February 13, 2012

Paul M. Wilson  
AT&T Inc.  
pw2209@att.com  

Re: AT&T Inc.  
Incoming letter dated December 20, 2011  

Dear Mr. Wilson:

This is in response to your letters dated December 20, 2011 and January 31, 2012 concerning the shareholder proposal submitted to AT&T by the New York City Employees’ Retirement System, the New York City Fire Department Pension Fund, the New York City Teachers’ Retirement System, the New York City Police Pension Fund, and the New York City Board of Education Retirement System. We also have received letters on the proponents’ behalf dated January 23, 2012 and February 1, 2012. Copies of all of the correspondence on which this response is based will be made available on our website at http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml. For your reference, a brief discussion of the Division’s informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Ted Yu  
Senior Special Counsel

Enclosure

cc: Janice Silberstein  
The City of New York  
Office of the Comptroller  
jsilber@comptroller.nyc.gov
Response of the Office of Chief Counsel
Division of Corporation Finance

Re: AT&T Inc.
Incoming letter dated December 20, 2011

The proposal requests that the board publish a report disclosing the actions AT&T is taking to address increasing public concern about the high costs to households from the inefficient consumption of electricity by set-top boxes and evolving regulatory policies, such as the EPA’s new Energy Star requirements for cable and satellite TV converter boxes. The proposal also specifies that the report should include, as appropriate, the company’s efforts to accelerate the development and deployment of new energy efficient set-top boxes and the financial and reputational risks to the company posed by continuing the installation of conventional set-top boxes over the long-term.

There appears to be some basis for your view that AT&T may exclude the proposal under rule 14a-8(i)(7), as relating to AT&T’s ordinary business operations. In this regard, we note that the proposal relates to the technology used in AT&T’s set-top boxes. Proposals that concern a company’s choice of technologies for use in its operations are generally excludable under rule 14a-8(i)(7). Accordingly, we will not recommend enforcement action to the Commission if AT&T omits the proposal from its proxy materials in reliance on rule 14a-8(i)(7). In reaching this position, we have not found it necessary to address the alternative basis for omission upon which AT&T relies.

Sincerely,

Bryan J. Pitko
Attorney-Advisor
DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 (17 CFR 240.14a-8), as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division’s staff considers the information furnished to it by the Company in support of its intention to exclude the proposals from the Company’s proxy materials, as well as any information furnished by the proponent or the proponent’s representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission’s staff, the staff will always consider information concerning alleged violations of the statutes administered by the Commission, including argument as to whether or not activities proposed to be taken would be violative of such information; however, should not be construed as changing the staff’s informal procedures and proxy review into a formal or adversary procedure.

It is important to note that the staff’s and Commission’s no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company’s position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly a discretionary determination not to recommend or take Commission enforcement action, does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the management omit the proposal from the company’s proxy material.
January 31, 2012 that AT&T Inc. ("AT&T" or "the Company") submitted in further support of its no-action request.

First, the Company errs in its factual assertion that the Funds' proof of shareholding letters from the Bank of New York Mellon, including the Bank's January 3, 2012 letter, did not come "from the DTC participant itself." In fact, all of the letters from The Bank of New York Mellon's Asset Servicing division come directly from the DTC participant Bank, just as surely as a letter from "AT&T, Office of the General Counsel" comes directly from AT&T. As such, all of the Funds' letters, from the outset, fully complied with Rules 14a-8(b) and (f) and SLB 14F.

Second, regarding the Company's argument that the Proposal should be excluded under Rule 14a-8(i) (7), the Funds note that the Company did not even attempt to distinguish the precedential no-action letters cited in the Funds' January 23, 2012 letter to show that the environmental issue of energy efficient set-top boxes, the subject of pending Federal and State government action, is a significant social policy issue that transcends "ordinary business." That the boxes may be temporarily leased to AT&T customers does not change that outcome.
Based on the foregoing and the reasons stated in our January 23, 2012 letter, the Funds respectfully reiterate that the Company's request for "no-action" relief should be denied.

Very truly yours,

Janice Silberstein
Associate General Counsel

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cc: Paul M. Wilson, Esq.
General Attorney
AT&T Inc.
208 S. Akard St., Rm. 3030
Dallas, TX 75202
January 31, 2012

BY E-MAIL: shareholderproposals@sec.gov

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, DC 20549

Re: AT&T Inc.
Stockholder Proposal of the Comptroller of the City of New York (the
"Comptroller") on behalf of the New York City Employees' Retirement System,
the New York City Fire Department Pension Fund, the New York City Teachers'
Retirement System, the New York City Police Pension Fund, and the New York
City Board of Education Retirement System (collectively, the "Proponents")

Ladies and Gentlemen:

This letter is submitted on behalf of AT&T Inc. ("AT&T") pursuant to Rule 14a-8(i) under the Securities Exchange Act of 1934, as amended, in response to a letter from Janice Silberstein of the Comptroller's Office to the Office of Chief Counsel, dated January 23, 2012 (the "January 23 Letter"), concerning a shareholder proposal (the "Proposal") submitted by the Comptroller, on behalf of the Proponents, for inclusion in AT&T's 2012 proxy materials. The January 23 Letter included a letter from BNY Mellon Asset Servicing dated January 3, 2012 (the "Asset Servicing Letter"). For the reasons set forth below, AT&T continues to believe that the Proposal may be excluded from AT&T's proxy materials. This letter should be read in conjunction with AT&T's original letter to you regarding the Proposal dated December 20, 2011 (the "Original Letter"). Capitalized terms used but not defined herein have the meanings given to them in the Original Letter.

The January 23 Letter states that the Asset Servicing letter is "from the Bank of New York Mellon." However, as the letterhead indicates, the Asset Servicing Letter, like the Broker Letters, is from BNY Mellon Asset Servicing. The Asset Servicing Letter indicates that BNY Mellon Asset Servicing is a department of The Bank of New York Mellon. We do not believe this is sufficient. The Proponents have not provided a letter from the DTC participant itself—The Bank of New York Mellon—either verifying the Proponents' ownership of AT&T stock or confirming that BNY Mellon Asset Servicing is a department of The Bank of New York Mellon. In addition, the Asset Servicing Letter was submitted after the deadline for responding to the
Deficiency Notice. Therefore, AT&T continues to believe that it may omit the Proposal pursuant to Rules 14a-8(b) and 14a-8(f)(1).

The Proposal focuses on the set top boxes that AT&T uses for its Internet Protocol based video product, AT&T U-verse® TV. While set top boxes may have received regulatory or legislative attention, they are not the subject of widespread public debate. The January 23 Letter points out that AT&T does not manufacture or sell set top boxes. However, set top boxes are a component of the video product that AT&T offers for sale. Typically, AT&T U-verse® TV customers lease the set top boxes. The fact that set top boxes are a component of a product that AT&T offers for sale, and that customers typically lease rather than purchase set top boxes, does not make the letters cited in the Original Letter any less relevant. Therefore, AT&T continues to believe that it may omit the Proposal pursuant to Rule 14a-8(f)(7) as relating to AT&T's ordinary business operations.

* * *

For the reasons stated above and in the Original Letter, we respectfully request that the Staff concur in our view that AT&T may omit the Proposal from its 2012 proxy materials. If you have any questions or need additional information, please contact me at (214) 757-7980.

Sincerely,

[Signature]

Paul M. Wilson
General Attorney

cc: Janice Silberstein (By e-mail) (jsilber@comptroller.nyc.gov)
Kenneth Sylvester (By e-mail) (ksylves@comptroller.nyc.gov)
January 23, 2012

Securities and Exchange Commission
Division of Corporation Finance
Office of the Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

Re: AT&T Inc.

Shareholder Proposal submitted by the New York City Pension Funds

To Whom It May Concern:

I write on behalf of the New York City Pension Funds (the "Funds") in response to the December 20, 2011 letter sent to the Securities and Exchange Commission (the "Commission") by Paul M. Wilson, General Attorney, at AT&T Inc. ("AT&T" or the "Company"). In that letter, the Company contends that the Funds' shareholder proposal (the "Proposal") may be omitted from the Company's 2012 proxy statement and form of proxy (the "Proxy Materials") pursuant to Rule 14a-8(i)(7) under the Securities Exchange Act of 1934.

I have reviewed the Proposal as well as Rule 14a-8 and the December 20, 2011 letter. Based upon that review, it is my opinion that the Proposal may not be omitted from the Company's 2012 Proxy Materials. In light of the recent Federal and State government actions and growing public concern regarding the energy and environmental risks of set-top boxes ("STBs")\(^1\), the Proposal relates to a significant social policy issue that transcends "ordinary business." Accordingly, the Funds respectfully request that the Division of Corporation Finance (the "Division" or the "Staff") deny the relief that AT&T seeks.

\(^1\) As defined in the New York State bill, discussed in detail infra:

"Set-top box means a cable, satellite, telecom or Internet protocol or other device, the primary function of which is to receive television signals from a specific source and deliver them to a consumer display and or recording device, such as a television or DVR."
I. The Proposal

The principal focus of the Proposal and its supporting statement, under Staff Legal Bulletin 14C (June 28, 2005)("SLB 14C"), is a significant social policy issue. The Proposal consists of a series of whereas clauses followed by a resolution and supporting statement. Among other things, the whereas clauses note that the consumption of electricity by STBs of U.S. providers such as AT&T resulted in 16 million metric tons of carbon dioxide emissions annually and a cost of more than $3 billion; 66 percent of the power is wasted when no one is watching television or recording shows ("vampire power"); that a European system offers an energy efficient STB that draws substantially less watts when in "sleep" or "deep sleep" modes; and that the EPA's Energy Star standards require converter boxes to use at least 40 percent less energy than comparable models and they must switch to a "deep sleep" mode while not in use.

The Resolved clause and Supporting Statement then state:

RESOLVED: Shareholders request the Board of Directors to publish a report, by September 2012, excluding proprietary information, disclosing the actions that the Company is taking to address:

(1) Increasing public concern about the high costs to households from the inefficient consumption of electricity by the STBs; and

(2) Evolving regulatory policies such as the EPA's new Energy Star requirements for cable and satellite TV converter boxes.

The report should also include, as appropriate: (1) the company's efforts to accelerate the development and deployment of new energy efficient STBs; and (2) the financial and reputational risks to the Company posed by continuing the installation of conventional STBs over the long-term.

SUPPORTING STATEMENT

A January 2011 survey, commissioned by the Consumer Federation of America, of public attitude toward energy consumption of household appliances and support for government standards that set minimum levels of energy efficiency for household appliances, found that nearly all Americans think improved appliance efficiency is important for environmental reasons, because reducing the nation's consumption of electricity helps to reduce air pollution and greenhouse gas emissions.

Given increasing public concern and evolving regulatory requirements, we believe that the long-term interests of the Company and its shareholders would be served by its proactive pursuit and implementation of measures to address the high costs to households and the environmental impacts caused by the inefficient consumption of energy by STBs.
II. The Company Has Not Shown That It May Omit The Proposal

In its letter of December 20, 2011, the Company requests that the Division not recommend enforcement action to the Commission if the Company omits the Proposal under SEC Rules 14a-8(b) and (f) (inadequate proof of share ownership) and 14a-8(i)(7) (relates to the conduct of the company's ordinary business operations and does not involve significant social policy issues).

The SEC has made it clear that under Rule 14a-8(g), the Company bears the burden of proving that it is entitled to exclude a proposal. As detailed below, the Company has failed to meet its burden and its request for "no-action" relief should accordingly be denied.

A. THE FUNDS' PROOF OF SHARE OWNERSHIP FROM A DTC PARTICIPANT COMPLIES IN FULL WITH RULES 14A-8(B) AND (F)

The Company makes a key factual error in claiming that the Funds' proofs of share ownership did not come directly from a DTC participant, as required by Rules 14a-8(b) and (f), and as most recently clarified in Staff Legal Bulletin 14F (Oct. 18, 2011). The Company asserts that "the Broker Letters indicate that the Proponents' Shares are held by The Bank of New York Mellon, but the Broker Letters are from the BNY Mellon Asset Servicing - not from The Bank of New York Mellon." See Company letter at pp. 2-3. That error results from the Company's assumption that the name on the letterhead for the Funds' proof of ownership, BNY Mellon Asset Servicing, is that of an entity separate from the Bank of New York Mellon.

In fact, as set forth in the attached letter from the Bank of New York Mellon (pdf titled "Bank of New York Mellon Letter"), the Funds' proof of ownership letters for its proposals come directly from The Bank of New York Mellon, DTC Participant #901, which holds the shares for the Funds. BNY Mellon Asset Servicing is simply an unincorporated department of The Bank of New York Mellon, and is not a subsidiary or separately incorporated.

Because the Funds' proof of ownership letters came directly from The Bank of New York Mellon, a listed DTC participant, the letters comply fully with Rules 14a-8(b) and (f) and SLB 14F. The Company's request for no-action relief on that ground should be denied.

B. THE PROPOSAL FOCUSES ON RISKS TO THE ENVIRONMENT AND THUS MAY NOT BE OMITTED AS RELATING TO "ORDINARY BUSINESS" UNDER RULE 14a-8(i)(7).

The environmental and energy issue of the huge and pointless electricity wastage by set-top boxes is already a subject of Federal government rulemaking action, with public comment and a scheduled public hearing, and additional action by State and local governments. As such the issue fully meets the Commission's and the Staff's criteria for proposals as to significant social policy issues, particularly environmental issues, that fall outside the "ordinary business" exclusion of Rule 14a-8(i)(7).

The Commission's controlling guidance is found in Exchange Act Release No. 34-40018, "Amendments to Rules on Shareholder Proposals," (May 21, 1998) (the "1998 Release"). In the 1998 Release, the Commission clarified its approach to applying the ordinary business exclusion, and in so doing, limited the scope of what is considered
ordinary business. The 1998 Release summarized the two principal considerations that the Commission directed must be applied when determining whether any proposal falls within the "ordinary business" exclusion:

The first relates to the subject matter of the proposal. Certain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight. Examples include the management of the workforce, such as the hiring, promotion and termination of employees, decisions on production quality and quantity, and the retention of suppliers. However proposals relating to such matters but focusing on sufficiently significant social policy issues (e.g., significant discrimination matters) generally would not be considered to be excludable, because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote.

More recently, in SLB 14C, the Division made clear that proposals seeking reports concerning the effects of a company's actions on the environment or public health, as the Proposal explicitly does here, do not relate to "ordinary business." That Bulletin stated, in relevant part:

To the extent that a proposal and supporting statement focus on the company minimizing or eliminating operations that may adversely affect the environment or the public's health, we do not concur with the company's view that there is a basis for it to exclude the proposal under rule 14a-8(i)(7).

The second principal consideration set forth in the 1998 Release also precludes a finding that concern about the effects of wasteful consumption of electricity is "ordinary business":

The second consideration is the degree to which the proposal seeks to "micro-manage" the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment. This consideration may come into play in a number of circumstances, such as where the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies.

1998 Release, Id.

Clearly, the Funds' Proposal does not aspire to micromanage AT&T. Rather, it simply seeks a report about the Company's actions to address public concern and regulatory policies regarding energy-wasting STBs, the financial and reputational risks of continuing to install these STBs, and the Company's efforts as to new energy efficient STBs. The Proposal in no way implicates the basis of the ordinary business exclusion, i.e., the concept that management has special know-how as to the intricacies of its day-to-day business and therefore, is better placed to exercise its judgment. To the contrary, when a company faces significant social policy issues, such as the environmental hazards that
result from the wasteful energy consumption of what has become a ubiquitous consumer product, management is in no better position than its shareholders to make judgments on those issues.

C. THE ENVIRONMENTAL AND ENERGY IMPACTS OF ENERGY INEFFICIENT STBs ARE THE SUBJECT OF GOVERNMENT ACTION AND PUBLIC CONCERN.

The United States Department of Energy (DOE) has initiated rulemaking to regulate the energy consumption of STBs under the Energy Policy and Conservation Act (EPCA), as amended (42 U.S.C. 6291 et seq.). "Energy Conservation Program: Test Procedure and Energy Conservation Standard for STBs and Network Equipment," (Dec. 16, 2011) https://federalregister.gov/a/2011-32325. DOE announced that it had initiated a rulemaking and data collection process to develop a potential test procedure and energy conservation standard for STBs and network equipment. During this analysis, the DOE will determine the feasibility of establishing a standard that achieves the maximum improvement in energy efficiency that is technologically feasible and economically justified. Id. The DOE has scheduled a public meeting on January 26, 2012 and is seeking information from interested parties by February 14, 2012 that will assist the agency in performing its analysis and development of a test procedure and energy conservation standard for these products. Id.

The DOE rulemaking release describes at length the focus of their rulemaking process here on quantifying and reducing the carbon dioxide, nitrogen oxides and mercury emissions associated with the subject of the regulation. Id. at pp. 2-13 to 2-20. As such, the DOE release itself suffices to make clear that under the standards of SLB 14C, the Funds’ Proposal properly relates to “the company minimizing or eliminating operations that may adversely affect the environment or the public’s health.”

The National Cable and Telecommunications Association, “the principal trade association for the U.S. cable industry,” has already submitted a detailed letter to DOE in connection with this process. www.doe.gov/sites/prod/files/120511_DOE%20Ltr.pdf. The December 5, 2011 letter discussed some of the same issues that the NYC Proposal asks AT&T to report on. The letter highlighted the cable industry’s well-publicized November 18, 2011 initiative on reducing energy usage by STBs, and described how “[a]ccording to press reports, the cable industry energy initiative was favorably received.” Id. at pp. 2-3. Thus, the Funds’ Proposal only asks AT&T to report to shareholders on the very issue that AT&T’s trade group is already publicly reporting on and publicizing, in response to a significant, current federal environmental and energy initiative.

It is not only the executive branch that is troubled by the problems with STBs -- states and localities have also expressed their own serious concerns. That they have proposed measures and remedial action to protect from the environmental hazards and the runaway cost relating to the use of STBs is further proof that the Proposal’s issue is not just one of "ordinary business":

2 The DOE had earlier published a “Notice of Proposed Determination” in the Federal Register (76 FR 34914, June 15, 2011) that preliminarily determined that STBs and network equipment meet the criteria for covered products because classifying products of such type as covered products is necessary to carry out the purposes of EPCA.
• In California, new legislation (scheduled to go into effect on January 1, 2012) gives the California Energy Commission (CEC) new authority to impose fines on manufacturers that do not meet the state's energy efficiency standards. "This is important in the context of the ongoing proceeding at the CEC to apply energy efficiency standards to a new list of appliances, including STBs." "CCTA Legislative & Regulatory Updates,” (October 21, 2011) www.calcable.org.

• In 2011, a bill was introduced in the New York Senate that would require all STBs provided by cable, satellite, telecom and internet service providers to consumers located in New York to comply with Energy Star specifications promulgated by the United States Environmental Protection Agency and the DOE. The bill states, "If all STBs sold in the U.S. met the Energy Star specification, the savings in energy costs will grow to about $2 billion each year and greenhouse gas emissions will be reduced by the equivalent of greenhouse gas emissions from about 2.5 million vehicles." open.nysenate.gov/legislation/bill/S1228-2011

• In Florida, on November 15, 2011, the Miami-Dade Board of County Commissioners adopted a resolution urging the federal government and the state of Florida to require greater energy efficiency from television STBs. As Senator Feinstein noted infra, the Resolution indicated that each year, the electricity used by these STBs result in 16 million metric tons of carbon dioxide (CO2) emissions and that U.S. households spend $2 billion dollars a year to power these STBs when they are not being actively used. www.miamidade.gov/govaction.

• In a September 8, 2011 letter to 15 CEOs of the country’s largest cable and satellite providers, including AT&T, California Senator Dianne Feinstein addressed the phase-out of energy inefficient STBs and digital video recorders. “Currently, the standard boxes provided to Californians are always consuming large amounts of electricity, regardless of customer use. These boxes cost American consumers billions of dollars in unnecessary electricity costs and increased pollution . . . resulting in 16 million metric tons of carbon dioxide emissions.” Further, the Senator stated, “According to research by McKinsey and Company, improving consumer electronics efficiency is the single most cost effective means to reduce emissions in the United States.” www.feinstein senate.gov

Such widespread governmental action and attention demonstrate the existence of a significant public policy issue that makes the Proposal an appropriate one for shareholder consideration.

D. STAFF NO-ACTION LETTERS DEMONSTRATE THAT THE PROPOSAL IS NOT EXCLUDABLE UNDER THE ORDINARY BUSINESS RULE.

The Company did not cite, much less distinguish, the numerous no-action letters in which the Staff refused no-action requests as to proposals on environmental risks and
energy efficiency.

For example, the proposal in Exxon Mobil Corporation (3/18/08) is comparable to the Proposal, in that it requested that the board establish a committee to study steps and report on how the company can become the industry leader in developing and making available the technology needed to enable the U.S.A. to become energy independent. As in the instant case, the Exxon Mobil proposal was concerned with a significant social policy issue, i.e., energy independence in an environmentally sustainable way, and it did not require the company to take specific action or to offer a specific product but rather, to report on possible future action.

In Pulte Homes (12/28/2007), the shareholders requested that the board provide a climate change report on the feasibility of the company developing policies that would minimize its impact upon climate change, with a focus on reducing gas emissions from the company's products and operations. This proposal is similar to the Proposal in their shared concerns about the environment, specifically, the reduction of gas emissions.

Recent Staff decisions in Ultra Petroleum Corporation (March 26, 2010) and EOG Resources, Inc. (February 3, 2010) found that proposals requesting a report summarizing the environmental impact of the company's fracturing operations and potential policies for reducing environmental hazards from fracturing were not excludable under Rule 14a-8(i)(7), that the proposals did not seek to micromanage the company. See also Cabot Oil & Gas Corporation (January 28, 2010)(similar proposal). As in the instant case, these proposals did not require the company to provide a specific product, or report on issues too complex for shareholder.

The Staff did not agree that the proposal should be excluded when a report was requested on the company's involvement with the Carbon Principles (The Carbon Principles are intended to address concerns about global warming.) NRG Energy, Inc. (3/12/2009). Nor did the Staff agree that the proposal should be excluded in Lowe's Companies, Inc. (March 16, 2011)(Proposal requested that the board establish a written Stormwater Management Policy.)

There are compelling recent situations that involved higher levels of complexity regarding environmental concerns than what is found in the Proposal, and in addition, these proposals required the board to take action, but the Staff refused to grant no-action relief. Centex Corporation (3/18/2008)(Board should adopt quantitative goals for reducing greenhouse gas emissions); TXU Corp. (4/2/2007)(Board should adopt quantitative goals for reducing mercury and carbon dioxide emissions).

Also noteworthy, the Staff rejected an ordinary business argument against a proposal that required resources be invested to build new electrical generation from solar and wind power sources be excluded under rule 14a-8(i)(7). Constellation Energy Group, Inc. January 19, 2001).

All of these prior Staff decisions reflect a common theme, fully applicable to the Proposal here: that under 14a-8(i)(7), company practices with a significant impact on environmental and energy concerns are indeed a proper subject for shareholder proposals.
E. THE NO-ACTION LETTERS CITED BY AT&T ARE INAPPROPRIATE.

The Proposal is fundamentally distinguishable from the proposals in all of the no-action letters that the Company cited for the various "Grounds" that it asserted.

One overarching distinction is that unlike nearly all of those proposals, the Proposal here does not relate to the manufacture or sale of any products. AT&T neither manufactures nor sells STBs, but rather purchases them from manufacturers, installs them with little or no consumer choice as to which STB is used, and thereafter, typically keeps both ownership of the STB's and responsibility for their maintenance. As the DOE itself observed in its December 16, 2011 statement:

In the U.S, service providers supply the majority of STBs to the consumer. Major Service providers have considerable influence over the manufacturer in terms of choice of middleware, content protection features, applications and other functionalities. The pay-TV STB market is different from other markets for most other consumer electronics devices, in that consumers have little influence on the type of STB installed in their home.

www.federalregister.gov/a/2011-32325, at p. 3-4. Accordingly, any concerns as to micromanaging the manufacture or sale of consumer or industrial products simply do not apply here.

The prior decisions cited by AT&T, organized by "Ground," are as follows:

"Ground # 1 The Proposal relates to AT&T's research and development activities."

In Pfizer Inc. (January 23, 2006), the proposal requested a report regarding, inter alia, the universe of research concerning psychotropic medications and alternative methods for treating psychiatric and neurological diseases, and would need to address the efficacy of Pfizer's research regarding its own pharmaceutical products in treating mental illness and neurological diseases. Unlike the instant situation, the Pfizer proposal involved an extremely complex scientific matter. Furthermore, the proponent in Pfizer did not argue that the subject matter presented a significant social policy issue. Likewise, a report on the status of the research and development of a new safety system for railroads involved a comprehensive and detailed understanding of the railroad's business and operating environment better left to management, and that proponent also did not argue that the subject matter presented a significant social policy issue. Union Pacific Corporation (December 16, 1996).

In Chrysler Corp. (March 3, 1988), the proposal requested Chrysler to undertake intensive study of the present status of electric vehicle designs to determine the feasibility of mass producing such a vehicle. Environmental concerns were not the thrust of the resolution and furthermore, the proponent did not assert that this was a significant social policy issue that would take it outside the realm of ordinary business.

"Ground # 2 The Proposal relates to the timing of AT&T's research
and development activities."

The shareholders in E.I. du Pont de Nemours and Company (March 8, 1991) requested that the Board "rapidly accelerate plans to phase out CFC and halon production, surpassing our global competitors which have set a 1995 target date," while the Proposal asks for a report about the Company's efforts to accelerate the development and deployment of new energy efficient STBs. (Emphasis added.) Unlike the DuPont proposal, the focus here is clearly not on the fine details of the Company's timing, and AT&T's attempt to equate a very explicit request in the DuPont proposal simply because the word 'accelerate' appears in both proposals is misplaced.

"Ground # 3  The Proposal relates to the development of specific technology."

The Company cited Marriott International, Inc. (March 17, 2010), which is easily distinguishable. The Marriott proposal required the installation of test showerheads at several test properties as well as mechanical switches. The Proposal seeks only a report disclosing the actions the company is already taking; it does not require the installation of products nor the testing of products installed, which would arguably constitute micromanagement. And, as noted above, the NYC Proposal does not relate to the manufacture or sale of any consumer or industrial product.

In CSX Corporation (January 24, 2011), the shareholders requested the company to develop a kit to allow the conversion of locomotive fleet to a more efficient system. Unlike in the instant case, the proponent did not suggest that the proposal was intended to raise significant social policy issues and therefore, the granting of no-action relief in CSX holds no precedential value.

"Ground # 4  The Proposal relates to the products and services that AT&T offers for sale."

Wal-Mart Stores, Inc. (March 26, 2010) is irrelevant. The proposal urged the board to adopt a policy requiring that all products and services offered for sale in the U.S. be manufactured or produced in the U.S. Here, the Proposal does not require the sale of energy efficient STBs. Thus, there is no meaningful comparison.

Dominion Resources, Inc. (February 22, 2011) does not present a proposal that is on point: it required the company to offer its customers the option of directly purchasing electricity, a specific product. Here, the Proposal asks about the Company's actions and efforts regarding STBs. Therefore, it is a false analogy because the Proposal does not require AT&T to offer the option of a specific product to its customers.

Dominion Resources, Inc. (February 3, 2011) can be readily distinguished in that the proposal requested the company to initiate a program to provide financing to home and small business owners for installation of rooftop solar or wind power whereas the Proposal does not require the Company to initiate a service or product, but rather, to report on its actions and efforts.

In Pepco Holdings, Inc. (February 18, 2011), unlike the Proposal which requests a report on AT&T's actions and efforts, the proposal required the company to, inter alia,
aggressively implement and pursue market opportunities relating to the solar market. The two resolutions are markedly different.\footnote{The Pepco Resolve clauses read:}

Unlike the Proposal, a \textit{Proctor \& Gamble} proposal recommended that the company \textit{cease} making a product, cat-kibble. Further, the level of carbohydrates in dry cat food does not rise to the level of a significant social policy issue as does the inefficient use of energy. \textit{The Procter \& Gamble Company} (June 9, 2009).

In sum, unlike the no-action letters cited by AT&T, the Proposal does not involve excludable micromanagement of AT&T’s research and development activities, and the thrust of the Proposal is concern about avoiding adverse impacts on the environment and encouraging the efficient use of energy -- not the Company’s manufacture or sale of any particular product or service.

\footnote{RESOLVED: Pepco should aggressively study, implement and pursue the solar market as means of increasing earnings and profits, to the extent it does not create an economic hardship, including the following initiatives: marketing solar providers on their Pepco website, developing a finance plan to allow customers to install solar systems and make payments on their Pepco bills and buying SREC’s directly from customers.

RESOLVED: Within 6 months of the 2011 annual meeting, the Board of Directors provide a report to shareholders, prepared at nominal cost and omitting proprietary information, describing how Pepco will implement, to the extent feasible, the market opportunities for non-commercial renewable solar power, and to disclose such information through public reporting mechanisms.}
III. Conclusion

It is surprising that AT&T would claim in its December 20, 2011 letter (p.7) that the concerns that underlie the Proposal and the DOE rulemaking are not a significant social policy issue. It is clear that the Proposal is concerned with the type of material that shareholders are very well equipped to handle and raises an environmental policy issue so significant that it would be wholly appropriate for a shareholder vote. The Funds' proof of ownership letters are also fully adequate under the applicable Rules.

Accordingly, under the standards set forth in Rule 14a-8, and the guidance of Staff Legal Bulletins, the Company has failed to meet the burden of showing that the Funds' Proposal may be excluded under Rules 14a-8(b) and (f) and 14a-8(i)(7), and the Funds respectfully request that the Company's request for "no-action" relief be denied.

Thank you for your time and consideration.

Very truly yours,

Janice Silberstein
Associate General Counsel

New York City Comptroller's Office
1 Centre Street, Room 643
New York, NY 10007
(212) 669-3163
Fax (212) 815-8639
tsilber@comptroller.nyc.gov

cc: Paul M. Wilson, Esq.
General Attorney
AT&T Inc.
208 S. Akard St., Rm. 3030
Dallas, TX 75202
January 3, 2012

To Whom It May Concern

Re: BNY Mellon Asset Servicing

Dear Madame/Sir:

This letter is to certify that BNY Mellon Asset Servicing, which issues the proof of share ownership letters for the New York City Pension Funds:

1) is a department of The Bank of New York Mellon, the DTC participant (#901) which holds the shares on behalf of the New York City Pension Funds; and

2) is not a subsidiary nor separately incorporated nor otherwise an entity separate from The Bank of New York Mellon.

Sincerely,

Alice M. Tiedemann
Vice President
December 20, 2011

BY E-MAIL: shareholderproposals@sec.gov

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, DC 20549

Re: AT&T Inc.
Stockholder Proposal of the Comptroller of the City of New York (the "Comptroller") on behalf of the New York City Employees' Retirement System, the New York City Fire Department Pension Fund, the New York City Teachers' Retirement System, the New York City Police Pension Fund, and the New York City Board of Education Retirement System (collectively, the "Proponents")

Ladies and Gentlemen:

This letter and the material enclosed herewith are submitted on behalf of AT&T Inc. ("AT&T") pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended. On November 4, 2011, AT&T received a shareholder proposal and supporting statement (the "Proposal") submitted by the Comptroller on behalf of the Proponents for inclusion in AT&T's 2012 proxy materials. A copy of the Proposal and related correspondence is attached hereto as Exhibit A. For the reasons stated below, AT&T intends to omit the Proposal from its 2012 proxy materials.

A copy of this letter and the attachments is being sent concurrently to the Comptroller, the Proponents' representative, as notice of AT&T's intention to omit the Proposal from its 2012 proxy materials.

The Proposal requests that AT&T issue a report on energy efficient set top boxes. AT&T believes that the Proposal may be omitted from its 2012 proxy materials pursuant to Rules 14a-8(b) and 14a-8(f)(1) because the Proponents have failed to prove their eligibility to submit the Proposal and, pursuant to Rule 14a-8 (i)(7) because the Proposal deals with matters relating to AT&T's ordinary business operations.
The Proposal may be omitted from AT&T's 2012 proxy materials because the Proponents' proof of ownership is not from a DTC participant.

Rule 14a-8(f)(1) provides that a shareholder proposal may be excluded from a company's proxy materials if the proponent fails to meet the eligibility and procedural requirements of Rule 14a-8(a) through (d). Rule 14a-8(b)(1) provides that in order to be eligible to submit a proposal, a shareholder must have continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date the shareholder submits the proposal and must continue to hold these securities through the date of the meeting. If the proponent is not a registered shareholder, the proponent must provide proof of ownership in one of the two methods specified in Rule 14a-8(b)(2)(i) and (ii). Under Rule 14a-8(b)(2)(i), the proponent must submit a written statement from the record holder of the shares verifying that, at the time the proponent submitted the proposal, the proponent continuously held the shares for at least one year.

Where the proponent fails to satisfy the eligibility requirements at the time the proposal is submitted, the company must notify the proponent in writing of the deficiency within 14 calendar days of receiving the proposal. The proponent's response must be postmarked or transmitted electronically no later than 14 days from the date the proponent receives the company's notification. If the proponent fails to correct the deficiency within the required time frame, the company may exclude the proposal.

In Section B.3 of Staff Legal Bulletin No. 14(F) (October 18, 2011) ("SLB 14F"), the Securities and Exchange Commission's (the "Commission") Division of Corporation Finance staff (the "Staff") took the view that, for Rule 14a-8(b)(2)(i) purposes, only DTC participants should be viewed as record holders. The Staff indicated that shareholders and companies can confirm whether a particular broker or bank is a DTC participant by checking DTC's participant list, which is currently available on the Internet at http://www.dtcc.com/downloads/membership/directories/dtcalpha.pdf.

The Proposal and a broker letter for each Proponent from BNY Mellon Asset Servicing, each dated November 1, 2011 (collectively, the "November 1 Broker Letters"), were submitted on November 3, 2011. AT&T received the submission on November 4, 2011, and thereupon determined that the Proponents were not registered stockholders. Moreover, after reviewing the November 1 Broker Letters, AT&T determined that they did not satisfy the eligibility requirements of Rule 14a-8(b). Therefore, within the required 14 day period, AT&T notified the Proponents of the eligibility requirements of Rule 14a-8(b), including the guidance contained in SLB 14F, and of the required time frame for a response (the "Deficiency Notice"). Specifically, the Deficiency Notice informed the Proponents of (1) the requirement for a written statement from the record holder of the shares, (2) the requirement that the broker or bank be a DTC participant, (3) how to determine whether a broker or bank is a DTC participant, and (4) the requirement, where necessary, that two ownership statements be submitted – one from the shareholder's broker or bank confirming the shareholder's ownership, and the other from the DTC participant confirming the broker or bank's ownership. The Deficiency Notice was delivered on November 15, 2011. Accordingly, the deadline for the Proponents to submit their response to the Deficiency Notice was November 29, 2011. A copy of the Deficiency Notice and delivery confirmation are attached hereto as Exhibit B.
On November 16, 2011, the Comptroller submitted a letter for each Proponent from BNY Mellon Asset Servicing, each dated November 16, 2011 (together with the November 1 Broker Letters, the "Broker Letters"), which AT&T received on November 18, 2011 (see Exhibit C). AT&T has received no other response to the Deficiency Notice. Since the deadline for responding to the Deficiency Notice has passed, any additional response submitted at this point would be untimely.

The Broker Letters are each signed by Richard Blanco in his capacity as Vice President of BNY Mellon Asset Servicing. However, BNY Mellon Asset Servicing does not appear on the DTC participant list and is not a DTC participant. The Broker letters indicate that the Proponents' shares are held by The Bank of New York Mellon, but the Broker Letters are from BNY Mellon Asset Servicing—not from The Bank of New York Mellon. We note that the DTC participant list contains the names of a number of Bank of New York Mellon entities, but the Broker Letters are not from any of those entities. Because the Broker Letters are not from a DTC participant, they are not written statements from the record holder of the Proponents' shares. Therefore, AT&T believes that it may omit the Proposal from its 2012 proxy materials pursuant to Rules 14a-8(b) and 14a-8(f)(1).

The Proposal may be omitted from AT&T's 2011 proxy materials pursuant to Rule 14a-8(i)(7) because it deals with matters relating to AT&T's ordinary business operations.

Rule 14a-8(i)(7) permits a company to exclude from its proxy materials shareholder proposals relating to the conduct of the company's ordinary business operations. In Exchange Act Release No. 34-40018 (May 21, 1998) (the "1998 Release"), the Commission explained that the policy underlying the ordinary business operations exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual stockholders meeting."

This general policy reflects two central considerations: (1) "certain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight" and (2) the "degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment."

In Exchange Act Release No. 34-20091 (Aug. 16, 1983), the Commission took the position that, in determining whether a proposal requesting a report on specific aspects of a company's business is excludable under Rule 14a-8(i)(7), the Staff will consider whether the underlying subject matter of the report involves ordinary business matters. Therefore, to the extent the Proposal requests a report rather than direct action, it is nevertheless subject to exclusion under Rule 14a-8(i)(7) as relating to AT&T's ordinary business.

By way of background, AT&T deploys set top boxes to customers of its Internet Protocol based video product, AT&T U-verse® TV, and AT&T's full line of set top boxes is currently Energy Star qualified under this program, which is managed by the Department of Energy and the Environmental Protection Agency. In deploying U-verse® TV, AT&T has chosen an energy efficient technology for video delivery. AT&T has also focused on the in-home architecture as a further way to conserve energy. Rather than installing multiple digital video recorder ("DVR") set top boxes, AT&T has begun deploying Total Home DVR®, a system in which a single, central DVR set top box serves recorded content to multiple set top boxes and TVs throughout
the home. This allows AT&T to reduce to one the number of more energy-intensive DVR set
top boxes in the house, further reducing energy consumption, while allowing customers to enjoy
DVR functionality through multiple, more energy-efficient set top boxes. This strategy helps to
provide a satisfying customer experience, while still pursuing the goal of energy efficiency.

The development and deployment of AT&T's U-verse® TV set top box strategy, and the timing
of that development and deployment, involve carefully balancing considerations of energy
efficiency, available technology, cost and customer preference, among other things. These are
day-to-day operational matters that AT&T's management deals with in the ordinary course of its
business, and as such these matters are not suitable for direct shareholder oversight.

As discussed below, AT&T believes that it may omit the Proposal pursuant to Rule 14a-8(i)(7)
on ordinary business grounds because it relates to AT&T’s research and development activities,
because it seeks to micromanage AT&T’s research and development activities, and because it
relates to the products and services that AT&T offers for sale.

- The Proposal relates to AT&T’s research and development activities.

Because the Proposal relates to the development and deployment of set top boxes, AT&T
believes that the Proposal is excludable pursuant to Rule 14a-8(i)(7) as relating to its ordinary
business operations, specifically its research and development activities.

The Staff has long taken the position that proposals relating to research and development are
excludable on ordinary business grounds. For example, in Pfizer Inc. (Jan. 23, 2006), the
company sought to exclude a proposal requesting a report on the effects of certain medications.
The Staff concurred that the proposal could be excluded pursuant to Rule 14a-8(i)(7) on
ordinary business grounds as relating to “product research, development and testing.” See also
Union Pacific Corp. (Dec. 16, 1996) (concursing in the exclusion of a proposal seeking a report
on the research and development of a train management and safety system as relating to “the
development ... of new technology”); Chrysler Corp. (Mar. 3, 1988) (concursing in the exclusion
of a proposal seeking information on the feasibility of developing an electric vehicle for mass
production as relating to “determining to engage in product research and development”).

The Proposal requests a report including, among other things, “the Company’s efforts to
accelerate the development and deployment of new energy efficient set-top boxes”. Thus, like
the proposals in Pfizer, Union Pacific and Chrysler, the Proposal relates to product research and
development. Therefore, AT&T believes the Proposal may be excluded on ordinary business
grounds as relating to AT&T’s research and development activities.

- The Proposal seeks to micromanage to AT&T’s research and development
  activities.

As discussed below, AT&T believes that the Proposal seeks to micromanage AT&T to such a
degree that exclusion of the Proposal is appropriate, both because the Proposal relates to the
development of a specific technology and because it relates to the timing of AT&T’s research
and development activities.
The Proposal relates to the development of a specific technology.

Because the Proposal focuses on deep sleep functionality, AT&T believes that the Proposal is excludable pursuant to Rule 14a-8(i)(7) because it seeks to micromanage AT&T by delving into the development of specific technology to reduce energy consumption in set top boxes.

In Marriott International, Inc. (Mar. 17, 2010), the company sought to exclude a proposal requiring the installation of showerheads that deliver no more than 1.6 gallons per minute of flow in several test properties. The Staff concurred that the proposal could be excluded pursuant to Rule 14a-8(i)(7), stating that “the proposal seeks to micromanage the company to such a degree that exclusion of the proposal is appropriate.” The Staff noted that “the proposal would require the company to test specific technologies that may be used to reduce energy consumption.” See also CSX Corporation (Jan. 24, 2011) (concurring in the exclusion of a proposal requesting the company to develop a kit that would allow it to convert the majority of its locomotive fleet over to a more efficient power conversion system based on fuel cell power as relating to “a company’s choice of technology for use in its operations”).

The Proposal describes the so-called “vampire power” issue, relates that certain set top boxes in Europe have a “deep sleep” mode, and states that “to address the ‘vampire power’ issue, cable and satellite boxes must switch to a ‘deep sleep’ mode while not in use to reduce energy consumption...” Thus, the Proposal focuses on a particular technology—deep sleep functionality—in connection with the development a more energy efficient set top box.

Like the proposal in Marriott International and CSX, the Proposal seeks to micromanage AT&T by focusing on the development of a specific technology to reduce energy consumption. Therefore, AT&T believes the Proposal may be excluded pursuant to Rule 14a-8(i)(7) because it relates to the development of a specific technology.

The Proposal relates to the timing of AT&T’s research and development activities.

Because the Proposal seeks to accelerate the development of energy-efficient set top boxes, AT&T believes that the Proposal is excludable pursuant to Rule 14a-8(i)(7) as relating to the timing of research and development.

In E. I. du Pont de Nemours and Company (Mar. 8, 1991), the company sought to exclude a proposal requesting the company to accelerate the phase-out of certain chemicals and the research, development and marketing of alternative products. The Staff concurred that the proposal could be excluded pursuant to Rule 14a-8(i)(7), stating that “the thrust of the proposal appears directed at those questions concerning the timing, research and marketing decisions that involve matters relating to the conduct of the company’s ordinary business operations.”

The Proposal requests a report on, among other things, “the Company’s efforts to accelerate the development and deployment of new energy efficient set-top boxes.” (Emphasis added) Moreover, the Proposal expresses the view that “the long-term interests of the Company and its shareholders would be served by its proactive pursuit and implementation of measures to address the high costs to households and the environmental impacts caused by the inefficient
consumption of energy by set-top boxes.” (Emphasis added) Thus, the Proposal focuses not only on the development of new set top boxes but also on the timing of that development.

Like the proposal in du Pont, the Proposal seeks to micromanage AT&T by focusing on the timing of AT&T’s development of new set top boxes. Therefore, AT&T believes that the Proposal may be excluded pursuant to Rule 14a-8(i)(7) because it relates to the timing of AT&T’s research and development activities.

- The Proposal relates to the products and services that AT&T offers for sale.

Because the Proposal focuses on AT&T’s efforts to offer more energy efficient set top boxes to its customers, AT&T believes that the Proposal is excludable pursuant to Rule 14a-8(i)(7) because it relates to the products and services that AT&T offers for sale.

In numerous letters, the Staff has taken the position that proposals relating to products and services offered for sale are excludable on ordinary business grounds. For example, in Wal­mart Stores, Inc. (Mar. 26, 2010), the company sought to exclude a proposal requesting a policy that all products and services offered for sale by the company in the U.S. be manufactured or produced in the U.S. The Staff concurred that the proposal could be excluded pursuant to Rule 14a-8(i)(7) on ordinary business grounds as relating to products and services offered for sale by the company. The Staff noted that “[p]roposals concerning the sale of particular products and services are generally excludable under Rule 14a-8(i)(7).” See also The Procter & Gamble Company (Jul. 15, 2009) (concurring in the exclusion of a proposal requesting the company to cease making cat-kibble “as relating to [the company’s] ordinary business operations (i.e., sale of a particular product”).

Furthermore, in several recent letters, the Staff has taken the position that proposals relating to products and services offered for sale are excludable on ordinary business grounds where the proposals relate to energy efficiency. For example, in Dominion Resources, Inc. (Feb. 22, 2011), the company sought to exclude a proposal requesting that the company offer its customers the option of directly purchasing electricity generated from 100% renewable energy. The Staff concurred that the proposal could be excluded pursuant to Rule 14a-8(i)(7), noting that “the proposal relates to the products and services that the company offers.” See also Pepco Holdings, Inc. (Feb. 18, 2011) (concurring in the exclusion of a proposal calling on the company to aggressively study, implement and pursue the solar market and to issue a report describing how the company will implement the market opportunities for non-commercial renewable solar power, with the Staff noting that “the proposal relates to the products and services offered for sale by the company”); Dominion Resources, Inc. (Feb. 3, 2011) (concurring in the exclusion of a proposal requesting the company to initiate a program to provide financing to home and small business owners for installation of rooftop solar or wind power, with the Staff noting that “the proposal relates to the products and services offered for sale by the company”).

The Proposal requests a report describing, among other things, “the Company’s efforts to accelerate the timing of the development and deployment of new energy efficient set-top boxes.” Therefore, like the proposals in Dominion Resources and Pepco Holdings discussed above, AT&T believes that the Proposal may be excluded pursuant to Rule 14a-8(i)(7) as relating to the products and services that AT&T offers for sale.
The Proposal does not focus on a significant policy issue.

In the 1998 Release, the Commission stated that proposals relating to ordinary business matters but focusing on sufficiently significant policy issues generally would not be excludable, because the proposals would “transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote.” AT&T believes that the Proposal is excludable pursuant to Rule 14a-8(i)(7) because it relates to AT&T’s ordinary business matters, as discussed above, and because it does not focus on a significant policy issue.

The Proposal raises concerns with electricity consumption by set top boxes and the cost to households—in terms of electricity bills—of such consumption. However, we do not believe that these concerns are significant policy issues. We are aware that the Staff has determined certain environmental matters to be significant policy issues, such as global warming and greenhouse gas emissions, but we do not believe that electricity consumption by set top boxes is such an issue.

We note that, in many of the letters discussed above, the Staff concurred in the exclusion of a proposal on ordinary business grounds even though the proposal raised concerns with environmental matters. For example, in Marriott International, the Staff concurred in exclusion, “although the proposal raises concerns with global warming.” See also CSX (locomotive fuel cell power); Dominion Resources (Feb. 22, 2011) (renewable electric power); Pepco Holdings (renewable solar power); Dominion Resources (Feb. 3, 2011) (renewable solar and wind power); du Pont (CFC and halon production). Like the issues in those letters, AT&T believes that electricity consumption by set top boxes is not a significant policy issue. Therefore, AT&T believes that the Proposal is excludable pursuant to Rule14a-8(i)(7) as relating to AT&T’s ordinary business operations.

For the reasons stated above, we respectfully request that the Staff concur in our view that AT&T may omit the Proposal from its 2012 proxy materials pursuant to Rules 14a-8(b) and 14a-8(f)(1) because the Proponents have failed to prove their eligibility to submit the Proposal and, pursuant to Rule 14a-8 (i)(7) because the Proposal deals with matters relating to AT&T’s ordinary business operations. If you have any questions or need additional information, please contact me at (214) 757-7980.

Sincerely,

Paul M. Wilson
General Attorney

Enclosures
cc: Kenneth Sylvester (By e-mail) (ksylves@comptroller.nyc.gov)
November 1, 2011

Ms. Ann Effinger Meuleman
Senior Vice President and Secretary
AT&T, Inc.
208 S. Akard Street, Suite 3241
Dallas, Texas 75202

Dear Ms. Meuleman,

I write to you on behalf of the Comptroller of the City of New York, John C. Liu. The Comptroller is the custodian and a trustee of the New York City Employees' Retirement System, the New York City Fire Department Pension Fund, the New York City Teachers' Retirement System, and the New York City Police Pension Fund, and custodian of the New York City Board of Education Retirement System (the "Systems"). The Systems' boards of trustees have authorized the Comptroller to inform you of their intention to present the enclosed proposal for the consideration and vote of stockholders at the Company's next annual meeting.

Therefore, we offer the enclosed proposal for the consideration and vote of shareholders at the Company's next annual meeting. It is submitted to you in accordance with Rule 14a-8 of the Securities Exchange Act of 1934, and I ask that it be included in the Company's proxy statement.

Letters from The Bank of New York Mellon Corporation certifying the Systems' ownership, for over a year, of shares of AT&T, Inc. common stock are enclosed. Each System intends to continue to hold at least $2,000 worth of these securities through the date of the Company's next annual meeting.

We would be happy to discuss the proposal with you. Should the Board of Directors decide to endorse its provision as corporate policy, we will withdraw the proposal from
Ms. Mueleman
Page 2

consideration at the annual meeting. If you have any further questions on this matter, please feel free to contact me at 1 Centre Street, Room 629, New York, NY 10007; phone (212) 669-2013.

Very truly yours,

Kenneth B. Sylvester

KS/ma

Enclosures

AT&T, Inc. – Set-Top Boxes
ENERGY-EFFICIENT SET-TOP BOXES

Submitted by John C. Liu, Comptroller, City of New York, on behalf of the Boards of Trustees of the New York City Pension Funds

WHEREAS, a report by NRDC, "Better Viewing, Lower Energy Bills, and Less Pollution: Improving the Efficiency of Television Set-Top Boxes" (June 2011), disclosed that set-top boxes, owned and installed in U.S. homes by service providers, such as AT&T, Inc., consumed approximately 27 billion kilowatt-hours of electricity, equivalent to the annual output of nine average (500MW) coal-fired power plants, resulting in 16 million metric tons of carbon dioxide emissions, and costing households more than $3 billion annually; and

WHEREAS, when no one is watching television or recording shows, 66 percent of the power is wasted, so-called "vampire power"; and DVRs use about 40 percent more energy per year than non-DVR appliances; and

WHEREAS, Sky Broadcasting in Europe offers an energy efficient set-top box to households that draws 23 watts in "On" mode, 13 watts in "Sleep" mode, and defaults to less than 1 watt in "deep sleep" state each evening at 11:00 p.m.; and

WHEREAS, under the EPA’s Energy Star standards, TVs, and cable and satellite TV converter boxes are now required to use at least 40 percent less energy than comparable models; to address the "vampire power" issue, cable and satellite boxes must switch to a "deep sleep" mode while not in use to reduce energy consumption from 16 watts to 2 watts or less.

RESOLVED: Shareholders request the Board of Directors to publish a report, by September 2012, excluding proprietary information, disclosing the actions that the Company is taking to address:

(1) Increasing public concern about the high costs to households from the inefficient consumption of electricity by the set-top boxes; and

(2) Evolving regulatory policies, such as the EPA’s new Energy Star requirements for cable and satellite TV converter boxes.

The report should also include, as appropriate: (1) the Company’s efforts to accelerate the development and deployment of new energy efficient set-top boxes; and (2) the financial and reputational risks to the Company posed by continuing the installation of conventional set-top boxes over the long-term.
SUPPORTING STATEMENT

A January 2011 survey, commissioned by the Consumer Federation of America, of public attitudes toward energy consumption of household appliances and support for government standards that set minimum levels of energy efficiency for household appliances, found that nearly all Americans think improved appliance efficiency is important for personal financial reasons—lowering their electric bills; and important for environmental reasons, because reducing the nation's consumption of electricity helps to reduce air pollution and greenhouse gas emissions.

Given increasing public concern and evolving regulatory requirements, we believe that the long-term interests of the Company and its shareholders would be served by its proactive pursuit and implementation of measures to address the high costs to households and the environmental impacts caused by the inefficient consumption of energy by set-top boxes.
November 1, 2011

To Whom It May Concern

Re: AT&T, Inc.  
Cusip#: 00206R102

Dear Madame/Sir:

The purpose of this letter is to provide you with the holdings for the above referenced asset continuously held in custody from November 1, 2010 through today at The Bank of New York Mellon in the name of Cede and Company for the New York City Employees' Retirement System.

The New York City Employees' Retirement System  
5,296,369 shares

Please do not hesitate to contact me should you have any specific concerns or questions.

Sincerely,

Richard Blanco  
Vice President
November 1, 2011

To Whom It May Concern

Re: AT&T, Inc. Cusip#: 00206R102

Dear Madame/Sir:

The purpose of this letter is to provide you with the holdings for the above referenced asset continuously held in custody from November 1, 2010 through today at The Bank of New York Mellon in the name of Cede and Company for the New York City Teachers' Retirement System.

The New York City Teachers' Retirement System 5,487,330 shares

Please do not hesitate to contact me should you have any specific concerns or questions.

Sincerely,

Richard Blanco
Vice President
November 1, 2011

To Whom It May Concern

Re: AT&T, Inc. Cusip#: 00206R102

Dear Madame/Sir:

The purpose of this letter is to provide you with the holdings for the above referenced asset continuously held in custody from November 1, 2010 through today at The Bank of New York Mellon in the name of Cede and Company for the New York City Fire Department Pension Fund.

The New York City Fire Department Pension Fund 917,612 shares

Please do not hesitate to contact me should you have any specific concerns or questions.

Sincerely,

Richard Blanco
Vice President
November 1, 2011

To Whom It May Concern

Re: AT&T, Inc. Cusip#: 00206R102

Dear Madame/Sir:

The purpose of this letter is to provide you with the holdings for the above referenced asset continuously held in custody from November 1, 2010 through today at The Bank of New York Mellon in the name of Cede and Company for the New York City Police Pension Fund.

The New York City Police Pension Fund 3,046,973 shares

Please do not hesitate to contact me should you have any specific concerns or questions.

Sincerely,

Richard Blanco
Vice President
November 1, 2011

To Whom It May Concern

Re: AT&T, Inc.  Cusip#: 00206R102

Dear Madame/Sir:

The purpose of this letter is to provide you with the holdings for the above referenced asset continuously held in custody from November 1, 2010 through today at The Bank of New York Mellon in the name of Cede and Company for the New York City Board of Education Retirement System.

The New York City Board of Education Retirement System 328,598 shares

Please do not hesitate to contact me should you have any specific concerns or questions.

Sincerely,

Richard Blanco
Vice President
November 14, 2011

BY UPS OVERNIGHT MAIL

City of New York
Office of the Comptroller
1 Centre Street, Room 629
New York, NY 10007
Attn: Kenneth B. Sylvester

Dear Mr. Sylvester:

On November 4, 2011, we received your letter dated November 1, 2011 submitting a stockholder proposal on behalf of the New York City Employees' Retirement System, the New York City Fire Department Pension Fund, the New York City Teachers' Retirement System, the New York City Police Pension Fund, and the New York City Board of Education Retirement System (collectively, the "Systems") to be considered at AT&T Inc.'s 2012 annual meeting of stockholders. We also received a letter from BNY Mellon Asset Servicing dated November 1, 2011, for each of the Systems.

Under Securities and Exchange Commission Rule 14a-8, in order to be eligible to submit a proposal, a stockholder must have continuously held at least $2,000 in market value of shares of AT&T Inc. common stock for at least one year by the date the proposal is submitted and must continue to hold the shares through the date of the annual meeting.

None of the Systems appear in our records as registered stockholders. Therefore, in accordance with Rule 14a-8, you must submit to us a written statement from the record holder of the shares (usually a broker or bank) verifying that, at the time the proposal was submitted, the required amount of shares were continuously held for at least one year.

To be considered a record holder, a broker or bank must be a Depository Trust Company ("DTC") participant. You can determine whether a broker or bank is a DTC participant by checking DTC's participant list, which is currently available on the Internet at http://www.dtcc.com/downloads/membership/directories/dtcalpha.pdf. If the broker or bank is not on DTC's participant list, you will need to obtain proof of ownership from the DTC participant through which the shares are held. You should be able to find out who this DTC participant is by asking the broker or bank.

If the DTC participant knows the broker or bank's holdings, but does not know the stockholder's holdings, you could satisfy Rule 14a-8 by obtaining and submitting two proof of ownership statements verifying that, at the time the proposal was submitted, the required amount of shares were continuously held for at least one year — one from the broker or bank confirming the stockholder's ownership, and the other from the DTC participant confirming the broker or bank's ownership.
You must also provide us with written evidence that, at the time the proposal was submitted, The Comptroller of the City of New York was authorized to submit the proposal on behalf of each stockholder. Please specify where in the documentation such authorization is contained.

Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received this letter. Please note that, even if you satisfy the eligibility requirements described above, we may still seek to exclude the proposal from our proxy materials on other grounds in accordance with Rule 14a-8. Moreover, if we include the proposal in our proxy materials, it will not be voted on if the stockholder or a qualified representative does not attend the annual meeting to present the proposal. The date and location of the meeting will be provided at a later time.

Sincerely,

Paul M. Wilson
General Attorney
November 16, 2011

VIA UPS OVERNIGHT DELIVERY

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

Dear Mr. Wilson:

In response to your letter, dated November 14, 2011, regarding the eligibility of the New York City Employees' Retirement System, The New York City Fire Department Pension Fund, The New York City Teachers' Retirement System, The New York City Police Pension Fund, and the New York City Board of Education Retirement System (the “Systems”) to submit a stockholder proposal to AT&T Inc., in accordance with SEC Rule 14a-8 (b), I enclose letters from the Systems’ custodian bank, The Bank of New York Mellon Corporation, certifying that at the time the stockholder proposal was submitted to AT&T Inc., each held, continuously for over a year, at least $2,000 worth of shares of AT&T Inc. common stock.

I hereby declare that each intends to continue to hold at least $2,000 worth of these securities through the date of the Company’s next annual meeting.

Sincerely,

Kenneth B. Sylvester  
Assistant Comptroller, Pension Policy

Enclosure
November 16, 2011

To Whom It May Concern

Re: AT&T, Inc.  
Cusip#: 00206R102

Dear Madame/Sir:

The purpose of this letter is to provide you with the holdings for the above referenced asset continuously held in custody from November 3, 2010 through today at The Bank of New York Mellon in the name of Cede and Company for the New York City Employees' Retirement System.

The New York City Employees' Retirement System  
5,296,369 shares

Please do not hesitate to contact me should you have any specific concerns or questions.

Sincerely,

[Signature]

Richard Blanco
Vice President
November 16, 2011

To Whom It May Concern

Re: AT&T, Inc. Cusip#: 00206R102

Dear Madame/Sir:

The purpose of this letter is to provide you with the holdings for the above referenced asset continuously held in custody from November 3, 2010 through today at The Bank of New York Mellon in the name of Cede and Company for the New York City Fire Department Pension Fund.

The New York City Fire Department Pension Fund 917,612 shares

Please do not hesitate to contact me should you have any specific concerns or questions.

Sincerely,

Richard Blanco
Vice President
November 16, 2011

To Whom It May Concern

Re: AT&T, Inc. Cusip#: 00206R102

Dear Madame/Sir:

The purpose of this letter is to provide you with the holdings for the above referenced asset continuously held in custody from November 3, 2010 through today at The Bank of New York Mellon in the name of Cede and Company for the New York City Teachers' Retirement System.

The New York City Teachers' Retirement System 5,487,330 shares

Please do not hesitate to contact me should you have any specific concerns or questions.

Sincerely,

[Signature]

Richard Blanco
Vice President
November 16, 2011

To Whom It May Concern

Re: AT&T, Inc. Cusip#: 00206R102

Dear Madame/Sir:

The purpose of this letter is to provide you with the holdings for the above referenced asset continuously held in custody from November 3, 2010 through today at The Bank of New York Mellon in the name of Cede and Company for the New York City Police Pension Fund.

The New York City Police Pension Fund 3,046,973 shares

Please do not hesitate to contact me should you have any specific concerns or questions.

Sincerely,

Richard Blanco
Vice President
November 16, 2011

To Whom It May Concern

Re: AT&T, Inc.  

Dear Madame/Sir:

The purpose of this letter is to provide you with the holdings for the above referenced asset continuously held in custody from November 3, 2010 through today at The Bank of New York Mellon in the name of Cede and Company for the New York City Board of Education Retirement System.

The New York City Board of Education Retirement System 328.598 shares

Please do not hesitate to contact me should you have any specific concerns or questions.

Sincerely,

Richard Blanco  
Vice President