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VIA HAND DELIVERY

Mrs. Lisa Cooper  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37238

Re: Minority Owned Business Plan Annual Report

Dear Mrs. Cooper,

As required in the Competitive Cable and Video Services Act, AT&T provides this annual report concerning AT&T's Minority Owned Business Plan and the compliance with that plan. AT&T's Plan, which was provided as part of AT&T's franchise application is attached.

AT&T recently announced, in December of 2008, that it has begun to offer its video product for sale in several of the counties and municipalities listed in its application on file with the TRA. While AT&T looks forward to offering its service in more cities in the future, the company has just begun to enter the Tennessee market.

AT&T continues to comply with the attached Minority Owned Business Plan.

Sincerely,

Joelle Phillips

AT&T Tennessee's  
Minority Owned Business Participation Plan

AT&T Tennessee hereby sets forth its business plan for actively soliciting bids from minority-owned businesses and letting contracts to such businesses when establishing, providing or expanding cable or video services and related support facilities.

I. Definitions

A. For the purposes of this plan, unless the context otherwise requires:

1. "Minority owned business" means a business that is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls the daily operations of such business and who is impeded from normal entry into the economic mainstream because of:
  - a. Past practices of discrimination based on race, religion, ethnic background, or sex including, but not limited to, women;
  - b. A disability as defined in T.C.A. § 4-26-201 including, but not limited to, disabled veterans; or
  - c. Past practices of racial discrimination against African-Americans; and
2. "Minority owned business participation plan" means a business plan for actively soliciting bids from minority owned businesses and letting contracts to such businesses when establishing, providing or expanding cable or video services and related support facilities. Such plan shall include the following information:
  - a. A proposal for purchasing goods and services from minority owned businesses;

- b. Information on programs to provide technical assistance to such businesses; and
- c. A statement of intent to follow its minority owned business participation plan.

## II. AT&T's Supplier Diversity Policy Statement

It is the policy of AT&T to promote, increase and improve the quality of the overall participation of minority, women and service-disabled veteran owned business enterprises in its purchases of materials and services.

Maximum practicable opportunity shall be given to minority, women and disabled veteran-owned business enterprises to participate as suppliers of materials and services to AT&T.

AT&T also encourages subcontracting opportunities for minority, women and disabled veteran-owned businesses by requiring Supplier Diversity Participation Plans from its prime suppliers.

## III. AT&T's Proposal For Purchasing Goods And Services From Minority Owned Businesses

AT&T promotes the purchasing of goods and services from minority owned businesses through its extensive AT&T Supplier Diversity Program. Supplier Diversity Programs staff at AT&T assists current and potential diversity suppliers in identifying and developing business opportunities with the company.

AT&T Supplier Diversity Programs are designed to promote, increase and improve the quality of the overall participation of small, minority, women and disabled veteran business enterprises in AT&T's supply chain. AT&T looks for opportunities to work with diversity suppliers in all aspects of its business – from advertising to central office engineering, computers, outside plant construction and network provisioning. Promoting the participation of a diverse supplier base not only provides better business solutions, it also cultivates greater customer loyalty, bidding advantages, and public policy support on the communities AT&T serves.

AT&T's diversity program has three main components – a program to encourage minority suppliers; a program to encourage minority hiring by AT&T's prime suppliers; and participation in diversity organization.

Specifically, AT&T has a specific program pursuant to which it seeks to hire diverse suppliers. As part of the program, AT&T provides potential suppliers with information and contacts to assist those firms seeking to do business with AT&T. AT&T's Supplier Diversity Managers and Strategic Sourcing Managers work closely with minority suppliers to find opportunities to do business with AT&T. AT&T provides coaching and mentoring to its strategic diversity firms to ensure they continue to meet AT&T's supplier requirements. AT&T encourages diversity suppliers to gain quality certifications such as ISO 9000 and TL9000 to remain on the competitive edge.

Another of the essential efforts within the AT&T Supplier Diversity Programs is AT&T's Prime Supplier Participation Program. AT&T's Prime Supplier Program helps its prime suppliers increase the utilization of minority, women and disabled-veteran owned businesses in its supply chain through subcontracting and value added reseller arrangements. The program specifically helps prime suppliers (a) establish or enhance their own Supplier Diversity programs; (b) develop an annual plan with AT&T outlining how the supplier can provide better business solutions by working with diverse companies; and (c) report quarterly results to AT&T showing progress towards the supplier's diversity goals.

AT&T also is an active corporate member in important organizations such as the National Minority Supplier Development Council, the Women's Business Enterprise National Council and the Association for Service Disabled Veterans. AT&T also holds memberships with numerous minority Chambers of Commerce that work to promote supplier diversity. AT&T also provides funding to support several executive management training programs for minority owned businesses. The programs funded are among the most highly-regarded, graduate-level executive training programs in the country, providing valuable coaching and tangible business benefits to suppliers.

IV. Information On Programs To Provide Technical Assistance To Such Businesses

AT&T provides information for minority owned businesses on its website at [www.att.com](http://www.att.com). In addition, as set forth above, AT&T has an active mentoring process to encourage minority owned businesses to become suppliers of AT&T.

V. Statement Of Intent To Follow Its Minority Owned Business Participation Plan

Pursuant to this plan, AT&T Tennessee shall strive to maximize participation of minority owned businesses through both prime and second tier business contracting opportunities and shall strive to achieve a level of minority owned business participation representative of the population demographics of the state of Tennessee.

By January 31 of each year, AT&T Tennessee will prepare and submit an annual report to the Tennessee Regulatory Authority concerning AT&T Tennessee's minority owned business participation plan and compliance with such plan.