

Whereas, we believe in full disclosure of AT&T's direct and indirect lobbying activities and expenditures to assess whether AT&T's lobbying is consistent with its expressed goals and in the best interests of stockholders.

Resolved, the stockholders of AT&T request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by AT&T used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. AT&T's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management's and the Board's decision making process and oversight for making payments described in section 2 and 3 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which AT&T is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Public Policy and Corporate Reputation Committee and posted on AT&T's website.

Supporting Statement

We encourage transparency and accountability in AT&T's use of corporate funds to influence legislation and regulation. AT&T spent \$132,740,078 from 2010 - 2017 on federal lobbying. This figure does not include state lobbying expenditures. AT&T also lobbies in all 50 states ("Amid Federal Gridlock, Lobbying Rises in the States," *Center for Public Integrity*, February 11, 2016), but disclosure is uneven or absent.

AT&T belongs to the Chamber of Commerce, which has spent over \$1.4 billion on lobbying since 1998, and sits on the Business Roundtable Board, which is lobbying against the right of shareholders to file resolutions. AT&T does not disclose its memberships in, or payments to, trade associations, or the amounts for lobbying. And AT&T does not disclose its membership in tax-exempt organizations that write and endorse model legislation, such as sitting on the Private Enterprise Advisory Council of the American Legislative Exchange Council (ALEC).

We are concerned that AT&T's current lack of disclosure presents reputational risks. For example, AT&T's controversial payments to attorney Michael Cohen drew attention to its lobbying oversight ("AT&T CEO: We Made 'Big Mistake' Hiring Cohen," *Reuters*, May 11, 2018). And AT&T recognizes climate change is a serious concern, yet the Chamber opposed the Paris climate accord ("Paris Pullout Pits Chamber against Some of Its Biggest Members," *Bloomberg*, June 9, 2017).

And AT&T's ALEC membership attracted scrutiny ("T-Mobile Ditches ALEC," *The Hill*, April 8, 2015). Over 100 companies have publicly left ALEC, including peers Alphabet, Intel, Sprint and T-Mobile.

This resolution received a 34.26% vote in 2018.