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Office of the Chief Counsel
Division of Corporation Finance
Securities & Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

By Hand

Re: Shareholder proposal to Verizon Communications, Inc.
from C. William Jones

Dear Counsel:

I have been asked to respond on behalf of C. William Jones (the "Proponent") to the letter from counsel for Verizon Communications, Inc. ("Verizon" or the "Company") dated 27 December 2006 ("Verizon Letter"), in which Verizon advises that it plans to omit the Proponent's resolution from the Company's 2007 proxy materials. For the reasons set forth below, the Proponent respectfully asks the Division to deny the no-action relief that Verizon seeks.

The Jones Resolution

The resolution states as follows:

> **RESOLVED,** the shareholders of Verizon Communications, Inc. hereby request that the Board adopt a policy that includes, as a voting item in the proxy statement for each annual meeting, an advisory resolution, proposed by Verizon's management, to approve the compensation of the named executive officers ("NEOs"), as set forth in the proxy statement's Summary Compensation Table (the "SCT"), and the accompanying narrative disclosure of material factors provided to understand the SCT. The policy should ensure that shareholders fully understand the vote is advisory and will not abrogate any employment agreement.

Verizon opposes inclusion of this proposal in its proxy materials on three grounds:

1. First, Verizon argues that the Proponent's resolution is not a proper subject for a stockholder proposal under Rule 14a-8(a).

2. Second, Verizon argues that a proposal recommending a shareholder vote at an indefinite number of future annual meetings circumvents the eligibility requirements of Rule 14a-8(b) and (c).

3. Third, Verizon argues that the proposal would cause the company to violate Delaware law. Exclusion is thus sought under Rule 14a-8(i)(2).

Under Rule 14a-8(g), Verizon bears the burden of demonstrating why the Proponent's proposal may be excluded. As we now demonstrate, Verizon has not sustained its burden, and the request for no-action relief should therefore be denied.

The "Proper Subject Matter" Exclusion

Verizon argues that Proponent's resolution does not present a proper subject and may therefore be excluded under Rule 14a-8(a). Rule 14a-8(a) defines a shareholder proposal as "your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders." Based on this, Verizon claims that Proponent's resolution is not a "proposal," because it allegedly does not recommend or require that the Board "take action." The argument fails for several reasons.

First, the plain language of the Jones resolution requests Verizon's Board of Directors to "take action" - namely, to "adopt a policy" relating to executive compensation. The recommended policy is that the board prepare and include "as a voting item in the proxy statement for each annual meeting, an advisory resolution, proposed by Verizon's management, to approve the compensation of the named executive officers . . .."

The Jones proposal is not self-executing. The recommended policy will not occur unless the board "take[s] action" by affirmatively voting to follow the recommendation and then implements the policy proposal in subsequent years.

In effect, Verizon's shareholders are being asked to endorse a recommendation that Verizon's Board take a series of future actions related to the formulation of senior executive compensation policy. Indeed, it seems difficult to maintain that the Proponent is not recommending the adoption of a substantial new policy considering, as noted in the Supporting Statement, that "[t]he advisory vote proposed here is similar to the nonbinding shareholder vote required since 2003 at the annual meetings of all U.K.-listed firms and, beginning in 2005, at Australia-

based companies."

Second, Verizon expends much effort arguing that even if the Jones proposal does ask the Verizon board to "take action" by adopting a "policy," couching resolutions in terms of adopting a "policy" is not enough to save the resolution. The reason, Verizon argues, is that the Division has granted no-action relief if the subject matter covered by the proposed policy is itself excludable under Rule 14a-8(i). This argument also fails.

Verizon's argument rests on a mischaracterization of the "subject matter" of the proposal. The "subject matter" of the proposal is not an advisory vote *per se*, but executive compensation, a topic that the Division has stated for 15 years is a proper subject for shareholders to raise under Rule 14a-8. *See Battle Mountain Gold Co.* (12 February 1992) ("In view of the widespread public debate concerning executive and director compensation policies and practices, and the increasing recognition that these issues raise significant policy issues, it is the Division's view that proposals relating to senior executive compensation no longer can be considered matters relating to a registrant's ordinary business.") Verizon's attempt to conflate the one-sentence definition of a "proposal" in Rule 14a-8(a) with the Division's normal inquiry into whether the underlying subject matter runs afoul of Rule 14a-8(i) is a recipe for eviscerating a constructive and well-established category of shareholder resolutions.

Third, Verizon's "advisory vote" argument rests on two no-action letters that are far removed from the Jones resolution. In *CSX Corp.* (1 Feb. 1999) a proponent asked the company to include three poems in its proxy statement. There was no request that the board take any action or that the shareholders be given a vote on the poems. In *Sensar Corp.* (23 April 2001), the resolution did not recommend or require any board action; it merely stated that "[t]he shareholders wish to express displeasure over the terms of the options on 2.2 million shares of Sensar that were recently granted to management, the board of directors, and certain consultants, and the shareholders wish to express displeasure over the seemingly unclear or misleading disclosures relating to those options." The Division excluded this proposal because of the failure to "recommend or require" that the board do anything.

Fourth, Verizon ignores the only no-action precedent that addresses one of these proposals, namely, *Sara Lee Corp.* (11 Sept. 2006), in which the Division rejected claims that a similar proposal could be excluded as "ordinary business" under Rule 14a-8(i)(7). (The proposal subsequently received a 42.5% approval level by Sara Lee shareholders.) The Division clearly recognized – and was not troubled by – the fact that the proposal sought a recurring future advisory vote on the Board's compensation policy for senior executive officers.

Finally, it is worth noting the seemingly radical nature of Verizon's proposed reinterpretation of Rule 14a-8. Many shareholder proposals take the form of a request for a future shareholder vote on a particular matter, with the proposal to be drafted and submitted by management. If Verizon's claim were to be credited, the result would be to cast doubt on many proposals that are introduced each year requesting shareholder ratification or approval of various elements of executive compensation, including:

- Proposals that boards of directors seek shareholder approval for future golden parachute or executive severance agreements that exceed some multiple of the executive's base salary and bonus;

- Proposals that boards of directors seek shareholder approval for future SERP or other non-qualified executive retirement arrangements that are more generous than those offered to other employees;

- Proposals that shareholders approve any future repricing of stock options granted to senior executives.

In these cases and others – such as requests to bring future poison pills to a shareholder vote – the shareholder proposal requests that the board adopt a policy that involves the company drafting and placing a voting item on a future annual meeting agenda. That *modus operandi* has not previously been viewed as problematic under Rule 14a-8.

The "Future Eligibility Requirements" Exclusion

Verizon next argues that a proposal seeking a policy that would provide for a matter to be submitted for a vote of the shareholders "for an indefinite number of future meetings" fails to meet "the procedural requirements of Rule 14a-8 with respect to those future years." (Verizon Letter, pp. 7, 8). Verizon claims that to maintain a proposal of this nature, a proponent must demonstrate that he will meet the stock ownership and other eligibility requirements, particularly Rule 14a-8(b) and (c), for all subsequent years that the recommended item may be put forward for a shareholder vote.

Verizon erroneously conflates a request to adopt a policy whereby the *board* would bring forward a *board* proposal in future years – with a proposal to be offered by a shareholder. The criteria for *shareholders* to have proposals included in a company proxy in a given year are governed by Rule 14a-8. Those limits do not apply to a corporate board. The Verizon board surely has the power to include a vote of the sort recommended by the Jones proposal, even if a shareholder would be subject to eligibility limitations on ownership, holding period and the like. The

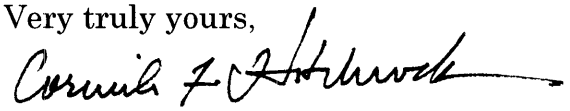
procedural requirements of Rule 14a-8(b) and (c) are thus irrelevant in this context.

Conclusion.

In sum, Verizon has failed to carry its burden of demonstrating that the proposal is not a proper subject for a shareholder proposal under Rule 14a-8(a), or that the Proponent is required to meet the eligibility requirements for future shareholder voting items put forward by the company or its management. Verizon also has failed to carry its burden of demonstrating that the resolution "*would*, if implemented" result in a violation of Delaware law, which is the criteria set out in the (i)(2) exclusion. Because the Company has failed to meet its burden under Rule 14a-8, we respectfully ask you to advise Verizon that the Division cannot concur with the Company's objections.

Thank you for your consideration of these points. Please feel free to contact me if additional information is required. I would be grateful as well if you could fax me a copy of the Division's response once it is issued.

Very truly yours,



Cornish F. Hitchcock

cc: Mary Louise Weber, Esq.
C. William Jones