



Association of Ameritech /SBC Retirees, Inc

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Legislative Ledger

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The House Passes “Say-on-Pay” Proposal

During the last three AT&T Annual Shareholder meetings, AASBCR[®] has submitted a Say-on-Pay proposal. Each year the proposal has received more “yes” votes than the previous year but not enough to pass. Nor has it been voluntarily adopted by AT&T as has been the case with several progressive large corporations. At the last stockholder meeting the AASBCR[®] President Carole Lovell cautioned the stockholders and management about not supporting the proposal. She said, “Historically, when self regulation fails, government regulation is instituted.” View the text of her speech at:

<http://www.aasbcr.org/LegislativeLedger/AT&TSayOnPaySpeech.pdf>

Alas, there may be some legislative “help” in this area on the way based on recent news out of Washington D.C.. A few days ago, on July 31, 2009, the House approved legislation that would give shareholders a much greater say over executive pay and expand the powers of regulators to limit compensation packages that they deem improper. This legislation goes much, much further than the non-binding advisory vote proposed by AASBCR[®] at the annual stockholder meetings. AASBCR[®] does not support this usurpation of power from competent and well reasoned management teams. But, clearly, the continued excesses around executive pay and perks for less than optimal stock performance and at the expense of diminished benefits for retirees, must be addressed – if not by forward looking management, government will once again intervene.

The proposed legislation faces an uncertain fate in the Senate and won't be discussed until Congress returns from vacation.