Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [X]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
AT&T OF PUERTO RICO, INC. LONG TERM SAVINGS AND SECURITY PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/1994

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
AT&T OF PUERTO RICO, INC.

P.O. BOX 132160
DALLAS, TX 75313-2160

2b Employer Identification Number (EIN)
66-0177929

2c Sponsor's telephone number
210-351-3333

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.	09/21/2011	LARRY RUZICKA
	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 OF PUERTO RICO, INC.

P.O. BOX 132160
DALLAS, TX 75313-2160

3b Administrator's EIN
66-0177929

3c Administrator's telephone number
210-351-3333

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

5	Total number of participants at the beginning of the plan year	**5**	58
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**	37
b	Retired or separated participants receiving benefits	**6b**	6
c	Other retired or separated participants entitled to future benefits	**6c**	10
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	53
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	1
f	Total. Add lines **6d** and **6e**	**6f**	54
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	34
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2I 2O 3C 3H

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)	[X]	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)	[X]	Trust
(4)	[ ]	General assets of the sponsor

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)	[X]	**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)	[X]	**H** (Financial Information)
(2)	[ ]	**I** (Financial Information – Small Plan)
(3)	[ ]	**A** (Insurance Information)
(4)	[X]	**C** (Service Provider Information)
(5)	[X]	**D** (DFE/Participating Plan Information)
(6)	[ ]	**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**2010** **This Form is Open to Public Inspection.**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
AT&T OF PUERTO RICO, INC. LONG TERM SAVINGS AND SECURITY PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
AT&T OF PUERTO RICO, INC.

D Employer Identification Number (EIN)
66-0177929

Part I Service Provider Information (see instructions)

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

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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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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 37 50 60 64 65	NONE	4000	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] 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 ☐

(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

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(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:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan 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

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
AT&T OF PUERTO RICO, INC. LONG TERM SAVINGS AND SECURITY PLAN

B Three-digit plan number (PN) ▶ 002

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
AT&T OF PUERTO RICO, INC.

D Employer Identification Number (EIN)
66-0177929

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: AT&T SAVINGS MASTER TRUST

b Name of sponsor of entity listed in (a): AT&T CORP.

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)
04-3235313-001	M	876000

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 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 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 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 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 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 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 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)

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

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
AT&T OF PUERTO RICO, INC. LONG TERM SAVINGS AND SECURITY PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
AT&T OF PUERTO RICO, INC.

D Employer Identification Number (EIN)
66-0177929

Part I Asset and Liability Statement

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)	0	1000
(2) Participant contributions	1b(2)	0	2000
(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)	80000	75000
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	808000	876000
(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)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(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	888000	954000
	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 through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	888000	954000

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)	23000	
	(B) Participants	2a(1)(B)	47000	
	(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)		70000
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)	4000	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		4000
	(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)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(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)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		71000
(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)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		145000
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	75000	
(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)		75000
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)	4000	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		4000
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		79000
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		66000
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) [X] 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 [X] 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.)	4a		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.)	4b		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.)	4c		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.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		25000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		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?	4g		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?	4h		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.)	4i	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.)	4j		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?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		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.	4n			

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

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
AT&T OF PUERTO RICO, INC. LONG TERM SAVINGS AND SECURITY PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
AT&T OF PUERTO RICO, INC.

D Employer Identification Number (EIN)
66-0177929

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** 0

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): 04-6568107

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 of 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 **6b**

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):

---

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):

See audited financial statements for Accountant’s Opinion.

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

FORM 11-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 15(d)**
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2010

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 15(d)**
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ___ to

Commission File Number: 1-8610

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

AT&T OF PUERTO RICO, INC. LONG TERM SAVINGS AND SECURITY PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

AT&T INC.

208 S. Akard, Dallas, Texas 75202

AT&T LONG TERM SAVINGS AND SECURITY PLAN
AT&T OF PUERTO RICO, INC. LONG TERM SAVINGS AND SECURITY PLAN

Financial Statements, Supplemental Schedules and Exhibit

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Report of Independent Auditors

To Plan Administrator of the AT&T Long Term Savings and Security Plan and AT&T of Puerto Rico, Inc. Long Term Savings and Security Plan

We have audited each of the accompanying statements of net assets available for benefits of the AT&T Long Term Savings and Security Plan and the AT&T of Puerto Rico, Inc. Long Term Savings and Security Plan (collectively referred to as the Plans) as of December 31, 2010 and 2009, and the related statement of changes in net assets available for benefits for each of the Plans for the year ended December 31, 2010. These financial statements are the responsibility of the Plans' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plans' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plans' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements for each of the Plans referred to above present fairly, in all material respects, the net assets available for benefits for each of the Plans at December 31, 2010 and 2009, and the changes in their net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements for each of the Plans taken as a whole. The accompanying supplemental schedules of assets (held at end of year) as of December 31, 2010, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plans' management. The supplemental schedules have been subjected to the auditing procedures applied in our audits of the financial statements for each of the Plans and, in our opinion, are fairly stated in all material respects in relation to the financial statements for each of the Plans taken as a whole.

Ernst & Young LLP

Dallas, Texas
June 17, 2011

Statements of Net Assets Available For Benefits
(Dollars in Thousands)

	December 31, 2010		December 31, 2009	
Assets	**AT&T Long Term Savings and Security Plan**	**AT&T of Puerto Rico, Inc. Long Term Savings and Savings Plan**	AT&T Long Term Savings and Security Plan	AT&T of Puerto Rico, Inc. Long Term Savings and Savings Plan
Investment in AT&T Savings Master Trust, at fair value (Note 4)	$ **1,163,153**	$ **876**	$ 1,120,281	$ 808
Receivables:				
Notes receivable from participants	**31,148**	**75**	30,540	80
Employer contribution receivable	**412**	**1**	-	-
Participant contribution receivable	**895**	**2**	-	-
Net assets reflecting investments at fair value	**1,195,608**	**954**	1,150,821	888
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	**(27,077)**	**(23)**	(11,746)	(9)
Net Assets Available for Benefits	$ **1,168,531**	$ **931**	$ 1,139,075	$ 879

See Notes to Financial Statements.

Statements of Changes in Net Assets Available For Benefits
For the Year Ended December 31, 2010
(Dollars in Thousands)

	AT&T Long Term Savings and Security Plan	AT&T of Puerto Rico, Inc. Long Term Savings and Savings Plan
Net Assets Available for Benefits, December 31, 2009	$ 1,139,075	$ 879
Additions to Net Assets		
Contributions:		
Participant contributions	27,860	47
Employer contributions	11,578	23
Investment Income:		
Net income from investment in AT&T Savings Master Trust	91,049	57
Interest income on notes receivable from participants	1,281	4
Total Additions	131,768	131
Deductions from Net Assets		
Administrative Expenses	156	4
Distributions	102,045	75
Total Deductions	102,201	79
Net increase before transfers	29,567	52
Net transfers to affiliated plans (Note 1)	(111)	-
Net Assets Available for Benefits, December 31, 2010	$ 1,168,531	$ 931

See Notes to Financial Statements.

1. Plan Description

The following descriptions provide only general information. Detailed provisions covering participant eligibility, participant allotments from pay, participant withdrawals, participant loans, employer contributions and related vesting of contributions and plan expenses are provided in the plan texts and prospectuses. The AT&T Long Term Savings and Security Plan and AT&T of Puerto Rico, Inc. Long Term Savings and Security Plan (collectively referred to as the Plans) are defined contribution plans and are subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

The AT&T Long Term Savings and Security Plan (LTSSP) was originally established by AT&T Corp. (ATTC) to provide a convenient way for eligible non-management employees of participating ATTC companies to save on a regular and long-term basis. In November 2005, ATTC was acquired by AT&T Inc. (AT&T or the Company).

The AT&T of Puerto Rico, Inc. Long Term Savings and Security Plan (LTSSP-PR) was originally established by AT&T of Puerto Rico, Inc., (ATTC later replaced AT&T of Puerto Rico, Inc. as the plan sponsor and administrator) to provide a convenient way for eligible non-management employees of participating ATTC companies to save on a regular and long-term basis.

All savings plans sponsored by AT&T allow for the transfer of participant balances between plans as participants transfer between positions within AT&T subsidiaries.

The Plans participate in the AT&T Savings Master Trust (Master Trust) for certain participant investment fund options as described below. The Master Trust invests in the AT&T Savings Group Investment Trust (Group Trust) for the remaining participant investment fund options. The Bank of New York Mellon Corporation (BNY Mellon) serves as trustee for both the Master Trust and the Group Trust. With respect to the LTTSP-PR, BNY Mellon serves as a U.S. custodian pursuant to a custodian agreement and, effective April 30, 2010, Oriental Bank and Trust serves as local trustee for this plan. Prior to April 30, 2010, Eurobank served as local bank for this plan. Fidelity Investments Institutional Operations Company, Inc. (Fidelity) serves as recordkeeper for the Plans.

During 2010, participants could invest their contributions in one or more of 26 funds in 10% increments for future contributions and 5% increments for fund exchanges:

- AT&T Total Return Bond Fund*
- AT&T U.S. Stock Fund*
- AT&T International Stock Fund*
- AT&T Stable Value Fund*
- Vanguard Windsor II Admin**
- Vanguard US Growth Admin**
- T Rowe Price Small Cap Stock**
- US Bond Market Index**
- S&P 500 Index Fund**
- Fidelity Magellan**
- Fidelity Equity Income**
- Fidelity Low Price Stock**
- Fidelity Diversified International**
- T Rowe Price Mid Cap Growth**
- Capital World Growth and Income**
- Morgan Stanley International Equity**
- Legg Mason Value Trust Inst**
- Asset Allocation Strategy Growth**
- Asset Allocation Strategy Balanced**
- Asset Allocation Strategy Income**
- Total US Stock Market Index**
- Extended US Stock Market**
- International Stock Market Index**
- Fidelity Dividend Growth**
- Fidelity High Income**
- AT&T Shares Fund**

* Investment fund option of the Group Trust.
** Investment fund option of the Master Trust.

Participants contribute to the Plans through payroll allotments. The Company contributes to the Plans by matching the participants' contributions based on the provisions of the Plans. All contributions are participant-directed.

Each participant is entitled to exercise voting rights attributable to the AT&T shares allocated to their account and is notified by the Company prior to the time that such rights may be exercised. Subject to the fiduciary provisions of ERISA, the trustee will note vote any allocated shares for which instructions have not been given by a participant. The trustee votes any unallocated shares in the same proportion it votes as those shares that were

allocated to the extent the proportionate vote is consistent with the trustee's fiduciary obligation under ERISA. Participants have the same voting rights in the event of a tender or exchange offer.

Although it has not expressed any intent to do so, AT&T has the right under the Plans to discontinue its contributions at any time and to terminate the Plans subject to the provisions of ERISA. In the event that the Plans are terminated, subject to the conditions set forth by ERISA, account balances of all participants shall be 100% vested.

Administrative and Operating Expenses; Investment Manager Fees Except to the extent paid by the Company, all expenses incident to the administration and operation of the Plans are charged to participants, either directly to their accounts or through the investment funds offered under the Group Trust or Master Trust, in accordance with administrative procedures established by the plan administrator. Investment manager fees are charged through the investment funds. Expenses charged directly to participant accounts (e.g., recordkeeping, communications fees) are reflected as a periodic fee on the participant account statements. In addition, expenses and fees with respect to certain transactions and services (e.g., plan loan initiation fees) are charged directly to participants who incur them rather than to the Plans as a whole.

2. Accounting Policies

The accompanying financial statements were prepared in conformity with U.S. generally accepted accounting principles (GAAP), which require management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Distributions are recorded when paid.

Investment Valuation and Income Recognition Investments are stated at fair value. Fair value is 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. See Note 3 for discussion of fair value measurements. Investments in securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. If no sale was reported on that date, they are valued at the last reported bid price. Investments in securities not traded on a national securities exchange are valued using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Shares of registered investment companies are valued based on quoted market prices, which represent the net asset value of shares held at year-end. Over-the-counter (OTC) securities and government obligations are valued at the bid price or the average of the bid and asked price on the last business day of the year from published sources where available and, if not available, from other sources considered reliable. Depending on the types and contractual terms of OTC derivatives, fair value is measured using valuation techniques, such as Black-Scholes option pricing models, simulation models or a combination of various models.

Common/collective trust funds and 103-12 investments entities (i.e., an investment entity that holds the assets of two or more plans which are not members of a related group of employee benefit plans) are valued at redemption values that represent the net asset values of units held at year-end. Publicly traded partnerships are valued using trades on a national securities exchange on the last reported sales price on the last business day of the year.

Investment contracts held by defined contribution plans are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan 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 Plans. The Group Trust invests in fully benefit-responsive guaranteed investment contracts (GICs) and synthetic investment contracts (Synthetic GICs). GICs are valued at fair value by discounting the associated cash flows of the investment based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. The underlying investments of the Synthetic GICs are owned by the Group Trust and are comprised of common/collective trust funds, corporate bonds and notes, registered investment companies and government securities and are also valued as described above. The fair value of the wrapper contracts for the Synthetic GICs is determined using a market approach discounting methodology that incorporates the difference between current market level rates for contract level wrap fees and the wrap fee being charged. The difference is calculated as a dollar value and discounted by the prevailing interpolated swap rate as of period end. The contract

value of the fully benefit-responsive investment contracts represents contributions plus earnings, less participant withdrawals and administrative expenses.

Purchases and sales of securities are recorded as of the trade date. Realized gains and losses on sales of securities are determined on the basis of average cost. Interest earned on investments is recognized on the accrual basis. Dividend income is recognized on the ex-dividend date.

Notes Receivable from Participants Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued, but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2010 or 2009. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a distribution is recorded.

Recent Accounting Standards

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2010-06, *Improving Disclosures about Fair Value Measurements,* (ASU 2010-06). ASU 2010-06 amended Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosures,* (ASC820) to clarify certain existing fair value disclosures and require a number of additional disclosures. The guidance in ASU 2010-06 clarified that disclosures should be presented separately for each "class" of assets and liabilities measured at fair value and provided guidance on how to determine the appropriate classes of assets and liabilities to be presented. ASU 2010-06 also clarified the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. In addition, ASU 2010-06 introduced new requirements to disclose the amounts (on a gross basis) and reasons for any significant transfers between Levels 1, 2 and 3 of the fair value hierarchy and present information regarding the purchases, sales, issuances and settlements of Level 3 assets and liabilities on a gross basis. With the exception of the requirement to present changes in Level 3 measurements on a gross basis, which is delayed until 2011, the guidance in ASU 2010-06 is effective for reporting periods beginning after December 15, 2009. Since ASU 2010-06 only affects fair value measurement disclosures, adoption of ASU 2010-06 did not affect on the Plans' net assets available for benefits or its changes in net assets available for benefits.

In September 2010, the FASB issued Accounting Standards Update 2010-25, *Reporting Loans to Participants by Defined Contribution Pension Plans,* (ASU 2010-25). ASU 2010-25 requires participant loans to be measured at their unpaid principal balance plus any accrued but unpaid interest and classified as notes receivable from participants. Previously, loans were measured at fair value and classified as investments. ASU 2010-25 is effective for fiscal years ending after December 15, 2010, and is required to be applied retrospectively. Adoption of ASU 2010-25 did not change the value of participant loans from the amount previously reported as of December 31, 2009. Participant loans have been reclassified from investments to notes receivable from participants as of December 31, 2009.

In May 2011, the FASB issued Accounting Standards Update 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs,* (ASU 2011-04). ASU 2011-04 amended ASC 820, to converge the fair value measurement guidance in GAAP and International Financial Reporting Standards (IFRSs). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management is currently evaluating the effect that the provisions of ASU 2011-04 will have on the Plans' financial statements.

3. Fair Value Measurements

ASC 820 establishes a framework for measuring fair value. That framework provides 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 or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plans have the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets and liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted market prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used must maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described in Note 2 may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plans' management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at December 31, 2010 and 2009.

4. Investments

The Plans held an investment in the Master Trust, and the Master Trust held an investment in the Group Trust as of December 31, 2010 and 2009 and for the year ended December 31, 2010.

AT&T Savings Master Trust Investments
The Master Trust was established to manage assets of pooled investment options among various AT&T sponsored plans.

Each participating plan's interest in the investment fund options (i.e., separate accounts) of the Master Trust is based on account balances of the participants and their elected investment fund options. The Master Trust assets are allocated among the participating plans by assigning to each plan those transactions (primarily contributions, benefit payments, and plan-specific expenses) that can be specifically identified and by allocating investment income and administrative expenses related to the AT&T Master Trust on a daily basis based on each participant's account balance within each investment fund option.

The participating plans and ownership percentages of the Master Trust are listed below:

	December 31,	
	2010	2009
AT&T Long Term Savings and Security Plan	**99.92%**	99.93%
AT&T of Puerto Rico, Inc. Long Term Savings and Security Plan	**0.08%**	0.07%
	100.0%	100.0%

The Plans' percentage interest in each of the investment fund options within the AT&T Master Trust at December 31, 2010 is disclosed below:

	December 31, 2010	
	AT&T Long Term Savings and Security Plan	AT&T of Puerto Rico, Inc. Long Term Savings and Savings Plan
AT&T Shares Fund	99.961%	0.039%
Vanguard Windsor II Admin	99.973%	0.027%
Vanguard US Growth Admin	99.987%	0.013%
T Rowe Price Small Cap Stock	99.991%	0.009%
T Rowe Price Mid Cap Growth	99.995%	0.005%
Capital World Growth and Income	99.960%	0.040%
Morgan Stanley International Equity	99.789%	0.211%
Legg Mason Value Trust Inst	99.953%	0.047%
Asset Allocation Strategy Growth	99.994%	0.006%
Asset Allocation Strategy Balanced	100.000%	-
Asset Allocation Strategy Income	100.000 %	-
US Bond Market Index	99.770%	0.230%
S&P 500 Index Fund	99.950%	0.050%
Total US Stock Market Index	100.000%	-
Extended US Stock Market Index	100.000%	-
International Stock Market Index	99.942%	0.058%
Fidelity Magellan	99.736%	0.264%
Fidelity Equity Income	99.994%	0.006%
Fidelity Low Price Stock	99.872%	0.128%
Fidelity Diversified International	99.888%	0.112%
Fidelity Dividend Growth	99.947%	0.053%
Fidelity High Income	100.000%	-

The Plans' percentage interest in each of the investment fund options within the AT&T Master Trust at December 31, 2009 is disclosed below:

	December 31, 2009	
	AT&T Long Term Savings and Security Plan	AT&T of Puerto Rico, Inc. Long Term Savings and Savings Plan
AT&T Shares Fund	99.965%	0.035%
Vanguard Windsor II Admin	99.974%	0.026%
Vanguard US Growth Admin	99.988%	0.012%
T Rowe Price Small Cap Stock	99.991%	0.009%
T Rowe Price Mid Cap Growth	99.995%	0.005%
Capital World Growth and Income	99.964%	0.036%
Morgan Stanley International Equity	99.805%	0.195%
Legg Mason Value Trust Inst	99.959%	0.041%
Asset Allocation Strategy Growth	99.995%	0.005%
Asset Allocation Strategy Balanced	100.000%	-
Asset Allocation Strategy Income	100.000%	-
US Bond Market Index	99.759%	0.241%
S&P 500 Index Fund	99.975%	0.025%
Total US Stock Market Index	100.000%	-
Extended US Stock Market Index	100.000%	-
International Stock Market Index	99.945%	0.055%
Fidelity Magellan	99.759%	0.241%
Fidelity Equity Income	99.994%	0.006%
Fidelity Low Price Stock	99.883%	0.117%
Fidelity Diversified International	99.912%	0.088%
Fidelity Dividend Growth	99.946%	0.054%
Fidelity High Income	99.964%	0.036%

The financial position of the Master Trust at December 31 was as follows:

	2010	2009
Short term investments	**$ 2,815**	$ 3,143
AT&T common stock	**76,475**	73,177
Registered investment companies	**299,975**	268,364
Common/collective trust funds	**83,050**	75,904
Investment in AT&T Group Investment Trust (at fair value)	**704,615**	700,528
Master trust investments at fair value	**1,166,930**	1,121,116
Net other assets and liabilities	**(2,901)**	(27)
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	**(27,100)**	(11,755)
Net assets	**$ 1,136,929**	$ 1,109,334

Net Appreciation in Fair Value of Master Trust Investments and Total Investment Income for the year ended December 31, 2010:

		2010
Short term investments	$	21
AT&T common stock		3,508
Registered investment companies		36,090
Common/collective trust funds		9,164
Investments in Group Trust		31,758
Total net appreciation in fair value of Master Trust Investments	$	80,541
Investment income:		
Interest	$	2
Dividends		10,563
Total investment income	$	10,565

The following tables set forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2010, excluding the investment in the Group Trust which is disclosed below.

	Master Trust Assets at Fair Value as of December 31, 2010			
	Level 1	**Level 2**	**Level 3**	**Total**
US Equity Securities:				
AT&T common stock	$ 76,475	$ -	$ -	$ 76,475
Total US Stock Index Fund[1]	-	6,294	-	6,294
S&P 500 Index Fund[2]	-	12,654	-	12,654
Extended US Stock Index Fund[3]	-	5,959	-	5,959
Registered investment companies – Large Cap	173,415	-	-	173,415
Registered investment companies – Mid Cap	83,302	-	-	83,302
Registered investment companies – Small Cap	26,463	-	-	26,463
Registered investment companies – High Yield Bond	16,795	-	-	16,795
International Equity Securities:				
International Stock Index Fund[4]	-	4,345	-	4,345
US Fixed Income Securities:				
US Bond Market Index Fund[5]	-	19,596	-	19,596
International Fixed Income Securities:				
Asset Allocation (AA) Funds:				
AA Strategy Balanced[6]	-	13,707	-	13,707
AA Strategy Growth[7]	-	14,667	-	14,667
AA Strategy Income[8]	-	5,828	-	5,828
Short term investments	2,815	-	-	2,815
Total assets at fair value	**$ 379,265**	**$ 83,050**	**$ -**	**$ 462,315**

	Master Trust Assets at Fair Value as of December 31, 2009			
	Level 1	**Level 2**	**Level 3**	**Total**
US Equity Securities:				
AT&T common stock	$ 73,177	$ -	$ -	$ 73,177
Total US Stock Index Fund[1]	-	5,516	-	5,516
S&P 500 Index Fund[2]	-	11,179	-	11,179
Extended US Stock Index Fund[3]	-	4,748	-	4,748
Registered investment companies – Large Cap	165,857	-	-	165,857
Registered investment companies – Mid Cap	69,794	-	-	69,794
Registered investment companies – Small Cap	19,018	-	-	19,018
Registered investment companies – High Yield Bond	13,695	-	-	13,695
International Equity Securities:			-	
International Stock Index Fund[4]	-	4,273	-	4,273
US Fixed Income Securities:				
US Bond Market Index Fund[5]	-	18,133	-	18,133
International Fixed Income Securities:				
Asset Allocation (AA) Funds:				
AA Strategy Balanced[6]	-	13,096	-	13,096
AA Strategy Growth[7]	-	13,595	-	13,595
AA Strategy Income[8]	-	5,364	-	5,364
Short term investments	3,143	-	-	3,143
Total assets at fair value	**$ 344,684**	**$ 75,904**	**$ -**	**$ 420,588**

[1]This category includes a common/collective trust fund with an objective of providing investment results that approximate the overall performance of the common stocks included in the Dow Jones Wilshire 5000 Index. This common/collective trust fund has redemption restrictions limited to semi-monthly. The fair value of the investment in this category has been estimated using the net asset value per share.

[2]This category includes a common/collective trust fund with an objective of providing investment results that approximate the overall performance of the common stocks included in the Standard and Poor's Composite Stock Price Index of 500 stocks (the "S&P 500®"). This common/collective trust fund has redemption restrictions limited to semi-monthly. The fair value of the investment in this category has been estimated using the net asset value per share.

[3]This category includes a common/collective trust fund with an objective of providing investment results that approximate the overall performance of the common stocks included in the Dow Jones Wilshire 4500 Index. This common/collective trust fund has redemption restrictions limited to semi-monthly. The fair value of the investment in this category has been estimated using the net asset value per share.

[4]This category includes a common/collective trust fund with an objective of providing investment results that approximate the overall performance of the common stocks included in the Morgan Stanley Capital International (MSCI) Europe, Australasia, Far East (EAFE) Index. This common/collective trust fund has redemption restrictions limited to semi-monthly. The fair value of the investment in this category has been estimated using the net asset value per share.

[5]This category includes a common/collective trust fund with an objective of providing investment results that approximate the overall performance of the fixed income securities included in Barclays Capital Aggregate Bond Index. This common/collective trust fund has redemption restrictions limited to semi-monthly. The fair value of the investment in this category has been estimated using the net asset value per share.

[6]This category includes a common/collective trust fund with an overall objective of providing income and the potential for long-term growth of capital. The common/collective trust fund has redemption restrictions limited to semi-monthly. The fair value of the investment in this category has been estimated using the net asset value per share.

[7]This category includes a common/collective trust fund with an overall objective of providing long-term growth of capital. The common/collective trust fund has redemption restrictions limited to semi-monthly. The fair value of the investment in this category has been estimated using the net asset value per share.

[8]This category includes a common/collective trust fund with an overall objective of providing current income, moderate risk and relative stability of capital. The common/collective trust fund has redemption restrictions limited to semi-monthly. The fair value of the investment in this category has been estimated using the net asset value per share.

AT&T Savings Group Investment Trust Investments

AT&T established the Group Trust to manage assets of pooled investment options among various AT&T sponsored employee benefit trusts. Each participating trust's interest in the investment fund options (i.e., separate accounts) of the Group Trust is based on account balances of the participants and their elected investment fund options. The Group Trust assets are allocated among the participating plans by assigning to each trust those transactions (primarily contributions, distributions, and expenses) that can be specifically identified and by allocating investment income and administrative expenses to the individual plans on a daily basis based on each participant's account balance within each investment fund option.

The participating entities' percentage interest of the Group Trust is listed below:

	December 31,	
	2010	2009
AT&T Savings Plan Master Trust (AT&T Master Trust)	**86.6%**	85.9%
AT&T Savings Master Trust (Master Trust)	**6.3%**	6.6%
BellSouth Savings and Security Plan	**7.1%**	7.5%
Total	**100.0%**	100.0%

The Master Trust's percentage interest in each of the investment fund options within the Group Trust is disclosed below as of December 31, 2010:

	AT&T Total Return Bond Fund	AT&T U.S. Stock Fund	AT&T International Stock Fund	AT&T Stable Value Fund	Group Trust
Interest bearing cash	$ -	$ -	$ 3,669	$ -	$ 3,669
Common/collective trust funds	-	815,433	218,702	-	1,034,135
103-12 investment entities	-	-	47,732	-	47,732
Equities	-	1,378,536	275,580	-	1,654,116
Equities – loaned	-	(69)	-	-	(69)
Publicly traded partnerships	-	3,676	-	-	3,676
Registered investment companies	1,326,799	36,762	2,120	545	1,366,226
Investment contracts (at fair value):					
Guaranteed investment contracts	-	-	-	27,223	27,223
Synthetic GICs:					
Interest bearing cash	-	-	-	36,594	36,594
Corporate preferred stock	-	-	-	3,311	3,311
Corporate and other bonds and notes	-	-	-	3,264,699	3,264,699
Registered investment companies	-	-	-	614,215	614,215
Futures	-	-	-	81	81
Government securities	-	-	-	3,468,987	3,468,987
Wrapper contracts	-	-	-	15,609	15,609
Market value of securities on loan	-	69	-	-	69
Collateral received for securities loaned	-	71	-	-	71
Group Trust investments at fair value	1,326,799	2,234,478	547,803	7,431,264	11,540,344
Unsettled trades and other	5,425	(609)	1,381	(446,763)	(440,566)
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	-	-	-	(311,368)	(311,368)
Obligation to return collateral on loaned securities	-	(71)	-	-	(71)
Group Trust net assets	**$ 1,332,224**	**$ 2,233,798**	**$ 549,184**	**$ 6,673,133**	**$ 10,788,339**
Master Trust's percentage ownership interest of investments	1.5 %	3.0 %	1.9 %	8.7 %	6.3 %

The Master Trust's percentage interest in each of the investment fund options within the Group Trust is disclosed below as of December 31, 2009:

	AT&T Total Return Bond Fund	AT&T U.S. Stock Fund	AT&T International Stock Fund	AT&T Stable Value Fund	Group Trust
Interest bearing cash	-	59	3,631	461	4,151
Common/collective trust funds	-	555,780	256,331	-	812,111
Corporate and other bonds and notes	-	-	1,131	-	1,131
Equities	-	1,509,879	263,219	-	1,773,098
Equities – loaned	-	(86,639)	(5,511)	-	(92,150)
Publicly traded partnerships	-	3,245	-	-	3,245
Registered investment companies	1,115,939	40,042	2,976	9,842	1,168,799
Registered investment companies – loaned	(8,735)	-	-	-	(8,735)
Investment contracts (at fair value):					
Guaranteed investment contracts	-	-	-	28,986	28,986
Synthetic GICs:					
Interest bearing cash	-	-	-	19,469	19,469
Corporate preferred stock	-	-	-	3,213	3,213
Corporate and other bonds and notes	-	-	-	2,868,793	2,868,793
Corporate and other bonds and notes – loaned	-	-	-	(71,918)	(71,918)
Registered investment companies	-	-	-	262,154	262,154
Futures	-	-	-	2,253	2,253
Other investments	-	-	-	64,171	64,171
Government securities	-	-	-	3,682,357	3,682,357
Government securities – loaned	-	-	-	(613,841)	(613,841)
Wrapper contracts	-	-	-	9,724	9,724
Market value of securities on loan	8,735	86,639	5,511	685,759	786,644
Collateral received for securities loaned (held in common/collective trust funds)	8,765	88,311	5,660	688,669	791,405
Group Trust investments at fair value	1,124,704	2,197,316	532,948	7,640,092	11,495,060
Unsettled trades and other	3,853	(1,719)	653	(87,909)	(85,122)
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	-	-	-	(132,112)	(132,112)
Obligation to return collateral on loaned securities	(8,914)	(89,817)	(5,757)	(700,413)	(804,901)
Group Trust net assets	**$ 1,119,643**	**$ 2,105,780**	**$ 527,844**	**$ 6,719,658**	**$ 10,472,925**
Master Trust's percentage ownership interest of investments	1.5 %	3.1 %	1.9 %	8.9 %	6.6 %

Net Appreciation (Depreciation) in Fair Value of Group Trust Investments and Total Investment Income for the year ended December 31, 2010

	AT&T Total Return Bond Fund	AT&T U.S. Stock Fund	AT&T International Stock Fund	AT&T Stable Value Fund	Group Trust
Interest bearing cash	$ -	$ -	$ 64	$ -	$ 64
Common/collective trust funds	-	134,382	3,365	-	137,747
103-12 investment entities	-	-	7,732	-	7,732
Equities	-	157,663	29,914	-	187,577
Publicly traded partnerships	-	(69)	-	-	(69)
Registered investment companies	34,716	26	5	-	34,747
Total net appreciation in fair value of Group Trust Investments	$ 34,716	$ 292,002	$ 41,080	$ -	$ 367,798
Investment income:					
Interest	$ -	$ 46	$ 2,223	$ 230,556	$ 232,825
Dividends	79,410	17,423	6,797	-	103,630
Securities lending	-	176	32	728	936
Total investment income of Group Trust Investments	$ 79,410	$ 17,645	$ 9,052	$ 231,284	$ 337,391

The following table sets forth by level, within the fair value hierarchy, the Group Trust's assets at fair value as of December 31, 2010:

	Group Trust Assets and Liabilities at Fair Value December 31, 2010			
	Level 1	**Level 2**	**Level 3**	**Total**
Interest bearing cash	$ 3,669	$ -	$ -	$ 3,669
U.S. equity securities:				
U.S. common stock:				
Large cap	910,941	-	-	910,941
Small cap	467,595	-	-	467,595
Common stock – registered investment companies	36,762	-	-	36,762
U.S. common stock – loaned	(69)	-	-	(69)
Common/collective trusts[1]	-	815,433	-	815,433
Publicly traded partnerships	3,676	-	-	3,676
International equity securities:				
Common stock	271,343	-	-	271,343
Common stock – registered investment companies	2,120	-	-	2,120
Common/collective trusts[2]	-	218,702	-	218,702
Preferred stock	4,237	-	-	4,237
103-12 investment entities[3]	-	47,732	-	47,732
Fixed income securities:				
Blackrock mutual fund	111,357	-	-	111,357
WAMCO mutual fund	378,428	-	-	378,428
PIMCO total return mutual fund	837,014	-	-	837,014
Stable Value Fund:				
Common stock – registered investment companies	545	-	-	545
Guaranteed investment contracts	-	27,223	-	27,223
Synthetic GICs:				
Interest bearing cash	-	36,594	-	36,594
Corporate preferred stock	3,311	-	-	3,311
Corporate and other bonds and notes:				
U.S. corporate bonds and notes	-	1,417,533	-	1,417,533
International corporate bonds and notes	-	612,459	-	612,459
Asset-backed securities	-	619,982	-	619,982
Collateralized mortgage obligations	-	80,829	-	80,829
Commercial mortgage-backed securities	-	533,896	-	533,896
Short term investment funds - registered investment companies	614,215	-	-	614,215
Futures	81	-	-	81
Government securities:				
U.S government [4]	53,911	3,325,640	-	3,379,551
Municipals	59,528	-	-	59,528
Other	1,035	-	-	1,035
Non U.S government	28,873	-	-	28,873
Wrapper contracts	-	15,609	-	15,609
Market value of securities on loan:				
U.S. stock fund	69	-	-	69
Collateral received for securities loaned	71	-	-	71
Total assets and liabilities at fair value	**$ 3,788,712**	**$ 7,751,632**	**$ -**	**$ 11,540,344**

[1]The objective of these common/collective trust funds held in the AT&T U.S. Stock Fund is to deliver cost-effective, high-quality, active exposure to the large-capitalization U.S. equity market with close tracking of the Russell 3000 Index and to provide for liquidity. These common/collective trust funds have redemption restrictions limited to daily and monthly settlement. All of the common/collective trust funds are invested in either Large-cap or Mid-cap equities, with the majority being Large cap. The fair value of the investment in this category has been estimated using the net asset value per share.

[2]The objective of these common/collective trust funds held in the AT&T International Stock Fund is to provide a diversified fund that seeks to provide returns in excess of the international markets as represented by the All Country World Index U.S. index. The common/collective trust funds have redemption restrictions limited to daily, weekly or monthly and participants may be subject to short-term trading fees related to certain transactions. All but one of these funds are invested in developed countries (i.e., developed: Europe, Japan, UK, Australia, etc.). The fair value of the investment in this category has been estimated using the net asset value per share.

[3]This is an equity commingled fund that invests primarily in publically traded non-U.S. securities. The fair value of the investments in this category has been estimated using the net asset value per share reported by the fund manager. The fund is selected by AT&T, and AT&T determines the timing and amount of contributions/redemptions, redemptions occur at net asset value. This is an open ended fund with no fund maturity date.

[4]Average duration of U.S. government securities is approximately 14 years.

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

	Group Trust Assets and Liabilities at Fair Value December 31, 2009			
	Level 1	**Level 2**	**Level 3**	**Total**
Interest bearing cash	$ 3,690	$ -	$ -	$ 3,690
U.S. equity securities:				
U.S. common stock	1,549,921	-	-	1,549,921
U.S. common stock – loaned	(86,639)	-	-	(86,639)
Common/collective trusts[1]	-	559,025	-	559,025
International equity securities:				
Common stock	266,195	-	-	266,195
Common stock – loaned	(5,511)	-	-	(5,511)
Common/collective trusts[2]	-	257,462	-	257,462
Fixed income securities:				
Blackrock mutual fund	102,951	-	-	102,951
WAMCO core mutual fund	291,592	-	-	291,592
PIMCO total return mutual fund	721,396	-	-	721,396
Total return bond fund - loaned	(8,735)	-	-	(8,735)
Stable Value Fund:				
Interest bearing cash	461	-	-	461
U.S. common stock	9,842	-	-	9,842
Guaranteed investment contracts	-	28,986	-	28,986
Synthetic GICs:				
Interest bearing cash	19,469	-	-	19,469
Corporate preferred stock	3,213	-	-	3,213
Corporate and other bonds and notes:				
Asset-backed securities	-	606,757	-	606,757
Collateralized mortgage obligations	-	592,549	-	592,549
Commercial mortgage-backed securities	-	136,582	-	136,582
Other	-	1,532,905	-	1,532,905
Corporate and other bonds and notes – loaned	-	(71,918)	-	(71,918)
Registered investment companies	262,154	-	-	262,154
Futures	2,253	-	-	2,253
Other investments	64,171	-	-	64,171
Government securities	-	3,682,357	-	3,682,357
Government securities – loaned	-	(613,841)	-	(613,841)
Wrapper contracts	-	9,724	-	9,724
Market value of securities on loan:				
U.S. stock fund	86,639	-	-	86,639
International stock fund	5,511	-	-	5,511
Total return bond fund	8,735	-	-	8,735
Synthetic GICs:				
Corporate and other bonds and notes	-	71,918	-	71,918
Government securities	-	613,841	-	613,841
Collateral received for securities loaned[3]	-	791,405	-	791,405
Total assets and liabilities at fair value	**$ 3,297,308**	**$ 8,197,752**	**$ -**	**$ 11,495,060**

[1]The objective of these common/collective trust fund held in the AT&T U.S. Stock Fund is to deliver cost-effective, high-quality, active exposure to the large-capitalization U.S. equity market with close tracking of the Dow Jones Wilshire 5000 and to provide for liquidity. These common/collective trust funds have redemption restrictions limited to daily and monthly

settlement. All of the common/collective trust funds are invested in either Large-cap or Mid-cap equities, with the majority being Large cap. The fair value of the investment in this category has been estimated using the net asset value per share.

[2]The objective of these common/collective trust funds held in the AT&T International Stock Fund is to provide a diversified fund that seeks to provide returns in excess of the international markets as represented by the All Country World Index ex U.S. index. The common/collective trust funds have redemption restrictions limited to weekly, semi-monthly or monthly and participants may be subject to short-term trading fees related to certain transactions. All but one of these funds are invested in developed countries (i.e., developed: Europe, Japan, UK, Australia, etc.). The fair value of the investment in this category has been estimated using the net asset value per share.

[3] There were three collateral pools in which the Group Trust invested: 1) The Pooled Employee ASL Short Term Fund, 2) The Term Assets Liquidating Trust and 3) The ASL Short Term Fund - SIGMA (Liquidating Fund). The Pooled Employee ASL Short Term Fund consisted of liquid securities that could be redeemed on a one-day notice for return to borrowers immediately upon recall of loaned securities. There was $520,143 invested in this fund as of December 31, 2009. The Term Assets Liquidating Trust consisted of non-liquid securities that were performing but were intended to be held until maturity. Redemptions from this Trust were prohibited; however, the Plan could exit this Trust, receive a proportionate share of the securities, and then sell the assets. It was expected that over 93% of this pool would mature within 360 days. There was $267,282 invested in this fund as of December 31, 2009. The ASL Short Term Fund - SIGMA (Liquidating Fund) consisted of assets in default that were valued at $526. Lending income was reserved to offset the deficiency in this the Liquidating Fund. Redemptions from the Liquidating Fund were prohibited; however, the Plan could exit the Liquidating Fund, receive a proportionate share of the securities, and then sell the assets. There was $3,454 invested in noncash investments, such as U.S. government debt.

Derivative Financial Instruments

In the normal course of operations, Group Trust assets and liabilities held in the AT&T Stable Value Fund (Stable Value Fund) may include derivative financial instruments (futures and foreign currency forward contracts). These instruments involve, in varying degrees, elements of credit and market volatility risks in excess of more traditional investment holdings such as equity and debt instruments. The contract or notional amounts disclosed provide a measure of the Group Trust's involvement in such instruments but are not indicative of potential loss. The intent is to use derivative financial instruments as an economic hedge to manage market volatility and foreign currency exchange rate risk associated with the Stable Value Fund's investment assets. The Group Trust's fiduciaries do not anticipate any material adverse effect on the Group Trust's financial position resulting from its involvement in these instruments.

The following table presents the effect of gains with respect to these derivative instruments, by type of derivative. The gains are located on the Statement of Changes in Net Assets Available for Benefits as Net Income from Investment in AT&T Savings Master Trust to the extent of the Plans' ownership in the Master Trust.

		Year Ended December 31, 2010
Futures contracts	$	81
Forward foreign currency exchange rate contracts	$	2,257

Futures Contracts

The primary risk managed by the Group Trust using futures contracts is the price risk associated with investments. On behalf of the Master Trust, investment managers enter into various futures contracts to economically hedge investments in domestic securities. These contracts, which are considered derivatives under Accounting Standards Codification Topic 815, *Derivatives and Hedging*, are agreements between two parties to buy or sell a security or financial interest at a set price on a future date and are standardized and exchange-traded. Upon entering into such a contract on behalf of the Group Trust, the investment manager is required to pledge to the broker an amount of cash or securities equal to the minimum "initial margin" requirements of the exchange on which the contract is traded. Pursuant to the contract, the investment manager agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receipts or payments are known as variation margin and are recorded on a daily basis by the trustee as a realized gain or loss equal to the difference in the value of the contract between daily closing prices. Upon entering into such contracts, the Group Trust bears the risk of interest or exchange rates or securities prices moving unexpectedly, in which case, the Group Trust may not achieve the anticipated benefits of the futures contracts and may realize a loss. With futures, there is minimal counterparty credit risk to the Group Trust since futures are exchange traded and the exchange's clearinghouse, as

counterparty to all exchange traded futures, guarantees the futures against default. The investments in the Group Trust are subject to interest rate risk. The U.S. interest rate futures held in the portfolio as of December 31, 2010 and 2009 were used primarily to hedge and manage the duration risk of the portfolio.

The fair value of the open futures contracts is separately disclosed in the detail of the Group Trust investments presented below and are included in the Statement of Net Assets Available for Benefits to the extent of the Plans' ownership in the Master Trust.

At December 31, 2010, open futures contracts held in the Group Trust were as follows:

Type of Contract	Number of Contracts Buy/(Sell)	Expiration	Notional Value	Fair Value
90-Day EuroDollar Future	(405)	3/2012	$ (100,288)	$ (147)
U.S. Treasury Bond Future	(184)	3/2011	(22,471)	630
U.S. 10-Year Treasury Notes Future	(151)	3/2011	(18,186)	(61)
U.S. 5-Year Treasury Notes Future	283	3/2011	33,314	(5)
U.S. 2-Year Treasury Notes Future	170	3/2011	37,214	(19)
U.S Ultra Bond Future	(12)	3/2011	(1,525)	42
U.S. Treasury Bond Future	(45)	3/2011	(5,496)	129
U.S. 10-Year Treasury Notes Future	195	3/2011	23,485	(770)
U.S. 2-Year Treasury Notes Future	402	3/2011	88,000	(57)
U.S Ultra Bond Future	(160)	3/2011	(20,335)	339
Total			$ 13,712	$ 81

At December 31, 2009, open futures contracts held in the Group Trust were as follows:

Type of Contract	Number of Contracts Buy/(Sell)	Expiration	Notional Value	Fair Value
90-Day EuroDollar Future	(39)	6/2010	$ (9,684)	$ (301)
U.S. Treasury Bond Future	(295)	3/2010	(34,036)	2,115
U.S. 10-Year Treasury Notes Future	(105)	3/2010	(12,123)	300
U.S. 5-Year Treasury Notes Future	57	3/2010	6,520	(101)
U.S. 2-Year Treasury Notes Future	(253)	3/2010	(54,715)	285
U.S. 10-Year Treasury Notes Future	(243)	3/2010	(28,055)	1,067
U.S. 5-Year Treasury Notes Future	197	3/2010	22,533	(363)
U.S. 2-Year Treasury Notes Future	639	3/2010	138,194	(749)
Total			$ 28,634	$ 2,253

Foreign Currency Contracts

The primary risks managed by the Group Trust using foreign currency contracts is the foreign currency exchange rate risk associated with the Group Trust's investments denominated in foreign currencies. On behalf of the Group Trust, investment managers enter into foreign currency forward contracts, which are agreements to exchange foreign currencies at a specified future date at a specified rate, the terms of which are not standardized on an exchange. These contracts are intended to minimize the effect of currency fluctuations on the performance of investments denominated in foreign currencies. Although in some cases, foreign currency forward contracts are used to express a view on the direction of a particular currency, risk arises both from the possible inability of the counterparties to meet the terms of the contracts (credit risk) and from movement in foreign currency exchange rates (market risk). Foreign currency forward contracts are entered into with major banks to minimize credit risk, and accordingly, no credit reserve has been established against these amounts.

The contracts are recorded at fair value on the date the contract is entered into, which is typically zero. The fair value of the foreign currency contracts are disclosed in unsettled trades and other of the Group Trust and are

included in the Statement of Net Assets Available for Benefits to the extent of the Plans' ownership in the Master Trust.

As of December 31, 2010 and 2009 the contracts held by the Group Trust were:

	Notional Value		Fair Value	
	2010	2009	**2010**	2009
Derivative assets	**$ 105,795**	$ 118,767	**$ 671**	$ (835)
Derivative liabilities	**$ 105,795**	$ 118,767	**$ 408**	$ 846

Fully Benefit-Responsive Investment Contracts
The Stable Value Fund consists of fully benefit-responsive investment contracts with various financial institutions and insurance companies, which can be accounted for by the plan at contract value. Generally contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses.

The benefit-responsive investment contracts held by the Stable Value Fund as of December 31, 2010 include registered investment contracts, Traditional Guaranteed Investment Contracts ("Traditional GICs" or "GICs") and Synthetic GICs. Synthetic GICs are constructed by combining a stable value insurance wrapper contract and a fixed income portfolio. The assets supporting the Synthetic GICs are owned by the Group Trust and generally consist of high quality fixed income securities. At December 31, 2010, the underlying net assets in the Stable Value Fund allocated to the Master Trust had a fair value of $607,854 and a contract value of $580,754. At December 31, 2009, the underlying net assets in the Stable Value Fund allocated to the Master Trust had a fair value of $597,373 and a contract value of $585,618. For the years ended December 31, 2010 and 2009, the average yield earned on these contracts was 2.41% and 3.05%, and the average yield earned by the Master Trust and the Plans, adjusted to reflect actual interest rate credited to participants, was 3.60% and 3.43%. No valuation reserves were recorded to adjust contract amounts as of December 31, 2010 or 2009.

Traditional GICs are issued by insurance companies and typically pay a guaranteed fixed or floating rate of interest over the life of the contract with a repayment of principal at maturity. A Synthetic GIC is similar to a Traditional GIC but has unbundled the insurance and investment components of the Traditional GIC.

Wrapper contracts are typically issued by a bank or insurance company, and seek to provide preservation of principal by permitting daily liquidity at contract value for participant directed transactions, in accordance with the provisions of the Plans. Wrapper contracts amortize the realized and unrealized gains and losses on the underlying fixed income investments through adjustments to the future interest crediting rate of the contract. Wrapper contracts typically contain contractual provisions that prevent the interest crediting rate from falling below zero. The fair value of the wrapper contracts for the Group Trust was $15,609 and $9,724 at December 31, 2010 and 2009.

Wrapper contracts' interest crediting rates are typically reset on a monthly or quarterly basis and are based on the characteristics of the underlying fixed income securities. Other key factors that influence the interest crediting rates are market interest rates, the amount and timing of participant transactions into and out of the wrapper contract, investment returns on the underlying fixed income securities, the duration of those investments, and the default or credit failure of any of the securities. In some instances, the default or credit failure of a security could result in the reduction of contract value, and a loss of principal would be realized by the Stable Value Fund. Changes in market interest rates can affect the yield to maturity and the market value of the underlying investment, and can have a material impact on the wrapper contract's interest crediting rate. Additionally, participant withdrawals and transfers from the Stable Value Fund are paid at contract value but funded through the market value liquidation of the underlying investments, which also impacts the interest crediting rate. The resulting gains and losses in the market value of the underlying investments relative to the wrapper contract value are represented on the Plans' statement of net assets available for benefits as the "Adjustment from fair value to contract value for fully benefit-responsive investment contracts," and the amount allocated to the Master Trust totaled $(27,100) at December 31, 2010 and $(11,755) at December 31, 2009. If this adjustment is positive, it

indicates that the wrapper contract value is greater than the market value of the underlying investments and the embedded market value losses will be amortized in the future through a lower interest crediting rate. If the adjustment is negative, the embedded market gains would cause the future interest crediting rate to be higher.

In certain circumstances, the amount withdrawn from the wrapper contract could be payable at fair value rather than at contract value. These events include termination of the Plans, a material adverse change to the provisions of the Plans, if AT&T elects to withdraw from a wrapper contract in order to switch to a different investment provider or, in the event of a spin-off or sale of a division, if the terms of the successor plan do not meet the contract issuers' underwriting criteria for issuance of a clone wrapper contract. Events that would permit a wrapper contract issuer to terminate a wrapper contract upon short notice include the Plans' loss of qualified status, un-cured material breaches of responsibilities or material and adverse changes to the provisions of the Plans. The Company does not believe any of the events are probable of occurring in the foreseeable future.

Securities Lending
The Group Trust is authorized to engage in the lending of certain assets. Securities lending is an investment management enhancement that utilizes the existing securities of the Group Trust to earn additional income. Securities lending involves the loaning of securities to a selected group of approved banks and broker-dealers. In return for the loaned securities, the trustee, prior to or simultaneous with delivery of the loaned securities to the borrower, receives collateral in the form of cash or U.S. government securities as a safeguard against possible default of any borrower on the return of the loan under terms that permit the Group Trust to repledge or sell the securities. Each loan is initially collateralized, in the case of: (a) loaned securities denominated in U.S. dollars or whose primary trading market is located in the U.S. to the extent of 102% of the market value of the loaned securities, or (b) loaned securities not denominated in U.S. dollars or whose primary trading market is not located in the U.S. to the extent of 105% of the market value of the loaned securities. The collateral is marked to market on a daily basis. The Group Trust elected to cease securities lending activity in 2010. All loans were returned to the Group Trust and all collateral was returned to the borrowers in early 2011..

The fair value of securities on loan was $69 and $786,644 as of December 31, 2010 and 2009, and the value of collateral held was $71 and $791,405 at December 31, 2010 and 2009. The reported collateral at December 31, 2010, did not include noncash holdings. The collateral is invested in equities (classified as Level 1). Income earned on securities lending is used to offset administrative expenses and was $936 for the year ended December 31, 2010.

Investment Risk
Investments held by the Group Trust and the Master Trust are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments could 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. Participants' accounts that are invested in the Company stock fund option are exposed to market risk in the event of a significant decline in the value of AT&T stock.

Additionally, the Group Trust invests in securities with contractual cash flows, such as asset backed securities, collateralized mortgage obligations and commercial mortgage-backed securities, including securities backed by subprime mortgage loans. The value, liquidity and related income of these securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

5. Related Party Transactions

The assets of the Plans are invested in AT&T stock either through the Group Trust or Master Trust. Because the Company is the plan sponsor of the Plans, transactions involving the Company's stock qualify as party-in-interest transactions. In addition, certain investments held by the Plans, Group Trust and Master Trust are managed by BNY Mellon and Fidelity as trustee and record keeper, respectively, as defined by various agreements. Therefore, these transactions and fees paid to these entities qualify as parties-in-interest transactions. All of these transactions are exempt from the prohibited transactions rules.

6. Tax Status

The LTSSP has received a determination letter from the Internal Revenue Service (IRS) dated March 28, 2005, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (IRC) and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the LTSSP was amended and restated. Once qualified, the LTSSP is required to operate in conformity with the IRC to maintain its qualification. The plan administrator believes the LTSSP is being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the LTSSP, as amended and restated, is qualified and the related trust is tax exempt. In addition, the LTSSP was filed with the IRS for a favorable determination letter on February 2, 2009 pursuant to, and as part of, the IRS determination letter filing program (Cycle C).

The LTSSP-PR has received a determination letter from the Commonwealth of Puerto Rico's Department of Treasury (Treasury) dated January 14, 2011, stating that the LTSSP-PR is qualified under Sections 1165(a) and 1165(e) of the Puerto Rico Internal Revenue Code of 1994 (the Puerto Rico Code) and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the Treasury, the LTSSP-PR was amended. Once qualified, the LTSSP-PR is required to operate in conformity with the Puerto Rico Code to maintain its qualifications. The plan administrator believes the LTSSP-PR is being operated in compliance with the applicable requirements of the Puerto Rico Code and, therefore, believes that the LTSSP-PR, as amended, is qualified and the related trust is tax exempt.

Accounting principles generally accepted in the United States require Plan management to evaluate uncertain tax positions taken by the Plans. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS or Treasury. The Plans administrator has analyzed the tax positions taken by the Plans, and has concluded that as of December 31, 2010, there were no uncertain positions taken or expected to be taken. The Plans have recognized no interest or penalties related to uncertain tax positions. The Plans are subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plans administrator believes they are no longer subject to income tax examinations for years prior to 2007.

7. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of Net Assets Available for Benefits per the financial statements to the Form 5500 as of December 31:

	2010		2009	
	AT&T Long Term Savings and Security Plan	**AT&T of Puerto Rico, Inc. Long Term Savings and Savings Plan**	AT&T Long Term Savings and Security Plan	AT&T of Puerto Rico, Inc. Long Term Savings and Savings Plan
Net Assets Available for Benefits per the financial statements	**$ 1,168,531**	**$ 931**	$ 1,139,075	$ 879
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	**27,077**	**23**	11,746	9
Distributions payable to participants	**(141)**	**-**	-	-
Net Assets Available for Benefits per the Form 5500	**$ 1,195,467**	**$ 954**	$ 1,150,821	$ 888

Distributions payable to participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, but not yet paid as of that date. The following is a reconciliation of distributions to participants per the financial statements to the Form 5500 for the year ended December 31, 2010:

	AT&T Long Term Savings and Security Plan	AT&T of Puerto Rico, Inc. Long Term Savings and Savings Plan
Distributions to participants per the financial statements	$ 102,045	$ 75
Distributions payable to participants at December 31, 2010	141	-
Distributions payable to participants at December 31, 2009	-	-
Distributions to participants per the Form 5500	$ 102,186	$ 75

Fully benefit-responsive contracts are recorded on the Form 5500 at fair value versus contract value on the financial statements. The following is a reconciliation of total additions per the financial statements to total income per the Form 5500 for the year ended December 31, 2010:

	AT&T Long Term Savings and Security Plan	AT&T of Puerto Rico, Inc. Long Term Savings and Savings Plan
Total additions per the financial statements	$ 131,768	$ 131
Adjustment from contract value to fair value for fully benefit-responsive investment contracts at December 31, 2010	27,077	23
Adjustment from contract value to fair value for fully benefit-responsive investment contracts at December 31, 2009	(11,746)	(9)
Total income per the Form 5500	$ 147,099	$ 145

SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2010
(Dollars in Thousands)

AT&T LONG TERM SAVINGS AND SECURITY PLAN
EIN 13-4924710, PLAN NO. 004

Identity of Issue	Description of Investment	Current Value
Loan Fund		
* Loans to Plan Participants	3.25% - 9.5%	$ **31,148**
TOTAL		**$ 31,148**

* Party-in-Interest.

AT&T OF PUERTO RICO, INC. SAVINGS AND SECURITY PLAN
EIN 66-0177929, PLAN NO. 002

Identity of Issue	Description of Investment	Current Value
Loan Fund		
* Loans to Plan Participants	3.25% - 8.25%	$ **75**
TOTAL		**$ 75**

* Party-in-Interest.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustee (or other persons who administer the employee benefit plan) has duly caused this annual report to be signed by the undersigned thereunto duly authorized.

AT&T of Puerto Rico, Inc. Long Term Savings and Security Plan

By AT&T Services, Inc.
Plan Administrator for the Foregoing Plan

By /s/ Paul W. Stephens
Paul W. Stephens
Senior Vice President and Controller

Date: June 17, 2011

EXHIBIT INDEX

Exhibit identified below, Exhibit 23 is filed herein as an exhibit hereto.

Exhibit Number	
23	Consent of Independent Registered Public Accounting Firm

EX 23
Form 11-K for 2010
File No. 1-8610

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8, No. 333-173078) pertaining to the AT&T of Puerto Rico, Inc. Long Term Savings and Security Plan of our report dated June 17, 2011, with respect to the financial statements and schedule of the AT&T of Puerto Rico, Inc. Long Term Savings and Security Plan included in this Annual Report (Form 11-K) for the year ended December 31, 2010.

/s/ ERNST &YOUNG LLP

Dallas, Texas
June 17, 2011

Attachment to 2010 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name AT&T of Puerto Rico, Inc. Long Term Savings and Security Plan **EIN:** 66-0177929
Plan Sponsor's Name AT&T of Puerto Rico, Inc. **PN:** 002

(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.	(d) Cost	(e) Current value
	See Audited Financial Statements			