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Corporate and other bonds and notes	208,230	2,521,841	-	2,730,071
Government securities	-	2,968,940	-	2,968,940
Wrap contracts	-	17,863	-	17,863
Other	-	(256,725)	-	(256,725)
Market value of securities on loan	125,488	805,688	-	931,176
Total assets and liabilities at fair value	$2,419,487	$6,754,652	$-	$9,174,139

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AT&T OF PUERTO RICO, INC.
LONG TERM SAVINGS AND SECURITY PLAN
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(Dollars in Thousands)

Derivative Financial Instruments

In the normal course of operations, Group Trust assets held in the AT&T Stable Value Fund (Stable Value Fund) are invested in certain derivative financial instruments (futures and foreign currency forward contracts). These instruments involve, in varying degrees, elements of credit and market risk in excess of the amounts recognized on the statements of net assets available for benefits. 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 these financial instruments as economic hedges to manage market risk and foreign currency exchange rate risk associated with the Fund's investment assets. The Group Trust's fiduciaries do not anticipate any material adverse effect on the Group Trust's net assets resulting from its involvement in these instruments.

Futures Contracts

The primary risk managed by the Group Trust using future contracts is the price risk associated with certain of the Plan's investments. On behalf of the Master Trust investment managers for the Group Trust entered into various futures contracts to economically hedge investments in domestic securities. These contracts, which are considered derivatives under FASB ASC 815 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 Master 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 equity price risk and interest rate risk, in the normal course of pursuing its investment objectives. The US interest rate futures held in the portfolio as of December 31, 2009 were used primarily to hedge and manage the duration risk of the portfolio.

The fair value of the open futures contracts are 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 Plan's ownership in the Group Trust. Similarly, the gains and losses on open future contracts are reflected in the net appreciation/depreciation in the fair value of the Group Trust's investments and included in the Plan's Net Income from Investment in the AT&T Master Trust to the extent of the Plan's ownership.

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	Amount of Gain/(Loss) Recognized in Income

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

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AT&T OF PUERTO RICO, INC.
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The fair value of the open futures contracts are separately disclosed in the detail of the Group Trust investments presented above and are included in the Statement of Net Assets Available for Benefits to the extent of the Plan's ownership in the Group Trust. Similarly, the gains and losses on open future contracts are reflected in the net appreciation/depreciation in the fair value of the Group Trust's investments and included in the Plan's Net Income from Investment in the Master Trust to the extent of the Plan's ownership.

At December 31, 2008, open futures contracts held in the Group Trust were as follows:

Type of Contract	Number of Contracts Buy/(Sell)	Expiration	Notional Value
90 Day EuroDollar Future	(39)	6/2010	$ (9,580)
US Treasury Bond Future	(126)	3/2009	(17,394)
US 10-Year Treasury Notes Future	(225)	3/2009	(28,294)
US 5-Year Treasury Notes Future	835	3/2009	99,411
US 2-Year Treasury Notes Future	89	3/2009	19,408
UK Long GILT Future	127	3/2009	22,545
US Treasury Bond Future	(336)	3/2009	(46,384)
US 10-Year Treasury Notes Future	362	3/2009	45,522
US 5-Year Treasury Notes Future	229	3/2009	27,264
US 2-Year Treasury Notes Future	19	3/2009	4,143

Foreign Currency Contracts

The primary risks managed by the Plan using foreign currency forward contracts is the foreign currency exchange rate risk associated with the Plan's investments denominated in foreign currencies. Investment managers for the Group Trust entered into forward foreign currency 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 impact of foreign currencies. Although in some cases, forward foreign currency 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). 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 net realized and unrealized gains or losses are included in the net appreciation/depreciation in the fair value of investments for the Group Trust, which is then allocated to the Master Trust and is included in the net income from investment in the Master Trust on the Plan's statement of changes in net assets available for benefits.

As of December 31, 2009 and 2008, the contracts held by the Group Trust were:

Notional Value	Fair value	Amount of Gain/(loss) recognized

	2009	2008	2009	2008	2009	2008
Derivative Assets:	$ 118,767	$ 106,985	$ (835)	$ 1,580	$ (835)	$ 1,580
Derivative Liabilities:	$ 118,767	$ 106,985	$ 846	$ 197	$ 846	$ 197

Fully Benefit-Responsive Investment Contracts
The Stable Value Fund consist of fully benefit-responsive investment contracts with various financial institutions and insurance companies that promise to repay principal plus accrued income at contract maturity, subject to the creditworthiness of the issuer. Interest crediting rates are generally established when the contract is purchased and may be periodically reset.

The Stable Value Fund invests in GICs and Synthetic GICs. Synthetic GICs are also referred to as wrapper contracts. The assets supporting the Synthetic GICs are owned by the Group Trust and generally consist of high quality fixed income securities. At December 31, 2009, the underlying net assets allocated to the Master Trust had a fair value of $597,373 and a contract value of $585,618. At December 31, 2008, the underlying net assets allocated to the Master Trust had a fair value of $605,630 and a contract value of $614,899. For the years ended December 31, 2009 and 2008 the average yield earned on these contracts was 3.05% and 5.06%, and, the average yield earned by the Master Trust adjusted to reflect actual interest rate credited to participants, was 3.43% and 4.57%. No valuation reserves were recorded to adjust contract amounts as of December 31, 2009 or 2008.

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A bank or insurance company issues a wrapper contract that provides preservation of principal maintains a stable interest rate and provides daily liquidity at contract value for participant directed transactions, in accordance with the provisions of the Plan. Wrapper contracts amortize the realized and unrealized gains and losses on the underlying fixed income investments through adjustments to the future interest crediting rate. The issuer of the wrapper contract provides assurance that the adjustments to the interest crediting rate do not result in a future interest crediting rate that is less than zero, which would result in a loss of principal or accrued interest. The fair value of the wrapper contracts were $9,724 and $17,863 at December 31, 2009 and 2008.

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 and the duration of those investments. All wrapper contracts provide for minimum interest crediting rate of zero percent. In the event that the interest crediting rate should fall to zero and the requirements of the wrapper contract are satisfied, the wrapper issuer will pay the Group Trust the shortfall needed to maintain the rate at zero, ensuring participants' principal and accrued interest is protected.

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 Plan's 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 ($11,755) at December 31, 2009, of which ($9) was allocated to the Plan, and was $9,269 at December 31, 2008, of which $8 was allocated to the Plan. 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.

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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 Plan, a material adverse change to the provisions of the Plan, 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 Plan's loss of its qualified status, un-cured material breaches of responsibilities or material and adverse changes to the provisions of the Plan. 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. 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 fair value of securities on loan was $786,644 and $931,176 and value of collateral held was $791,405 and $954,949 at December 31, 2009 and 2008. The reported collateral at December 31, 2009 includes noncash holdings of $3,454. The collateral is invested in common collective trust funds (classified as Level 2). Income earned on securities lending is used to offset administrative expenses and was $7,180 for the year end December 31, 2009.

Investment Risk
Investments held by the Group Trust and 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. Plan 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 - Plan assets are invested in AT&T stock either through the Group Trust or Master Trust. Because the Company is the plan sponsor, transactions involving the Company's stock qualify as party-in-interest transactions. In addition, certain investments held by the Plan, 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 Plan has received a determination letter from the Commonwealth of Puerto Rico's Department of Treasury (Treasury) dated May 31, 1995, stating that the Plan 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 Plan was amended and restated. Once qualified, the Plan is required to operate in conformity with the Puerto Rico Code to maintain its qualifications. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Puerto Rico Code and, therefore, believes that the Plan, as amended and restated, is qualified and the related trust is tax exempt. On December 17, 2009, a request for a new determination letter was filed with the Treasury with respect to the Plan, and that request is still pending.

AT&T OF PUERTO RICO, INC.
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(Dollars in Thousands)

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:

	2009	2008
Net Assets Available for Benefits per the financial statements	$ 879	$ 846
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	9	(8)
Net Assets Available for Benefits per the Form 5500	$ 888	$ 838

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, 2009:

Total additions per the financial statements	$ 163
Adjustment from contract value to fair value for fully benefit-responsive investment contracts at December 31, 2009	9
Adjustment from contract value to fair value for fully benefit-responsive investment contracts at December 31, 2008	8
Total income per the Form 5500	$ 180

Fully benefit-responsive contracts are recorded on the Form 5500 at fair value versus contract value on the financial statements.

8. Subsequent Events - The trustee of the Plan was Eurobank until April 30, 2010 at which point it was closed by the Commissioner of the Puerto Rico Bureau of Financial Institutions, and deposits were transferred to Oriental Bank and Trust, which became the Plan’s trustee.

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

EIN 66-0177929, PLAN NO. 002
SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2009

(Dollars in Thousands)

Identity of Issue	Description of Investment	Current Value
* Participant Loans	4.00% - 8.25%	$ 80

* Party-in-Interest.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustee (or other persons who administer the employee benefit plan) have 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 Corp.,
Plan Administrator for the Foregoing Plan

By /s/ John J. Stephens
John J. Stephens
Senior Vice President and Controller

Date: June 25, 2010

EXHIBIT INDEX

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

Exhibit Number	
23	Consent of Independent Registered Public Accounting Firm

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