

<div>Form 5500</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Annual Return/Report of Employee Benefit Plan</div> <div>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500.</div>	<div>OMB Nos. 1210-0110 1210-0089</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A	This return/report is for: <div><div>☐ a multiemployer plan;</div><div>☒ a single-employer plan;</div><div>☐ a multiple-employer plan; or</div><div>☐ a DFE (specify) ____</div></div>
B	This return/report is: <div><div>☐ the first return/report;</div><div>☒ the final return/report;</div><div>☒ an amended return/report;</div><div>☐ a short plan year return/report (less than 12 months).</div></div>
C	If the plan is a collectively-bargained plan, check here. ▶ ☒
D	Check box if filing under: <div><div>☒ Form 5558;</div><div>☐ automatic extension;</div><div>☐ the DFVC program;</div><div>☐ special extension (enter description)</div></div>

Part II	Basic Plan Information—enter all requested information
1a	Name of plan AT&T ALASCOM SAVINGS PLAN FOR TEAMSTERS REPRESENTED EMPLOYEES
1b	Three-digit plan number (PN) ▶ 001
1c	Effective date of plan 01/01/1997
2a	Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) AT&T ALASCOM 505 EAST BLUFF DRIVE ANCHORAGE, AK 99501
2b	Employer Identification Number (EIN) 92-0037455
2c	Sponsor's telephone number 907-264-7342
2d	Business code (see instructions) 517000

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	09/23/2010	JO STROMBERG
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") AT&T ALASCOM 505 EAST BLUFF DRIVE ANCHORAGE, AK 99501	3b Administrator's EIN 92-0037455 3c Administrator's telephone number 907-264-7342
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	230
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	178
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	73
d Subtotal. Add lines 6a , 6b , and 6c	6d	251
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	251
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	206
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	2

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2G 2J 2K 2E 2F 2T

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information)
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan AT&T ALASCOM SAVINGS PLAN FOR TEAMSTERS REPRESENTED EMPLOYEES		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 AT&T ALASCOM		D Employer Identification Number (EIN) 92-0037455

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
AMERICAN FUNDS
95-1411037

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
FRANKLIN TEMPLETON INVESTMENTS
94-3167260

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
JPMORGAN
13-2624428

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
INVESCO AIM
76-0528004

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

JANUS

43-1804048

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

MFS

04-2747644

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

WELLS FARGO BANK, N.A.

94-1347393

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 19 21 37 38 59 60 63	SERVICE PROV	0	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

WELLS FARGO BANK, N.A.

94-1347393

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 19 21 37 38 50	BUNDLED SERV	600	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

WELLS FARGO BANK, N.A.

94-1347393

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 19 21 37 38 62	SERVICE PROV	0	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>AT&T ALASCOM SAVINGS PLAN FOR TEAMSTERS REPRESENTED EMPLOYEES</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>AT&T ALASCOM</u>	D Employer Identification Number (EIN) <u>92-0037455</u>	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	<u>11009</u>	
(2) Participant contributions	1b(2)	<u>32847</u>	
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	<u>269057</u>	<u>283445</u>
(9) Value of interest in common/collective trusts	1c(9)	<u>2020956</u>	<u>1929998</u>
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	<u>7195929</u>	<u>10456622</u>
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	9529798	12670065

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	9529798	12670065
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	323163	
(B) Participants	2a(1)(B)	972626	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1295789
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	22407	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		22407
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	147674	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		147674
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		59027
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		2170678
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		3695575

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	554708	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		554708
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	600	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		600
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		555308

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		3140267
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ERNST & YOUNG, LLP

(2) EIN: 34-6565596

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>		
A Name of plan <u>AT&T ALASCOM SAVINGS PLAN FOR TEAMSTERS REPRESENTED EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>001</u>	
C Plan sponsor's name as shown on line 2a of Form 5500 <u>AT&T ALASCOM</u>	D Employer Identification Number (EIN) <u>92-0037455</u>	

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....

1	<u>0</u>
----------	----------

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
EIN(s): 41-6257133

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....

3	
----------	--

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☐ No ☐ N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year

6a	
b Enter the amount contributed by the employer to the plan for this plan year	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	
6c	

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... ☐ Yes ☐ No ☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No

11 **a** Does the ESOP hold any preferred stock? ☐ Yes ☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE

AT&T Alascom Savings Plan for
Teamsters Represented Employees
As of December 31, 2009 and 2008, and for the
Year Ended December 31, 2009
With Report of Independent Auditors

Ernst & Young LLP



AT&T Alascom Savings Plan for Teamsters Represented Employees

Financial Statements and Supplemental Schedule

As of December 31, 2009 and 2008, and for the Year Ended December 31, 2009

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Report of Independent Auditors

To the Participants and Plan Administrator of
AT&T Alascom Savings Plan for Teamsters Represented Employees

We were engaged to audit the accompanying statements of net assets available for benefits of AT&T Alascom Savings Plan for Teamsters Represented Employees (the Plan) as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009, and the supplemental schedule of assets (held at end of year) as of December 31, 2009. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 4, which was certified by Wells Fargo Bank, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2009 and 2008, and for the year ended December 31, 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the investment information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Ernst & Young LLP

June 25, 2010

AT&T Alascom Savings Plan for Teamsters Represented Employees

Statements of Net Assets Available for Benefits

	December 31	
	2009	2008
Assets		
Investments, at fair value	\$ 12,673,925	\$ 9,378,831
Employer contributions receivable	–	11,009
Participant contributions receivable	–	32,847
Net assets reflecting investments at fair value	<u>12,673,925</u>	<u>9,422,687</u>
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	<u>(3,860)</u>	<u>107,111</u>
Net assets available for benefits	<u>\$ 12,670,065</u>	<u>\$ 9,529,798</u>

See accompanying notes.

AT&T Alascom Savings Plan for Teamsters Represented Employees

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2009

Additions

Contributions:

Participant contributions	\$ 972,626
Employer contributions	323,163
Mutual fund restitution proceeds	<u>8,118</u>
	1,303,907

Investment income:

Net appreciation in fair value of investments	2,225,445
Interest and dividends	<u>170,298</u>
	2,395,743

Total additions	<u>3,699,650</u>
-----------------	------------------

Deductions

Distributions	558,783
Administrative expenses	<u>600</u>
Total deductions	559,383
Net increase	<u>3,140,267</u>

Net assets available for benefits, beginning of year	<u>9,529,798</u>
--	------------------

Net assets available for benefits, end of year	<u>\$ 12,670,065</u>
--	----------------------

See accompanying notes.

AT&T Alascom Savings Plan for Teamsters Represented Employees

Notes to Financial Statements

December 31, 2009

1. Description of Plan

The following is a brief description of AT&T Alascom Savings Plan for Teamsters Represented Employees (the Plan). Participants should refer to the Plan document for a complete description of the Plan's provisions.

The Plan was established effective January 1, 1997, for the benefit of General Teamsters Local 959 represented employees of Alascom, Inc. d/b/a AT&T Alascom (the Company). The Plan is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

An employee becomes eligible to participate in the Plan at the beginning of each month after the completion of one year of service. Participation is elective and is exercised by means of authorizing contributions to the Plan of not less than 1% and not more than 75% of pre-tax earnings, as defined by the Plan. Pre-tax contributions may not exceed limitations set by the Internal Revenue Service (IRS). The Company matches 66 2/3% of participant contributions for an amount up to 6% of the participant's pre-tax contributions.

Employees who are age 50 or older on or before December 31, 2009 may be eligible to make pre-tax contributions beyond the IRS pre-tax limit. The 2009 catch-up contribution limit set by the IRS is \$5,500. No Company contributions are made on catch-up contributions.

Participants are always fully vested in their own contributions and become fully vested in their respective share of the Company's contributions after three years of service.

Loans may be available to the participants subject to the approval of the Plan administrator. Participants may borrow a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 minus the highest outstanding balance on all loans during the preceding 12 months, or 50% of their vested account balance. The term of the loan shall not exceed five years. The loans are collateralized by the balance in the participant's account and bear interest at the prime rate plus 1%. Principal and interest are paid in equal installments each payroll period.

Upon early retirement at the age of 55, or if the participants attain the normal retirement age of 65, or termination, a participant with an account balance may elect an immediate lump-sum payment or defer the distribution until age 70 1/2. Hardship and non-hardship withdrawals are available upon request and approval for active participants.

AT&T Alascom Savings Plan for Teamsters Represented Employees

Notes to Financial Statements (continued)

1. Description of Plan (continued)

The total forfeited non-vested accounts as of December 31, 2009 and 2008 were approximately \$21,923 and \$13,470, respectively. Forfeitures are used to reduce Company contributions. During 2009, the Company did not use any forfeitures to reduce Company contributions.

Investment Options

All contributions are invested by Wells Fargo Bank, N.A. (the Trustee) according to the options elected by the participants.

Plan Expenses

Expenses of administering the Plan are paid by the Company, except for participant loan fee costs, which are paid by the participant.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Plan are prepared under the accrual method of accounting.

Payment of Benefits

Benefits are recorded when paid.

New Accounting Pronouncements

In April 2009, Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures* (ASC 820), was amended to provide additional guidance on estimating fair value when the volume and level of activity for an asset or liability have significantly decreased in relation to normal market activity for the asset or liability. ASC 820 also provides additional guidance on circumstances that may indicate that a transaction is not orderly and on defining major categories of debt and equity securities in meeting the disclosure requirements of ASC 820. Per ASC 820-10-65, this amendment is effective for reporting periods ending after June 15, 2009, and the Plan has adopted this amendment. Adoption of ASC 820-10-65 did not have a material effect on the Plan's net assets available for benefits or its changes in net assets available for benefits.

AT&T Alascom Savings Plan for Teamsters Represented Employees

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

In June 2009, the Financial Accounting Standards Board (FASB) issued standards that established the FASB ASC as the source of authoritative GAAP by the FASB for nongovernmental entities. The FASB ASC supersedes all non-SEC (Securities and Exchange Commission) accounting and reporting standards that existed at the FASB ASC's effective date. The FASB uses Accounting Standards Updates to amend the FASB ASC. These standards were effective for interim and annual periods ending after September 15, 2009. There was no impact to the Plan's financial statements in the adoption of these standards, except for updating the appropriate references to the guidance that was codified in these standards.

In September 2009, the FASB issued Accounting Standards Update 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (ASU 2009-12). ASU 2009-12 provides amendments to ASC 820. The amendments permit, as a practical expedient, a reporting entity to estimate the fair value of an investment that is within the scope of ASU 2009-12 using the net asset value (NAV) per share (or its equivalent) of the investment if the net asset value of the investment (or its equivalent) is calculated in a manner consistent with the measurement principles of, *Financial Services Investment Companies* (ASC 946) as of the reporting entity's measurement date. ASC 946 requires investment companies to report their investment assets at fair value in accordance with the principles of ASC 820. The amendments also require disclosures regarding the attributes of investments within the scope of ASU 2009-12, such as the nature of any restrictions on the investor's ability to redeem its investments at the measurement date, any unfunded capital commitments, and the investment strategies of the investees. The disclosures are required (by major category) for all investments within the scope of ASU 2009-12 regardless of whether the fair value of the investment is measured using the practical expedient. The amended guidance is effective for interim and annual periods ending after December 15, 2009. The Plan adopted the guidance in ASU 2009-12 for the reporting period ended December 31, 2009 and has utilized the practical expedient to measure the fair value of investments within the scope of this guidance based on the investment's NAV. In addition, as a result of adopting ASU 2009-12, the Plan has provided additional disclosures regarding the nature and risks of investments within the scope of this guidance. Refer to Note 3 for these disclosures. Adoption of ASU 2009-12 did not have a material effect on the Plan's net assets available for benefits or its changes in net assets available for benefits.

AT&T Alascom Savings Plan for Teamsters Represented Employees

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

In January 2010, the FASB issued ASU 2010-06, *Improving Disclosures about Fair Value Measurement* (ASU 2010-06). Specifically this guidance requires entities to disclose amounts and reasons for any significant transfers between Level 1 and Level 2 of the fair value hierarchy including the reasons for any transfers in or out of Level 3. Additionally, Level 3 reconciliations must be presented on a gross basis. The guidance is effective for interim and annual reporting periods beginning after December 15, 2009. Plan management is currently evaluating the impact of adopting these requirements in the Plan's future financial statements.

In February 2010, the FASB issued ASU 2010-09, *Amendments to Certain Recognition and Disclosure Requirements* (ASU 2010-09), to amend ASC Topic 855, *Subsequent Events* (ASC 855). Specifically, this guidance requires the financial statements to disclose the date through which management evaluated subsequent events. This guidance is effective immediately for all financial statements that have not yet been issued or have not yet become available to be issued. See Note 8 for the Plan's adoption of this guidance for the year ended December 31, 2009.

Investment Valuation and Income Recognition

Investments held by the Plan are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See Note 3 for further discussion of fair value measurements. Mutual funds are valued on quoted market price, which represent the net asset value of shares held by the Plan at year-end. The common/collective trust is valued at quoted redemption values that represent the net asset values of units held at year-end in accordance with ASU 2009-12. Participant loans are valued at cost, which approximates fair value.

The Collective Stable Return Fund invests in fully benefit-responsive investment contracts. These investment contracts are recorded at fair value (see Note 3); however, since these contracts are fully benefit-responsive, an adjustment is reflected in the statements of net assets available for benefits to present these investments at contract value. Contract value is the relevant measurement attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The contract value represents contributions plus earnings, less participant withdrawals and administrative expenses.

AT&T Alascom Savings Plan for Teamsters Represented Employees

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Purchases and sales of securities are recorded on the trade date. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes and supplemental schedule. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market volatility, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

3. Fair Value Measurements

ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). ASC 820 includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.

AT&T Alascom Savings Plan for Teamsters Represented Employees

Notes to Financial Statements (continued)

3. Fair Value Measurements (continued)

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 2 inputs include the following:

- quoted prices for similar assets and liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals)
- inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

AT&T Alascom Savings Plan for Teamsters Represented Employees

Notes to Financial Statements (continued)

3. Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets carried at fair value as of December 31, 2009:

	Plan Assets at Fair Value as of December 31, 2009			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Large Cap	\$ 4,347,075	\$ —	\$ —	\$ 4,347,075
Mid Cap	705,892	—	—	705,892
Small Cap	3,660,112	—	—	3,660,112
Government securities	1,545,208	—	—	1,545,208
Other	198,335	—	—	198,335
Collective Stable Return Fund ^(a)	—	1,933,858	—	1,933,858
Participant loans	—	—	283,445	283,445
Total assets at fair value	\$ 10,456,622	\$ 1,933,858	\$ 283,445	\$ 12,673,925

- (a) This category includes a common/collective trust fund that is designed to deliver safety and stability by preserving principal and accumulating earnings. This fund is primarily invested in guaranteed investment contracts and synthetic investment contracts. Participant-directed redemptions have no restrictions; however, any Plan sponsor or Plan fiduciary initiated withdrawal from the fund will require a 12-month written notice of the intent to withdraw assets from the fund. At the discretion of the Trustee, the notification periods identified for withdrawals may be waived. Redemptions or exchanges of fund shares may be delayed or suspended for up to 12 months, or even longer if the Trustee obtains an exemptive order or other appropriate relief from the Comptroller of the Currency, as defined in the Declaration of Trust for the fund.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets carried at fair value as of December 31, 2008:

	Plan Assets at Fair Value as of December 31, 2009			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 7,195,929	\$ —	\$ —	\$ 7,195,929
Common Collective Trust	—	1,913,845	—	1,913,845
Participant loans	—	—	269,057	269,057
Total assets at fair value	\$ 7,195,929	\$ 1,913,845	\$ 269,057	\$ 9,378,831

There are no realized or unrealized gains or losses on participant loans. The change from the December 31, 2008 balance of \$269,057 consists solely of net issuances and settlements.

AT&T Alascom Savings Plan for Teamsters Represented Employees

Notes to Financial Statements (continued)

4. Investments

Other than the fair value of the Collective Stable Return Fund and the adjustment from fair value to contract value for fully benefit-responsive investment contracts, all investment information disclosed in the accompanying financial statements and supplemental schedule, including investments held at December 31, 2009, and net appreciation in fair value of investments, and interest and dividends for the year ended December 31, 2009, was obtained or derived from information provided to the plan administrator and certified as complete and accurate by the Trustee. The contract value of the Collective Stable Return Fund was certified as complete and accurate by the Trustee.

Individual investments that represent 5% or more of the Plan's net assets available for benefits are as follows:

	<u>2009</u>	<u>2008</u>
Wells Fargo Collective Stable Return Fund**	\$ 1,929,998	\$ 2,020,956
Wells Fargo Advantage Government Securities Fund	1,545,208	1,583,896
Janus Investments Balanced Fund	705,892	*
Wells Fargo Advantage Index Fund	1,519,708	1,143,481
JP Morgan Investments Small Cap Growth Fund	1,312,486	*
Wells Fargo Advantage Small Cap Growth Fund	2,347,626	1,354,807
American Funds Investments Europacific Growth Fund	1,584,441	*
Franklin Templeton Investments Growth Fund	636,138	*
AIM Dynamics Fund	*	769,883
Franklin Templeton Capital Growth Fund	*	1,037,812

* Investment does not exceed 5%.

** The fair value of the Plan's investment in the Wells Fargo Collective Stable Return Fund was \$1,933,858 and \$1,913,845 at December 31, 2009 and 2008, respectively.

During 2009, the Plan's investments (including investments purchased, sold and held during the year) appreciated in fair value as follows:

Mutual funds	\$ 2,166,418
Common/collective trust fund	59,027
	<u>\$ 2,225,445</u>

AT&T Alascom Savings Plan for Teamsters Represented Employees

Notes to Financial Statements (continued)

5. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their Company contributions.

6. Income Tax Status

The Plan has received a determination letter from the IRS dated October 6, 2009, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and therefore the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code, and therefore believes the Plan is qualified and the related trust is tax-exempt.

7. Party-In-Interest Transactions

Certain Plan investments are shares of mutual funds managed by Wells Fargo Funds Management, an affiliate of the Trustee. The Trustee is also the record-keeper as defined by the Plan, and therefore, these transactions qualify as party-in-interest and are exempt from the prohibited transaction rules.

8. Subsequent Events

In accordance with ASC 855, Plan management has evaluated subsequent events through June 25, 2010, the date the financial statements were available to be issued.

Supplemental Schedule

AT&T Alascom Savings Plan for Teamsters Represented Employees

Schedule H, Line 4i – Schedule of Net Assets (Held at End of Year)
 EIN 92-0037455 PN 001

December 31, 2009

Identity of issue, borrower, lessor or similar party	Description of investment, including maturity date, rate of interest, collateral, par or maturity value	Current Value
* Wells Fargo Funds Management	Collective Stable Return Fund	\$ 1,933,858
* Wells Fargo Funds Management	Advantage Government Securities Fund	1,545,208
* Wells Fargo Funds Management	Advantage Index Fund	1,519,708
* Wells Fargo Funds Management	Advantage Small Cap Growth Fund	2,347,626
* Wells Fargo Funds Management	Advantage Dow Jones Target Today Fund	40,596
* Wells Fargo Funds Management	Advantage Dow Jones Target 2010 Fund	3,501
* Wells Fargo Funds Management	Advantage Dow Jones Target 2015 Fund	2,633
* Wells Fargo Funds Management	Advantage Dow Jones Target 2020 Fund	41,927
* Wells Fargo Funds Management	Advantage Dow Jones Target 2025 Fund	21,209
* Wells Fargo Funds Management	Advantage Dow Jones Target 2030 Fund	51,371
* Wells Fargo Funds Management	Advantage Dow Jones Target 2035 Fund	2,601
* Wells Fargo Funds Management	Advantage Dow Jones Target 2040 Fund	11,338
* Wells Fargo Funds Management	Advantage Dow Jones Target 2045 Fund	6,335
* Wells Fargo Funds Management	Advantage Dow Jones Target 2050 Fund	16,825
Franklin Templeton Investments	Growth Fund	636,138
Janus Investments	Balanced Fund	705,892
MFS	Basic Value Fund	384,818
MFS	Massachusetts Investors Growth Stock Fund	221,969
JP Morgan Investments	Small Cap Growth Fund	1,312,486
American Funds Investments	Europacific Growth Fund	1,584,441
* Participant loans	Interest rates ranging from 4.25% – 9.25% with various maturities	283,445
Total investments		<u>\$ 12,673,925</u>

* Denotes party-in-interest

Schedule H Line 4i--Schedule of Assets Held for Investment Purposes at End of Year
For plan year ending December 31, 2009

AT&T ALASCOM SAVINGS PLAN
AT&T ALASCOM SAVINGS PLAN
TEAMSTERS REPRESENTED EMPLOYEES

EIN:920037455
PLAN #:001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(e) Current value
*	WF COLL STABLE RETURN (N4)	Common/Collective Fund	1,929,998.50
*	WF ADVTG GOV SECURITIES-INST	Registered Investment Company	1,545,208.14
	JANUS BALANCED (T)	Registered Investment Company	705,892.03
	MFS VALUE (A)	Registered Investment Company	384,817.88
*	WF ADVANTAGE INDEX FUND-ADM	Registered Investment Company	1,519,707.61
	FRANKLIN GROWTH FUND A	Registered Investment Company	636,138.01
	MFS MASS. INVESTORS GROWTH	Registered Investment Company	221,969.46
	J P MORGAN SMALL CAP GR SELECT	Registered Investment Company	1,312,485.70
*	WF ADVTG SMALL CAP GROWTH-ADM	Registered Investment Company	2,347,626.23
	AMERICAN FUNDS EUROP GROWTH R4	Registered Investment Company	1,584,441.44
*	WF ADVTG DOW JONES TRGT TODAY	Registered Investment Company	40,595.78
*	WF ADVTG DOW JONES TRGT 2010	Registered Investment Company	3,501.20
*	WF ADVTG DOW JONES TRGT 2015	Registered Investment Company	2,633.21
*	WF ADVTG DOW JONES TRGT 2020	Registered Investment Company	41,926.99
*	WF ADVTG DOW JONES TRGT 2025	Registered Investment Company	21,209.01
*	WF ADVTG DOW JONES TRGT 2030	Registered Investment Company	51,370.86
*	WF ADVTG DOW JONES TRGT 2035	Registered Investment Company	2,600.53
*	WF ADVTG DOW JONES TRGT 2040	Registered Investment Company	11,337.64
*	WF ADVTG DOW JONES TRGT 2045	Registered Investment Company	6,335.34
*	WF ADVTG DOW JONES TRGT 2050	Registered Investment Company	16,824.65
*	LOAN FUND	Various Int Rates and Mat Dates	283,445.18
Total assets held for investment purposes			12,670,065.39

* Represents a party in interest to the plan.

FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE

AT&T Alascom Savings Plan for
Teamsters Represented Employees
As of December 31, 2009 and 2008, and for the
Year Ended December 31, 2009
With Report of Independent Auditors

Ernst & Young LLP



AT&T Alascom Savings Plan for Teamsters Represented Employees

Financial Statements and Supplemental Schedule

As of December 31, 2009 and 2008, and for the Year Ended December 31, 2009

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Report of Independent Auditors

To the Participants and Plan Administrator of
AT&T Alascom Savings Plan for Teamsters Represented Employees

We were engaged to audit the accompanying statements of net assets available for benefits of AT&T Alascom Savings Plan for Teamsters Represented Employees (the Plan) as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009, and the supplemental schedule of assets (held at end of year) as of December 31, 2009. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 4, which was certified by Wells Fargo Bank, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2009 and 2008, and for the year ended December 31, 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the investment information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Ernst & Young LLP

June 25, 2010

AT&T Alascom Savings Plan for Teamsters Represented Employees

Statements of Net Assets Available for Benefits

	December 31	
	2009	2008
Assets		
Investments, at fair value	\$ 12,673,925	\$ 9,378,831
Employer contributions receivable	—	11,009
Participant contributions receivable	—	32,847
Net assets reflecting investments at fair value	<u>12,673,925</u>	<u>9,422,687</u>
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	<u>(3,860)</u>	<u>107,111</u>
Net assets available for benefits	<u>\$ 12,670,065</u>	<u>\$ 9,529,798</u>

See accompanying notes.

AT&T Alascom Savings Plan for Teamsters Represented Employees

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2009

Additions

Contributions:

Participant contributions	\$ 972,626
Employer contributions	323,163
Mutual fund restitution proceeds	<u>8,118</u>
	1,303,907

Investment income:

Net appreciation in fair value of investments	2,225,445
Interest and dividends	<u>170,298</u>
	2,395,743

Total additions	<u>3,699,650</u>
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Deductions

Distributions	558,783
Administrative expenses	<u>600</u>
Total deductions	559,383
Net increase	<u>3,140,267</u>

Net assets available for benefits, beginning of year	<u>9,529,798</u>
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Net assets available for benefits, end of year	<u>\$ 12,670,065</u>
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See accompanying notes.

AT&T Alascom Savings Plan for Teamsters Represented Employees

Notes to Financial Statements

December 31, 2009

1. Description of Plan

The following is a brief description of AT&T Alascom Savings Plan for Teamsters Represented Employees (the Plan). Participants should refer to the Plan document for a complete description of the Plan's provisions.

The Plan was established effective January 1, 1997, for the benefit of General Teamsters Local 959 represented employees of Alascom, Inc. d/b/a AT&T Alascom (the Company). The Plan is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

An employee becomes eligible to participate in the Plan at the beginning of each month after the completion of one year of service. Participation is elective and is exercised by means of authorizing contributions to the Plan of not less than 1% and not more than 75% of pre-tax earnings, as defined by the Plan. Pre-tax contributions may not exceed limitations set by the Internal Revenue Service (IRS). The Company matches 66 2/3% of participant contributions for an amount up to 6% of the participant's pre-tax contributions.

Employees who are age 50 or older on or before December 31, 2009 may be eligible to make pre-tax contributions beyond the IRS pre-tax limit. The 2009 catch-up contribution limit set by the IRS is \$5,500. No Company contributions are made on catch-up contributions.

Participants are always fully vested in their own contributions and become fully vested in their respective share of the Company's contributions after three years of service.

Loans may be available to the participants subject to the approval of the Plan administrator. Participants may borrow a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 minus the highest outstanding balance on all loans during the preceding 12 months, or 50% of their vested account balance. The term of the loan shall not exceed five years. The loans are collateralized by the balance in the participant's account and bear interest at the prime rate plus 1%. Principal and interest are paid in equal installments each payroll period.

Upon early retirement at the age of 55, or if the participants attain the normal retirement age of 65, or termination, a participant with an account balance may elect an immediate lump-sum payment or defer the distribution until age 70 1/2. Hardship and non-hardship withdrawals are available upon request and approval for active participants.

AT&T Alascom Savings Plan for Teamsters Represented Employees

Notes to Financial Statements (continued)

1. Description of Plan (continued)

The total forfeited non-vested accounts as of December 31, 2009 and 2008 were approximately \$21,923 and \$13,470, respectively. Forfeitures are used to reduce Company contributions. During 2009, the Company did not use any forfeitures to reduce Company contributions.

Investment Options

All contributions are invested by Wells Fargo Bank, N.A. (the Trustee) according to the options elected by the participants.

Plan Expenses

Expenses of administering the Plan are paid by the Company, except for participant loan fee costs, which are paid by the participant.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Plan are prepared under the accrual method of accounting.

Payment of Benefits

Benefits are recorded when paid.

New Accounting Pronouncements

In April 2009, Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures* (ASC 820), was amended to provide additional guidance on estimating fair value when the volume and level of activity for an asset or liability have significantly decreased in relation to normal market activity for the asset or liability. ASC 820 also provides additional guidance on circumstances that may indicate that a transaction is not orderly and on defining major categories of debt and equity securities in meeting the disclosure requirements of ASC 820. Per ASC 820-10-65, this amendment is effective for reporting periods ending after June 15, 2009, and the Plan has adopted this amendment. Adoption of ASC 820-10-65 did not have a material effect on the Plan's net assets available for benefits or its changes in net assets available for benefits.

AT&T Alascom Savings Plan for Teamsters Represented Employees

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

In June 2009, the Financial Accounting Standards Board (FASB) issued standards that established the FASB ASC as the source of authoritative GAAP by the FASB for nongovernmental entities. The FASB ASC supersedes all non-SEC (Securities and Exchange Commission) accounting and reporting standards that existed at the FASB ASC's effective date. The FASB uses Accounting Standards Updates to amend the FASB ASC. These standards were effective for interim and annual periods ending after September 15, 2009. There was no impact to the Plan's financial statements in the adoption of these standards, except for updating the appropriate references to the guidance that was codified in these standards.

In September 2009, the FASB issued Accounting Standards Update 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (ASU 2009-12). ASU 2009-12 provides amendments to ASC 820. The amendments permit, as a practical expedient, a reporting entity to estimate the fair value of an investment that is within the scope of ASU 2009-12 using the net asset value (NAV) per share (or its equivalent) of the investment if the net asset value of the investment (or its equivalent) is calculated in a manner consistent with the measurement principles of, *Financial Services Investment Companies* (ASC 946) as of the reporting entity's measurement date. ASC 946 requires investment companies to report their investment assets at fair value in accordance with the principles of ASC 820. The amendments also require disclosures regarding the attributes of investments within the scope of ASU 2009-12, such as the nature of any restrictions on the investor's ability to redeem its investments at the measurement date, any unfunded capital commitments, and the investment strategies of the investees. The disclosures are required (by major category) for all investments within the scope of ASU 2009-12 regardless of whether the fair value of the investment is measured using the practical expedient. The amended guidance is effective for interim and annual periods ending after December 15, 2009. The Plan adopted the guidance in ASU 2009-12 for the reporting period ended December 31, 2009 and has utilized the practical expedient to measure the fair value of investments within the scope of this guidance based on the investment's NAV. In addition, as a result of adopting ASU 2009-12, the Plan has provided additional disclosures regarding the nature and risks of investments within the scope of this guidance. Refer to Note 3 for these disclosures. Adoption of ASU 2009-12 did not have a material effect on the Plan's net assets available for benefits or its changes in net assets available for benefits.

AT&T Alascom Savings Plan for Teamsters Represented Employees

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

In January 2010, the FASB issued ASU 2010-06, *Improving Disclosures about Fair Value Measurement* (ASU 2010-06). Specifically this guidance requires entities to disclose amounts and reasons for any significant transfers between Level 1 and Level 2 of the fair value hierarchy including the reasons for any transfers in or out of Level 3. Additionally, Level 3 reconciliations must be presented on a gross basis. The guidance is effective for interim and annual reporting periods beginning after December 15, 2009. Plan management is currently evaluating the impact of adopting these requirements in the Plan's future financial statements.

In February 2010, the FASB issued ASU 2010-09, *Amendments to Certain Recognition and Disclosure Requirements* (ASU 2010-09), to amend ASC Topic 855, *Subsequent Events* (ASC 855). Specifically, this guidance requires the financial statements to disclose the date through which management evaluated subsequent events. This guidance is effective immediately for all financial statements that have not yet been issued or have not yet become available to be issued. See Note 8 for the Plan's adoption of this guidance for the year ended December 31, 2009.

Investment Valuation and Income Recognition

Investments held by the Plan are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See Note 3 for further discussion of fair value measurements. Mutual funds are valued on quoted market price, which represent the net asset value of shares held by the Plan at year-end. The common/collective trust is valued at quoted redemption values that represent the net asset values of units held at year-end in accordance with ASU 2009-12. Participant loans are valued at cost, which approximates fair value.

The Collective Stable Return Fund invests in fully benefit-responsive investment contracts. These investment contracts are recorded at fair value (see Note 3); however, since these contracts are fully benefit-responsive, an adjustment is reflected in the statements of net assets available for benefits to present these investments at contract value. Contract value is the relevant measurement attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The contract value represents contributions plus earnings, less participant withdrawals and administrative expenses.

AT&T Alascom Savings Plan for Teamsters Represented Employees

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Purchases and sales of securities are recorded on the trade date. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes and supplemental schedule. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market volatility, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

3. Fair Value Measurements

ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). ASC 820 includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.

AT&T Alascom Savings Plan for Teamsters Represented Employees

Notes to Financial Statements (continued)

3. Fair Value Measurements (continued)

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 2 inputs include the following:

- quoted prices for similar assets and liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals)
- inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

AT&T Alascom Savings Plan for Teamsters Represented Employees

Notes to Financial Statements (continued)

3. Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets carried at fair value as of December 31, 2009:

	Plan Assets at Fair Value as of December 31, 2009			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Large Cap	\$ 4,347,075	\$ —	\$ —	\$ 4,347,075
Mid Cap	705,892	—	—	705,892
Small Cap	3,660,112	—	—	3,660,112
Government securities	1,545,208	—	—	1,545,208
Other	198,335	—	—	198,335
Collective Stable Return Fund ^(a)	—	1,933,858	—	1,933,858
Participant loans	—	—	283,445	283,445
Total assets at fair value	\$ 10,456,622	\$ 1,933,858	\$ 283,445	\$ 12,673,925

- (a) This category includes a common/collective trust fund that is designed to deliver safety and stability by preserving principal and accumulating earnings. This fund is primarily invested in guaranteed investment contracts and synthetic investment contracts. Participant-directed redemptions have no restrictions; however, any Plan sponsor or Plan fiduciary initiated withdrawal from the fund will require a 12-month written notice of the intent to withdraw assets from the fund. At the discretion of the Trustee, the notification periods identified for withdrawals may be waived. Redemptions or exchanges of fund shares may be delayed or suspended for up to 12 months, or even longer if the Trustee obtains an exemptive order or other appropriate relief from the Comptroller of the Currency, as defined in the Declaration of Trust for the fund.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets carried at fair value as of December 31, 2008:

	Plan Assets at Fair Value as of December 31, 2009			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 7,195,929	\$ —	\$ —	\$ 7,195,929
Common Collective Trust	—	1,913,845	—	1,913,845
Participant loans	—	—	269,057	269,057
Total assets at fair value	\$ 7,195,929	\$ 1,913,845	\$ 269,057	\$ 9,378,831

There are no realized or unrealized gains or losses on participant loans. The change from the December 31, 2008 balance of \$269,057 consists solely of net issuances and settlements.

AT&T Alascom Savings Plan for Teamsters Represented Employees

Notes to Financial Statements (continued)

4. Investments

Other than the fair value of the Collective Stable Return Fund and the adjustment from fair value to contract value for fully benefit-responsive investment contracts, all investment information disclosed in the accompanying financial statements and supplemental schedule, including investments held at December 31, 2009, and net appreciation in fair value of investments, and interest and dividends for the year ended December 31, 2009, was obtained or derived from information provided to the plan administrator and certified as complete and accurate by the Trustee. The contract value of the Collective Stable Return Fund was certified as complete and accurate by the Trustee.

Individual investments that represent 5% or more of the Plan's net assets available for benefits are as follows:

	<u>2009</u>	<u>2008</u>
Wells Fargo Collective Stable Return Fund**	\$ 1,929,998	\$ 2,020,956
Wells Fargo Advantage Government Securities Fund	1,545,208	1,583,896
Janus Investments Balanced Fund	705,892	*
Wells Fargo Advantage Index Fund	1,519,708	1,143,481
JP Morgan Investments Small Cap Growth Fund	1,312,486	*
Wells Fargo Advantage Small Cap Growth Fund	2,347,626	1,354,807
American Funds Investments Europacific Growth Fund	1,584,441	*
Franklin Templeton Investments Growth Fund	636,138	*
AIM Dynamics Fund	*	769,883
Franklin Templeton Capital Growth Fund	*	1,037,812

* Investment does not exceed 5%.

** The fair value of the Plan's investment in the Wells Fargo Collective Stable Return Fund was \$1,933,858 and \$1,913,845 at December 31, 2009 and 2008, respectively.

During 2009, the Plan's investments (including investments purchased, sold and held during the year) appreciated in fair value as follows:

Mutual funds	\$ 2,166,418
Common/collective trust fund	59,027
	<u>\$ 2,225,445</u>

AT&T Alascom Savings Plan for Teamsters Represented Employees

Notes to Financial Statements (continued)

5. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their Company contributions.

6. Income Tax Status

The Plan has received a determination letter from the IRS dated October 6, 2009, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and therefore the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code, and therefore believes the Plan is qualified and the related trust is tax-exempt.

7. Party-In-Interest Transactions

Certain Plan investments are shares of mutual funds managed by Wells Fargo Funds Management, an affiliate of the Trustee. The Trustee is also the record-keeper as defined by the Plan, and therefore, these transactions qualify as party-in-interest and are exempt from the prohibited transaction rules.

8. Subsequent Events

In accordance with ASC 855, Plan management has evaluated subsequent events through June 25, 2010, the date the financial statements were available to be issued.

Supplemental Schedule

AT&T Alascom Savings Plan for Teamsters Represented Employees

Schedule H, Line 4i – Schedule of Net Assets (Held at End of Year) EIN 92-0037455 PN 001

December 31, 2009

Identity of issue, borrower, lessor or similar party	Description of investment, including maturity date, rate of interest, collateral, par or maturity value	Current Value
* Wells Fargo Funds Management	Collective Stable Return Fund	\$ 1,933,858
* Wells Fargo Funds Management	Advantage Government Securities Fund	1,545,208
* Wells Fargo Funds Management	Advantage Index Fund	1,519,708
* Wells Fargo Funds Management	Advantage Small Cap Growth Fund	2,347,626
* Wells Fargo Funds Management	Advantage Dow Jones Target Today Fund	40,596
* Wells Fargo Funds Management	Advantage Dow Jones Target 2010 Fund	3,501
* Wells Fargo Funds Management	Advantage Dow Jones Target 2015 Fund	2,633
* Wells Fargo Funds Management	Advantage Dow Jones Target 2020 Fund	41,927
* Wells Fargo Funds Management	Advantage Dow Jones Target 2025 Fund	21,209
* Wells Fargo Funds Management	Advantage Dow Jones Target 2030 Fund	51,371
* Wells Fargo Funds Management	Advantage Dow Jones Target 2035 Fund	2,601
* Wells Fargo Funds Management	Advantage Dow Jones Target 2040 Fund	11,338
* Wells Fargo Funds Management	Advantage Dow Jones Target 2045 Fund	6,335
* Wells Fargo Funds Management	Advantage Dow Jones Target 2050 Fund	16,825
Franklin Templeton Investments	Growth Fund	636,138
Janus Investments	Balanced Fund	705,892
MFS	Basic Value Fund	384,818
MFS	Massachusetts Investors Growth Stock Fund	221,969
JP Morgan Investments	Small Cap Growth Fund	1,312,486
American Funds Investments	Europacific Growth Fund	1,584,441
* Participant loans	Interest rates ranging from 4.25% – 9.25% with various maturities	283,445
Total investments		<u>\$ 12,673,925</u>

* Denotes party-in-interest