

United States Senate

WASHINGTON, DC 20510

July 2, 2020

John T. Stankey
CEO
AT&T
208 S. Akard St.
Dallas, TX 75202

Dear Mr. Stankey:

We write in response to AT&T's recent announcement that it would lay off thousands of workers. We are concerned that these layoffs are less related to the public health emergency, and corresponding economic downturn, and more the result of a long-term plan to cut costs to please shareholders at the expense of your employees and the communities you serve.

Earlier this month, your company disclosed that it plans to eliminate more than 3,400 union-represented technician and clerical jobs and 1,300 retail jobs at 250 AT&T Mobility and Cricket Wireless stores that are slated to close. We understand that the COVID-19 pandemic has changed customer behavior and triggered an economic downturn that has hit some sectors particularly hard, including the entertainment parts of AT&T's business. The company, however, reported first quarter growth in its mobility division and fiber broadband services.¹ We also note that the company announced on March 3, 2020 that it would be undergoing a "headcount rationalization" as part of a cost-cutting initiative that is expected to "generate double digits of billions" of savings.² We are concerned that this most recent job elimination announcement is a continuation of AT&T's years-long layoff strategy to boost share price.

Since December 2017, AT&T has laid off more than 40,000 of its employees. Those layoffs have occurred despite AT&T promises to hire 7,000 new employees and the \$21 billion³ immediate tax windfall the company received as a result of the Republican-passed, corporate tax giveaway, the Tax Cuts and Jobs Act. As a result of these decisions, the percentage of AT&T employees represented by a union has decreased. In 2014, AT&T had 243,000 employees,

¹ AT&T, "AT&T Reports First Quarter 2020 Results," April 22, 2020. Retrieved from: https://about.att.com/story/2020/first_quarter_2020_earnings.html#:~:text=First%2Dquarter%20net%20income%20attributable,in%20the%20year%2Dago%20quarter

² John Stankey, "T-AT&T Inc. at Morgan Stanley Technology, Media & Telecom Conference," March 3, 2020. Retrieved from: <https://investors.att.com/~media/Files/A/ATT-IR/events-and-presentations/2020-3-3%20Stankey%20at%20Morgan%20Stanley%20Transcript.pdf>

³ The Guardian, "Bosses pocket Trump tax windfall as workers see job promises vanish," Michael Sainato, June 16, 2019. Retrieved from: <https://www.theguardian.com/business/2019/jun/15/job-losses-trump-tax-cut-at-t-general-motors-wells-fargo#:~:text=The%20bill%20was%20voted%20into,additional%20estimated%20%243bn%20annually.&text=The%20CWA%20also%20said%20AT%26T%20reduced%20their%20capital%20investments%20by%20%241.4bn.>

133,650 of whom were represented by a union. This year, AT&T has approximately 246,000 employees, and only 98,400 are union members.⁴ That represents a decrease of 15 percentage points of unionized workers and calls into question the underlying objective of AT&T's layoff announcement.

We ask you to provide answers to the following questions to help us better understand the company's recent announcement, its impact on the workers, and whether more job cuts are in AT&T's future.

- 1) Please provide a state-by-state breakdown of the current job cuts and projected job cuts for the remainder of 2020. Please indicate whether the affected workers in each state are represented by a union. If so, please identify the union. In addition, please indicate in which division of AT&T they were employed.
- 2) How many technician jobs has AT&T eliminated since December 2017? How many clerical jobs? How many call center jobs? How many retail jobs?
- 3) Please provide information regarding the average wages and benefits earned by the recently laid off workers and their average tenure.
- 4) Please indicate whether any of the services previously performed by the workers whose jobs have been eliminated will now be performed by independent contractors, subcontracted out to a different company, or sent overseas.
- 5) How many contractor employees perform work on behalf of AT&T? How many of those contractors are technicians, call center workers, retail workers, and other workers? How many contractor employees performed work on behalf of AT&T in December 2017?
- 6) What are the average wages and benefits earned by employees of contractors or subcontractors who perform the duties of technicians and clerical workers?
- 7) In the March 3, 2020 call with investment analysts, you indicated that AT&T would undergo a "headcount rationalization." How many layoffs are expected to be part of that "headcount rationalization" effort in the next five years? Will the majority of those layoffs affect non-management positions?
- 8) Do you expect to hire back any of the laid off technicians or clerical workers after the COVID-19 pandemic is over?
- 9) Please provide a state-by-state breakdown of the retail wireless stores that will be closed.
- 10) What is the unionization rate at AT&T authorized retailer stores compared to AT&T-owned stores?
- 11) How much severance pay will each affected employee receive? What percentage of their health care premiums will they be required to pay for six months?
- 12) If affected workers take another job within AT&T, are they being guaranteed the same pay and benefits and seniority in their new position?
- 13) AT&T has previously announced it would suspend its plans to purchase stock buybacks due to COVID-19. Will AT&T continue to suspend its plans to buy back stock for the duration of the pandemic?

⁴ CWA Analysis of AT&T 10-K forms. 2014 10-K:

https://www.sec.gov/Archives/edgar/data/732717/000073271714000010/ye13_10k.htm

2020 10-K: <https://www.sec.gov/ix?doc=/Archives/edgar/data/732717/000156276220000064/t-20191231.htm>

We understand that for many businesses, the only response to the economic downturn resulting from the COVID-19 public health emergency has been to shutter their doors and lay off workers. We object, however, to corporations using the pandemic as justification for continuing to make anti-worker decisions that are aimed at boosting share price. We ask you to provide answers to the questions above by July 17th, so we can better understand the reasons for the layoffs and learn what additional cost-cutting measures AT&T plans to implement in the near future.

Sincerely,

[/s/Sherrod Brown](#)

Sherrod Brown
United States Senator

[/s/Tammy Baldwin](#)

Tammy Baldwin
United States Senator

[/s/Edward J. Markey](#)

Edward J. Markey
United States Senator

[/s/Richard Blumenthal](#)

Richard Blumenthal
United States Senator

[/s/Bernard Sanders](#)

Bernard Sanders
United States Senator

[/s/Elizabeth Warren](#)

Elizabeth Warren
United States Senator

[/s/Jeffrey A. Merkley](#)

Jeffrey A. Merkley
United States Senator

[/s/Cory A. Booker](#)

Cory A. Booker
United States Senator