



Stacey Maris
Senior Vice President
and Secretary

AT&T Inc.
208 S. Akard Street
Room 3241
Dallas, TX 75202

August 29, 2014

Mr. Timothy Smith
Senior Vice President, Director of ESG
Shareowner Engagement
Walden Asset Management
One Beacon Street
Boston, MA 02108

Dear Mr. Smith:

Thank you for your August 19, 2014 letter to Randall Stephenson regarding the American Legislative Exchange Council (ALEC). I have been asked by Mr. Stephenson to respond to your letter. As you are no doubt aware, AT&T supports a wide variety of organizations across the political spectrum, including many whose policy views diverge sharply from our own. This support is designed not just to give us a voice in political debates, but also to foster civil political dialogue in the hope that it will result in better and wiser governmental policies.

We have faced pressure from many groups over the years for our support of, or positions on, issues and entities as disparate as the U.S. Chamber of Commerce, our Chairman's support of the Boy Scouts' decision to open its membership to gays, and our support for comprehensive immigration reform. We have been attacked for supporting liberal causes and for opposing them, for supporting conservative causes and for opposing them. While we carefully consider views of stakeholders who may disagree with our decisions, we do so with an eye towards what is fair, balanced, consistent with our corporate values, and in the best interest of our shareholders.

We do not agree with all of the positions of the various organizations we support, including ALEC. We believe, however, that it is better to work from within these organizations rather than from the outside looking in. Our support of ALEC over the years has rested on the fact that its broad membership consists of a significant number of elected state legislators across the country. ALEC is run by legislators, and any model legislation proposed by ALEC comes from legislators themselves and is approved for adoption only by legislators. Our main focus within ALEC has been on state legislation aimed at achieving and maintaining a favorable business climate. AT&T participates in the Communications & Technology and Tax & Fiscal Policy task forces, and our focus has been limited to those issues that may impact our company.

In recent years, at the urging of AT&T and other like-minded participants, ALEC has moved away from social and other non-economic legislation. Instead, it has refocused on economic issues. We believe ALEC can continue to make valuable contributions toward helping businesses like AT&T achieve the sort of government reforms that are good for the economy and for society.

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In light of the fact that more than a quarter of all of the nation's state legislators are engaged at ALEC, AT&T views our relationship with the group to be an important part of our public policy outreach.

We hope you will find this information helpful. Thank you for your interest in AT&T.

Sincerely,

A handwritten signature in black ink that reads "Stacy Martin". The signature is written in a cursive style with a large, looping initial "S" and a distinct "M".