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U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

Re: Verizon Communications Inc. 2007 Annual Meeting
Shareholder Proposal of Thomas Van Dyck

Ladies and Gentlemen:

This letter is submitted on behalf of Verizon Communications Inc., a Delaware corporation ("Verizon"), pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended. Verizon has received a shareholder proposal and supporting statement (the "Proposal") from Thomas Van Dyck (the "Proponent"), for inclusion in the proxy materials to be distributed by Verizon in connection with its 2007 annual meeting of shareholders (the "2007 proxy materials"). The Proponent has given the organization As You Sow authority to represent him with respect to the Proposal. Copies of the Proposal and all of the correspondence relating to the Proposal are attached as Exhibit A. For the reasons stated below, Verizon intends to omit the Proposal from its 2007 proxy materials.

Pursuant to Rule 14a-8(j)(2), enclosed are six copies of this letter and the accompanying attachments. A copy of this letter is also being sent to As You Sow, on behalf of the Proponent, as notice of Verizon's intent to omit the Proposal from Verizon's 2007 proxy materials.

I. Introduction.

On November 21, 2006, Verizon received a letter from the Proponent containing the following proposal:

RESOLVED: The shareholders request that the Board of Directors issue a report to shareholders in six months, at reasonable cost and excluding confidential and proprietary information, which describes the overarching technological, legal and ethical policy issues surrounding the disclosure of customer records and communications content to (1) the Federal Bureau of Investigation, NSA and other governmental agencies without a warrant and (2) non-governmental entities (e.g. private investigators) and their effect on the privacy rights of Verizon's MCI long-distance customers.

Verizon believes that the Proposal may be properly omitted from its 2007 proxy materials on the following grounds, each of which is discussed in detail below:

- The Proposal may be excluded under Rule 14a-8(i)(7) because it deals with a matter relating to Verizon's ordinary business operations;
- The Proposal may be excluded under Rule 14a-8(i)(2) because, as explained in the opinion of counsel attached to this letter as Exhibit B, implementation of the Proposal would require Verizon to violate one or more federal laws to which Verizon is subject and require Verizon to defy the instructions of the United States Department of Justice;
- The Proposal may be excluded under Rule 14a-8(i)(10) because, to the extent implementation would be consistent with federal law, Verizon has substantially implemented the Proposal; and
- The Proposal may be excluded under Rule 14a-8(i)(3) and 14a-8(i)(6) because the Proposal is so inherently vague and indefinite that neither the shareholders voting on the Proposal nor Verizon in implementing it (if adopted) would be able to determine with any reasonable certainty exactly what measures the Proposal requires.

Verizon respectfully requests the concurrence of the Staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") that it will not recommend enforcement action against Verizon if Verizon omits the Proposal in its entirety from its 2007 proxy materials.

II. Bases for Excluding the Proposal.

A. The Proposal May be Excluded Under Rule 14a-8(i)(7) Because it Deals with a Matter Relating to Verizon's Ordinary Business Operations.

Rule 14a-8(i)(7) permits a company to omit a shareholder proposal from its proxy materials if it deals with a matter relating to the company's ordinary business operations. Exchange Act Release No. 34-12999 (November 22, 1976). Where a proposal would require the preparation of a special report to shareholders on specific aspects of the company's business, the Staff "will consider whether the subject matter of the special report involves a matter of ordinary business." Where it does, the proposal will be excludable. Exchange Act Release No. 34-20091 (August 16, 1983).

The general policy underlying the "ordinary business" exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." Exchange Act Release No. 34-40018 (May 21, 1998). This general policy reflects two central considerations: (i) "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight"; and (ii) the "degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." Exchange Act Release No. 34-40018 (May 21, 1998) (the "1998 Release"). Verizon believes that these policy considerations clearly justify exclusion of the Proposal. The development and implementation of policies and procedures surrounding the protection of customer information, including the circumstances under which that information may or must be lawfully disclosed, is a basic management function and an integral part of Verizon's day-to-day business operations. Moreover, the proposal addresses matters that are the subject of litigation in which Verizon currently is involved and, consistent with the 1998 Release, a company's litigation strategy is precisely the "type of matter of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment."

The Proposal Impermissibly Seeks to Subject Basic Management Functions --- Protecting Customer Information and Complying With Legal Requirements -- to Shareholder Oversight

The Staff has long recognized that proposals which attempt to govern business conduct involving internal operating policies, customer relations and legal compliance programs may be excluded from proxy materials pursuant to Rule 14a-8(i)(7) because they infringe upon management's core function of overseeing business practices. See, e.g., *H&R Block Inc.* (August 1, 2006) (proposal sought implementation of legal compliance program with respect to lending policies); *Bank of America Corporation* (March 3, 2005) (proposal to adopt a "Customer Bill of Rights" and create a position of

“Customer Advocate”); *Deere & Company* (November 30, 2000) (proposal relating to creation of shareholder committee to review customer satisfaction); *CVS Corporation* (February 1, 2000) (proposal sought report on a wide range of corporate programs and policies); *Associates First Capital Corporation* (February 23, 1999) (proposal requested that Board monitor and report on legal compliance of lending practices); *Chrysler Corp.* (February 18, 1998) (proposal requesting that board of directors review and amend Chrysler’s code of standards for its international operations and present a report to shareholders); *Citicorp* (January 9, 1998) (proposal sought to initiate a program to monitor and report on compliance with federal law in transactions with foreign entities).

The Staff’s no-action letters have expressly found that policies and procedures for protection of customer information are basic customer relations matters. For example, in *Bank of America Corporation* (February 21, 2006), the Staff permitted exclusion of a proposal seeking a report on policies and procedures for protecting customer information. See also *Bank of America Corporation* (March 7, 2005) (same); *Consolidated Edison Inc.* (March 10, 2003) (proposal sought to govern how employees should handle private information obtained in the course of employment); and *Citicorp* (January 8, 1997) (proposal requested report on policies and procedures to monitor illegal transfers through customer accounts).

The development and implementation of policies and procedures for the protection of customer information, including the circumstances under which such information may be lawfully disclosed, is a core management function and an integral part of Verizon’s day-to-day business operations. Verizon is one of the nation’s largest telecommunications carriers, delivering a wide variety of wireline and wireless communication services to individual consumers, businesses, government and wholesale customers. The level of privacy provided by Verizon to its customers is fundamental to its service offerings and its ability to attract and retain customers. Management is in the best position to determine what policies and procedures are necessary to protect customer privacy and ensure compliance with applicable legal and regulatory requirements. To that end, Verizon has established a Privacy Office which oversees the development and implementation of internal privacy policies and controls that are designed to ensure that customer information is managed in a way that prevents unlawful access or disclosure. The Proposal impermissibly seeks to subject this integral piece of Verizon’s business operations to shareholder oversight.

The Proposal Interferes with Verizon’s Ability to Respond Effectively to Litigation

Verizon also believes that it may omit the Proposal under Rule 14a-8(i)(7) because the Proposal directly addresses matters that are central to litigation in which Verizon is actively engaged, a fact that the Proposal expressly acknowledges. The Proposal seeks a discussion of Verizon’s policies surrounding the alleged disclosure of customer records and communications content to the Federal Bureau of Investigation, NSA and other governmental agencies without a warrant. As disclosed in its Quarterly Reports on Form 10-Q for the second and third quarters of this year, Verizon and a

number of other telecommunications companies have been the subject of multiple class action suits (the "Class Actions") concerning their alleged participation in intelligence-gathering activities allegedly carried out by the federal government, at the direction of the President of the United States, as part of the government's post-September 11 program to prevent terrorist attacks. Plaintiffs generally allege that Verizon has participated by permitting the government to gain access to the content of its subscribers' telephone calls and/or records concerning those calls and that such action violates federal and/or state constitutional and statutory law. The Proposal also seeks a discussion of Verizon's policies surrounding the disclosure of customer records and communications content to non-governmental entities such as private investigators. Verizon's subsidiary, Verizon Wireless, has filed lawsuits against entities and individuals who pose as customers or employees, a practice known as "pre-texting," to unlawfully access phone records of Verizon Wireless subscribers; one of these lawsuits arises out of the pretexting associated with the investigation by the Hewlett-Packard Company into leaks of confidential information from its Board of Directors.

The Staff has permitted the exclusion under Rule 14a-8(i)(7) of shareholder proposals that could interfere with the company's ability to respond effectively to litigation and governmental investigations. See, e.g., *Reynolds American Inc.* (February 10, 2006) (proposal requesting that the company conduct a campaign to apprise African Americans of health hazards associated with menthol cigarettes was excludable where the company was defending lawsuits relating to same matter); *Loews Corporation* (March 22, 2006) (same); *R. J. Reynolds Tobacco Holding Inc.* (February 6, 2004) (proposal requesting that the company refrain from marketing cigarettes as "light" until independent research shows light brands actually reduce health risks was excludable because it interfered with litigation strategy of a class action lawsuit on similar matters); and *R. J. Reynolds Tobacco Holding Inc.* (March 6, 2003) (proposal seeking a report assessing the company's involvement in international cigarette smuggling was properly excludable under Rule 14a-8(i)(7) where the company was defending lawsuits relating to the same matter).

Even if the Proposal is deemed to touch upon significant policy issues, under these precedents a shareholder proposal is nevertheless excludable if it implicates litigation strategy. For example, in *Philip Morris Companies, Inc.* (February 4, 1997), the Staff noted that it previously had "taken the position that proposals directed at the manufacture and distribution of tobacco-related products by companies involved in making such products raise issues of significance that do not constitute matters of ordinary business," but nevertheless determined that the company could exclude "a proposal [that] primarily addresses the litigation strategy of [the company], which is viewed as inherently the ordinary business of management to address." This result is also consistent with the longstanding position of the Staff that a company's decision to institute or defend itself against legal actions, and decisions on how it will conduct those legal actions, are matters relating to ordinary business operations within the exclusive prerogative of management. See, e.g., *NetCurrents, Inc.* (May 8, 2001) (proposal requiring company to sue two individuals within 30 days of annual meeting excludable

as ordinary business operations because it relates to litigation strategy); and *Microsoft Corporation* (September 15, 2000) (proposal asking company to sue federal government on behalf of shareholders excludable as ordinary business because it relates to the conduct of litigation).

The Proposal squarely implicates issues that are central to both the Class Actions and the Verizon Wireless lawsuits. To comply with the request of the Proposal, or even take a public position on the subject matter of the Proposal in its 2007 proxy materials, would improperly interfere with and otherwise adversely affect Verizon's litigation strategy in the Class Actions. In addition, as discussed in further detail below, Verizon has been furnished with an opinion of counsel that implementing the Proposal would require Verizon to violate one or more federal laws and defy the instructions of the United States Department of Justice concerning the treatment of classified information which Verizon may possess. As such, inclusion of the Proposal in Verizon's 2007 proxy materials would permit Proponent to interfere with management's right and duty to determine Verizon's litigation strategy.

The Proposal Inappropriately Seeks to Engage Verizon in Political Discourse Implicating Verizon's Ordinary Business Operations.

The Staff consistently has permitted a proposal to be excluded under Rule 14a-8(i)(7) where the proposal appeared to be directed at engaging the company in a political or legislative process relating to an aspect of its business operations. See, e.g., *Microsoft Corporation* (September 29, 2006) (permitting exclusion of proposal seeking report on the company's rationale for supporting certain public policy measures concerning regulation of the internet); *Verizon Communications Inc.* (January 31, 2006) (permitting exclusion of proposal seeking report on the impact of flat tax); *International Business Machines Corporation* (March 2, 2000) (proposal seeking establishment of a board committee to evaluate the impact of pension-related proposals under consideration by national policymakers was excludable). See also *Pacific Enterprises* (February 12, 1996) (proposal that a utility dedicate its resources to ending state utility deregulation was excludable); *Pepsico, Inc.* (March 7, 1991) (permitting exclusion of proposal calling for an evaluation of the impact on the company of various federal healthcare proposals); *Dole Food Company* (February 10, 1992) (same); and *GTE Corporation* (February 10, 1992) (same).

In *International Business Machines, supra*, the Staff's letter allowing exclusion of the proposal specifically noted that "the proposal appears directed at involving IBM in the political or legislative process relating to an aspect of IBM's operations." Here, the Proponent clearly wants to commandeer the resources of Verizon and the platform of its proxy statement to criticize measures allegedly taken by the federal government, at the direction of the President of the United States, as part of the government's post-September 11 program to prevent terrorist attacks. The Proposal suggests that Verizon has been complicit in violations of customer privacy, including the practice of pre-texting, and asserts, "[t]hese issues pose questions in regard to general respect for the

rule of law upon which our democratic system depends.” On a day-to-day basis Verizon devotes substantial resources to monitoring compliance with laws relating to its handling of customer information, cooperating with lawful requests for information from law enforcement agencies and others and actively participating in ongoing regulatory, legislative and judicial proceedings relating to privacy issues. The Proposal inappropriately seeks to intervene in Verizon’s routine management of this basic area of its business in order to advance a specific political or legislative objective.

The fact that a proposal may touch upon a matter with public policy implications does not necessarily remove it from the realm of ordinary business matters. Rather, no action precedents demonstrate that the applicability of Rule 14a(i)(7) depends largely on whether implementing the proposal would have broad public policy impacts outside the company or would only deal with matters of the company’s internal business operations, planning and strategy. For example, in *Microsoft Corporation, supra*, the Staff permitted exclusion of a proposal relating to a significant policy issue (i.e., net neutrality), because it recognized that evaluating the impact of expanded government regulation of the internet was a matter of the company’s internal business operations, planning and strategy. Implementing the Proposal would involve matters central to Verizon’s internal business operations, planning and strategy; namely, analysis of the myriad issues that arise in connection with, and the attendant risks of, safeguarding private customer information and complying with applicable legal and regulatory requirements.

For all of the foregoing reasons, Verizon believes that the Proposal may be omitted from its 2007 proxy materials because it deals with matters relating to Verizon’s ordinary business operations.

B. The Proposal May Be Omitted Under Rule 14a-8(i)(2), Because Implementation of the Proposal Would Require Verizon to Violate One or More Federal Laws and Defy the Instructions of the United States Department of Justice Concerning the Treatment of Classified Information.

A shareholder proposal may be properly excluded under Rule 14a-8(i)(2) if the proposal, if implemented, would cause the company to violate any state, federal or foreign law to which it is subject. Verizon has been furnished with an opinion of counsel that implementation of the Proposal’s central request – namely, that Verizon report on the legal and other policy issues surrounding the disclosure of customer information to federal agencies without a warrant -- would be a violation of one or more federal laws to which Verizon is subject and would defy the instructions of the United States Department of Justice. As more fully explained in the opinion of counsel, which is attached to this letter as Exhibit B, the United States has expressly and formally advised Verizon on several occasions that it would violate federal law if it were to disclose classified information it may possess concerning intelligence-gathering activities allegedly carried out by the federal government, at the direction of the