



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549-4561

March 2, 2010

Adam Kanzer  
General Counsel  
Domini Social Investments  
532 Broadway, 9th Floor  
New York, NY 10012-3939

Re: AT&T Inc.  
Incoming letter dated February 26, 2010

Dear Mr. Kanzer:

This is in response to your letter dated February 26, 2010 and your four letters dated March 1, 2010 concerning the shareholder proposal submitted to AT&T by Domini Social Investments and Walden Asset Management. We also have received two letters from AT&T dated March 1, 2010. On February 16, 2010, we issued our response expressing our informal view that AT&T could exclude the proposal from its proxy materials for its upcoming annual meeting. After reviewing the information contained in your letter, we find no basis to reconsider our position. In this regard, we believe that the revisions you have offered to make to the proposal would alter the substance of the proposal and are not, therefore, minor in nature.

Sincerely,

Thomas J. Kim  
Chief Counsel &  
Associate Director

cc: Paul M. Wilson  
General Attorney  
AT&T Inc.  
208 S. Akard St., Rm. 3030  
Dallas, TX 75202

## Maples, Heather

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**From:** Adam Kanzer [akanzer@domini.com]  
**Sent:** Friday, February 26, 2010 5:30 PM  
**To:** shareholderproposals  
**Cc:** Maples, Heather; Smith, Timothy  
**Subject:** Request for Reconsideration: AT&T (Feb. 16, 2010)  
**Importance:** High

Dear Ms. Maples:

I am writing in reference to staff's recent decision dated February 16, permitting AT&T to omit our shareholder proposal on political contributions. I have two concerns I'd like to raise and request reconsideration of this decision.

First, we never received a copy of AT&T's letter dated January 22, responding to our letter of January 19. As you know, issuers are required by Rule 14a-8 to provide proponents with a copy of their correspondence with Staff. I can confirm that our co-filer, Tim Smith at Walden Asset Management, did not receive the letter from AT&T either.

Second, we do not understand why Staff would permit exclusion of the entire proposal when only one easily excisable portion of the proposal was challenged. We offered to revise the proposal to remove the regulatory reference in question in our letter.

In addition, in our meeting back in October, Staff committed to provide greater detail in its decisions this proxy season. No additional information regarding this decision was provided, however. We would appreciate some additional information in order to understand this decision.

We request an opportunity to respond to AT&T's letter of January 22 and, in the alternative, request that we be permitted to amend the proposal to remove the offending portion. We did not receive a copy of Staff's decision until today, or we would have raised these concerns earlier.

I am available at (212) 217-1027 or at [akanzer@domini.com](mailto:akanzer@domini.com) to discuss this matter further.

Sincerely,

Adam Kanzer

---

Adam M. Kanzer, Esq.  
Managing Director & General Counsel  
Domini Social Investments LLC

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**Please note our new address:**

532 Broadway, 9th Floor | New York, NY 10012-3939  
Direct: 212-217-1027 | Main: 212-217-1100 | Fax: 212-217-1101  
Shareholder Information Line: 800-582-6757

3/1/2010

## Maples, Heather

---

**From:** Adam Kanzer [akanzer@domini.com]  
**Sent:** Monday, March 01, 2010 9:47 AM  
**To:** shareholderproposals  
**Cc:** Maples, Heather; Smith, Timothy  
**Subject:** RE: Request for Reconsideration: AT&T (Feb. 16, 2010)

Dear Ms. Maples:

I neglected to mention that this is the fifth consecutive year that AT&T has received this proposal from Domini. The proposal received more than 30% support for the past two years. This is the first year that we added the "grassroots lobbying" language. Shareholders, however, have spoken very clearly on the remainder of the proposal.

We respectfully request that you keep this context in mind when considering our request for reconsideration.

Sincerely,

Adam Kanzer

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Adam M. Kanzer, Esq. | [akanzer@domini.com](mailto:akanzer@domini.com) | [www.domini.com](http://www.domini.com)  
Direct: 212-217-1027 | Main: 212-217-1100 | Fax: 212-217-1101

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**Sent:** Friday, February 26, 2010 5:30 PM  
**To:** 'shareholderproposals@sec.gov'  
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**Importance:** High

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## Maples, Heather

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**From:** Adam Kanzer [akanzer@domini.com]  
**Sent:** Monday, March 01, 2010 1:53 PM  
**To:** Maples, Heather  
**Cc:** WILSON, PAUL M (Legal); Smith, Timothy  
**Subject:** Modifications to (i)(3) challenges

Dear Heather:

Thank you for your call. AT&T has informed us that they go to print on their proxy this Wednesday. I've reviewed the language below from SLB 14B and this proposal would seem to be a perfect candidate for revision. The grassroots lobbying portion could be easily excised without changing the remainder of the proposal. Please let me know what you think.

Sincerely,

Adam

As we noted in SLB No. 14, there is no provision in rule 14a-8 that allows a shareholder to revise his or her proposal and supporting statement. We have had, however, a long-standing practice of issuing no-action responses that permit shareholders to make revisions that are minor in nature and do not alter the substance of the proposal. We adopted this practice to deal with proposals that comply generally with the substantive requirements of rule 14a-8, but contain some minor defects that could be corrected easily. Our intent to limit this practice to minor defects was evidenced by our statement in SLB No. 14 that we may find it appropriate for companies to exclude the entire proposal, supporting statement, or both as materially false or misleading if a proposal or supporting statement would require detailed and extensive editing in order to bring it into compliance with the proxy rules.

Unfortunately, our discussion of rule 14a-8(i)(3) in SLB No. 14 has caused the process for company objections and the staff's consideration of those objections to evolve well beyond its original intent. The discussion in SLB No. 14 has resulted in an unintended and unwarranted extension of rule 14a-8(i)(3), as many companies have begun to assert deficiencies in virtually every line of a proposal's supporting statement as a means to justify exclusion of the proposal in its entirety. Our consideration of those requests requires the staff to devote significant resources to editing the specific wording of proposals and, especially, supporting statements. During the last proxy season, nearly half the no-action requests we received asserted that the proposal or supporting statement was wholly or partially excludable under rule 14a-8(i)(3).

We believe that the staff's process of becoming involved in evaluating wording changes to proposals and/or supporting statements has evolved well beyond its original intent and resulted in an inappropriate extension of rule 14a-8(i)(3). In addition, we believe the process is neither appropriate under nor consistent with rule 14a-8(l)(2), which reads, "The company is not responsible for the contents of [the shareholder proponent's] proposal or supporting statement." Finally, we believe that current practice is not beneficial to participants in the process and diverts resources away from analyzing core issues arising under rule 14a-8.

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Adam M. Kanzer, Esq.

3/1/2010

Managing Director & General Counsel  
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## Maples, Heather

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**From:** Adam Kanzer [akanzer@domini.com]  
**Sent:** Monday, March 01, 2010 2:49 PM  
**To:** WILSON, PAUL M (Legal); Maples, Heather  
**Cc:** Smith, Timothy  
**Subject:** RE: Modifications to (i)(3) challenges - AT&T  
**Attachments:** ATT 2009 Resolution Final modified.doc

Dear Heather:

This may be moot given the time considerations here, but Mr. Wilson's statement is simply incorrect. We could very easily delete the references to grassroots lobbying, resulting in the exact proposal that received more than 30% support at AT&T for the previous two years. A marked version of the proposal is attached. I believe this clearly falls into the categories of proposals noted in SLB 14B, below, namely proposals that "contain some minor defects that could be corrected easily."

Sincerely,

Adam

Adam M. Kanzer, Esq. | [akanzer@domini.com](mailto:akanzer@domini.com) | [www.domini.com](http://www.domini.com)  
Direct: 212-217-1027 | Main: 212-217-1100 | Fax: 212-217-1101

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**From:** WILSON, PAUL M (Legal) [mailto:PW2209@att.com]  
**Sent:** Monday, March 01, 2010 2:38 PM  
**To:** Maples, Heather  
**Cc:** Smith, Timothy; Adam Kanzer  
**Subject:** RE: Modifications to (i)(3) challenges - AT&T

Dear Ms. Maples,

I respectfully disagree with Mr. Kanzer's position below. As discussed in my original letter to you on this proposal, dated December 18, 2009, the term "grassroots lobbying communications" appears four times in the proposal and another two times in the supporting statement. It is a material element of the proposal. Revising the proposal would involve deletions and other modifications throughout the proposal and supporting statement and would significantly alter the scope and substance of the proposal. This is not a matter of simply correcting minor defects. For this reason and the reasons given in my prior correspondence, I do not believe there is any basis to reconsider your position.

Very truly yours,  
Paul M. Wilson  
General Attorney  
AT&T Inc.  
208 S. Akard St., Rm. 3030  
Dallas, TX 75202  
214-757-7980  
[pw2209@att.com](mailto:pw2209@att.com)

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3/1/2010

**From:** Adam Kanzer [mailto:akanzer@domini.com]  
**Sent:** Monday, March 01, 2010 12:53 PM  
**To:** Maples, Heather  
**Cc:** WILSON, PAUL M (Legal); Smith, Timothy  
**Subject:** Modifications to (i)(3) challenges

Dear Heather:

Thank you for your call. AT&T has informed us that they go to print on their proxy this Wednesday. I've reviewed the language below from SLB 14B and this proposal would seem to be a perfect candidate for revision. The grassroots lobbying portion could be easily excised without changing the remainder of the proposal. Please let me know what you think.

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Unfortunately, our discussion of rule 14a-8(i)(3) in SLB No. 14 has caused the process for company objections and the staff's consideration of those objections to evolve well beyond its original intent. The discussion in SLB No. 14 has resulted in an unintended and unwarranted extension of rule 14a-8(i)(3), as many companies have begun to assert deficiencies in virtually every line of a proposal's supporting statement as a means to justify exclusion of the proposal in its entirety. Our consideration of those requests requires the staff to devote significant resources to editing the specific wording of proposals and, especially, supporting statements. During the last proxy season, nearly half the no-action requests we received asserted that the proposal or supporting statement was wholly or partially excludable under rule 14a-8(i)(3).

We believe that the staff's process of becoming involved in evaluating wording changes to proposals and/or supporting statements has evolved well beyond its original intent and resulted in an inappropriate extension of rule 14a-8(i)(3). In addition, we believe the process is neither appropriate under nor consistent with rule 14a-8(l)(2), which reads, "The company is not responsible for the contents of [the shareholder proponent's] proposal or supporting statement." Finally, we believe that current practice is not beneficial to participants in the process and diverts resources away from analyzing core issues arising under rule 14a-8.

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## Political Contributions Report

**Resolved**, that the shareholders of AT&T ("Company") hereby request that the Company provide a report, updated annually, disclosing the Company's:

1. Policies and procedures for political contributions and expenditures (both direct and indirect) made with corporate funds.
2. Monetary and non-monetary political contributions and expenditures not deductible under section 162 (e)(1)(B) of the Internal Revenue Code, including but not limited to contributions to or expenditures on behalf of political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code and any portion of any dues or similar payments made to any tax exempt organization that is used for an expenditure or contribution if made directly by the corporation would not be deductible under section 162 (e)(1)(B) of the Internal Revenue Code.

**Deleted:** and for payments (both direct and indirect) used for grassroots lobbying communications

3. The report shall include the following:

- a. Identification of the person or persons in the Company who participated in making the decisions to make the political contribution or expenditure
- b. The internal guidelines or policies, if any, governing the Company's political contribution and expenditures and

**Deleted:** <#>Payments (both direct and indirect) used for grassroots lobbying communications as defined in 26 CFR § 56.4911-2. ¶

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**Deleted:** <#>Identification of the person or persons in the Company who participated in making the decision to make the payment for grassroots lobbying communications; ¶

**Formatted:** Bullets and Numbering

**Deleted:** <#>The internal guidelines or policies, if any, for engaging in grassroots lobbying communications. ¶

The report shall be presented to the board of directors' audit committee or other relevant oversight committee and posted on the company's website to reduce costs to shareholders.

### Supporting Statement

As long-term AT&T shareholders, we support transparency and accountability in corporate political spending. These activities include direct and indirect political contributions to candidates, political parties or organizations; independent expenditures; or electioneering communications on behalf of federal, state or local candidates.

**Deleted:** grassroots lobbying communication;

Disclosure is consistent with sound public policy, in the company's and its shareholders best interest, and critical for compliance with recent federal ethics legislation. Absent a system of accountability, company assets can be used for policy objectives that may be inimical to the long-term interests of and may pose risks to the company and its shareholders.

AT&T contributed about \$26.6 million in corporate funds since the 2002 election cycle. (CQ's PoliticalMoneyLine: <http://moneyline.cq.com/pml/home.do> and National Institute on Money in State Politics: <http://www.followthemoney.org/index.phtml>.) However, publicly available data does not provide a complete picture of the Company's political expenditures. For example, the Company's trade association payments used for political activities are undisclosed and unknown. In many cases, even corporate management does not know how trade associations use their company's money politically.

**Deleted:** and grassroots lobbying communications

The proposal asks the Company to disclose all of its political expenditures, including payments to trade associations and other tax exempt organizations. The Company's Board and its shareholders need complete disclosure to be able to evaluate the political use of corporate assets.

## Maples, Heather

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**From:** Adam Kanzer [akanzer@domini.com]  
**Sent:** Monday, March 01, 2010 3:03 PM  
**To:** WILSON, PAUL M (Legal); shareholderproposals  
**Cc:** Smith, Timothy; Maples, Heather  
**Subject:** RE: Request for Reconsideration: AT&T (Feb. 16, 2010)

Dear Mr. Wilson and Ms. Maples:

Domini did in fact move to a new address in the same building as our old address. We have had absolutely no problem with forwarded mail, as all mail arrives in the same lobby as our old address. In fact, AT&T's initial no-action request had no trouble reaching us at our new address.

In addition, I provided a phone number and email address with my initial filing, neither of which has changed. AT&T could easily have tracked us down, but no apparent attempt was made to do so.

Sincerely,

Adam Kanzer

Adam M. Kanzer, Esq. | akanzer@domini.com | www.domini.com  
Direct: 212-217-1027 | Main: 212-217-1100 | Fax: 212-217-1101

-----Original Message-----

**From:** WILSON, PAUL M (Legal) [mailto:PW2209@att.com]  
**Sent:** Monday, March 01, 2010 2:36 PM  
**To:** shareholderproposals@sec.gov  
**Cc:** Adam Kanzer; Smith, Timothy; Maples, Heather  
**Subject:** Request for Reconsideration: AT&T (Feb. 16, 2010)

I am writing in response to Adam Kanzer's request for reconsideration of your decision of February 16, 2010 concurring in our view that the shareholder proposal submitted by Domini Social Investments and Walden Asset Management may be omitted from our proxy materials. We delivered a copy of our letter dated January 22, 2010 to Mr. Smith at Walden. As indicated by the attached Proof of Delivery, that copy was delivered on January 25, 2010. We attempted to deliver a copy to Mr. Kanzer. However, it appears that Domini changed their address sometime after our last correspondence with them in December 2009, though they did not notify us. Consequently, Mr. Kanzer's copy was not delivered. For these reasons and the reasons given in our prior correspondence, we do not believe there is any basis to reconsider your position.

Paul M. Wilson  
General Attorney  
AT&T Inc.  
208 S. Akard St., Rm. 3030  
Dallas, TX 75202

214-757-7980  
pw2209@att.com

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**Maples, Heather**

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**Attachments:** PROOF OF DELIV WALDEN NAL #2.pdf



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