



August 13, 2007
For Immediate Release

WHO'S WATCHING AT&T'S CENSORS?

Company Shareholders Should Be Alarmed By Pearl Jam Controversy; Institutional Investors Ask For More Information on Management Practices

NEW YORK – August 10 – AT&T (NYSE: T) is one of the most widely-held stocks in the world, a common fixture in the investment and retirement portfolios of millions of Americans. Only some of them are fans of Pearl Jam. But all the company's investors should be concerned by AT&T's censorship of the rock band's performance at the Lollapalooza festival in Chicago last week.

In fact, at least one institutional investor is asking AT&T for an explanation of what happened when some lyrics of a political nature were edited from AT&T's Blue Room webcast of Pearl Jam's performance.

In a letter to AT&T Chair and CEO Randall Stephenson, Trillium Asset Management Corporation – a leading socially responsible investment firm with \$1 billion in assets under management, including over 200,000 shares of AT&T common stock – said the controversy comes at a “particularly inopportune moment” for AT&T as the company lobbies against proposed laws and regulations that would limit its prerogatives as a gatekeeper of information flows across the internet -- so-called “net neutrality” policies. Trillium Asset's letter noted that AT&T's position “has always turned on assurances that the Company would never interfere with content passing through its pipes.”

Network neutrality – or “net neutrality” – guarantees equal access to the internet regardless of the source of content. AT&T and other telecom carriers have been lobbying against proposals that would limit their ability to provide preferential treatment to the internet for their own content or content from providers that pay a premium to carriers.

AT&T's handling of the Pearl Jam webcast demonstrates the risks involved when corporate management becomes involved with “gatekeeping” of content, said Michael Connor, Executive Director of Open MIC – the Open Media and Information Companies Initiative (www.openmic.org), a non-profit organization that addresses issues related to the future of media and the need for open media in the democratic process.

“This is *not* a political issue – it's a business issue,” said Connor. “The fact that AT&T did not seem aware that censorship had occurred – apparently until alerted to the fact by Pearl Jam – raises troubling questions about the company's management. How can a company censor one of the most popular music groups in the world and not be aware of it?”

“On the other hand,” said Connor, “if AT&T was aware that Pearl Jam’s lyrics had been censored – and did not immediately alert the public and the band to the so-called ‘error’ – even more troublesome questions arise.”

Connor noted that since its founding Pearl Jam has reportedly sold more than 60 million records worldwide and is fortunate to be able to demand that AT&T make available an unedited version of the band’s performance on the web.

“Think of all the musical artists and other content providers that don’t have the reputation and resources of Pearl Jam. How will we ever know if the gatekeepers at telecom companies have decided they don’t meet some arbitrary standard of what’s worth broadcasting on the web?” asked Connor.

Open MIC and Trillium Asset Management both called on AT&T to make a full public report on the Pearl Jam incident. “It would be an important step in helping the investing public retain confidence in AT&T’s ability to avoid similar situations in the future,” said Connor.

END

About Open MIC

Open MIC (www.openmic.org) – The Open Media and Information Companies Initiative - addresses issues related to the future of media and the need for open media in the democratic process. Open MIC seeks to use private sector and capital market mechanisms, coupled with community-powered networked dialogue, to generate innovative, successful and responsible media practices in the digital age.

About Trillium Asset Management

Trillium Asset Management Corporation (www.trilliuminvest.com) is a leading socially responsible investment firm with over \$1 billion in assets under management.

For more information:

Steve Lippman
Vice President, Social Research
Trillium Asset Management
206-633-7815
slippman@trilliuminvest.com

Michael Connor
Executive Director
Open MIC
212-537-9401
mconnor@openmic.org