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March 1, 2017

Mr. Timothy Sullivan
Executive Director
California Public Utilities Commission
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Subject: General Order 156 Annual Report and Plan for AT&T California, AT&T Long Distance, AT&T Corp., and AT&T Mobility

Executive Director Sullivan,

AT&T California herein submits its GO 156 Supplier Diversity Annual Report for 2016 and Annual Plan for 2017 for the AT&T companies listed above.

Electronic submission of this report is also being sent today to CPUC Supplier Diversity Program Supervisor, Ms. Stephanie Green. Three paper copies are also being sent to the CPUC Service Desk at 505 Van Ness Avenue.

If you and/or your staff have any questions regarding this report, please feel free to contact me as noted above.

Respectfully,

A handwritten signature in black ink that reads "Brenda J. Clark".

Attachment

cc: stephanie.green@cpuc.ca.gov

AT&T



AT&T Global Supplier Diversity
2016 Annual Report
2017 Annual Plan

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Ken McNeely, President of AT&T California



At AT&T, diversity means promoting an environment of inclusion; one in which everyone is valued and every voice is heard. We are proud of our track record – one of the nation’s best in any industry – when it comes to diversity in hiring, promoting and supplier procurement.

AT&T began its supplier diversity program nearly 50 years ago. Diversity is ingrained in the company’s values and culture, and we continue to support diverse suppliers through investments in education and mentorship. This is why I’m so proud that DiversityInc recently named AT&T as the #1 company in the country for supplier diversity.

We are committed to promoting, increasing and improving the overall participation of minority, women, LGBT and service disabled veteran-owned businesses in our sourcing of materials and services. AT&T will continue to innovate to ensure we meet the needs of our suppliers, customers and AT&T’s supply chain.

I am pleased to report that in 2016 our supplier diversity results for the AT&T reporting companies overall exceeded our corporate and GO 156 goal of 21.5%. We spent more than \$1.68 billion – 22.44% of our total state purchases – with diverse suppliers in California. This represents an almost 6% increase in spending compared to 2015, with our diverse suppliers and these investments directly supporting new jobs and opportunities in our state’s innovation economy.

Mobile, Internet Protocol and broadband connectivity are enabling Internet of Things solutions, which are helping create a better, more sustainable world. Whether it’s connected cars and homes to smarter, more resilient energy grids to tools that help cities manage traffic and reduce air pollution. We’re proud to deliver infrastructure, solutions and technology to move these solutions forward.

AT&T will continue to innovate to ensure we meet the needs of our suppliers, customers and our supply chain. As in the past, our company will continue to work with diverse suppliers to bring the best in class communications technologies to our customers in California.

A handwritten signature in black ink that reads "Ken McNeely". The signature is written in a cursive, slightly slanted style.

Overview

Per California Public Utilities Commission (“CPUC”) General Order 156 (“GO 156”), AT&T submits its Annual Report and Plan for AT&T California (U 1001 C), AT&T Long Distance (U 5800 C), AT&T Corporation (U 6346 C) and AT&T Mobility (U 3021C) (herein referred to as “AT&T”). The 2016 Annual Report articulates AT&T’s diversity program activities and results between January 1, 2016 and December 31, 2016, and the AT&T Supplier Diversity program objectives and purchasing goals for 2017.

Introduction and Summary of California Supplier Diversity Spend

In 2016 AT&T Supplier Diversity efforts led to an overall California diversity spend of \$1.6 billion dollars, representing 22.4% of total spend.

AT&T 2016 Annual CPUC Filing			
AT&T	Total Spend \$	Supplier Diversity Spend \$	Diversity %
AT&T California	\$ 2,247,570,044.96	\$ 710,861,570.70	31.63%
AT&T Mobility - California	\$ 4,623,757,214.32	\$ 822,360,101.01	17.79%
AT&T Communications of California*	\$ 607,915,062.01	\$ 144,541,579.83	23.78%
AT&T Long Distance - California	\$ 29,791,207.33	\$ 7,128,958.48	23.93%
Totals	\$ 7,509,033,528.62	\$ 1,684,892,210.02	22.44%

**Note: AT&T Communications CA includes spend for AT&T Teleport, a registered AT&T company.*

9.1.1 Description of Supplier Diversity Program Activities¹

Internal Supplier Diversity Program Activities

Global Supplier Diversity Organization

In 2016, the AT&T Global Supplier Organization created two strategic teams to increase comprehensive oversight of AT&T's Supplier Diversity Program. One team focused on AT&T's internal business unit initiatives, strategies, and life cycle management of portfolio diverse suppliers. The second team coordinated and supported all external initiatives and outreach events for prospective diverse suppliers. Both teams supported certified diverse businesses and worked to position W/MBE/DVBE/LGBTBE businesses with opportunities identified by the AT&T's clients and business units. AT&T also has three dedicated Supplier Diversity Professional Managers in California that provide support toward GO 156 compliance efforts.

Internal activities to promote the Supplier Diversity Program include:

- Proactively monitoring internal minority spend attainment
- Actively engaging with prime suppliers to report and procure minority suppliers
- Strengthening important channel alliances to exceed our 21.5% spend goal
- Dedicating resources to proliferate LGBT opportunities

AT&T's Supply Chain Organization encourages 12 executive officer business units to engage and include diverse minority suppliers in the contracting proposal process. This engagement strategy is further enhanced by requiring supply chain managers to report progress toward our AT&T Supplier Diversity goals on their annual leadership assessments.

Throughout AT&T corporate business channels, advancement toward an overall 21.5% diversity spend goal are monitored quarterly and reported to executive staff.

¹ Section numbering in this Report is in reference to numbered requirements for the Report as stated in GO 156 Section 9.

Campaigns to foster Supplier Diversity targets have:

- Marketing the Virtual Matchmaking On Demand Tool (**VMOD**) to bolster Tier-2 contracts
- Increased and targeted outreach with LGBT community
- Expanded Prime Supplier management support
- Distribution of a bi-annual AT&T Supplier Diversity Newsletter to thousands of key stakeholders
- Monthly category meetings with channel managers to identify contract opportunities

Recognition

Identifying quality minority businesses for contract opportunities is a priority for AT&T's Supply Chain.

Managers that have demonstrated excellence in diversity inclusion receive AT&T's **Supplier Diversity Spark Award**. The **Spark Award** is given to employees that exemplify outstanding work in varied activities such as mentoring, volunteering as subject matter experts at conferences, and serving as leads during events. In 2016, six employees were recognized by Supplier Diversity Leadership and received this prestigious award.

The AT&T Supplier Diversity Organization also recognizes that creating and maintaining an inclusive supply chain requires more than cultivating relationships beyond internal procurement channels. Accordingly, the **Supplier Diversity Performance Award** was established for officers that exceeded AT&T's 21.5% minority spend goal. During 2016, AT&T recognized twenty-four business unit officers with this award.

Newsletters

Supplier Diversity Newsletters were developed as communication vehicles to increase Supplier Diversity awareness and provide information about AT&T's Supplier Diversity Program to AT&T associates, leadership, contract managers, Prime Suppliers, and key internal stakeholders.

The "AT&T Supplier Diversity Newsletter" includes information such as:

- Supplier Diversity leadership messages
- Supplier Diversity results
- Conference highlights
- Program initiatives

- Awards and recognition
- AT&T leader highlights for contributions toward Supplier Diversity results
- Events and activities for networking opportunities with Supplier Diversity personnel

In addition, AT&T Supplier Diversity promotes prime supplier achievements, best practices, and current events through a bi-annual newsletter, “The Prime Supplier,” which was distributed to AT&T contract managers and nearly 600 AT&T prime suppliers.

The newsletter provides data regarding:

- AT&T Prime Suppliers who attained outstanding AT&T Supplier Diversity results
- Updates regarding significant achievements such as the “Supplier Diversity Performance Award,” current events, new appointments, and best practices

External Supplier Diversity Program Activities

Technical Assistance Programs: Imagination – Connection – Collaboration

In the spirit of AT&T’s mission to “connect people with their world everywhere they live, work and play—and do it better than anyone,” in 2016 AT&T’s Global Supplier Diversity team created new avenues to bring diverse suppliers access to information, people, and contracts.

Demonstrating our continued commitment to GO 156, a funding investment of over **\$1 million was allocated** for **Technical Assistance and Capacity Building**. AT&T’s activities and events for 2017 are described below.

New Strategic Programs

In collaboration with leaders from the LGBT, MBE, WBE and DVBE communities, AT&T created five new conferences/workshops with the majority hosted at its regional headquarters in San Ramon, California. Over the course of the year AT&T engaged with hundreds of diverse businesses from all over the state.

Q1 2016

Teaming with the AT&T Supplier Diversity group, the Western Regional Minority Supplier Development Council (WRMSDC) kicked off the year with a **cybersecurity workshop**. This no-cost training opportunity was available to

WRMSDC membership and members of other non-profit communities such as the National Gay & Lesbian Chamber of Commerce, local chambers, DVBE groups and women's business alliances.

A workshop was developed led by experts in the field of cyber threats. Attendees were given extensive content on how to develop a cybersecurity plan for their organization that included risk assessments, industry best-practices, information about free and low-cost software, and essential elements on how to develop a layered defense strategy.

Q2 2016

In the second quarter, the AT&T Supplier Diversity team co-created two dynamic one-day conferences with the Astra Women's Business Alliance (a regional partner of [WBENC](#)) and the Disabled Veterans Business Alliance (DVBA). AT&T spearheaded planning with both organizations to construct a one-day economic summit and a professional services expo.

Each event engaged a broad range of supplier diversity professionals, minority leaders and industry experts. Attendees reported that these sessions provided them multiple leads and ideas that would bring a positive impact in their businesses. A summary of each session is articulated below.

Astra's Economic Summit – San Ramon, California

Last July, Astra's Women's Business Alliance launched an economic summit that was created in collaboration with AT&T Supplier Diversity.

Over 100 attendees participated in interactive discussions that provided critical information on the latest trends in professional services, construction, and technology. In addition, we had tremendous support from our supplier diversity peers that expanded across industries such as: the Federal Reserve Bank, Johnson & Johnson, McKesson, PG&E, Wells Fargo, NASA, Google and many others.

Topics covered in collaboration with AT&T leadership were:

- Advanced Technologies Impacting Global Markets
- State of Cyber Security Impacts on Businesses
- Preparing for Cyber Attacks
- Current Technology Trends

The summit was well attended and received by both corporate and diversity organizations – most attendees were from California, but Oregon, Washington, Virginia, Illinois, Texas and Idaho were also represented.

[Disabled Veteran Business Alliance \(DVBA\) IT & Professional Services Expo – San Ramon, CA](#)

The AT&T Supplier Diversity team and DVBA's executive leadership team developed a multifaceted one day event to educate and connect veteran business owners to help their companies grow.

AT&T led this segment of an industry series deployed by the DVBA in 2016. Over 110 attendees who work in the information technology and professional services joined us at the AT&T campus in San Ramon, CA.

Highlights of sessions during the conference were:

- How to Garner Success with the State of California & Local Utilities
- Preparing Your Business for Future Contracts
- Best Practices of Successful DVBEs
- Strategic Matchmaking with Professional Services Buyers
- Benefits in Selling into the Insurance Market
- Key Insight on How to Become an AT&T Prime

The event closed with a networking reception. In addition to a large group of AT&T managers in attendance and AT&T Primes, many other DVBA corporate members dedicated time and resources in support of the Expo.

Q3 2016

Golden Gate Business Association (GGBA) Project Impact Builder – San Francisco, CA

A critical focus area for the AT&T Supplier Diversity team was to provide technical assistance to the LGBT business community in California, and AT&T's sponsorship aided in the launch of a series of workshops. Hosted at the Small Business Administration offices, the workshops concentrated on three topics:

- How to do Business with AT&T
- Fireside Chat with AT&T & McKesson – Best Practices to Engage with Supplier Diversity Professionals
- Cybersecurity and the Procurement Process

After the event, the GGBA leadership received feedback from attendees and participants that underscored how the content was important and relevant to their businesses

Q4 2016

Elite Service Disabled Veteran Owned Businesses (SDVOB) Prime Event - San Ramon, CA

AT&T, SDVOB leadership, and some supplier diversity veteran advocates designed a full-day program to educate and connect DVBEs.

The event was kicked-off by AT&T's Veteran Employee Resource Group President, a Navy veteran, sharing the mission of serving veterans, active duty and families in the surrounding Bay Area community. This segment covered a new Elite program initiative connecting DVBEs with contract opportunities specifically having low thresholds to entry. A series of other special guests also contributed throughout the day, concluding with break-out sessions that connected corporate representatives and DVBEs to learn about future opportunities.

National Conference – National Gay & Lesbian Chamber of Commerce (NGLCC) - Palm Springs, CA

During August 2016, AT&T California leadership demonstrated its commitment to supplier diversity with its sponsorship of the NGLCC's National Conference in Palm Springs, California.

The three-day event hosted over 1,000 attendees, including a half a dozen AT&T executives from across the United States. AT&T received numerous prospective suppliers identified for future Tier-1 and Tier-2 contract opportunities.

AT&T's involvement during the conference included:

- Key Panelist and Discussion– “Doing Business with California Utilities”
- NGLCC Biz Pitch Luncheon Executive Remarks Ken McNeely, President AT&T California
- NGLCC “Winning LGBT Inclusion” - Executive Panelist - Ken McNeely, President– AT&T California
- Matchmaking sessions
- Strategic meetings

AT&T Diversity Supplier Conference – Dallas, TX

AT&T Supplier Diversity hosted another supplier conference at our headquarters in Dallas, Texas. In collaboration with the Telecommunications Industry Association (TIA) “Network of the Future Conference,” AT&T welcomed 650 participants during the two-day session. Throughout the conference, key executives shared and discussed how consumer demand and technological advances are changing how our traditional business operates and how structure changes are necessary to meet customers’ demand in connectivity, mobile services, next generation TV and high-speed internet services.

The AT&T Supplier Conferences have helped AT&T create an ideal environment to connect executives, primes, and current and prospective suppliers. Beyond the workshops, during the Dallas conference AT&T capitalized on the abundance of resources available, allowing MBEs to register for strategic meetings with key decision makers. In cooperation with a DVBE company, AT&T organized strategic matchmaking sessions with AT&T Sourcing Managers and our Tier-1 vendors that coordinated 152 meetings with 74 diverse suppliers – nearly 20% from California. After the event, an additional 65 meetings were scheduled – results of the meetings are still pending; however, the team is excited that this event showcased the true innovation that diverse suppliers bring to our company.

Software as a Solution

In 2015, AT&T Supplier Diversity collaborated with a disabled veteran owned supplier and developed a new innovative tool called Virtual Matchmaking on Demand, or **VMOD**.

AT&T's goal in promoting VMOD is to effortlessly match Prime Suppliers with diversity suppliers for subcontracting opportunities. VMOD eliminates the pressure of face-to face-meetings, matching Tier-1 vendors with minority businesses. Data analytics match diverse suppliers’ capabilities to be registered with AT&T Prime

Suppliers for meetings and/or prospective subcontracting opportunities. By year-end the VMOD tool successfully:

- Produced over **1,000** matches – over 6% were California businesses, the highest statistic of any state
- Registered **419** diverse suppliers – **20% from Californian**
- Engagement with approximately **100** Primes Suppliers and growing
- Generated over **100** meetings

California Diversity Volunteers

AT&T encourages supply chain managers and employees from strategic areas of the business to participate in its Supplier Diversity Outreach Ambassador (SDOA) program. These dedicated individuals volunteer their time in a wide variety of capacities to assist the Supplier Diversity team at outreach events across the US, especially in the state of California. There are over 150 statewide volunteers registered to support the California Supplier Diversity team and they were impactful to the minority business community by:

- Mentoring MBEs in the Network and Domain 2.0 space
- Leading minority conference workshops
- Participating on procurement panels
- Donating their time after hours to support minority certification agencies

AT&T is proud to report that in 2016 it had one or more SDOAs at nearly **90% of the supplier** diversity events targeted by our team in California.

Championing Supplier Excellence

Over the years AT&T Supplier Diversity has developed a multi-layered approach to assist growing diversity companies. Often an integral component of achieving that success is through education and mentorship – to that end, AT&T continues championing MBEs by sending them through programs directed by **John F. Kennedy (JFK) University, Northwestern University and Dartmouth College.**

AT&T believes providing scholarships to the minority business community in California is one way we can assist building a small business's capacity. The Supplier Diversity team has explored numerous executive programs across the country.

In 2016 17 minority businesses were chosen to attend these highly accredited programs, to help them develop a future growth strategy, share leading edge resources to strengthen marketing efforts, and demonstrate current innovation practices to assist integrating next generation services into their business. Highlights of the 2016 scholarship programs were:

- More than 50% of attendees were California based minority companies, including one LGBT business
- 87% of JFK participants stated that the program caused measurable changes in their business
- 100% reported that the coursework positively impacted their internal goals and vision
- AT&T's cornerstone JFK program expanded, allowing a utility peer to send two additional California diversity businesses through the 2016 session

Prime Supplier Program

A clear competitive advantage for AT&T Supplier Diversity is our Prime Supplier Program (PSP). Historical results clearly indicate how instrumental our Prime Suppliers have been in assisting in proliferating diverse businesses into AT&T's supply chain. The AT&T Prime Supplier program has dedicated supplier diversity managers who collaborate with our Prime Suppliers to create detailed plans for utilizing diversity suppliers, to set meaningful goals for utilization of diversity suppliers as subcontractors, and to encourage development of innovative solutions for improving and tracking diversity results. The team also manages process improvements for monthly reporting as well as monitoring annual compliance results for the program.

Progressive procurement practices achieved in 2016 via this program resulted in:

- Over \$2 billion of Tier 2 spend with Diverse Suppliers
- \$357 million of Tier 2 spend with Diverse Suppliers in California
- 44 Primes were given a "Crystal Award" for exceeding AT&T's 21.5% diversity inclusion target
- More than 400 Primes submitted an annual supplier diversity plan to AT&T

Supplier Diversity Commendations

In 2016, AT&T was presented with 24 local and national awards for its activity in promoting supplier diversity.

Listed below are some of those awards:

- **Community Impact Award** – Western Region Minority Supplier Development Council (CA)
- **Veteran Advocacy Award** – Department of General Services (CA)
- **Outstanding Leadership Awards (2)** – Disabled Veteran Business Alliance (CA)
- **Recognition of Impact Awards (3)** – WBEC West (CA)
- **Done Deals Award** – Astra Women’s Business Council (CA)
- **Top Corporation for LGBT Empowerment** – Affinity Magazine
- **Best of the Best Top Supplier Diversity Program** – Black EOE Journal
- **2016 Military Friendly Supplier Diversity Programs** – NOVOBA
- **Best Top Supplier Diversity Program** – Hispanic Network Magazine
- **Chief Executive Officer of the Year Award** – WBE Hall of Fame
- **America’s “Best-of-the-Best” Companies for Diversity Award** – National Gay & Lesbian Chamber of Commerce (NGLCC)

9.1.2 Summary of Diverse Supplier Purchases

2016 - AT&T Results by Ethnicity Total Combined Companies

AT&T Results by Ethnicity & Gender 2016						
		Direct	Sub	Total \$	Total %	
Minority Male	Asian Pacific American	\$ 153,089,904	\$ 32,421,781	\$ 185,511,684	2.47%	
	African American	\$ 154,012,389	\$ 45,121,851	\$ 199,134,239	2.65%	
	Hispanic American	\$ 435,928,730	\$ 51,464,446	\$ 487,393,176	6.49%	
	Native American	\$ 2,547,235	\$ 6,837,687	\$ 9,384,923	0.12%	
	Multi-Ethnic American	\$ 141,346	\$ 60,212,561	\$ 60,353,907	0.80%	
	Total Minority Male	\$ 745,719,603.16	\$ 196,058,326.43	\$ 941,777,929.59	12.54%	
Minority Female	Asian Pacific American	\$ 23,303,443.13	\$ 3,486,115.21	\$ 26,789,558.33	0.36%	
	African American	\$ 3,031,687.14	\$ 2,313,838.55	\$ 5,345,525.69	0.07%	
	Hispanic American	\$ 95,381,811.61	\$ 11,843,861.52	\$ 107,225,673.13	1.43%	
	Native American	\$ 131,683.79	\$ 137,568.96	\$ 269,252.75	0.00%	
	Multi-Ethnic American	\$ -	\$ 178,829.44	\$ 178,829.44	0.00%	
	Total Minority Female	\$ 121,848,625.65	\$ 17,960,213.69	\$ 139,808,839.34	1.86%	
Total Minority Business Enterprise (MBE)		\$ 867,568,228.81	\$ 214,018,540.12	\$ 1,081,586,768.93	14.40%	
Women Business Enterprise (WBE)		\$ 413,207,430.21	\$ 112,599,025.72	\$ 525,806,455.93	7.00%	
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$ 12,360,966.47	\$ 1,873,335.44	\$ 14,234,301.91	0.19%	
Disabled Veteran Business Enterprise (DVBE)		\$ 34,068,358.85	\$ 28,249,195.66	\$ 62,317,554.51	0.83%	
Other 8(a)*		\$ 947,128.73	\$ -	\$ 947,128.73	0.01%	
TOTAL WMDVLGBTBE		\$ 1,328,152,113.08	\$ 356,740,096.94	\$ 1,684,892,210.02	22.44%	
Net Procurement**		\$ 7,509,033,528.62				
NOTE: * Firms Classified as 8(a) of the Small Business Administration includes NON-WMDVLGBTBE						
** Net procurement includes purchase orders, non-purchase orders, and credit card dollars						
Direct – Direct Procurement						
Sub – Subcontractor Procurement						
% - Percentage of Net Procurement						

2016 - AT&T West Results by Ethnicity

AT&T West Results by Ethnicity & Gender					
		Direct	Sub	Total \$	Total %
Minority Male	Asian Pacific American	\$71,075,341	\$17,288,752	\$88,364,093	3.93%
	African American	\$29,800,422	\$24,061,001	\$53,861,423	2.40%
	Hispanic American	\$85,769,189	\$27,443,158	\$113,212,347	5.04%
	Native American	\$2,228,086	\$3,646,163	\$5,874,248	0.26%
	Multi-Ethnic American	\$139,026	\$32,108,047	\$32,247,073	1.43%
	Total Minority Male	\$189,012,065	\$104,547,121	\$293,559,185	13.06%
Minority Female	Asian Pacific American	\$12,906,175	\$1,858,953	\$14,765,128	0.66%
	African American	\$450,740	\$1,233,843	\$1,684,583	0.07%
	Hispanic American	\$73,008,357	\$6,315,680	\$79,324,037	3.53%
	Native American	\$92,922	\$73,358	\$166,280	0.01%
	Multi-Ethnic American	\$0	\$95,360	\$95,360	0.00%
	Total Minority Female	\$86,458,194	\$9,577,194	\$96,035,388	4.27%
Total Minority Business Enterprise (MBE)		\$275,470,258	\$114,124,315	\$389,594,573	17.33%
Women Business Enterprise (WBE)		\$215,694,152	\$60,042,867	\$275,737,018	12.27%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$12,250	\$998,947	\$1,011,197	0.04%
Disabled Veteran Business Enterprise (DVBE)		\$29,116,467	\$15,063,742	\$44,180,209	1.97%
Other 8(a)*		\$338,574	\$0	\$338,574	0.02%
TOTAL WMDVLGBTBE		\$520,631,700	\$190,229,870	\$710,861,571	31.63%
Net Procurement**		\$ 2,247,570,045			
NOTE: * Firms Classified as 8(a) of the Small Business Administration includes NON-WMDVLGBTBE					
** Net procurement includes purchase orders, non-purchase orders, and credit card dollars					
Direct – Direct Procurement					
Sub – Subcontractor Procurement					
% - Percentage of Net Procurement					

2016 - AT&T Mobility of California
Results by Ethnicity

AT&T Mobility (CA) Results by Ethnicity & Gender					
		Direct	Sub	Total \$	Total %
Minority Male	Asian Pacific American	\$53,443,656	\$12,862,656	\$66,306,312	1.43%
	African American	\$91,595,920	\$17,901,140	\$109,497,061	2.37%
	Hispanic American	\$334,586,113	\$20,417,431	\$355,003,543	7.68%
	Native American	\$45,427	\$2,712,708	\$2,758,135	0.06%
	Multi-Ethnic American	\$1,094	\$23,888,061	\$23,889,155	0.52%
	Total Minority Male	\$479,672,210	\$77,781,996	\$557,454,206	12.06%
Minority Female	Asian Pacific American	\$6,088,826	\$1,383,043	\$7,471,868	0.16%
	African American	\$2,472,779	\$917,967	\$3,390,746	0.07%
	Hispanic American	\$10,990,285	\$4,698,802	\$15,689,086	0.34%
	Native American	\$19,685	\$54,578	\$74,262	0.00%
	Multi-Ethnic American	\$0	\$70,947	\$70,947	0.00%
	Total Minority Female	\$19,571,574	\$7,125,335	\$26,696,909	0.58%
Total Minority Business Enterprise (MBE)		\$499,243,784	\$84,907,331	\$584,151,116	12.63%
Women Business Enterprise (WBE)		\$166,574,659	\$44,671,283	\$211,245,942	4.57%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$12,346,012	\$743,206	\$13,089,218	0.28%
Disabled Veteran Business Enterprise (DVBE)		\$2,494,688	\$11,207,271	\$13,701,959	0.30%
Other 8(a)*		\$171,866	\$0	\$171,866	0.00%
TOTAL WMDVLGBTBE		\$680,831,009	\$141,529,092	\$822,360,101	17.79%
Net Procurement**		\$ 4,623,757,214			
NOTE: * Firms Classified as 8(a) of the Small Business Administration includes NON-WMDVLGBTBE					
** Net procurement includes purchase orders, non-purchase orders, and credit card dollars					
Direct – Direct Procurement					
Sub – Subcontractor Procurement					
% - Percentage of Net Procurement					

2016 - AT&T Communications of California
Results by Ethnicity

AT&T Communications of California Results by Ethnicity & Gender					
		Direct	Sub	Total \$	Total %
Minority Male	Asian Pacific American	\$27,373,299	\$2,127,223	\$29,500,522	4.85%
	African American	\$32,245,110	\$2,960,486	\$35,205,596	5.79%
	Hispanic American	\$14,258,343	\$3,376,629	\$17,634,973	2.90%
	Native American	\$272,293	\$448,627	\$720,920	0.12%
	Multi-Ethnic American	\$1,126	\$3,950,601	\$3,951,728	0.65%
	Total Minority Male	\$74,150,171	\$12,863,566	\$87,013,738	14.31%
Minority Female	Asian Pacific American	\$4,052,609	\$228,727	\$4,281,336	0.70%
	African American	\$98,870	\$151,813	\$250,683	0.04%
	Hispanic American	\$10,506,008	\$777,087	\$11,283,094	1.86%
	Native American	\$17,295	\$9,026	\$26,321	0.00%
	Multi-Ethnic American	\$0	\$11,733	\$11,733	0.00%
	Total Minority Female	\$14,674,781	\$1,178,386	\$15,853,167	2.61%
Total Minority Business Enterprise (MBE)		\$88,824,952	\$14,041,953	\$102,866,905	16.92%
Women Business Enterprise (WBE)		\$29,618,305	\$7,387,725	\$37,006,030	6.09%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$2,452	\$122,911	\$125,363	0.02%
Disabled Veteran Business Enterprise (DVBE)		\$2,258,655	\$1,853,456	\$4,112,111	0.68%
Other 8(a)*		\$431,171	\$0	\$431,171	0.07%
TOTAL WMDVLGBTBE		\$121,135,535	\$23,406,045	\$144,541,580	23.78%
Net Procurement**		\$ 607,915,062			
<p>NOTE: * Firms Classified as 8(a) of the Small Business Administration includes NON-WMDVLGBTBE ** Net procurement includes purchase orders, non-purchase orders, and credit card dollars Direct – Direct Procurement Sub – Subcontractor Procurement % - Percentage of Net Procurement</p>					

2016 - AT&T Long Distance of California
Results by Ethnicity

AT&T Long Distance (CA) Results by Ethnicity & Gender					
		Direct	Sub	Total \$	Total %
Minority Male	Asian Pacific American	\$1,197,607	\$143,150	\$1,340,757	4.50%
	African American	\$370,936	\$199,223	\$570,160	1.91%
	Hispanic American	\$1,315,085	\$227,227	\$1,542,312	5.18%
	Native American	\$1,430	\$30,190	\$31,620	0.11%
	Multi-Ethnic American	\$99	\$265,852	\$265,951	0.89%
	Total Minority Male	\$2,885,157	\$865,643	\$3,750,800	12.59%
Minority Female	Asian Pacific American	\$255,834	\$15,392	\$271,226	0.91%
	African American	\$9,298	\$10,216	\$19,514	0.07%
	Hispanic American	\$877,162	\$52,293	\$929,455	3.12%
	Native American	\$1,783	\$607	\$2,390	0.01%
	Multi-Ethnic American	\$0	\$790	\$790	0.00%
	Total Minority Female	\$1,144,076	\$79,299	\$1,223,375	4.11%
Total Minority Business Enterprise (MBE)		\$4,029,234	\$944,941	\$4,974,175	16.70%
Women Business Enterprise (WBE)		\$1,320,314	\$497,151	\$1,817,465	6.10%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$253	\$8,271	\$8,524	0.03%
Disabled Veteran Business Enterprise (DVBE)		\$198,549	\$124,727	\$323,276	1.09%
Other 8(a)*		\$5,519	\$0	\$5,519	0.02%
TOTAL WMDVLGBTBE		\$5,553,868	\$1,575,090	\$7,128,958	23.93%
Net Procurement**		\$ 29,791,207			

NOTE: * Firms Classified as 8(a) of the Small Business Administration includes NON-WMDVLGBTBE
** Net procurement includes purchase orders, non-purchase orders, and credit card dollars
Direct – Direct Procurement
Sub – Subcontractor Procurement
% - Percentage of Net Procurement

2016 - AT&T Direct Spend Results

AT&T Direct Spend Results 2016									
		Products			Services			Totals	
		Direct	Sub	%	Direct	Sub	%	Total \$	Total %
Minority Male	Asian Pacific American	Direct	\$ -	N/A	\$ -	N/A		\$ 153,089,903.53	2.04%
	African American	Direct	\$ -	N/A	\$ -	N/A		\$ 154,012,388.72	2.05%
	Hispanic American	Direct	\$ -	N/A	\$ -	N/A		\$ 435,928,729.78	5.81%
	Native American	Direct	\$ -	N/A	\$ -	N/A		\$ 2,547,235.44	0.03%
	Multi-Ethnic American	Direct	\$ -	N/A	\$ -	N/A		\$ 141,345.70	0.00%
	Total Minority Male		Direc	\$ -	N/A	\$ -	N/A		\$ 745,719,603.16
Minority Female	Asian Pacific American	Direct	\$ -	N/A	\$ -	N/A		\$ 23,303,443.13	0.31%
	African American	Direct	\$ -	N/A	\$ -	N/A		\$ 3,031,687.14	0.04%
	Hispanic American	Direct	\$ -	N/A	\$ -	N/A		\$ 95,381,811.61	1.27%
	Native American	Direct	\$ -	N/A	\$ -	N/A		\$ 131,683.79	0.00%
	Multi-Ethnic American	Direct	\$ -	N/A	\$ -	N/A		\$ -	0.00%
	Total Minority Female		Direc	\$ -	N/A	\$ -	N/A		\$ 121,848,625.65
Total Minority Business Enterprise (MBE)		Direct	\$ -	N/A	\$ -	N/A		\$ 867,568,228.81	11.55%
Women Business Enterprise (WBE)		Direct	\$ -	N/A	\$ -	N/A		\$ 413,207,430.21	5.50%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Direct	\$ -	N/A	\$ -	N/A		\$ 12,360,966.47	0.16%
Disabled Veteran Business Enterprise (DVBE)		Direct	\$ -	N/A	\$ -	N/A		\$ 34,068,358.85	0.45%
Other 8(a)*		Direct	\$ -	N/A	\$ -	N/A		\$ 947,128.73	0.01%
TOTAL WMDVLGBTBE		Direc	\$ -	N/A	\$ -	N/A		\$ 1,328,152,113.08	17.69%
Total Product Procurement			\$ -						
Total Service Procurement			\$ -						
Net Procurement**								\$ 7,509,033,528.62	
Total Number of WMDVLGBTBEs that Received Direct Spend		327							
<p>NOTE: * Firms Classified as 8(a) of the Small Business Administration includes NON-WMDVLGBTBE ** Net procurement includes purchase orders, non-purchase orders, and credit card dollars Direct – Direct Procurement Sub – Subcontractor Procurement % - Percentage of Net Procurement</p>									

2016 - AT&T Indirect Spend Results

AT&T Indirect Spend Results									
2016									
			Products		Services		Totals		
			\$	%	\$	%	\$	%	
Minority Male	Asian Pacific American	Sub	\$ -	N/A	\$ -	N/A	\$ 32,421,780.79	0.43%	
	African American	Sub	\$ -	N/A	\$ -	N/A	\$ 45,121,850.69	0.60%	
	Hispanic American	Sub	\$ -	N/A	\$ -	N/A	\$ 51,464,446.04	0.69%	
	Native American	Sub	\$ -	N/A	\$ -	N/A	\$ 6,837,687.47	0.09%	
	Multi-Ethnic American	Sub	\$ -	N/A	\$ -	N/A	\$ 60,212,561.44	0.80%	
	Total Minority Male	Sub	\$ -	N/A	\$ -	N/A	\$ 196,058,326.43	2.61%	
Minority Female	Asian Pacific American	Sub	\$ -	N/A	\$ -	N/A	\$ 3,486,115.21	0.05%	
	African American	Sub	\$ -	N/A	\$ -	N/A	\$ 2,313,838.55	0.03%	
	Hispanic American	Sub	\$ -	N/A	\$ -	N/A	\$ 11,843,861.52	0.16%	
	Native American	Sub	\$ -	N/A	\$ -	N/A	\$ 137,568.96	0.00%	
	Multi-Ethnic American	Sub	\$ -	N/A	\$ -	N/A	\$ 178,829.44	0.00%	
	Total Minority Female	Sub	\$ -	N/A	\$ -	N/A	\$ 17,960,213.69	0.24%	
Total Minority Business Enterprise (MBE)		Sub	\$ -	N/A	\$ -	N/A	\$ 214,018,540.12	2.85%	
Women Business Enterprise (WBE)		Sub	\$ -	N/A	\$ -	N/A	\$ 112,599,025.72	1.50%	
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Sub	\$ -	N/A	\$ -	N/A	\$ 1,873,335.44	0.02%	
Disabled Veteran Business Enterprise (DVBE)		Sub	\$ -	N/A	\$ -	N/A	\$ 28,249,195.66	0.38%	
Other 8(a)*		Sub	\$ -	N/A	\$ -	N/A	\$ -	0.00%	
TOTAL WMDVLGBTBE		Sub	\$ -	N/A	\$ -	N/A	\$ 356,740,096.94	4.75%	
Total Product Procurement			\$ -						
Total Service Procurement			\$ -						
Net Procurement**							\$7,509,033,529		
NOTE: * Firms Classified as 8(a) of the Small Business Administration includes NON-WMDVLGBTBE									
** Net procurement includes purchase orders, non-purchase orders, and credit card dollars									
Direct – Direct Procurement									
Sub – Subcontractor Procurement									
% - Percentage of Net Procurement									

2016 - AT&T Procurement by Standard Industrial Code

AT&T Product/Service Descriptions by SIC																																	
SIC Category	Asian Pacific American		African American		Hispanic American		Native American		Multi-Ethnic		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)**	Total WMDVLGBTBE	Total Dollars																
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female																							
	\$	%	\$	%	\$	%	\$	%	\$	%																							
SIC 15: Building Construction General Contractors And Operative Builders	\$ 3,498,827	0.90%	\$ 72,117	0.02%	\$ 3,776,107	9.88%	\$ 487,374	1.3%	\$ 8,806,904	22.6%	\$ 22,694,664	58.6%	\$ 148,625	0.4%	\$ 556	0.00%	\$ 2,040,200	5.3%	\$ 18,148	0.00%	\$ 41,543,522	107.3%	\$ 32,762,135	84.6%	\$ -	0.00%	\$ 15,253,131	39.4%	\$ 132,494	0.3%	\$ 89,691,281	231.6%	\$ 387,250,887
SIC 17: Construction Special Trade Contractors	\$ 6,469,894	0.76%	\$ 1,027,936	0.12%	\$ 7,189,162	0.84%	\$ 22,134	0.00%	\$ 30,914,753	3.6%	\$ 4,026,770	0.47%	\$ 563,602	0.07%	\$ 4,259	0.00%	\$ 11,281,213	0.13%	\$ 290	0.00%	\$ 61,500,013	0.72%	\$ 99,745,111	1.17%	\$ 313	0.00%	\$ 4,904,978	0.06%	\$ 168,371	0.00%	\$ 166,318,785	1.9%	\$ 852,430,225
SIC 35: Industrial And Commercial Machinery And Computer Equipment	\$ 22,659,094	5.92%	\$ 14,861,784	3.88%	\$ 29,318,394	7.65%	\$ 3,322	0.00%	\$ 2,770,077	0.72%	\$ 6,773,471	1.77%	\$ 218,007	0.06%	\$ 34,644	0.01%	\$ 2,458,747	6.4%	\$ 92,237	0.02%	\$ 79,189,766	20.6%	\$ 50,200,061	13.1%	\$ 43,955	0.01%	\$ 1,132,387	0.30%	\$ 2,577	0.00%	\$ 130,568,747	340.9%	\$ 383,001,253
SIC 36: Electronic & Other Electrical Equipment/Components, Except Computer Equip.	\$ 95,834,737	2.36%	\$ 739,217	0.02%	\$ 130,118,888	3.20%	\$ 378,300	0.01%	\$ 421,535,766	10.7%	\$ 34,396,413	0.85%	\$ 5,966,052	0.15%	\$ 229,223	0.01%	\$ 34,186,889	0.84%	\$ 11,558	0.00%	\$ 723,397,043	17.7%	\$ 294,281,193	7.2%	\$ 1,826,030	0.04%	\$ 26,926,506	0.68%	\$ 316,033	0.01%	\$ 1,046,746,806	25.7%	\$ 4,065,461,993
SIC 47: Transportation Services	\$ 90,393	0.13%	\$ 10,256	0.01%	\$ 1,477,605	2.01%	\$ -	0.00%	\$ 1,424,498	2.01%	\$ 453,535	0.64%	\$ 51,424	0.07%	\$ -	0.00%	\$ 3,539,229	4.99%	\$ -	0.00%	\$ 7,046,940	9.93%	\$ 7,244,318	10.21%	\$ 2,308	0.00%	\$ 311,033	0.44%	\$ 50	0.00%	\$ 14,604,648	20.57%	\$ 70,984,819
SIC 50: Wholesale Trade-durable Goods	\$ -	0.00%	\$ 381	0.01%	\$ -	0.00%	\$ -	0.00%	\$ 313,203	5.91%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 313,584	5.92%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 322,263	6.08%	\$ 5,298,258
SIC 51: Wholesale Trade-non-durable Goods	\$ -	0.00%	\$ -	0.00%	\$ 194,593	0.51%	\$ -	0.00%	\$ 147,972	0.38%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 18,989	0.05%	\$ -	0.00%	\$ 361,553	0.91%	\$ 244,775	0.62%	\$ -	0.00%	\$ 1,204	0.00%	\$ -	0.00%	\$ 607,532	1.6%	\$ -
SIC 55: Automotive Dealers And Gasoline Service Stations	\$ 52,666	0.05%	\$ -	0.00%	\$ 10,656	0.01%	\$ -	0.00%	\$ 509,882	0.51%	\$ 29,554,487	29.68%	\$ 4,646	0.00%	\$ -	0.00%	\$ 956,858	0.96%	\$ -	0.00%	\$ 31,089,195	31.22%	\$ 321,526	0.32%	\$ -	0.00%	\$ 12,696,648	12.75%	\$ 3,882	0.00%	\$ 44,111,252	44.30%	\$ 99,582,900
SIC 73: Business Services	\$ 56,083,428	3.97%	\$ 9,898,428	0.70%	\$ 26,141,015	1.85%	\$ 4,385,130	0.31%	\$ 18,368,331	1.30%	\$ 8,257,312	0.58%	\$ 2,432,567	0.17%	\$ 570	0.00%	\$ 5,871,717	0.42%	\$ 56,596	0.00%	\$ 131,495,094	9.30%	\$ 38,289,343	2.71%	\$ 12,361,607	0.87%	\$ 1,086,556	0.08%	\$ 203,504	0.01%	\$ 183,436,103	12.97%	\$ 1,414,384,088
SIC 81: Legal	\$ 137,464	0.23%	\$ 103	0.00%	\$ 578,861	0.97%	\$ -	0.00%	\$ 948,660	1.59%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 65	0.00%	\$ -	0.00%	\$ 1,665,154	2.80%	\$ 784,051	1.32%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 2,448,979	4.11%	\$ 59,532,823
SIC 87: Engineering, Accounting, Research, Management, And Related Services	\$ 685,191	0.40%	\$ 179,337	0.10%	\$ 328,959	0.19%	\$ 69,265	0.04%	\$ 1,966,335	1.15%	\$ 755,819	0.44%	\$ -	0.00%	\$ -	0.00%	\$ 3,984,906	2.33%	\$ -	0.00%	\$ 1,925,264	1.13%	\$ 90	0.00%	\$ 5,336	0.00%	\$ 120,217	0.07%	\$ 6,035,814	3.53%	\$ 171,106,284		
Gross Products/Services Procurement	\$ 185,511,684	2.47%	\$ 26,789,558	0.36%	\$ 199,134,239	2.65%	\$ 5,345,526	0.07%	\$ 487,393,176	6.49%	\$ 107,225,673	1.43%	\$ 9,384,923	0.12%	\$ 269,253	0.00%	\$ 60,353,907	0.80%	\$ 178,829	0.00%	\$ 1,081,586,769	14.40%	\$ 525,806,456	7.00%	\$ 14,234,302	0.19%	\$ 62,317,555	0.83%	\$ 947,129	0.01%	\$ 1,684,892,210	22.44%	\$ 7,509,033,529
Total Product Procurement					n/a																												
Total Service Procurement					n/a																												
Net Procurement***					\$7,509,033,529																												
<small>NOTE: * Firms Classified as 8(a) of the Small Business Administration INCLUDES NON-WMDVLGBTBE ** Net procurement includes purchase orders, non-purchase orders, and credit card dollars Direct - Direct Procurement Sub - Subcontractor Procurement % - Percentage of Net Procurement</small>																																	

2016 - AT&T Minority Supplier Report – Clearinghouse Data

Number of Minority Suppliers and Revenue Reported to the Clearinghouse

Data on Number of Suppliers

# WMDVLGBTBEs	Revenue Reported to CHS						AT&T 2016 Summary					
	MBE	WBE	LGBT	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBT	DVBE	Other 8(a)*	Grand Total
Under \$1 million	44	37	0	14	0	95	108	123	1	8	0	240
Under \$5 million	32	28	1	0	0	61	30	19	0	4	0	53
Under \$10 million	9	31	0	0	0	40	6	5	0	0	0	11
Above \$10 million	73	57	1	0	0	131	14	6	1	2	0	23
TOTAL	158	153	2	14	0	327	158	153	2	14	0	327

Revenue and Payment Data

WMDVLGBTBE \$M	Revenue Reported to CHS						AT&T 2016 Summary					
	MBE	WBE	LGBT	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBT	DVBE	Other 8(a)*	Grand Total
Under \$1 million	\$ 9,116,328	\$ 8,539,418	\$ -	\$ -	n/a	\$ 17,655,746	\$ 21,734,061	\$ 24,332,089	\$ 10,493	\$ 448,230	n/a	\$ 46,524,873
Under \$5 million	\$ 92,801,297	\$ 70,328,860	\$ 1,000,000	\$ -	n/a	\$ 164,130,157	\$ 57,059,342	\$ 50,368,344	\$ -	\$ 16,114,410	n/a	\$ 123,542,096
Under \$10 million	\$ 57,810,260	\$ 214,136,020	\$ -	\$ -	n/a	\$ 271,946,280	\$ 42,258,441	\$ 34,878,037	\$ -	\$ -	n/a	\$ 77,136,478
Above \$10 million	\$ 22,418,539,138	\$ 11,793,854,297	\$ 346,599,260	\$ -	n/a	\$ 34,558,992,696	\$ 960,534,924	\$ 416,227,986	\$ 14,223,809	\$ 45,754,915	n/a	\$ 1,436,741,633
TOTAL	\$ 22,578,267,023	\$ 12,086,858,596	\$ 347,599,260	\$ -	\$ -	\$ 35,012,724,878	\$ 1,081,586,769	\$ 525,806,456	\$ 14,234,302	\$ 62,317,555	\$ -	\$ 1,683,945,081

Other 8(a): *Firms Classified as 8(s) of Small Business Administration includes non- WMDVLGBTBE

CHS: Supplier Clearinghouse

Notes 1. Information regarding the number of WMDVLGBTBE suppliers who have the majority of their workforce in California

2. CHS databases do not contain revenue data for Other 8(a) suppliers

9.1.3 Supplier Diversity Program Expenses

AT&T Program Expenses		
Expense Category		Amount
Wages	\$	313,936
Other Employee Expenses	\$	818
Program Expenses	\$	94,454
Reporting Expenses	\$	-
Training	\$	533
Consultants	\$	25,694
Other	\$	-
TOTAL	\$	435,436

Note: Program expenses for CPUC filing represent 13% of total AT&T Supplier Diversity program expenses. This allocation includes only the AT&T companies registered in California and part of this filing, but not all AT&T Inc. operations in California.

9.1.4 Progress Toward Goals

AT&T Progress		
Diversity Category	2016 Results	2016 Goals
Minority Men	12.54%	11.00%
Minority Women	1.86%	4.00%
Minority Business Enterprise (MBE)	14.40%	15.00%
Women Business Enterprise (WBE)	7.00%	5.00%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBT)	0.19%	0.00%
Disabled Veteran Business (DVBE)	0.83%	1.50%
TOTAL W/M/DV/LGBTBE	22.44%	21.50%
<i>% - PERCENTAGE OF NET PROCUREMENT</i>		

9.1.5 Summary of Subcontracting Utilization

2016 - AT&T Prime Contractor Utilization Total Combined Companies

AT&T Summary of Prime Contractor Utilization								
	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)*	TOTAL WMDVLGBTBE
Direct \$	\$ 745,719,603	\$ 121,848,626	\$ 867,568,229	\$ 413,207,430	\$ 12,360,966	\$ 34,068,359	\$ 947,129	\$ 1,328,152,113
Subcontracting \$	\$ 196,058,326	\$ 17,960,214	\$ 214,018,540	\$ 112,599,026	\$ 1,873,335	\$ 28,249,196	\$ -	\$ 356,740,097
Total \$	\$ 941,777,930	\$ 139,808,839	\$ 1,081,586,769	\$ 525,806,456	\$ 14,234,302	\$ 62,317,555	\$ 947,129	\$ 1,684,892,210
Direct %	9.93%	1.62%	11.55%	5.50%	0.16%	0.45%	0.01%	17.69%
Subcontracting %	2.61%	0.24%	2.85%	1.50%	0.02%	0.38%	0.00%	4.75%
Total %	12.54%	1.86%	14.40%	7.00%	0.19%	0.83%	0.01%	22.44%
Net Procurement**	\$7,509,033,529							
NOTE: * Firms Classified as 8(a) of the Small Business Administration includes NON-WMDVLGBTBE								
** Net procurement includes purchase orders, non-purchase orders, and credit card dollars								
Direct – Direct Procurement								
Sub – Subcontractor Procurement								
% - Percentage of Net Procurement								

2016 - AT&T West Prime Contractor Utilization

AT&T West CA Prime Contractor Utilization								
	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)*	TOTAL WMDVLGBTBE
Direct \$	\$189,012,065	\$86,458,194	\$275,470,258	\$215,694,152	\$12,250	\$29,116,467	\$338,574	\$520,631,700
Subcontracting \$	\$104,547,121	\$9,577,194	\$114,124,315	\$60,042,867	\$998,947	\$15,063,742	\$0	\$190,229,870
Total \$	\$293,559,185	\$96,035,388	\$389,594,573	\$275,737,018	\$1,011,197	\$44,180,209	\$338,574	\$710,861,571
Direct %	8.41%	3.85%	12.26%	9.60%	0.00%	1.30%	0.02%	23.16%
Subcontracting %	4.65%	0.43%	5.08%	1.50%	0.04%	0.67%	0.00%	8.46%
Total %	13.06%	4.27%	17.33%	12.27%	0.04%	1.97%	0.02%	31.63%
Net Procurement**	\$2,247,570,045							
NOTE: * Firms Classified as 8(a) of the Small Business Administration includes NON-WMDVLGBTBE								
** Net procurement includes purchase orders, non-purchase orders, and credit card dollars								
Direct – Direct Procurement								
Sub – Subcontractor Procurement								
% - Percentage of Net Procurement								

2016 - AT&T Mobility Prime Contractor Utilization

AT&T Mobility - CA - Prime Contractor Utilization								
	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)*	TOTAL WMDVLGBTBE
Direct \$	\$479,672,210	\$19,571,574	\$499,243,784	\$166,574,659	\$12,346,012	\$2,494,688	\$171,866	\$680,831,009
Subcontracting \$	\$77,781,996	\$7,125,335	\$84,907,331	\$44,671,283	\$743,206	\$11,207,271	\$0	\$141,529,092
Total \$	\$557,454,206	\$26,696,909	\$584,151,116	\$211,245,942	\$13,089,218	\$13,701,959	\$171,866	\$822,360,101
Direct %	10.37%	0.42%	10.80%	3.60%	0.27%	0.05%	0.00%	14.72%
Subcontracting %	1.68%	0.15%	1.84%	1.50%	0.02%	0.24%	0.00%	3.06%
Total %	12.06%	0.58%	12.63%	4.57%	0.28%	0.30%	0.00%	17.79%
Net Procurement**	\$4,623,757,214							
<small>NOTE: * Firms Classified as 8(a) of the Small Business Administration includes NON-WMDVLGBTBE</small>								
<small>** Net procurement includes purchase orders, non-purchase orders, and credit card dollars</small>								
<small>Direct – Direct Procurement</small>								
<small>Sub – Subcontractor Procurement</small>								
<small>% - Percentage of Net Procurement</small>								

2016 - AT&T Communications of California Prime Contractor Utilization

AT&T Communications of CA Prime Contractor Utilization								
	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)*	TOTAL WMDVLGBTBE
Direct \$	\$74,150,171	\$14,674,781	\$88,824,952	\$29,618,305	\$2,452	\$2,258,655	\$431,171	\$121,135,535
Subcontracting \$	\$12,863,566	\$1,178,386	\$14,041,953	\$7,387,725	\$122,911	\$1,853,456	\$0	\$23,406,045
Total \$	\$87,013,738	\$15,853,167	\$102,866,905	\$37,006,030	\$125,363	\$4,112,111	\$431,171	\$144,541,580
Direct %	12.20%	2.41%	14.61%	4.87%	0.00%	0.37%	0.07%	19.93%
Subcontracting %	2.12%	0.19%	2.31%	1.50%	0.02%	0.30%	0.00%	3.85%
Total %	14.31%	2.61%	16.92%	6.09%	0.02%	0.68%	0.07%	23.78%
Net Procurement**	\$607,915,062							
<small>NOTE: * Firms Classified as 8(a) of the Small Business Administration includes NON-WMDVLGBTBE</small>								
<small>** Net procurement includes purchase orders, non-purchase orders, and credit card dollars</small>								
<small>Direct – Direct Procurement</small>								
<small>Sub – Subcontractor Procurement</small>								
<small>% - Percentage of Net Procurement</small>								

2016 - AT&T Long Distance of California Prime Contractor Utilization

AT&T Long Distance of CA Prime Contractor Utilization								
	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)*	TOTAL WMDVLGBTBE
Direct \$	\$2,885,157	\$1,144,076	\$4,029,234	\$1,320,314	\$253	\$198,549	\$5,519	\$5,553,868
Subcontracting \$	\$865,643	\$79,299	\$944,941	\$497,151	\$8,271	\$124,727	\$0	\$1,575,090
Total \$	\$3,750,800	\$1,223,375	\$4,974,175	\$1,817,465	\$8,524	\$323,276	\$5,519	\$7,128,958
Direct %	9.68%	3.84%	13.52%	4.43%	0.00%	0.67%	0.02%	18.64%
Subcontracting %	2.91%	0.27%	3.17%	1.50%	0.03%	0.42%	0.00%	5.29%
Total %	12.59%	4.11%	16.70%	6.10%	0.03%	1.09%	0.02%	23.93%
Net Procurement**	\$29,791,207							
<small>NOTE: * Firms Classified as 8(a) of the Small Business Administration includes NON-WMDVLGBTBE ** Net procurement includes purchase orders, non-purchase orders, and credit card dollars Direct – Direct Procurement Sub – Subcontractor Procurement % - Percentage of Net Procurement</small>								

9.1.6 Supplier Complaints

No formal complaints were filed against any AT&T company or its affiliates.

9.1.7 Exclusions

Neither AT&T nor its affiliates exclude any product or service category from its purchase base. Only those exclusions stated in General Order 156 such as utilities, government fees and affiliates are excluded.

9.1.8 Procurement in Specific Spend Categories

AT&T's Supplier Diversity team has developed a standard operating procedure to align designated supplier diversity managers to work within target areas of the business. The team has maintained high visibility within legal, finance and marketing for both direct and in-direct contract opportunities. Beyond our efforts articulated in section 9.1.1, AT&T's work within underutilized categories are detailed below.

Advertising/Marketing

AT&T heightened efforts to increase opportunities for diverse suppliers in 2016. AT&T Supplier Diversity's dedicated resources in the marketing/advertising space has bolstered unlocking new contracting opportunities for minority businesses. Frequent meetings with the internal Global Marketing Organization and AT&T agencies increased diverse spend by on-going supplier positioning, strategy discussions and follow-ups to ensure minority inclusion remained a priority to key decision makers.

Advertising and Marketing Primes were very supportive and engaging of diverse suppliers referred by AT&T. Indeed, each of them developing a list of diversity outreach representatives and sourcing leads within their organizations that collaborated with AT&T Supplier Diversity to improve minority inclusion, leading to **\$13M** in spend with California-based businesses through November 2016.

Building strong relationships coupled with an increase in outreach and supplier positioning resulted in multiple opportunities both internally and externally for diverse businesses. AT&T's strategy is realizing

measurable success -- last year three agencies of record exceeded our corporate diversity of 21.5%, with one achieving nearly 40%!

California-based diverse businesses also received notable contracts in 2016. Some examples of purchases awarded to minority companies are shared below.

- Doubled spend with a WBE media activation company
- Utilized a new MBE digital media company for new projects, \$250K in new spend
- Spent over **\$2.5M** in Latino radio and television advertising with a MBE media company
- Ordered over **\$5.5M** in media with a minority digital media company

Finance

Financial Services remain an important area for Supplier Diversity to advocate for diverse businesses. A dedicated subject matter expert continued promoting and positioning minority, women and service disabled veteran businesses with key decision makers in the finance department and other strategic internal groups. Accomplishments in this area include:

- Increased utilization of 13 diverse suppliers (**15% from California**) in debt underwriting - paid \$5.1 million to diverse co-managers during 2016 in debt underwriting fees.
- AT&T's **public market investments** continued our emerging manager and diverse manager program. As a result, AT&T engaged six diverse investment managers for domestic equity mandates and awarded an allocation to a diverse investment manager in an active international equity mandate.
- AT&T's **private market investment** team executed a new financial strategy that extended opportunities to both small and minority businesses – as strategies continue to evolve, the team has remained committed to our Supplier Diversity mission of inclusiveness.

Legal

AT&T is proud to report that \$14.7 million dollars or 83% of the AT&T National legal diversity spend was with Supplier Clearinghouse Certified law firms. In 2016, AT&T's Legal Department also participated in several diversity initiatives in the law, including sponsorship and/or participation in these programs in California:

- The Bar Association of San Francisco's (BASF's) Justice and Diversity Center
- The Woman's Leadership Edge Project at Hastings Law School
- The Charles Houston Bar Association Annual Judicial Reception
- The Bar Area Lawyers for Individual Freedom
- The Association of Corporate Counsel, Southern California Chapter Street Law Project
- The Mexican-American Bar Association
- The Constitutional Rights Foundation
- The Centro Legal de La Raza Youth Law Academy
- Funding Law Student Scholarships through the following:
 - Minority Law Student Scholarship Program of BASF
 - Black Women Lawyers of Los Angeles
 - Asian Americans of Los Angeles Advancing Justice
 - John M. Langston Bar Association

Also in 2016, AT&T's Legal Department supported these national legal diversity programs, which have constituents in California:

- American Bar Association (ABA) Section of Litigation—Judicial Intern Opportunity Program
- ABA Legal Opportunity Scholarship Fund
- ABA Commission on Sexual Orientation and Gender Identity
- American Bar Foundation—Montgomery Summer Research Diversity Fellowship
- National LGBT Bar Association
- Hispanic National Bar Association
- National Bar Association (NBA) Crump Law Camp
- NBA Convention and Mid-Year Meeting

- National Asian Pacific American Bar Association
- Corporate Counsel Women of Color
- National Association of Women Lawyers
- Minority Corporate Counsel Association

Additionally, in each region of the United States and in Mexico, AT&T's Legal Department provides similar support and engagement with local bar diversity programs, scholarships, and initiatives.

9.1.9 Justification of Excluded Areas

AT&T does not exclude any product or service category from its purchase base. Only those exclusions stated in G.O. 156 such as utilities government fees and affiliates are excluded.

9.1.10 Summary of Purchases

Summary of purchases in product and service categories that included renewable and non-renewable energy, wireless communications, and broadband are reflected in our tables and SIC code thirty-six.

AT&T 2017 Annual Plan

10.1.1 AT&T Global Supplier Diversity Goals

M/W/DVBE Annual Short, Mid, and Long-Term Goals by SIC Category																			
		Short-Term 2017						Mid-Term 2019						Long-Term 2022					
		Minority		Total Minority Business Enterprise	Total Women Business Enterprise	Total Minority & Women Business Enterprises	Disabled Veteran Business Enterprise	Minority		Minority Business Enterprise	Women Business Enterprise	Total Minority & Women Business Enterprises	Disabled Veteran Business Enterprise	Minority		Minority Business Enterprise	Women Business Enterprise	Total Minority & Women Business Enterprises	Disabled Veteran Business Enterprise
SIC	Product/Service Descriptions	Men	Women	MBE	WBE	M/WBE	DVBE	Men	Women	MBE	WBE	M/WBE	DVBE	Men	Women	MBE	WBE	M/WBE	DVBE
15	Building Construction/General Contractors Operative Builders	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%
17	Construction Special Trade Contractors	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%
35	Industrial/Commercial Machinery Computer Equipment	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%
36	Electronic - Other Electrical Equipment/Components (Except Computer Equipment)	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%
47	Transportation Services	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%
50	Wholesale Trade/Durable Goods	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%
51	Wholesale Trade/Non-Durable Goods	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%
55	Automotive Dealers Gasoline Service Stations	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%
73	Business Services	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%
81	Legal Services	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%
87	Engineering, Accounting, Research Management and Related Services	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%
Grand Total		11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%	11%	4%	15%	5%	20%	1.5%

10.1.2 Supplier Diversity 2017 Plans

AT&T is expanding its business portfolio, revolutionizing its network, and integrating new technologies to offer the best solutions for its customers and our suppliers. New diverse businesses will help with this transformation. AT&T is committed to diverse suppliers in 2017, as detailed below.

- Proactively manage minority certification
- Identify supplier diversity success through recognition programs and communications
- Recognize Prime Suppliers attainment of 21.5% Supplier Diversity Minority spend goal
- Quarterly monitor supplier diversity results
- Expand the VMOD footprint by increasing the number of primes and minority suppliers in the system
- Establish a Supplier Diversity Advisory Council with key stakeholders
- Dedicate AT&T managers to promote LGBT certified businesses
- Continued active engagement with California Council Presidents to effectively connect with M/W/DVBE/LGBT community
- Educate California diverse businesses through workshops and scholarships
- Expand LGBT inclusion opportunities to connect with the AT&T team
- Participate in California diversity outreach events that elevate AT&T's ability to meet new suppliers
- Attend Best Practices sessions, participate on minority boards, and have AT&T managers volunteer on committees
- Provide scholarship opportunities to select universities
- Collaborate with key organizations to deliver strategic workshops

10.1.3 Supplier Recruitment in Low Utilization Areas

AT&T is committed to promoting minority business inclusion throughout the organization, with additional emphasis on areas considered underutilized such as legal, finance and advertising. Last year, the team was realigned to identify both Tier-1 and Tier-2 contract opportunities by assigning supplier diversity managers by executive channels and primes suppliers that serve those organizations.

The AT&T Supplier Diversity organization will continue to utilize California community outreach events, workshops and VMOD to expand minority supplier spend. Additionally, AT&T will enhance its engagement with supply chain resources and decision makers to increase exposure to both first and second tier contract opportunities for the M/W/DVBE/LGBT community.

For additional information regarding our supplier diversity program and strategy, see sections 9.1.8, 10.1.2 and 10.1.5.

10.1.4 Supplier Recruitment in Excluded Areas

AT&T does not exclude any product or service category from our purchasing other than payments to other utilities, government agencies and affiliates. The exceptions are permissible exclusions under General Order 156.

10.1.5 2017 Plan to Encourage Prime Contracting

AT&T recently revamped the Prime Supplier Program, adding extra Supplier Diversity Managers to the process and stipulating new requirements to increase incremental results. Expanding resources will enhance our ability to monitor Tier-1 vendors and accelerate engagement with underperforming primes. Other improvements incorporated were procedures to ensure Prime Suppliers maximize the frequency of issuing sub-contracting opportunities to small diverse suppliers.

Beyond our Supplier Diversity internal practices, the team will continue to promote our VMOD Tool. This portal provides an easy, effortless free solution that strategically brings together minority companies with a variety of AT&T service providers.

10.1.6 Compliance Plan

In 2017, AT&T will comply with Public Utility Commission's program guidelines to assist promoting minority inclusion by focusing on the following tasks:

- Create a task team to monitor Supplier Clearinghouse certifications and drive participation with qualified minority vendors to the clearinghouse
- Promote the VMOD tool to current primes suppliers and diversity businesses
- Lead a series of workshops in collaboration with various minority groups
- Communicate technical assistance programs available to the M/W/DVBE/LGBT companies
- Collaborate with California minority leaders to assist with diversity inclusion efforts
- Connect AT&T Prime Suppliers into California outreach events
- Monitor supplier diversity results quarterly
- Mentor diverse businesses to develop strategies for corporate contract opportunities
- Request an annual supplier diversity plan from all top tier AT&T primes
- Publicize supplier diversity successes with AT&T Supply Chain organization
- Elevate engagement in the advertising industry to increase Tier-2 spend