

Communications
Workers of America
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March 22, 2018

Mr. Randall S. White
Vice President Labor Relations, AT&T Midwest
AT&T Services, Inc.
95 W. Algonquin Road
Location 02A56
Arlington Heights, IL 60005

Information Request

Dear Mr. White:

We write to request information.

As you know, the Tax Cuts and Jobs Act was enacted last year with the promise that the permanent tax cuts for corporations would raise wages and prevent the offshoring of jobs. President Trump promised that the decrease in the statutory corporate tax rate will “give the typical American household a \$4,000 pay raise.”¹ His Council for Economic Advisors reported that this permanent \$4,000 raise is a conservative number and that the raise may be as high as \$9,000.² These numbers were repeated by members of Congress throughout the legislative process on this bill.³ Job promises were also made to pass the bill. Speaker Ryan asserted that the bill “prevents American jobs, headquarters, and research from moving overseas.”⁴

These statements set forth a clear legislative intent for the Tax Cuts and Jobs Act: the corporate tax cut is supposed to trickle down to workers’ paychecks and bring jobs back to the United States. Per the bill’s proponents, enriching executives and shareholders is not the bill’s purpose.

AT&T Chairman and CEO Randall Stephenson echoed these hopes. On CNBC, he stated, “lower taxes drives more investment, drives more hiring, drives greater wages.” In that interview, Mr. Stephenson committed that AT&T would use the tax cut to invest more in the U.S., adding that every \$1 billion in savings would create 7,000 good-paying jobs.⁵

¹ <http://www.breitbart.com/big-government/2017/10/11/donald-trump-tax-reform-likely-gives-typical-american-household-4000-pay-raise/>

² <https://www.whitehouse.gov/the-press-office/2017/10/16/cea-report-corporate-tax-reform-and-wages-%E2%80%93-theory-and-evidence>

³ See, e.g., 163 Cong. Rec. S7873, H8244, S7518-19, S7535, S6990, S6443 (2017); Speaker Ryan Press Office, “New Report: Tax Reform Will Raise Wages by \$4,000 on Average,” (October 16, 2017), available at <https://www.speaker.gov/general/new-report-tax-reform-will-raise-wages-least-4000-average>.

⁴ <https://www.speaker.gov/general/policy-highlights-tax-cuts-and-jobs-act>

⁵ <https://www.cnbc.com/video/2017/05/04/att-ceo-tax-cuts-means-more-jobs-for-hard-hat-workers.html>

We should work together to effectuate these intents. Raising workers' pay and stopping the offshoring of jobs are central concerns of our union and the employees we represent, and we are deeply concerned that these promises will be forgotten unless we bargain to implement them. AT&T gave out \$1,000 in bonuses shortly after President Trump signed the Tax Cuts and Jobs Act. One-time bonuses are no substitute for the promised \$4,000 permanent income boost. Within the last 6 months, AT&T has announced that 1,500 workers will be laid off, over 330 in CWA District 4. Layoffs are the exact opposite of creating jobs or bringing jobs back from overseas.

In order to conduct negotiations to ensure the tax cut raises wages and stops the offshoring of jobs, we need to understand the total benefit from the tax legislation inuring to the company; the extent to which that benefit is reserved or not to increase workers' wages, create jobs, or bring jobs back to the United States; and the extent to which that money has already been diverted or is planned to be diverted to anything other than raising wages or increasing employment for American workers, particularly those within our represented bargaining units. We therefore request the following information, relevant to all of the foregoing:

- 1. To Understand Where this Tax Money Is, How Much It Is, and Where It Is Going**
 - a. Please provide the estimated gains to AT&T and its subsidiaries and affiliates from the Tax Cuts and Jobs Act in 2017 and over each of the next five years.
 - b. Please provide the amount of planned capital investment in the United States over each of the next five years, and any documentation showing the extent to which this planned capital investment has changed since passage of the Tax Cuts and Jobs Act. Please provide the same for any planned capital investment outside of the United States.
 - c. Please provide a headcount of jobs, by job title, and by state which will be created in the United States over each of the next five years.
 - d. Please provide the number of jobs previously outsourced that will be returned to the bargaining unit, the schedule for their return, and the location of the work.
 - e. In the SEC Form 14A, March 12, 2018, AT&T listed 54 countries outside the U.S. in which it reported having employees. Please detail the projected employment reductions in each of these countries as a result of the Tax Cuts and Jobs Act.
 - f. Please provide the total compensation for executives for 2017 and the projected compensation for 2018, the year of and the year after passage of the Tax Cuts and Jobs Act.
 - g. Please provide the projected amounts to be spend on stock buybacks and dividends to shareholders from 2018 to 2022, the five years after passage of the Tax Cuts and Jobs Act.
 - h. Please provide the amount spent on lobbying or public relations campaigns, including contributions to other entities engaging in support of the Tax Cuts and Jobs Act or its underlying policies in general, since January 1, 2017.
 - i. Please provide an accounting of the total amount of profits held overseas, the amount to be repatriated, and the total tax to be paid on that repatriation over each of the next five years.
 - j. Please provide an accounting of the amount of any work contracted out domestically or offshore which is substantially similar to work performed by bargaining unit employees, and the amount of such work which will be returned to bargaining unit employees over each of the next five years.

If you are unable to provide the information for the entire company, we will send to another party within AT&T.

Please have the information returned to Curt Hess by April 5, 2018. If you have any questions, please contact me at [REDACTED]

Sincerely,



Curt D. Hess
Assistant to the Vice-President, CWA District 4
Chair CWA Bargaining Committee, AT&T Midwest

CC: Randall Stephenson
Chris Shelton
Linda L. Hinton