

John J. Stephens SVP-Controller AT&T Mgmnt. Svcs. L.P. 208 S. Akard, Suite 3605 Dallas. TX 75202

September 20, 2010

Sent via e-mail: director@fasb.org
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Re: File Reference No. 1840-100, Disclosure of Certain Loss Contingencies

AT&T Inc. (AT&T) appreciates the opportunity to comment on the Proposed Accounting Standards Update, *Disclosure of Certain Loss Contingencies*, ("Exposure Draft"). AT&T is a premier communication holding company with its subsidiaries and affiliates operating in the United States and around the world. AT&T is a registrant with the SEC and is classified as a large accelerated filer.

AT&T recognizes its responsibility to provide useful financial information. We believe the existing FASB standards on loss contingency disclosures provide the appropriate framework to accomplish that and question whether further clarification and enforcement of the existing standards to address any concerns would be a better alternative than issuance of this Exposure draft. We are also concerned that adopting the Exposure draft as currently written may lead to numerous interpretations and a wide variation in disclosures from company to company.

We find the requirements in the Exposure Draft on remote loss contingency disclosures and the use of the term "severe impact" to be confusing. The proposed standard fails to recognize the importance of balancing the probability of an event with the magnitude of the event. We question whether providing the information will add any additional value and whether it will distract users from more relevant information that will help in assessing the likelihood of loss contingencies and the timing and magnitude of impacts to cash flows.

While the FASB attempted to eliminate the disclosure of potentially prejudicial information, it appears that certain proposed annual and interim disclosure requirements could still result in the release of information that could be detrimental. Of particular concern is the required tabular reconciliation of accruals and the guidance on aggregating classes or types of loss contingencies which may provide a direct link between a newly disclosed loss contingency and a change in the aggregated type of loss contingency. If the FASB proceeds with issuance of this Exposure draft, we specifically request that it be modified to exempt the disclosure of potentially prejudicial information.

Given that the final standard will most likely not be issued until fourth quarter of 2010, the proposed effective date for public companies such as AT&T does not seem reasonable. Once the final rules are known, the effort to gather and put controls over this information could be large. In addition the current communication and coordination efforts in place between the finance and legal departments and between legal and our external auditors will need to be re-worked to consider the implications of the new rules and that may be challenging given the potentially conflicting roles that each one of these must perform. If the FASB proceeds with issuance of this Exposure draft, we request that sufficient time be allowed to successfully comply.



Lastly, in light of the significant convergence efforts going on between the FASB and the International Accounting Standards Board (IASB), we think it is important that any changes in existing FASB standards be coordinated with and aligned with the current or proposed IASB standards and that these changes be prioritized with the current proposed convergence timeline.

We would be pleased to discuss our comment with the FASB or its staff at their convenience. If you have questions, or need additional information, please contact James Lacy, Senior Executive Director- Accounting, at (214) 757-4693 or me.

Respectfully,

John J. Stephens

Senior Vice-President & Controller