

December 17, 2018

The Honorable Richard Neal, Senior Democratic Member  
Ways and Means Committee  
U.S. House of Representatives  
1139E Longworth House Office Building  
Washington, D.C. 20515

Dear Ranking Member Neal:

With an eye to the oversight and policy work you will undertake next year as Chairman of the Ways and Means Committee, I write in full support of your promise to hold hearings on the \$1.5 trillion tax cut forced through last year. CWA respectfully requests that your hearings and oversight efforts include an investigation into what major corporations such as AT&T are doing with their windfall from the tax cuts, following unfulfilled promises to American workers on wages and jobs.

As you know, the Tax Cut and Jobs Act has been a massive double-cross for working people who were urged to support it. Despite promises from President Trump that the bill would raise wages by \$4,000 per household, and pledges from major corporations like AT&T to invest in American workers if the bill passed, workers have yet to see such benefits. Your important oversight work can help policymakers understand why not, so that federal policy is better targeted for raising wages and creating jobs, and not rigged in favor of the already wealthy.

Before the tax bill passed, I sent a proposal to seven of our key employers, including AT&T, asking them to agree in writing to follow through on these jobs and wage promises as part of our current contracts. This proposal required that, if the corporate tax cut was enacted, AT&T and the other six employers would raise all bargaining unit members' pay by \$4,000 annually and stop offshoring workers' jobs. Not a single employer signed the proposal.

Although AT&T publicly promised 7,000 jobs for every billion dollars invested from its tax windfall and expects to receive a benefit of \$3 billion this year alone, today the company continues to contract out work to non-union, lower-paid contractors and offshore American call center jobs.

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Our analysis also shows that the company has eliminated over 7,000 jobs since January 2018, when the tax cuts took effect. It appears that the new tax law made the incentive to offshore jobs even worse, not better, for U.S. workers.

While the company would not sign our wage and jobs proposal, AT&T did offer one-time \$1,000 bonuses upon enactment. We accepted those bonuses, but explained we would be coming back for the rest of the promised wages and jobs. After AT&T acted, a slew of other national companies followed suit with one-time bonuses of their own – a far cry from permanent wage increases and a drop in the bucket of the total amounts these companies were receiving from the tax cut.

CWA members were promised that the massive corporate tax cut would generate reinvestments in workers and jobs and deserve answers as to where the money has gone. Our members are currently in bargaining for a new contract at the AT&T Midwest bargaining unit, covering Ohio, Indiana, Wisconsin, Michigan, and Illinois, as well as the national AT&T Legacy T bargaining unit, and the company is stonewalling workers over the need for preserving and creating good jobs and has asked workers to spend more of their wages on health insurance.

We would like to know, as the ground zero in your investigation, what is AT&T doing with these tax cut benefits? Why does it continue to eliminate good, middle-class jobs, in favor of lower paid contractors here and especially overseas? Understanding why AT&T and companies like it have failed to follow through on their promises will undoubtedly inform your efforts to rewrite the tax law, so that instead of a giveaway to the rich, it truly does ensure the retention and creation of good jobs in the United States.

CWA has been asking AT&T and other employers to provide updates on the status of their plans. We filed information requests to find out where the windfalls are going. The company refused to tell us. A group of AT&T employees even took a road trip across the Midwest looking for these promised jobs, talking to their coworkers, and finding out that at one location after another, AT&T has been eliminating jobs. These workers documented their trip on social media and ended up in Dallas at AT&T corporate headquarters, delivering petitions for the promised jobs, to no avail.

CWA filed unfair labor practice (ULP) charges against AT&T at the National Labor Relations Board when it refused to provide us with information about its plan to use the tax bill savings to invest in its workforce.

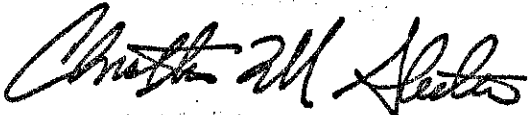
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Those acting on behalf of President Trump's NLRB General Counsel Peter Robb already dismissed one charge and denied our appeal. Apparently, the Administration's view is that ensuring that these tax savings benefit workers as promised goes beyond our statutory role as a union. We strongly disagree, and are counting on Congress to pursue the issue.

The corporate tax cut was a massive failure on its own terms. It has not brought jobs back. It has not raised wages. Good jobs continue to disappear, especially at AT&T and especially in the Midwest. We respectfully request that your hearings and other oversight efforts include an investigation into what corporations like AT&T are doing with these tax cut benefits.

Thank you in advance. On behalf of tens of thousands of AT&T employees, and hundreds of thousands of CWA members desperate for accountability and a tax code that works for working people, we are counting on you.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher M. Shelton". The signature is written in a cursive, flowing style.

Christopher M. Shelton  
President