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1934 Act/Rule 14a-8

By e-mail: shareholderproposals@sec.gov

December 17, 2012

1934 Act/ Rule 14a-8

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. 2013 Annual Meeting – SNET Retirees Stockholder Proposal

Ladies and Gentlemen:

This statement and the material enclosed herewith are submitted on behalf of AT&T Inc. pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended. AT&T has received a stockholder proposal from SNET Retirees Association, Inc. and Jane Banfield (the "Proponents") for inclusion in AT&T's 2013 proxy materials. As more fully discussed below, AT&T intends to omit the proposal from its 2013 proxy statement because (a) AT&T intends to submit a proposal to stockholders at the 2013 Annual Meeting to approve the AT&T Stock Purchase and Deferral Plan, which conflicts with the proposal submitted by the Proponents (Rule 14a-8(i)(9)); (b) implementation of the proposal would require AT&T to violate state law (Rule 14a-8(i)(2)); and (c) the proposal is vague and misleading (Rule 14a-8(i)(3)).

We have submitted this letter, together with the proposal and the Proponents' related correspondence (which is accompanies this statement), to the Staff via e-mail at shareholderproposals@sec.gov in lieu of mailing paper copies. An opinion of counsel regarding matters of Texas law is set forth herein. We have also sent copies of this letter and the accompanying documents to the Proponents.

The Proposal

On October 24, 2012, AT&T received the following proposal from the Proponents (the "Proposal"):

RESOLVED: The shareholders of AT&T urge our Board of Directors to seek shareholder approval of any senior executive officer's new or renewed compensation package that provides for severance or termination payments with an estimated total value exceeding 2.99 times the sum of the executive's base salary plus target short-term bonus.

"Severance or termination payments" include any cash, equity or other compensation that is paid out or vests due to senior executive's termination for any reason. Payments include those provided under employment agreements, severance plans, change-in-control clauses in long-term equity or other compensation plans, and agreements renewing, modifying or extending any such agreement plan.

"Total value" of these payments includes: lump-sum payments; payments offsetting tax liabilities; perquisites or benefits that are not vested under a plan generally available to management employees; post-employment consulting fees or office expense; and equity awards as to which the executive's vesting is accelerated, or a performance condition waived, due to termination.

The Board shall retain the option to seek shareholder approval after material terms are agreed upon.

AT&T believes that the Proposal may be properly omitted from AT&T's proxy statement for the 2013 Annual Meeting for the reasons stated below.

Reasons the Proposal May Be Omitted from the 2013 Proxy Statement

Background

The Proposal is an extraordinarily broad proposal that would apply to any "new or renewed compensation package" that provides for the payment or vesting of "severance or termination payments" that would exceed 2.99 times an executive's salary and bonus. Under the Proposal, "Severance or termination payments include any cash, equity or other compensation that is paid out or vests..." due to the termination of the executive's employment for any reason, which would include death or disability. The Proposal then provides a non-exclusive list of items that would be included in such payments: employment agreements, severance agreements, change in control agreements or "other compensation plans."

The most striking part of the Proposal is that, among other things, it captures the payment of earned amounts, deferred amounts and death benefits in connection with a termination. The Proposal is specific: it applies to any compensation that is "*paid out* or vests," which would include vested amounts *paid* on termination as well as unvested amounts that become vested. As noted above, the Proposal addresses all compensation, which includes deferral plans, wage payments, unemployment compensation and death benefits, and certain of these items provide for payment upon termination of employment. Under the Company's nonqualified deferral plans, compensation is paid on termination of employment as elected by the participant. However, in the event of termination of employment due to death, these amounts are required to be paid immediately regardless of the election of the participant. While, these are earned amounts already due to the executive, if the payment is accelerated because of the termination of

employment of the executive, whether by death (mandatory acceleration of payment) or other termination (based on election), the payment is captured by the Proposal.

Moreover, the Proposal is not limited to future payments but affects existing contracts. The Proposal addresses each “new or renewed compensation *package*.” A renewed compensation “package” will include, for example, new salary and bonus targets, but it would also include pre-existing agreements and grants. The Proposal takes no steps to exclude pre-existing agreements so long as they are part of a “new or renewed package.”

A. AT&T intends to submit the Stock Purchase and Deferral Plan to stockholders for approval at the 2013 Annual Meeting. Because the terms of that plan would conflict with the Proposal, the Proposal may be properly omitted under Rule 14a-8(i)(9).

The Company intends to submit one of its deferral plans, the Stock Purchase and Deferral Plan, to stockholders for approval at the 2013 Annual Meeting of stockholders. The plan was originally approved by stockholders in 2005; however, the Company intends to increase the number of authorized shares, as well as make other amendments, and seek re-approval of the plan by stockholders.

The plan allows executives to defer up to 30% of their salary and 95% of their annual short-term award into deferred stock units for distribution at times elected by the participants. The Company provides a bonus matching contribution equal to 20% of the deferred stock units purchased by the executive with salary or short-term award (up to the target amount of the award).¹ There is no other limit on the number of matching deferred stock units that an executive may acquire. Earnings are reinvested in additional deferrals.

Because participation in the Stock Purchase and Deferral Plan will reduce the amount of match-eligible contributions that the executives may make to the Company’s 401(k) plan and, therefore, the amount of match available in the 401(k) plan, the Company provides a make-up match in the Stock Purchase and Deferral Plan.² In addition, the Company provides a match equal to the 401(k) plan benefit for salary that exceeds IRS limits for qualified retirement plans.

Over time, the employee’s contributions, combined with the Company matching contributions, reinvested dividends and any growth in the stock price, will allow participants to build up a sizeable investment in AT&T stock that if paid out in a lump sum upon termination would easily exceed the limits in the Proposal. While participants may elect different dates for distribution of the deferred stock units, in the event of the death of the participant and corresponding termination of employment, every unit is distributed promptly to the beneficiaries of the

¹ Alternatively, the plan permits the Company to replace the bonus match of deferred stock units with 2 stock options for each deferred stock unit purchased by the employee, limited to 400,000 options per employee per year. Options are not exercisable until the earlier of one year after grant or the termination of employment of the participant. The Company has no current intention to replace the bonus matching contribution with the issuance of options under the plan.

² The match that executives may receive in the 401(k) plan equals 80% of the first 6% of contributions from salary.

participant regardless of the distribution election made by the participant. In the 3rd to last paragraph of their supporting statement, the Proponents confirm they are aware that payments under various plans are made at termination due to death; however, the Proposal contains no exception for such payments. As a result, the provisions of the Stock Purchase and Deferral Plan that permit an unlimited amount of deferrals and matching contributions (as well as reinvested dividends and stock price appreciation) combined with a requirement that all deferrals are to be paid upon death directly contravene and would be prohibited by the Proposal, which would limit any packages of which the plan was a part.

Submitting the Stock Purchase and Deferral Plan and the Proposal to stockholders for approval at the same meeting would create the possibility of inconsistent and ambiguous results if both were approved. Approval of the plan would permit the distribution at death of all of the participant's deferred stock units without regard to the participant's salary or bonus, while the Proposal would seek to put limits on the distributions under any "package" of which the plan was a part, creating a direct conflict between the proposals. The stockholders would think that general approval of the plan was sufficient for all participants, while the Proposal would require approval of each "compensation package" of which the Plan was a part.

Rule 14a-8(i)(9) provides that a stockholder proposal may be excluded if it directly conflicts with a company proposal that is to be submitted to stockholders at the same meeting of stockholders. The Staff has consistently concurred with a company's decision to omit a stockholder proposal from its proxy statement where the company proposal and the stockholder proposal "present alternative and conflicting decisions for stockholders and would create the potential for inconsistent and ambiguous results." *Croghan Bancshares, Inc.* (Mar. 13, 2002) (company permitted under Rule 14a-8(i)(9) to omit a proposal that would prohibit directors from participating in option plans because the company was submitting a conflicting proposal to approve a compensation plan that would permit the granting of options to directors). *See also First Niagara Financial Group, Inc.* (Mar. 7, 2002) (similar facts and result as in *Croghan Bancshares, Inc.*, except the proponent sought to stop option grants to officers and directors); *Osteotech, Inc.* (Apr. 24, 2000) (a proposal that would prohibit the grant of options to certain officers until the company stock price reached certain levels was determined to have conflicted with a proposal to have the stockholders approve an option plan that provided directors with discretion as to the terms of option grants, and the proposal was properly omitted under Rule 14a-8(i)(9)); and *Mattel, Inc.* (Mar. 4, 1999) (stockholder proposal was properly omitted under Rule 14a-8(i)(9) where it called for the discontinuance of bonuses for top management when the company was presenting a proposal seeking approval of its long-term incentive plan, which provided for the payment of bonuses to members of management).

In interpreting Rule 14a-8(i)(9), the Staff has stated that stockholder proposals do not have to be identical in scope or focus in order for them to be excludable under the rule. Securities Act Release No. 34-40018 (May 21, 1998), fn. 27.³ The Staff has previously allowed the exclusion

³ Footnote 27 reads in part: "We believe that the revisions accurately convey our current interpretations of the rule; of course, by revising the rule we do not intend to imply that proposals must be identical in scope or focus for the exclusion to be available. See, e.g., *SBC Communications* (Feb. 2, 1996) (shareholder proposal on calculation of non-cash compensation directly conflicted with company's proposal on a stock and incentive plan)."

of a stockholder proposal so long as there is at least some basis for concluding that an affirmative vote on both the stockholder's and the company's proposal would lead to an inconsistent or ambiguous mandate from the stockholders. *See, e.g. AT&T Inc.* (Dec. 15, 2007) (bylaw proposal requiring board to obtain stockholder ratification of any severance agreement with senior executives that provide benefits in an amount exceeding 2.99 times the sum of the executive's base salary plus target bonus was properly omitted under Rule 14a-8(i)(9) because it conflicted with company proposal seeking approval of a policy that would require prior stockholder approval of certain future severance agreements or employment agreements with severance provisions); *Gyrodyne Company of America, Inc.* (October 31, 2005) (proposal to amend bylaws to permit stockholders holding 15% of outstanding stock to call special meeting conflicted with company proposal to amend bylaws to provide for a 30% threshold and was properly omitted under Rule 14a-8(9). Even where a company has not conclusively decided to submit its own proposal, the Staff has concurred in the company's decision to exclude a conflicting stockholder proposal in the event that it chooses to include its own proposal in the proxy materials. *See, SBC Communications Inc.* (Jan. 15, 1997).

As noted above, AT&T intends to submit the Stock Purchase and Deferral Plan to stockholders for approval at the 2013 Annual Meeting. This management proposal will directly conflict with the Proposal and, as such, the Proposal may be properly omitted from the 2013 proxy materials under Rule 14a-8(i)(9).⁴

B. The Proposal, if implemented, would cause the Company to violate state law and may be properly omitted under Rule 14a-8(i)(2).

Rule 14a-8(i)(2) provides that a company may rely on the fact that a "proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject" as a basis for excluding the proposal. Benefit plans and other employment relationships are contractual relationships between the Company and its participating employees, and the Staff has routinely concurred that "proposals that would result in the company breaching existing contractual obligations may be excludable under rule 14a-8(i)(2) . . . because implementing the proposal would require the company to violate applicable law" SLB 14B.

The Proposal addresses "new or renewed compensation packages." A compensation "package," as that term is commonly used, includes all elements of compensation offered by an employer. As a general matter, the Company does not enter into formal employment agreements with executive officers. Each of our officers is employed "at will." As such, their "packages" are not subject to complete renewal on a specific date but could be viewed as renewing each day that the executive remains employed. In addition, on an annual basis, the compensation committee

⁴ AT&T has not determined with finality all of the management proposals to be submitted to stockholders at the 2013 Annual Meeting. AT&T may determine to submit an additional proposal or proposals to the stockholders for approval at the 2013 Annual Meeting that would conflict with the Proposal and present alternative and conflicting decisions for stockholders where submitting both proposals to a vote could produce inconsistent and inconclusive results. This may include, for example, a proposal similar to that described by the Company in *AT&T Inc.* (Dec. 15, 2007) . In such an event, for these reasons and those submitted above, the Proposal would be properly omitted under Rule 14a-(i)(9).

renews salaries and grants new short and long term incentive awards, which would constitute yet another renewal of the compensation “package.” While the actions of the compensation committee are limited to only certain aspects of compensation, it would be a renewal of the “compensation package,” which would include the awards that were previously granted and the plan participation that was already ongoing. Thus, the Proposal would apply not only to the actions taken by the committee but to pre-existing compensation plans and awards.

Each compensation “package” would include previously granted performance shares, restricted stock, restricted stock units, pension plans, existing life insurance and deferral plans, among other benefits. Although the Proponents exclude plans generally available to management, their clear goal is to create an overall limit on compensation by addressing compensation “packages.” They are not intending to limit themselves to specific elements of compensation, they seek to address all compensation that is “paid or vested.” To do that, they call for approval of every new or renewed “package” that will, by necessity, include existing awards, benefit plans, deferrals and insurance, as well as the Company’s Change in Control Severance Plan (the “CIC Plan”) in addition to traditional compensation awards and salaries.

Under the CIC Plan, executives that are terminated after a change in control receive a cash payment of 2.99 times salary and bonus, which is the maximum they may receive under the terms of the Proposal. At the same time as the CIC payments, existing restricted stock and restricted stock units would, by their terms, vest under the terms of the Company’s 2011 Incentive Plan and 2006 Incentive Plan, which would automatically put their total vested benefits in excess of the 2.99 limit in the Proposal. In this circumstance, there is no possible way that a termination following a change in control would not exceed the 2.99 limit in the Proposal. The restricted stock awards and the restricted stock unit awards are contractual agreements with the executives that cannot be modified without their consent, and the CIC Plan can only be amended effective the first of a calendar year (and only if the participants are informed of the amendment by September 30 of the year before the amendment is effective). These provisions would be a part of any “renewed package,” and if the Company was required to implement the Proposal prior to being able to amend the CIC Plan, the combination of payments under the CIC Plan and the vesting of preexisting awards under the 2011 Incentive Plan and the 2006 Incentive Plan would cause the payments to exceed the 2.99 limit of the Proposal. If the Company failed to obtain stockholder approval of the package, it would cause the Company to violate these agreements because the Company would not be able to pay all amounts due the executive, which would be a breach of contract under state law.

Similarly, in the event of the termination of employment as the result of the death of the executive, the executive would receive one times salary as a death benefit (3 times salary in the case of the CEO and 2 times salary in the case of the CFO); the vesting of all performance shares at 100% of target, the vesting of the short-term target award, the vesting of all restricted stock and restricted stock units, and the payout of all deferrals, among other things. Depending on the stock price at death, the payout of existing deferrals could easily exceed 2.99 times the executive’s salary and bonus.

At the same time, depending on the appreciation in the Company's stock price, the vesting of the stock-based awards in the event of death, with or without the deferral payments, could easily exceed the 2.99 limit of the Proposal. As noted above, because employees of AT&T serve "at will," the employment packages are renewed constantly and, in any event, annually by the compensation committee through its salary modifications and award grants. These awards would remain outstanding through the next renewal of the compensation package and failure of the Company to secure stockholder approval of the "package" would require the Company to fail to pay its full obligations under the agreements in violation of state law.

Pursuant to Rule 14a-8(j)(2)(iii), I am an attorney licensed in the State of Texas, and I have reviewed the Proposal and the effect that the terms of the Proposal, if implemented, would have on the Company and its agreements. The Company is a Delaware company, headquartered in Texas, and each of its benefit plans described in this letter are governed by Texas law. The benefit plans represent agreements between the Company and its participating employees and are binding on the parties. In the event stockholder ratification of the renewed package was not obtained, the Proposal would require AT&T to abrogate the offending agreements. It would be impossible for AT&T to do so without breaching its existing contractual obligations to the participants in violation of applicable state law. It is clear that any unilateral attempt by AT&T to change the benefits provided under Texas-law agreements would violate the long-standing general Texas rule that prohibits a party from unilaterally changing the terms of an existing contract. *See, e.g. Texas Workers' Compensation Ins. Facility v. State Bd. of Ins.*, 894 S.W.2d 49, 54 (Tex. Ct. App. 1995); *Mandril v. Kasishke*, 620 S.W.2d 238, 244 (Tex. Civ. App. -- Amarillo 1981, writ refd n.r.e.) (citing *Kitten v. Vaughn*, 397 S.W.2d 530, 533 (Tex. Civ. App. -- Austin 1965, no writ)); *Safeway Managing Gen. Agency for State and County Mutual Fire Ins. Co. v. Cooper*, 952 S.W.2d 861, 867 (Tex. Ct. App. 1997). A similar rule of law is also applicable in Delaware. It is my opinion that, under Texas law, implementation of the Proposal as described above would cause the Company to violate Texas law.

In addition, the broad language of the Proposal requiring approval of all compensation over the Proposal limits, would reach compensation paid as a result of an illegal termination or tort arising out of the termination. The Proposal defines "severance or termination payment" as "any *cash, equity or other compensation* ... that is paid out ... due to a senior executive's termination for any reason." In determining the limit, the Proposal calls for the Company to look to the "total value" of these payments includes: lump-sum payments..." This would clearly include payments that compensate a former employee for violation of state or Federal laws prohibiting employment discrimination and retaliating against whistleblowers, among other things. Sample employment laws prohibiting improper termination of employment include, among others: Title VII of the Civil Rights Act of 1964 (42 USC §2000e *et seq.*); Americans with Disabilities Act (as amended by ADAAA of 2008) (42 USC §12101 *et seq.*); and the Age Discrimination in Employment Act (29 USC §§621 – 634). Each of these laws could require the payment of not only back wages but also anticipated wages, each of which could easily exceed 2.99 times salary and bonus. Were the Company ordered to make such a payment by the court, failure to do so because it was unable to secure shareholder approval would cause the Company to violate state or Federal law, as applicable.

For example, under section 21F(h) of the Securities Exchange Act of 1934, in the event of the improper termination of a whistleblower, the former employee is entitled to, among other things, "(ii) 2 times the amount of back pay otherwise owed to the individual with interest; and (iii) *compensation* for litigation costs, expert witness fees, and reasonable attorneys' fees, each of which could easily exceed 2.99 times the executive's salary and bonus." A judgment or court order against the company requiring the Company to pay compensation, including back wages, to the executive would naturally result from such an improper termination, which compensation could easily exceed the limits of the Proposal. Failure of the Company to obtain shareholder approval of the payments required by the judgment or order would violate Federal law.

The Staff has concurred with the exclusion of stockholder proposals under Rule 14a-8(i)(2) that, if implemented, would cause the Company to violate state or Federal law, including Rule 14a-9. *See, e.g., Pfizer* (Feb. 22, 2012) (implementation of arbitration proposal could cause company to violate Federal law and was properly omitted under Rule 14a-8(i)(2)), *Mattel, Inc.* (Jan. 14, 2005) (because implementation of proposal would result in Mattel's proxy materials being false or misleading under Rule 14a-9, the proposal was properly omitted under Rule 14a-8(i)(2)), *Monsanto Co.* (Nov. 7, 2008) (stockholder-proposed bylaw amendment establishing oath of allegiance to U.S. Constitution that would be "unreasonable" constraint on director selection process violating Delaware law was properly omitted under Rule 14a-8(i)(2)).

With regard to benefit plans, the Staff has concurred on numerous occasions that stockholder proposals that would cause a company to breach outstanding agreements, such as employment contracts or option agreements, could be excluded from the company's proxy materials under Rule 14a-8(i)(2). The Staff has recently reiterated this point, stating that "Proposals that would result in the company breaching existing contractual obligations may be excludable under rule 14a-8(i)(2), rule 14a-8(i)(6), or both, because implementing the proposal would require the company to violate applicable law or would not be within the power or authority of the company to implement." Staff Legal Bulletin No. 14B (CF), Part E (September 15, 2004). *See International Business Machines Corp.* (Feb. 27, 2000) (proposal requiring company to terminate and renegotiate CEO retirement package would require the company to breach the employment agreement in violation of state law was properly omitted under Rule 14a-8(i)(9); and *BankAmerica Corporation* (Feb. 24, 1999) (company may properly omit proposal seeking to reduce pension provided to a senior executive officers under the terms of his employment agreement under Rule 14a-8(i)(9)).

Like the proposals excluded in *International Business Machines* and *BankAmerica Corporation*, if the Company was unable to secure the approval of stockholders, the Proposal would cause AT&T to unilaterally abrogate these agreements in its benefit plans with its senior executive officers, in violation of applicable state contract law. In addition, in the event that the Company was required to pay compensation as a result of a tort or violation of employment law in connection with the termination of an executive and was unable to secure the approval of Stockholders, the Company would be forced to breach its obligations under the a judgment of the court or other court order. As a result, the Proposal may be properly omitted under Rule 14a-8(i)(2)).

C. Implementation of the Proposal would require the approval of any “new or renewed compensation package” that provides for compensation that is “paid out or vests” upon termination of employment and that exceeds certain limits. These phrases could include almost any form of benefit payable on termination so that a reasonable stockholder would be uncertain as to the matter upon which he or she is being asked to vote. Because the terms of the proposal are vague and indefinite, the Proposal may be properly omitted under Rule 14a-8(i)(3).

Rule 14a-8(i)(3) permits the exclusion of a shareholder proposal if the proposal or supporting statement is contrary to any of the Commission's proxy rules or regulations, including Rule 14a-9, which prohibits materially false or misleading statements in proxy soliciting materials. As noted above, the Proposal addresses “new or renewed compensation packages” with no guidance as to what is a “package.”

The proposal also uses the term “severance or termination payments,” which appears focused on traditional cash payments and equity vesting occurring at severance; however, the definition of this term includes all “other compensation.” Although the Proposal contains a non-exclusive list of items that could be included in the term, the intent of the Proposal appears to capture all payments resulting from a termination. And, in determining the value of the compensation, the Company would be required to include all “lump sum” payments. This could extend the Proposal’s limits to executive life insurance, death benefits, executive medical payments, and damages owed to the employee resulting from torts.

Similarly, the Proposal attempts to capture all amounts “paid” at termination within its limits: “Payments include those provided under ... other compensation plans.” There is no guidance as to what would be included in payments, but the Proposal appears, by its terms, to reach vested compensation, such as deferred compensation, in which case, failure to make the required payments because the Company was unable to obtain shareholder approval would cause the Company to violate state law, as noted above. The Proposal further attempts to reach all “perquisites and benefits” (excluding those offered to all managers), without any indication of how to value such benefits. The Proposal could appear to apply to even to retirement gifts and may even include unemployment insurance payments if made in a lump sum. Unless stockholders assume the proposal applies to every conceptual payment by the company, whether vested or unvested, the stockholders will be unable to come to a consistent view of what the Proposal calls for.

Finally, the language of the Proposal would appear to also require the Company to secure shareholder approval of any payment of compensation made in a lump sum in connection with an illegal termination of employment. As noted above, there are numerous state and Federal statutes prohibiting termination of employment for specified reasons, including terminations based on age, sex, religious affiliation and other grounds. Each of these statutes permit the discharged executive to seek compensation, including back wages, for an illegal termination. Failure of the Company to comply with a court ordered payment because it was unable to secure shareholder approval of the payment would clearly violate state law. In addition, settlements in employment discharge litigation would be almost impossible since plaintiffs would be unwilling

to negotiate a settlement that was subject to shareholder approval at the annual meeting. It is unlikely that stockholders would understand the full reach of the Proposal from the submission presented to the Company. Because of the vague and indefinite nature of the Proposal, a reasonable shareholder simply would be uncertain as to the matter on which he or she is being asked to vote and, further, it is unclear what actions the Proponents intend for the Company to take if the Proposal were adopted.

Recently, the Staff addressed the use of a similarly vague term, "executive pay rights" in stockholder proposals calling on executives to relinquish these rights. The Staff concurred that the proposals may properly omitted under Rule 14a-8(i)(3) because the proposals failed to "sufficiently explain the meaning of 'executive pay rights' and that, as a result, neither stockholders nor the company would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires". See *General Electric Company* (Feb. 10, 2011) and *The Boeing Company* (Mar. 2, 2011). The Proposal fails to define "new or renewed compensation packages," and fails to explain the full extent of what the Proponents seeks to include under "compensation packages." This language is unclear and subject to multiple reasonable interpretations.

Read literally, the Proposal could be read to request that substantially every payment made to an executive at termination of employment must be limited by the terms of the Proposal. A literal reading of the Proposal leads to a number of significant questions about the meaning of, and scope of action required to implement, the Proposal.

The Staff has concurred with the exclusion of a variety of shareholder proposals with vague terms or references, including proposals regarding changes to compensation policies and procedures. See *Prudential Financial Inc.* (Feb. 16, 2007) (concurring with the exclusion of a proposal requiring shareholder approval for management plans that "provide benefits only for earnings increases based only on management controlled programs" because the proposal was vague and indefinite); *Woodward Governor Co.* (Nov. 26, 2003) (concurring in the exclusion of a proposal which called for a policy for compensating the "executives in the upper management ... based on stock growth" because the proposal was vague and indefinite as to what executives and time periods were referenced). In *General Electric Co.* (Feb. 5, 2003), the proposal sought "shareholder approval for all compensation for Senior Executives and Board members" which exceeded certain thresholds. There, the Staff concurred with the Company's argument that the proposal was vague because stockholders would not be able to determine what the critical terms "compensation" and "average wage" referred to and thus would not be to understand which types of compensation the proposal would have affected.

Accordingly, we believe that as a result of the vague and indefinite nature of the Proposal, the Proposal is impermissibly misleading and, thus, excludable in its entirety under Rule 14a-8(i)(3).

U.S. Securities and Exchange Commission

December 17, 2012

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If you have any questions or need additional information, please contact me at (214) 757-3344.

Sincerely,

Handwritten signature of Wayne Wint in blue ink.

Enc.

cc: Proponents (via e-mail: and.jagagain@snet.com)

FISMA & OMB Memorandum M-07-16

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If you have any questions or need additional information, please contact me at (214) 757-3344.

Sincerely,

A handwritten signature in blue ink that reads "Wayne West". The signature is written in a cursive style with a prominent dot over the 'i' in "West".

Enc.

cc: Proponents (via e-mail: and.jagagain@snet.com)

FISMA & OMB Memorandum M-07-16

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Page 11

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FISMA & OMB Memorandum M-07-16



SNET RETIREES ASSOCIATION, INC.

P.O. Box 615, Southington, CT 06489

October 19, 2012

Ann E. Meuleman
Senior Vice President and Secretary
AT&T, Inc.
208 S. Akard St.
Dallas, TX 75202

RECEIVED

OCT 24 2012

**CORPORATE
SECRETARY'S OFFICE**

Dear Ms. Meuleman:

We hereby submit the attached stockholder proposal for inclusion in the Company's 2013 proxy statement as provided under Securities and Exchange Commission Rule 14a-8.

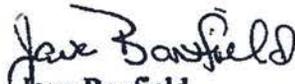
Our resolution urges the Board of Directors to seek shareholder approval of future senior executive severance agreements with an estimated total value exceeding 2.99 times the sum of an executive's base salary plus target bonus.

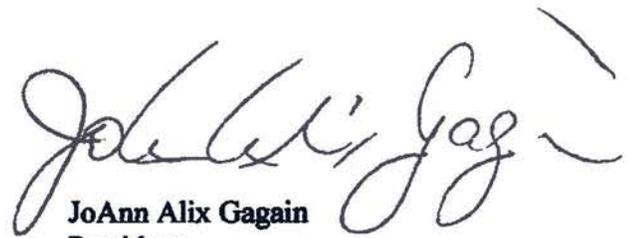
As indicated above the attached Resolution, the SNET Retirees Association, Inc. and Ms. Banfield have each continuously held a sufficient number of shares for more than one year. Both co-sponsors intend to continue to own these shares through the date of the next annual meeting. We intend to attend the next annual meeting to introduce and speak in favor of our stockholder resolution. Proof of beneficial ownership is available upon request.

As I'm sure you realize, the information identifying the proponents, their shareholdings and contact information at the top, above the Resolution, is not intended to be part of the Resolution, and is provided for eligibility and informational purposes only.

Thank you in advance for including our proposal in the Company's next annual proxy statement. If you have any questions or need any additional information, please do not hesitate to contact either of us.

Sincerely yours,


Jane Banfield
President
ACER


JoAnn Alix Gagain
President
SRA
jagagain@snet.net

FISMA & OMB Memorandum M-07-16

Enclosures

Shareholder Ratification of Executive Severance Packages

The SNET Retirees Association, Inc. (SRA), P.O. Box 615, Southington, CT, 06489, owner of 1,736 shares of the Company's common stock, and Jane Banfield, President, AT&T Concerned Employees and Retirees (ACER), 125 Mahogany Run, Williamsburg, VA, 23188, hereby submit the following shareholder resolution for inclusion in the Company's proxy statement for the 2013 Annual Meeting:

RESOLVED: The shareholders of AT&T urge our Board of Directors to seek shareholder approval of any senior executive officer's new or renewed compensation package that provides for severance or termination payments with an estimated total value exceeding 2.99 times the sum of the executive's base salary plus target short-term bonus.

"Severance or termination payments" include any cash, equity or other compensation that is paid out or vests due to a senior executive's termination for any reason. Payments include those provided under employment agreements, severance plans, change-in-control clauses in long-term equity or other compensation plans, and agreements renewing, modifying or extending any such agreement or plan.

"Total value" of these payments includes: lump-sum payments; payments offsetting tax liabilities; perquisites or benefits that are not vested under a plan generally available to management employees; post-employment consulting fees or office expense; and equity awards as to which the executive's vesting is accelerated, or a performance condition waived, due to termination.

The Board shall retain the option to seek shareholder approval after material terms are agreed upon.

SUPPORTING STATEMENT

We believe that requiring shareholder ratification of "golden parachute" severance packages with a total cost exceeding 2.99 times an executive's base salary plus target bonus will provide valuable feedback, encourage restraint, and strengthen the hand of the Board's compensation committee.

Unlike many large companies, including peers Verizon and CenturyLink, our Company has no policy requiring shareholder approval of "golden parachutes" and other severance arrangements that exceed three times an executive's base salary plus bonus.

According to the 2012 Proxy (page 69), if CEO Randall Stephenson is terminated without cause after a change in control, or resigns for "good reason," he could receive an estimated \$34.1 million, more than *five times* his 2011 base salary plus target bonus.

Similarly, senior executives Rafael de la Vega and John Stankey could have received an estimated \$18.2 and \$18.4 million, respectively, more than *seven times* their base salary plus target bonus as of the end of 2011 (2012 proxy, page 69).

These estimated payouts to Stephenson, de la Vega and Stankey are in addition to qualified pension and non-qualified pension and deferred compensation plans, which pay millions more.

Although AT&T's Change in Control Severance Plan limits the lump sum cash payout to 2.99 times base salary plus target bonus, the proxy reveals that change-in-control termination payments include millions more from the accelerated vesting of long-term equity.

Most of these additional payouts result from the accelerated vesting of Performance Shares and Restricted Stock Units (RSUs). This practice effectively waives the performance conditions that justify AT&T's annual grants of "performance-based" long-term equity awards to senior executives, in our view.

For example, in the event of termination due to death or disability, Stephenson would have received nearly \$28.5 million in unvested performance shares and restricted stock, which pays out at 100% of target (page 64).

We believe that AT&T's policy on shareholder ratification of executive severance should include the full cost of termination payments.

Please **VOTE FOR** this proposal.

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SNET RETIREES ASSOCIATION, INC.

P.O. Box 615, Southington, CT 06489

October 19, 2012

Ann E. Meuleman
Senior Vice President and Secretary
AT&T, Inc.
208 S. Akard St.
Dallas, TX 75202

RECEIVED

OCT 24 2012

**CORPORATE
SECRETARY'S OFFICE**

Dear Ms. Meuleman:

We hereby submit the attached stockholder proposal for inclusion in the Company's 2013 proxy statement as provided under Securities and Exchange Commission Rule 14a-8.

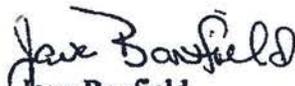
Our resolution urges the Board of Directors to seek shareholder approval of future senior executive severance agreements with an estimated total value exceeding 2.99 times the sum of an executive's base salary plus target bonus.

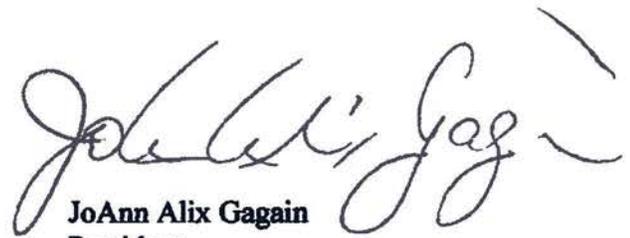
As indicated above the attached Resolution, the SNET Retirees Association, Inc. and Ms. Banfield have each continuously held a sufficient number of shares for more than one year. Both co-sponsors intend to continue to own these shares through the date of the next annual meeting. We intend to attend the next annual meeting to introduce and speak in favor of our stockholder resolution. Proof of beneficial ownership is available upon request.

As I'm sure you realize, the information identifying the proponents, their shareholdings and contact information at the top, above the Resolution, is not intended to be part of the Resolution, and is provided for eligibility and informational purposes only.

Thank you in advance for including our proposal in the Company's next annual proxy statement. If you have any questions or need any additional information, please do not hesitate to contact either of us.

Sincerely yours,


Jane Banfield
President
ACER


JoAnn Alix Gagain
President
SRA
jagagain@snet.net

FISMA & OMB Memorandum M-07-16

Enclosures



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P.O. Box 615, Southington, CT 06489

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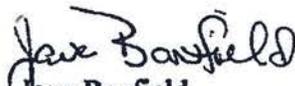
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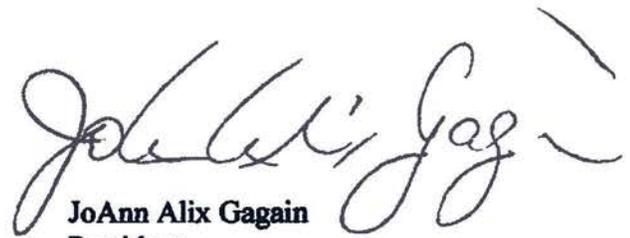
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Jane Banfield
President
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JoAnn Alix Gagain
President
SRA
jagagain@snet.net

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Enclosures