



11/30/2006

SAS 70 Type II Audit at **AT&T Internet Data Centers and Operation Management Centers**

This report describes the Enterprise Hosting Services operations and controls applicable to AT&T Enterprise Hosting Services' (AEHS) U.S.-based Global Customer Support Center (GCSC) located in Alpharetta, GA, the Network Operations Center (NOC) in Singapore and the U.S.-based Internet Data Centers (IDCs) located in Boston, MA; New York City, NY; Secaucus, NJ; Washington, DC; Chicago, IL; Atlanta, GA; Orlando, FL; Dallas, TX, Irvine Ca, Phoenix/Mesa, AZ; San Diego, CA; Los Angeles, CA; Redwood City, CA; and Seattle, WA. This report is intended to provide AEHS' user organizations and their independent auditors with information about the control structure features of services provided by AEHS. It has been prepared taking into consideration guidance described in the American Institute of Certified Public Accountants (the AICPA) Statement on Auditing Standards No. 70, entitled "Service Organizations" and the AICPA Audit Guide, "Service Organizations: Applying SAS No. 70, as Amended."

KPMG assessed AT&T's operational practices and controls and determined that they are suitably designed and are operated effectively to achieve the security, availability, and reliability control-objectives with no exceptions. The review and testing of AT&T's operational practices and controls, evaluated the adequacy of the following processes, activities, and operational control objectives:

- ? Client Service Requests and Provisioning (*Client service requests are properly processed.*)
- ? Reactive and Proactive Network Management (*Client network problems are identified and corrected promptly. Service Level Agreements are established and performance is tracked.*)
- ? Overall Security Management (*Company updates, communicates, monitors, and reviews its security policies.*)
- ? Logical Security (*User access to the computer operating system, programs, and data is restricted to authorized personnel.*)
- ? Physical Security (*Physical access to computer resources is restricted and authorized.*)
- ? Systems Development and Maintenance Activities (*We provide assurance that GEMS software components are maintained according to an established process that is monitored by management.*)
- ? Computer Operations (*Core systems remain in operation to enable continuous processing of the client's service requests, and failures are identified and resolved in a timely manner.*)

Since the completion of the audit for the timeframe from Jan. 1, 2006 to June 30, 2006, there have been no significant changes in process, procedure, or infrastructure that might affect the audit findings. The completion of AT&T's SAS 70 Type II Audit substantiates AT&T's dedication to providing Hosting and enterprise networking solutions in a secure and reliable environment. More importantly, a SAS 70 Type II Audit means that you can use our services with confidence and that you can focus your resources on doing what you do best - running your business.

Sincerely,


Gregory J. Halvorson
Product Manager - AT&T Managed Services