

## VERIZON -- PRIVACY RIGHTS PROTECTION REPORT

WHEREAS: The right to privacy is a long established value, enshrined in the Constitution and decades of U.S. jurisprudence, and cherished by people of all political persuasions; and

Privacy protections serve many important societal purposes: encouraging development of science and knowledge; preventing fraud; and allowing individuals to communicate sensitive information to health care providers, clergy, brokers, etc.; and

The reputation and good standing of Verizon may be placed in jeopardy by reports that its subsidiary MCI may have voluntarily provided customer phone records and communications data to the National Security Agency (NSA); and

We believe this alleged practice is seen by millions of Americans, including customers, shareholders and employees of Verizon, as a violation of our customers' privacy expectations and basic right to have phone and e-mail records kept confidential; and

Verizon management has not confirmed or denied reports that its long-distance carrier MCI released consumer data to the NSA. Multiple class action and other consumer lawsuits have been filed against Verizon which could result in millions of dollars in liabilities and defense fees; and

Our customers have the choice to go to other telecommunications companies if they do not agree with the company's practices and may do so. These events and the potential for legal liability could affect the long-term value of our company; and

We are also concerned about ongoing violations of customer privacy including pretexting. This practice was used by Hewlett-Packard management to obtain data on phone calls made by board members. Verizon President Lawrence Babbio is an HP board member. Shareholders deserve an explanation of how pretexting could have occurred under Mr. Babbio's watch on the HP board. We believe Verizon executives are fully aware of the illegality of pretexting as demonstrated by the Verizon Wireless lawsuit filed against the individuals who obtained its customers' cell phone records as part of the HP investigation; and

These issues pose questions in regard to general respect for the rule of law upon which our democratic system depends. In light of the potentially negative uses of today's technology, we believe it is important that Verizon re-examine the steps it takes to protect the values embodied in an individual's right to privacy.

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 government 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.

### SUPPORTING STATEMENT

We believe it will benefit society, our customers, shareholders and Verizon's long-term value for the company to take a leadership role as protector of privacy rights and to issue this report. The proponents urge a YES vote.