

STATE OF MAINE
KENNEBEC, SS.

SUPERIOR COURT
CIVIL ACTION
DOCKET NO. CV-00-

STATE OF MAINE,
ATTORNEY GENERAL,

Plaintiff,

v.

AT&T CORPORATION,

Defendant.

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COMPLAINT .

NOW COMES, The State of Maine, acting through Attorney General, Andrew Ketterer, and alleges as follows:

INTRODUCTION

1. The above-named Defendant, AT&T Corp. (AT&T), has deceptively advertised long distance telephone rates and, as a result, has violated Maine's consumer protection laws. AT&T has advertised that consumers can make various long distance calls at various per minute rates. None of the advertised deals exist. A consumer must pay multiple and various additional monthly charges which AT&T fails to disclose in its advertisements. These additional charges are not governmentally imposed fees or taxes.

2. This action is in the public interest and is being brought by the Attorney General, pursuant to the Maine Unfair Trade Practices Act, 5 M.R.S.A. §§ 207 and 209. By this action the Attorney General seeks a declaration that AT&T has engaged in acts and practices that violate the above-cited statute. The Attorney General also seeks injunctive relief, civil penalties, attorneys' fees, expenses, and costs. By this Complaint the Attorney

General alleges that AT&T has engaged in false, misleading, or deceptive acts and practices in the conduct of trade and commerce in the State of Maine.

PARTIES

3. Plaintiff, State of Maine is a sovereign state and brings this action by and through Attorney General Andrew Ketterer who is authorized, and has the duty, pursuant to 5 M.R.S.A. § 209 and the powers vested in him by common law to investigate and prosecute violations of the Unfair Trade Practices Act on behalf of the people of the State of Maine.

4. The Defendant AT&T Corp. is a corporation incorporated under the laws of the State of New York with a place of business at Room 3263D2, 295 North Maple Avenue, Basking Ridge, New Jersey. AT&T offers telecommunications products and services.

JURISDICTION

5. This Court has subject matter jurisdiction, pursuant to 4 M.R.S.A. § 105 and 5 M.R.S.A. §§ 209.

6. AT&T has previously been given a reasonable opportunity to address concerns with its business practices and has declined to do so.

7. AT&T has and is transacting business within the State of Maine and is subject to personal jurisdiction in this State.

COUNT I --AT&T'S DECEPTIVE AND MISLEADING ADVERTISING

8. AT&T offers a variety of residential long distance service plans that include different terms and conditions. AT&T promotes its residential long distance telecommunications service plans by various methods. These marketing promotions include,

but are not limited to, television advertisements which air in Maine, use of AT&T's website, and print advertisements which have been disseminated in Maine.

9. In the course of its marketing efforts AT&T uses false, deceptive or misleading statements; fails to provide information necessary to make such statements not false, deceptive or misleading; and uses specific statements and representations that may be literally true, but within the context of the advertising have the purpose and effect of fostering a misunderstanding on the part of the consumer. Specifically, a number of AT&T's advertisements claim low per-minute rates, but fail to clearly and conspicuously disclose, and sometimes fail to disclose at all, additional monthly charges that apply. As a result of these deceptive and misleading advertisements, AT&T customers incur charges substantially in excess of the advertised rate.

10. AT&T's promotion of a long distance plan known as the "One Rate Seven Cents Plan" illustrates the misleading marketing practices that are the subject of this complaint.

11. Beginning at an exact date unknown, but at least since the summer of 1999, AT&T has heavily advertised its "One Rate Seven Cents Plan," which purports to provide long distance service at seven (7) cents per minute, 24 hours per day.

12. AT&T has advertised this plan in print, on television, and at its website. For example, AT&T has advertised its "One Rate Seven Cents Plan" in the Wall Street Journal and on prime time television shows such as Who Wants to Be A Millionaire, Will & Grace, and Just Shoot Me. On the Internet, AT&T offers its "One Rate Seven Cents Plan" at www.shop.att.com/offer/offer.jhtml?offer=One_Rate_7Cents&service=ld. A true and correct

copy of the Wall Street Journal ad is attached to this Complaint as Exhibit A (reduced by 60%). True and correct copies of the storyboards of the television ads are attached to this Complaint as Exhibit B. True and correct copies of AT&T's web site are attached to this Complaint as Exhibit C.

13. These advertisements represent, directly or by implication, that residential long distance service will cost seven cents a minute.

14. In addition to charging consumers seven cents a minute, however, AT&T also imposes additional charges on consumers for its "One Rate Seven Cents Plan." In fact, AT&T charges or has charged consumers:

(a) A monthly "Carrier Line Charge." This fee has fluctuated in price. The most recent amount is \$1.51 per month. AT&T has recently represented that starting in July it does not plan to continue to charge consumers its "Carrier Line Charge."

(b) A monthly "Universal Connectivity Charge." This charge has also fluctuated in price. At present, the charge is set at 8.6% of the customer's monthly interstate, international long distance calls and service charges.

(c) A \$5.95 monthly fee (\$4.95 if billing is done online).

15. Neither the "Carrier Line Charge", the "Universal Connectivity Charge", nor the \$5.95 monthly fee are governmentally imposed taxes or surcharges which AT&T is required to collect from consumers. Instead, all of these charges are fees that AT&T imposes on consumers solely at its own discretion.

16. AT&T does not disclose, and has not disclosed, its "Carrier Line Charge" or its "Universal Connectivity Charge" in advertising its various telecommunications services, including its "One Rate Seven Cents Plan."

17. AT&T does not clearly and conspicuously disclose, and has not clearly and conspicuously disclosed, the \$5.95 monthly fee for its "One Rate Seven Cents Plan." It also does not and has not clearly and conspicuously disclosed similar fees for its other plans.

18. The existence of AT&T's "Carrier Line Charge," "Universal Connectivity Charge," and its various other monthly charges is material to consumers in deciding whether to sign up with AT&T for long distance services. Therefore, AT&T's representations, as alleged in paragraph 12 above, are false and misleading and constitute a failure to disclose material facts necessary to prevent statements that are made from being misleading.

19. Under AT&T's "One Rate Seven Cents Plan," the requirement that consumers pay fixed monthly charges (\$5.95 monthly service fee, \$1.51 carrier line charge, and "Universal Connectivity Charge"), significantly affects the actual cost of long distance service. A consumer who makes 100 minutes of state-to-state long distance calls in one month will not pay \$7.00 for these services. Rather, in addition to paying AT&T \$7.00 for that month, the consumer must also pay AT&T \$1.51 for AT&T's "Carrier Line Charge," \$.60 for AT&T's "Universal Connectivity Charge," and \$5.95 for AT&T's other monthly charge. The total amount, excluding taxes, for one month's 100 minutes of state-to-state calls is thus \$15.06, not \$7.00. This amount is more than double what AT&T represents in its advertisements.

20. At a minimum, as a result of AT&T's failure to disclose these extra monthly charges, which are material, AT&T's advertisements have the capacity, tendency, or effect of deceiving or misleading consumers acting reasonably under the circumstances.

21. AT&T's practices described above constitute unfair, deceptive, or misleading acts or practices in trade or commerce in violation of 5 M.R.S.A. § 207.

22. AT&T's practices described above are intentional.

23. AT&T has repeatedly run print advertisements and aired television advertisements in violation of the Unfair Trade Practices Act. Each time one of these advertisements was printed or aired constitutes a separate violation for purposes of awarding civil penalties pursuant to 5 M.R.S.A. § 209.

COUNT II -- DECEPTION BY AT&T TELEMARKETERS

24. AT&T through its telemarketing agents, has made untrue and/or misleading statements to Maine residents regarding AT&T's rates and services, including but not limited to, the rates for the consumer's long distance service, and the rates for the consumer's international calls. In addition, AT&T, through its telemarketing agents, has failed to disclose material terms and conditions of AT&T's calling plans, including but not limited to, monthly recurring charges and monthly minimum charges.

25. AT&T's practices as described above constitute unfair, deceptive and misleading practices in trade or commerce in violation of 5 M.R.S.A. § 207 and are intentional.

COUNT III-- OTHER UNFAIR AND DECEPTIVE PRACTICES

26. When consumers contact AT&T's "customer service" department by telephone with questions and disputes regarding rate representations and other matters they have been subjected to mistreatment and harassment by AT&T employees including being put on hold for lengthy periods of time and even disconnected.

27. AT&T's practices as described above constitute unfair, deceptive and misleading practices in trade or commerce in violation of 5 M.R.S.A §207 and are intentional.

REQUEST FOR RELIEF

The Attorney General respectfully asks that this Court:

1. Declare that AT&T has engaged in multiple methods, acts, and practices in trade and commerce in violation of the Unfair Trade Practices Act, 5 M.R.S.A. § 207.
2. Enjoin AT&T, its officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of the injunction from falsely representing the costs of its long distance telephone services or from engaging in trade and commerce in violation of 5 M.R.S.A. § 207.
3. Enjoin AT&T, its officers, agents, servants, employee, and attorneys, and those persons in active concert or participation with them who receive actual notice of the injunction from subjecting consumers who contact the customer service department with complaints to mistreatment and harassment.

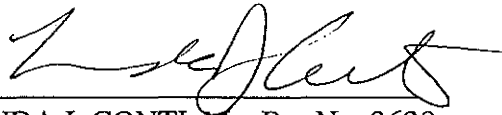
4. Award judgment against AT&T for civil penalties, in a sum of up to Ten Thousand Dollars (\$10,000) for each intentional violation, as authorized by 5 M.R.S.A. § 209.

5. Award the Attorney General reasonable attorney fees, court costs, investigative costs, and expenses against AT&T, as authorized by 5 M.R.S.A. § 209.

6. Award the Attorney General such other, further, or different relief as the Court considers appropriate.

Respectfully submitted,

ANDREW KETTERER
ATTORNEY GENERAL



Dated: July 20, 2000

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Attorneys for the State of Maine

When is
7¢

less
than a

nickel?

When it's...

All day. Every day.

INTRODUCING

AT&T
 **one rate**
7¢ plan

With the new AT&T One Rate® 7¢ plan, all your state-to-state calls from home all day, every day, are just 7¢ a minute.*

Unlike those nickel rates that can sometimes cost you a quarter, AT&T has made real savings simple once again.

To enroll, call 1 800 4 ONE RATE.

CALL
NOW

1 800 4 ONE RATE

TO
ENROLL

www.att.com/7cents



*\$55 monthly rate applies. Available in select areas. © 1999 AT&T

EXHIBIT

A



VIDEO MONITORING
SERVICES OF
AMERICA, LP

330 W 42nd St, New York, NY 10036 (212) 736-2010

PRODUCT AT&T One Rate Plan
MARKET Network
PROGRAM Just Shoot Me
CODE # 0004-03149
TITLE Reiser Interrupts/Add Web., No NBA

LENGTH :30
STATION NBC
DATE 04/11/00
TIME 9:44 PM
REV OF # 0004-00137



(AUDIO LOGO) (MUSIC IN) ALONZO
MOURNING: AT&T One Rate 7 Cent
Plan.

SUPER: AT&T ONE RATE 7 CENT PLAN



(SFX: BALL IN HOOP IN & OUT) 7
cents a minute all day, every day.
(SFX: BALL BOUNCING IN & OUT)

SUPER: \$5.95 MONTHLY FEE FOR STATE TO STATE CALLS FROM HOME.

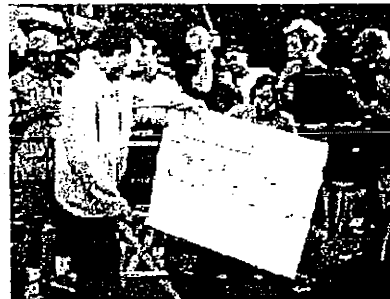


(MUSIC OUT) PAUL REISER: Whoa,
whoa, whoa. What are you doing?
ALONZO: Nothing.

SUPER: IN STATE RATES MAY BE HIGHER. AVAILABLE IN MOST
AREAS.



PAUL: 7 cents, all day, every day.
ALONZO: So? PAUL: You're doing my
thing. ALONZO: No, I'm not. PAUL:
Oh, really?



Who are these guys? Okay,



7 cents a minute, all day, every
day.



ALONZO: No, it's more like, (SFX:
DEEP BARITONE IN & OUT) all day,
every day.



PAUL: Okay, don't make me



come up there. (MUSIC IN)



(MUSIC)

ALL DAY EVERY DAY.

AT&T
One rate
7c plan

www.att.com

MALE ANNCR: All day. Every day.

SUPER: WWW.ATT.COM



AT&T
1 800 4 ONE RATE

Call 1 800 4 ONE RATE to enroll.
(MUSIC OUT)

ALSO A

EXHIBIT

VIDEO CASSETTE

Material supplied by VMS may be used for internal review, analysis or research only. Any
NEW YORK . LOS ANGELES . CHICAGO . PHILADELPHIA . SAN FRANCISCO

B

Material supplied by VMS may be used for internal review, analysis or research only. Any
re-broadcasting, public showing or display for profit is forbidden and may violate copyright law.
DALLAS . WASHINGTON . HOUSTON . MIAMI . DENVER . HARTFORD . SAN DIEGO

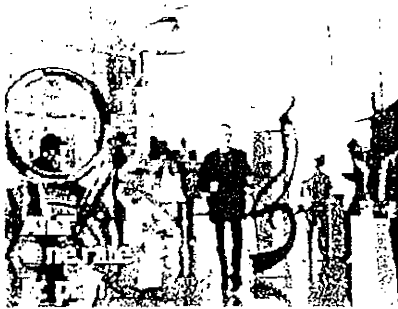


VIDEO MONITORING
SERVICES OF
AMERICA, LP

330 W 42nd St, New York, NY 10036 (212) 736-2010

PRODUCT AT&T One Rate Plan
MARKET Network
PROGRAM Who Wants To Be A Millionaire
CODE # 9911-02304
TITLE Paul Reiser At An Art Gallery

LENGTH :30
STATION ABC
DATE 11/08/99
TIME 8:48 PM



(SFX: CHIMES IN & OUT) PAUL REISER: With the AT&T One Rate 7-Cent Plan,



(SFX: VOICES IN) calls are just \$0.07 a minute

SUPER: RATE APPLIES TO DOMESTIC STATE TO STATE CALLS FROM HOME. \$5.95 MONTHLY FEE APPLIES.



all day, every day.



WOMAN: What about Canada? PAUL REISER: What? WOMAN: Canada. PAUL REISER: Yeah, same thing.

SUPER: AT&T ONE RATE INTERNATIONAL VALUE PLAN



With the International Plan, it's \$0.07 a minute always.



MAN: What about all the other countries in the world? Japan, Mexico, Liechtenstein-- WOMAN: --Liechtenstein. PAUL REISER: Oh, all right, (SFX: VIOLINS IN & OUT)



every country has its own low rate.



MAN: What about France?



PAUL REISER: France. MAN: France.



PAUL REISER: Same low rate as France. MAN: Great, I'm gonna go call France. PAUL REISER: Which is right near France.

ALL DAY. EVERY DAY.
EVEN TO CANADA.

AT&T
one rate
7¢ plan

(MUSIC IN) MALE ANNCR: Seven cents to Canada and great rates around the world.

SUPER: \$3.00 MONTHLY FEE ALSO APPLIES TO THE AT&T ONE RATE INTERNATIONAL VALUE PLAN.



CALL TO ENROLL
1 800 4 ONE RATE

Call 1-800-4-ONE-RATE to enroll.
(MUSIC OUT)

SUPER: AVAILABLE IN MOST AREAS/CALL TO ENROLL. WWW.ATT.COM

ALSO AVAILABLE ON VIDEO CASSETTE

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NEW YORK . LOS ANGELES . CHICAGO . PHILADELPHIA . SAN FRANCISCO . DETROIT . BOSTON . DALLAS . WASHINGTON . HOUSTON . MIAMI . DENVER . HARTFORD . SAN DIEGO



Thurs., July 13, 2000

SHOP AT&T HOME

MY ORDER

INDEX OF SERVICES

ASSISTANCE

SHOP AT&T

Search box with 'x' icon

AT&T One Rate® 7¢ Plan

all day every day

ENJOY THESE ADVANTAGES

- 7¢ per minute for all your state-to-state long distance calls from home — all day, every day — monthly fee of \$4.95*
- Sign up now and receive up to 120 Free Minutes**
- View your statement online with AT&T Online Billing
- Convenient automatic bill payment from your credit card or personal checking account

With the AT&T One Rate® 7¢ Plan, we've taken the guesswork out of long distance service — and made it more convenient. So you don't have to worry about what time of day you are making a call. It's that simple.

Online Billing with Automatic Bill Payment

No more paper bills. Your AT&T charges are automatically billed to your credit card or personal checking account each month. Your online statement is available 24 hours a day, and so is AT&T Customer Service. [Learn more.](#)

ADDITIONAL SERVICE OPTIONS

Call Internationally for Less

Combine the AT&T One Rate® International Value Plan with this plan for an additional \$2.00 monthly fee and you can save even more. Find the rate for the countries you call the most. [Learn more.](#)

AT&T Local Toll Service Plan

Beyond local, just short of long distance, there's a place called AT&T Local Toll. AT&T Local Toll Service Plan where you can get one simple, low per-minute rate all day, every day on local tolls calls from home. [Learn more.](#)

ADDITIONAL INFORMATION

- [Have any questions?](#)
- [What is AT&T Online Billing?](#)
- [What is my in-state long distance rate?](#)

[Important Information](#)

EXHIBIT

C



Just 7¢ per minute, 24 hours a day, 7 days a week for \$4.95 a month.

SIGN UP NOW



Choose the additional services you'd like below:

AT&T One Rate® International Value Plan

AT&T Local Toll Service Plan

SIGN UP

*The AT&T One Rate® 7¢ Plan will be offered at a low monthly fee of \$4.95 for customers who have online billing. For AT&T customers who have online billing and AT&T Local Toll Service, the monthly fee for the AT&T One Rate® 7¢ Plan is \$3.95.

**120 domestic long distance free minutes applied to first full month billing. Unused minutes do not carry over to the following month. Promotion enrollment expires on December 31, 2000.

AT&T FOR BUSINESS • FOR HOME • ACCESS.AT&T
home ABOUT AT&T • WRITE TO US • HELP/SEARCH

Search AT&T →

[Terms and Conditions](#), [Privacy Policy](#)
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When is
7¢

less
than a

nickel?

SUMMARY OF AT&T COMPLAINTS

(~92 complaints received in 2000)

Rates promised were not available (7)	Roy (7996) Oakes (8052) Webber (8076) Williams (8706)	Hibbard (9075) Berman (9099) King (9363)
Failed to receive requested rates (30)	Curran (7828) Boucher (7847) Moulton (7870) Davis (7977) Miltner (8040) Andreoli (8085) Webber (8086) Small (8109) Crockett (8146) Downs (8280) Downs (8334) Coose (8368) Harnedy (8402) Sell (8587) Soares (8728)	NMDC (8765) Sternlieb (8766) Clark (8868) Dyer (8914) Connelly (8931) Lamb (8992) Novak (9021) Allen (9086) Craig (9197) Brewer (9206) Mallory (9304) Grieshaber (9356) Deprey (9376) Gordius (9428) Skrzytppek (9472)
Customer service Rudeness (9) No return call from utility (manager, supervisor, or customer service) (4) Refused customer's request to speak with a supervisor (3)	Harnedy (8402) Hanson (8658) Pezzopane (8695) Pilver (8720) Sherman (8735) NMDC (8765) Waldo Cty Cm (8780)	Fernald (8883) Dyer (8914) Tarr (8982) Craig (9197) Siegler (9239) King (9363)
Not advised of rate plans available (calling card or long distance) (10)	Rancourt (8090) Hashey (8569) Pezzopane (8695) Callahan (8847) Kelley (8938)	Tarr (8982) Perry (9123) Nohr (9137) Siegler (9239) Moody (9276)
Charged monthly fee after service canceled (9)	Bolduc (7816) Greene (7823) Reynolds (8730) McKenna (8738) Riley (9066)	Pass (9381) Rowley (9402) Carter (9435) Moreau (9469)
Billed for another person's calls or calls not made (8)	Cadorette (7836) Fortier (7907) Piekarski (8042) Becker (8120)	Endre (8121) Kopác (8152) Getson (9404) Andrews (9314)
Used old calling card, assumed AT&T (5)	Von Hoffman (7878) Boucher (8668) Eliassen (9207)	Walker (9344) Lebel (9477)
Charged long distance for local calls (3)	Mann (8600) Daggett (8729)	Brousseau (9400)

SUMMARY OF AT&T COMPLAINTS (cont.)

Account alignment (3)	EFEFCO (8637) Waldo Cty Cm (8780)	EJ Prescott (8839)
Calling plans "errored out" (3)	Hanson (8658) Rothenberger (9183)	Ercolini (9192)
Rates increased 20% without notice (violation) (2)	Garside (8481)	Smith (8961)
No service so used another residential line w/out LD (1)	Betit (8696)	
Charged for third party call (1)	Sherman (8735)	
Not told to call LEC to switch LD carriers (1)	Degen (8882)	
Not advised of need to re-enroll in plan (1)	Cosgrove (8960)	
Held responsible for stolen calling card (knew thief) (1)	Dobbs (9122)	
Billed for TTY calls as if operator assisted (1)	Eddy (9279)	
Billing error (\$10,000) due to routing/transmission problem (1)	Wahlcometroflex (9353)	
Monthly charges not pro-rated (1)	Christopoulos (7974)	
Operator connected to wrong number (1)	Lines (8422)	
New service delay (1)	Lindsey (8618)	
Failure to bill through LEC as requested (1)	Gross (8698)	

specifically reviewed these advertisements for compliance with Maine's consumer protection statute, 5 M.R.S.A. § 207 and subsequently filed the pending Complaint. The terms of this Consent Order apply to AT&T's long distance service, as defined in paragraph 5 below.

INJUNCTION

A. Definitions

3. A statement is "clear and conspicuous" if it is disclosed in such size, color, contrast, location, duration, and audibility that it is readily noticeable, readable, and understandable. A statement may not contradict or be inconsistent with any other information with which it is presented. If a statement modifies, explains, or clarifies other information with which it is presented, it must be presented in proximity to the information it modifies, in a manner that is readily noticeable, readable, and understandable, and it must not be obscured in any manner. The audio disclosure shall be delivered in a volume and cadence sufficient for a consumer to hear and comprehend it. The visual disclosure shall be of a size and shade, and shall appear on the screen for duration, sufficient for a consumer to read and comprehend it. In a print advertisement or promotional material directed to consumers, the disclosure shall be in a type size and location sufficiently noticeable for a consumer to read and comprehend it, in print that contrasts with the background against which it appears.

- a. There shall be a rebuttable presumption that the disclosures required by paragraph 8 of this Order are clear and conspicuous if, in addition to the foregoing, such disclosures comply with the following²:

² If AT&T chooses to advertise using a television banner which travels across the television screen during a television program unrelated to the banner, and the banner contains no audio component, then subsection a. of paragraph 4 of this Order shall not apply.

i. in an advertisement communicated through an electronic medium (e.g., television, video, radio, and interactive media such as the Internet and online services), the disclosure shall be presented simultaneously in both the audio and visual portions of the advertisement. Provided, however, that in any advertisement presented through a solely visual medium or a solely audio medium, the disclosure may be made through the same means in which the ad is presented.

b. Disclosure pursuant to paragraph 3(a)(i) creates a rebuttable presumption that the disclosures required by paragraph 8 of this Order are clear and conspicuous, and is not a requirement under this Order.

4. "Taxes" means amounts that AT&T is required by law to collect directly from phone service consumers. This term does not include fees charged by AT&T to consumers that are based, directly or indirectly, on government-imposed costs of doing business, such as the carrier access fee and the federal universal service fee.

5. "Long distance service" means intrastate and interstate residential voice toll service and does not include local exchange service or wireless service.

6. "Mandatory additional fees" means recurring charges and usage charges (including, but not limited to, any required minimum amount of toll charges, monthly service fee charges, carrier access fee and federal universal service fee) that a residential consumer must incur to use the long distance service plan, but does not include taxes.

B. Representations Concerning Rate

7. AT&T shall not misrepresent, in any manner, directly or by implication, the rate of its long distance service.

8. AT&T shall not represent in advertisements the rate of, or the rate of any portion of, any of its long distance service (including, but not limited to, per minute rate claims) unless AT&T discloses clearly and conspicuously the name and amount of all mandatory additional fees, except for the federal universal service fee, either itemized or in total, subject to subparagraph a. of paragraph 10.

9. AT&T shall disclose clearly and conspicuously the existence of the federal universal service fee.

C. Representations Concerning Limitations on Rate

10. AT&T shall not represent in advertisements the rate or the rate of any portion of its long distance service unless it discloses clearly and conspicuously all other material terms and conditions (excluding those set out in paragraphs 8 and 9 of this Assurance), including (if applicable), but not limited to:

- a. that in-state rates may be higher, and that additional in-state fees may apply;
- b. where the rates apply, e.g., state-to-state or in-state;
- c. when the rates apply, e.g., time or day restrictions;
- d. in the case of a temporary promotion, the date the temporary promotion will expire;

- e. the billing method a consumer is required to utilize, if different from the consumer's current billing method, in order to obtain the rate;
 - f. if only one rate component of the calling plan is represented, and the consumer must purchase the complete calling plan, the fact that other rate components of the plan may be higher;
 - g. any requirement that consumers subscribe over the Internet; and
 - h. other services that must be purchased in order to obtain the rate.
11. AT&T shall not misrepresent the times or days during which its stated rate is available.

D. Representations Concerning Rate Comparisons

12. AT&T shall not misrepresent, in any manner, directly or by implication, the basis of any rate comparison or savings claim.
13. AT&T shall disclose clearly and conspicuously the basis of any rate comparison or savings claim by naming the competitor's product or service to which the comparison is made.
14. AT&T shall not compare its rate with the rate at which another seller is offering any product or service unless both of the following are satisfied:
- a. the other seller's product or service is currently being provided at the represented higher comparative rate; and
 - b. AT&T has not represented, expressly or by implication, that AT&T's long distance service is comparable to the other seller's product or service, unless such is the case. The mere presentation of the rate of another

seller's product or service does not necessarily imply that the other seller's product or service is comparable to the advertised long distance service.

15. Where provided for by state law, AT&T shall not represent, directly or by implication, that its long distance service is being offered at a range of rates or at a range of percentage or fractional discounts (e.g., "Save up to 50%") unless the highest rate or lowest discount in the range is disclosed clearly and conspicuously.

16. If AT&T uses the representation "basic rate" or other similar term to make a rate comparison, AT&T shall disclose clearly and conspicuously that the basic rate is a non-discounted rate, if such is the case.

E. Telemarketing and Consumer Complaints

17. AT&T shall respond within a reasonable time and in good faith to all consumer complaints or requests for adjustments received by AT&T with respect to the matters set forth in this Order.

18. All Maine long distance customers will be afforded access to a customer service number clearly and conspicuously disclosed on all AT&T generated bills and invoices that will provide the customer access to an AT&T representative. For purposes of this paragraph, AT&T's voice recognition program, "How May I Help You?" (sm) ("HMIHY") shall be deemed to constitute a connection to an AT&T representative provided that HMIHY has the ability to recognize and respond to common customer inquiries. In the event that the Maine Attorney General believes that HMIHY does not adequately address a common customer query, the Attorney General will bring such concern to AT&T's attention and AT&T will be afforded a reasonable opportunity to modify HMIHY accordingly. Additionally, all Maine long distance

customers who call 1-800-222-0300 shall have the option of speaking live to a human customer care representative during normal business hours by pressing a directed number from an automated response menu. In the event that a live representative is not immediately available, the caller will be advised of the anticipated wait time. Such customer care representative will be sufficiently trained so that they can either answer consumer inquiries or direct the consumer to the appropriate source of information.

19. AT&T will designate a point of contact with the company to handle inquiries from the State of Maine.

20. For a period of two years from the date of this order, AT&T shall:

- a. Create and maintain an executive review panel to assess the efficacy of AT&T sales quality controls on a quarterly basis review sessions. As warranted, the panel will review and/or recommend initiatives to ensure the integrity of AT&T's telemarketing practices as well as the telemarketing practices of its vendors;
- b. Maintain and distribute methods and procedures ("M&Ps") establishing a code of conduct for all AT&T employees and outside contractors providing telemarketing services on behalf of AT&T. The M&Ps will be designed to establish quality standards for the manner in which information is disseminated to potential customers by AT&T employees and telemarketing vendors. All AT&T telemarketing vendors will be required to review the M&Ps with their telemarketing personnel annually. A senior officer for each telemarketing vendor will affirm annually to

AT&T, in writing, that their employees have reviewed the M&Ps, and that their employees understand the AT&T methods and procedures. AT&T will maintain a provision in its contracts with its telemarketing vendors that would preclude any representative from providing service on behalf of AT&T if that representative is found to have deceived a consumer while representing AT&T; and

- c. Implement performance incentives in its contracts with its telemarketing vendors to foster consumer protection by rewarding sales representatives based on qualifying sales as well as financial disincentives for representatives and managers to discourage inappropriate sales conduct. For example AT&T will agree to provide bonuses to those vendors with a low number of complaints. AT&T will also implement procedures to penalize a vendor if there are a large number of complaints.

21. AT&T shall provide consumers with written confirmation of orders generated by outbound sales calls. The written confirmation must include the specific rates and governing conditions for each service ordered by the consumer and must be provided no later than the time the consumer receives the first bill for service. The written confirmation may be included in the first bill for service. The written confirmation shall be clear and conspicuous and shall include all relevant information necessary for the consumer to calculate the full cost of service. Orders for services generated by inbound calls from consumers do not require written confirmation.

22. Upon the request of the consumer, AT&T shall identify and describe the various options for the lowest cost service plan available to that consumer.

F. General Provisions

23. AT&T has agreed to pay a total of Five Hundred Thousand Dollars (\$500,000.00) to the Attorneys General of the participating states, including Maine, no later than fifteen (15) days after the effective date of this Order. Pursuant to 5 M.R.S.A. § 203-A, amounts paid to the State of Maine shall be used for enforcement of the Maine Unfair Trade Practices Act, 5 M.R.S.A. §§ 207 and 209, consumer mediation, and consumer education.

24. Pursuant to M.R.Civ.P. 65(d) this injunction is binding on the Defendant, its officers, agents, servants, employees, and attorneys, and upon those persons in active concert or participation with it who receive actual notice of this Order by personal service or otherwise.

25. Nothing contained in this Order shall be construed to deprive any consumer or other person or entity of any private right under the law.

26. This Order shall be effective upon entry. The Clerk is directed to incorporate this Order in the docket by reference pursuant to M.R. Civ. P. 79(a).

27. This Order (i) constitutes complete settlement and release by the State of Maine of all claims and causes of action which were asserted by it in the Complaint, which could have been asserted by it against AT&T or any of its affiliates, predecessors, directors, officers, subsidiaries, employees, agents, successors, or assigns up to the date as of which this Order is filed; and (ii) resolves completely and finally the inquiry of the State into the subject matter of the Complaint. The State will not make a further claim against AT&T or any of its affiliates, predecessors, directors, officers, subsidiaries, employees, agents, successors, or assigns relating to the claims and causes of action asserted or which could have been asserted in the Complaint which occurred prior to the filing of the Complaint.

28. This Order contains the entire agreement among the parties. Except as otherwise provided herein, this Order shall be modified only by written instrument signed by or on behalf of the State and AT&T. To seek a modification of this Order, AT&T shall send a written request for modification to the State. If AT&T's request is made to any state in addition to Maine, AT&T shall also send a copy of the request to the Attorney General of the State of Maine. The State shall respond within thirty (30) days of receiving such a request as follows:

- a. If the State or any of its agencies charge with the administration of the State's consumer protection statutes, subsequently enacts or promulgates any legislation, rule or regulation with respect to the subject matter of this order or if the applicable law of Maine shall otherwise change so as to be inconsistent with any provision of this Order, the State shall agree to modify such provision to the extent necessary to eliminate such inconsistency.
- b. If AT&T requests modifications of this Order for any reason other than as set forth in subparagraph (a) above, the State of Maine shall give such petition reasonable consideration.
- c. At the conclusion of the 30-day period referenced above, AT&T reserves all rights to pursue any legal or equitable remedies that may be available to it.

G. Continuing Jurisdiction

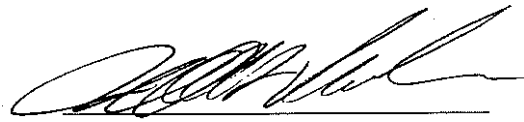
29. Within thirty (30) days of a written request by the Attorneys General, AT&T shall provide to the Attorneys General records and documents as the Attorneys General shall from time to time determine are necessary to ensure compliance with this Order.

30. Jurisdiction is retained by this Court for the purpose of enabling any party to this Consent Decree and Order to apply to this Court at any time for such further orders as may be necessary for the construction, modification, or enforcement of any provision of this injunction, and for the imposition of punishment pursuant to 5 M.R.S.A. § 209, including civil penalties, for future violations of the provisions of this Consent Decree and Order.

31. Prior to bringing action to enforce this Order, the Attorney General shall provide at least 15 days written notice to AT&T.

IT IS HEREBY ORDERED ADJUDGED AND DECREED

Dated: Aug 7, 2002


Justice of the Superior Court

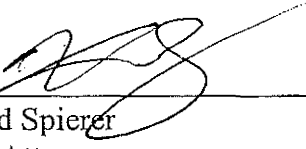
WE CONSENT:

Dated: July 26, 2002

By: P. J. Brann
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Dated: July 31, 2002


By: _____


Howard Spierer
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Attorneys for
AT&T Corporation

August
Dated: July 5, 2002

By: _____


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