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our competitive performance going forward. In the first quarter we had the lingering effect of share loss compounded by the rather immediate effect of competitive price downs. On the cost side our investments in systems are allowing us to push even greater labor cost efficiencies than we'd planned for the rest of the year. But having said all of that, I think the impact of the unstable pricing environment can undermine all of these things, and that's where I think the significant risk is and we are going to keep a close eye on that and update as appropriate.

Additionally, Mr. Horton made the following comments concerning a question regarding the Federal Communications Commission's April 21, 2004 ruling on our Voice over Internet Protocol petition:

Going forward, we think the incremental cost is measured in the tens of millions per year. We don't believe these charges would apply retroactively.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(c) EXHIBITS

Exhibit 99 - Press release dated April 22, 2004.

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On April 22, 2004, AT&T Corp. issued a press release announcing first quarter earnings. A copy of the press release is attached as Exhibit 99.

Such information, including the Exhibit attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AT&T CORP.

/s/ Robert S. Feit

By: Robert S. Feit
Vice President - Law and Secretary

April 26, 2004