are based on management's beliefs as well as on a number of assumptions concerning future events made by and information currently available to management. Readers are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside AT&T's control, that could cause actual results to differ materially from such statements. These risk factors include the impact of increasing competition, continued capacity oversupply, regulatory uncertainty and the effects of technological substitution, among other risks. For a more detailed description of the factors that could cause such a difference, please see AT&T's 10-K, 10-Q, 8-K and other filings with the Securities and Exchange Commission. AT&T disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This information is presented solely to provide additional information to further understand the results of AT&T.

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Others Said to Be Poised

Z-TEL DROPS OUT OF CONSUMER MARKETS IN 8 STATES

Z-Tel, a CLEC with the one of the biggest national footprints, said Tues. it was suspending retail operations in 8 states as a result of the decision of the Administration not to pursue an appeal of the Triennial Review Order. Sources said other CLECs may be poised to take similar steps in the coming weeks, as they reassess their business plans as the unbundled network element platform (UNE-P) is eventually phased out. MCI, in particular, is rumored to be prepared to drop out of the consumer market, though sources said no decisions have been made.

Z-Tel sent regulators a letter on Mon. explaining its withdrawal. "Without rules in place that support vibrant competition in the telecommunications marketplace, competitive carriers and consumers are now unfortunately faced with great uncertainty," it said. "The victims of this dramatic shift in federal policy and the resulting uncertainty will be the consumers."

Z-Tel said it won't officially stop signing up customers until Oct. 5. Tom Koutsky, Z-Tel's Washington representative, said Z-Tel won't do any more marketing in the states and doesn't expect to add to its rolls. "We're going to redouble our efforts to become more focused on [VoIP] and business customers, but that has the unfortunate downside of leaving some of these residential customers without a choice," he said.

State regulators from 3 of the states disagreed Tues. on the significance of the announcement, during interviews. The states affected are W.Va., N.M., Me., Ark., Ia., Neb., Mont. and Ida. Z-Tel has about 250,000 residential lines in 48 states and about as many business lines. Paul Kjellander, pres. of the Ida. PUC, told us he was disappointed that Z-Tel, though not a major player at this point in the state, wouldn't pursue additional residential customers. "It's to be expected," he said: "We had heard from a lot of companies that if this order went a different way they would be out of business. This is a sign that some at least weren't crying wolf." Kjellander said of his mostly rural state: "As far as this being a hotbed of retail competition, it isn't. That's not to say it won't be or couldn't be. It's not."

Anne Boyle, chmn. of the Neb. PSC, said she was disappointed that the Administration made its decision not to appeal the Triennial Review Order based on what she viewed as an election year calculation. She saw the Z-Tel announcement as part of a trend of CLECs choosing not to serve rural America.

"It is bothersome to see that promises are being made to say we'll keep rates where they are until January, which is after the election," he said. "We have spent nearly 8 long years trying to implement what Congress asked us to do to bring about competition... I'm from a rural state. It's more difficult here. This decision [not to appeal] was very premature."

Tom Welch, chmn. of the Me. PUC, said he views the departure of Z-Tel as part of a market shakeout: "I can't say I'm surprised. You're always disappointed to see competitors leaving the market, but sometimes when some people leave others come in." Welch added: "I have never been a fan of UNE-P. From the very beginning it seemed at best a transition strategy."

One telecom analyst said both CLECs and ILECs would use announcements to show the Administration the effect the Appeals Court, D.C., decision had on the industry. "I would think there is a desire of these companies to punish or reward the Administration politically," he said. The analyst said while it was "perfectly plausible" the CLECs would announce lay-offs, the Bells had started announcing investments.

Also, BellSouth announced Mon. it would lay off 300 people in its wholesale division in Ga., prompting one CLEC industry source to speculate the Bell expects to process fewer CLEC orders. — ***Howard Buskirk, Susan Polyakova***