

VERIZON COMMUNICATIONS INC
Form DEFR14A
March 28, 2007
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No. 1)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

VERIZON COMMUNICATIONS INC.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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Verizon Communications Inc.

140 West Street

New York, New York 10007

March 28, 2007

To Our Shareholders:

On behalf of the Board of Directors, Verizon cordially invites you to attend the 2007 Annual Meeting of Shareholders of Verizon Communications Inc. on Thursday, May 3, 2007. The Annual Meeting will be held at the Westin Convention Center Hotel, 1000 Penn Avenue, Pittsburgh, Pennsylvania. The Annual Meeting will begin at 10:30 a.m. and we anticipate that it will end no later than 12 noon.

The Annual Meeting is an opportunity for us to talk with you about matters of general interest to Verizon's shareholders. The attached Proxy Statement describes the matters that we expect to act upon at the Annual Meeting. You will need an admission ticket to attend the Annual Meeting. Specific information about obtaining your admission ticket can be found in the Notice of Annual Meeting that appears on the next page. We have printed directions to the Annual Meeting on the back inside cover of the Proxy Statement and on the admission ticket. The directions are also available at www.verizon.com/investor.

The Westin Convention Center Hotel is accessible to all shareholders. If you would like to have a sign language interpreter at the meeting, please send your request to the Assistant Corporate Secretary, Verizon Communications Inc., 140 West Street, 29th Floor, New York, New York 10007, so that we receive it no later than April 20, 2007.

Sincerely,

Chairman and Chief Executive Officer

Your vote is important

**Please vote promptly by Internet,
by telephone, or by signing, dating and returning
the enclosed proxy card**

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**Notice of Annual Meeting of Shareholders
of Verizon Communications Inc.**

Date: May 3, 2007
Time: 10:30 a.m. Local Time
Place: Westin Convention Center Hotel,

1000 Penn Avenue, Pittsburgh, Pennsylvania 15222

At the Annual Meeting of Shareholders, you will be asked to:

1. Elect Directors;
2. Ratify the appointment of the independent registered public accounting firm;
3. Act upon such other matters, including the shareholder proposals described in this Proxy Statement, as may properly come before the meeting; and
4. Consider any other business that is properly brought before the meeting.

Shareholders who own their shares of record at the close of business on March 5, 2007 are entitled to vote at the Annual Meeting. You may vote on the Internet or by telephone or by mailing a proxy card or you may vote your shares by returning the voter instruction form provided by your bank or broker. You may also vote in person at the Annual Meeting. Please review the instructions for the various voting options which are provided on the proxy card. We encourage you to vote your shares as soon as possible.

You will need an admission ticket to attend the meeting. If you are a registered shareholder, an admission ticket is attached to your proxy card. If your shares are not registered in your name, you should ask the broker, bank or other institution that holds your shares to provide you with a copy of your account statement or a letter from the firm confirming that you owned Verizon common stock on March 5, 2007. You can obtain an admission ticket by presenting that documentation at the meeting.

By Order of the Board of Directors

Marianne Drost

Senior Vice President,

March 28, 2007

Deputy General Counsel and

Corporate Secretary

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PROXY STATEMENT

Beginning March 28, 2007, Verizon is mailing this Proxy Statement and proxy card to its shareholders of record as of March 5, 2007. The Board of Directors is soliciting proxies in connection with the election of Directors and other actions to be taken at the Annual Meeting of Shareholders and at any adjournment or postponement of that Meeting. The Board of Directors encourages you to read the Proxy Statement and to vote on the matters to be considered at the Annual Meeting.

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VOTING PROCEDURES AND RELATED MATTERS

Who can vote? Shareholders of record as of the close of business on March 5, 2007 (also referred to as the Record Date) are entitled to vote. On that date, approximately 2.9 billion shares of common stock were outstanding and eligible to vote. Each share is entitled to one vote on each matter presented at the Annual Meeting.

How do I vote? You may vote in person at the Annual Meeting or you may vote by proxy without attending the Meeting. If you are a registered shareholder, you may vote by Internet or telephone by following the instructions on your proxy card. To vote your proxy by mail, please indicate your voting choices, sign and date your proxy card and return it in the postage-paid envelope provided. You may revoke your proxy by submitting a proxy bearing a later date so that we receive it before the polls close at the Annual Meeting. You may also revoke your proxy by appearing in person and voting at the Annual Meeting. If you hold your shares through a broker, bank or other nominee, that institution will send you separate instructions describing the procedure for voting your shares.

What shares does my proxy card represent? Your proxy card represents all Verizon shares registered in your name as of March 5, 2007. If you participate in the Verizon Communications Direct Invest Plan, the card also represents any full shares that are held in your Direct Invest Plan account. If you are an employee who participates in a Verizon employee savings plan and you also hold shares in your own name, you will receive a single proxy card that includes the plan shares attributable to the units that you hold in the plan and the shares registered in your name.

How does the Proxy Committee vote my shares? If you provide a properly executed proxy before voting closes at the Annual Meeting, the Proxy Committee will vote your shares in accordance with the directions on your proxy card. If you do not indicate how your shares are to be voted, the Proxy Committee will vote your shares as recommended by the Board of Directors. The Proxy Committee also has the discretionary authority to vote on your behalf on any other matter that is properly brought before the Annual Meeting. If you wish to give your proxy to someone other than the Proxy Committee, please cross out the names of the Proxy Committee and add the name of the person you wish to designate.

How are votes counted? If we receive a valid proxy before voting at the Annual Meeting is closed, your shares are voted as you indicate. If you indicate that you wish to abstain from voting on an item, your shares will not be voted on that item. Under our Bylaws, abstentions will not be counted in determining the number of shares voted with respect to any nominee for Director or any management or shareholder proposal. We will count abstentions in determining whether a quorum is present.

If you do not provide voting instructions to your broker or nominee at least ten days before the Annual Meeting, that person has discretion to vote your shares on routine matters as determined by the New York Stock Exchange but cannot vote your shares on non-routine matters. This is referred to as a broker non-vote. Broker non-votes are only counted in determining whether a quorum is present.

If you are an employee who participates in a Verizon employee savings plan, the proxy that you submit will provide your voting instructions to the plan trustee. If you do not submit a proxy, the plan trustee will vote your plan shares in the same proportion as the shares for which the trustee receives voting instructions from other participants in that plan. If you do not submit a proxy and you are also a registered shareholder, your registered shares will not be voted. To allow sufficient time for the savings plan trustees to tabulate the vote of the plan shares, we must receive your proxy voting instructions by April 30, 2007.

What vote is required? In order to have a quorum to conduct business at the Annual Meeting, a majority of the outstanding shares of Verizon common stock that are entitled to vote must be represented in person or by proxy. If a quorum is not present, the Annual Meeting will be rescheduled for a later date.

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Directors are elected by a majority of the votes cast. The management and shareholder proposals described in the Proxy Statement must be approved by a majority of the votes cast. Any shares not voted (whether by abstention, broker non-vote or otherwise) will have no effect on the vote.

Who will tabulate and certify the vote? The Company's transfer agent, Computershare Trust Company, N.A., will tally the vote, and the independent inspectors of election will certify the results.

Is my vote confidential? It is the Company's policy to maintain the confidentiality of proxy cards, ballots and voting tabulations that identify individual shareholders, except where disclosure is mandated by law and in other limited circumstances.

Who is the Company's proxy solicitor? Georgeson Inc. has been retained by the Company to assist in the distribution of proxy materials and solicitation of votes for a base fee of \$17,500, plus reimbursable expenses and custodial charges.

Where can I find the voting results of the Annual Meeting? Voting results will be available on our website at www.verizon.com/investor shortly after the meeting and will also be included in the Company's Form 10-Q for the second quarter which will be filed with the Securities and Exchange Commission in August 2007.

How may I request an electronic set of proxy materials? We encourage shareholders to sign up for electronic delivery of future proxy materials. To sign up, go to www.computershare.com/verizon. You may also sign up when you vote by Internet at www.investorvote.com/verizon and follow the instructions. Once you sign up, you will no longer receive a printed copy of the proxy materials, unless you request one. Each year you will receive an e-mail explaining how to access the proxy materials on-line as well as how to vote your shares on-line. You may suspend electronic delivery of the proxy materials at any time by contacting Computershare Trust Company, N.A. (on-line at www.computershare.com/verizon, by telephone at 1-800-631-2355 or in writing at P.O. Box 43078, Providence, Rhode Island 02940-3078).

Why did I receive only one set of proxy materials when there are several shareholders at my address? Verizon has adopted a procedure approved by the Securities and Exchange Commission called "householding." Under this procedure, eligible shareholders who share a single address receive only one copy of the Annual Report and Proxy Statement at their household unless we receive notice that they wish to continue to receive individual copies. This procedure does not apply to shareholders who have signed up for electronic delivery of proxy materials.

How may I request a single set of proxy materials for my household? Registered shareholders should contact Computershare Trust Company, N.A. (by telephone at 1-800-631-2355 or in writing at P.O. Box 43078, Providence, Rhode Island 02940-3078) to receive a single copy of the Annual Report and Proxy Statement each year, beginning 30 days after receipt of your instructions. If you hold your shares through a broker, bank or other nominee, you can contact your broker, bank or nominee to request a single set of proxy materials.

What if I have questions about my stock account, dividends, how to transfer my shares or similar matters? Please contact Verizon's transfer agent, Computershare Trust Company, N.A. (on-line at www.computershare.com/verizon, by telephone at 1-800-631-2355 or in writing at P.O. Box 43078, Providence, Rhode Island 02940-3078) with questions concerning stock

certificates, dividend checks, transfer of ownership or other matters pertaining to your stock account.

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STRUCTURE AND PRACTICES OF THE BOARD OF DIRECTORS

Verizon's independent Board of Directors has the professional experience, expertise and commitment to effectively oversee management's performance and act in the long-term best interests of shareholders. The Board of Directors is committed to maintaining the highest standards of corporate governance. The Board periodically reviews its governance provisions in light of recent developments and shareholder views. For example, in 2006, the Board adopted a majority vote standard for the election of Directors. Currently, there are fifteen Directors: James R. Barker, Richard L. Carrión, M. Frances Keeth, Robert W. Lane, Sandra O. Moose, Joseph Neubauer, Donald T. Nicolaisen, Thomas H. O'Brien, Clarence Otis, Jr., Hugh B. Price, Ivan G. Seidenberg, Walter V. Shipley, John W. Snow, John R. Stafford and Robert D. Storey. All of the Directors are standing for election and their biographies appear later in this Proxy Statement.

Corporate Governance Guidelines and Codes of Ethics. The Board of Directors has adopted Corporate Governance Guidelines that address the practices of the Board. The Guidelines are attached as Appendix A to this Proxy Statement. The Guidelines, Certificate of Incorporation, Bylaws and Board Committee charters provide the framework for governance of Verizon. The Guidelines also contain provisions regarding business conduct and ethics for Directors. The Verizon Code of Business Conduct is a code of ethics that applies to all employees, including the Chief Executive Officer, the Chief Financial Officer and the Controller. The Guidelines and the Verizon Code of Business Conduct are available through the Corporate Governance link on the Company's website at www.verizon.com/investor. Verizon will promptly post any amended version of the Guidelines or the Code on that website. As stated in the Guidelines, the Board is strongly predisposed against any waivers of the business conduct and ethics provisions of the Guidelines or the Code for a Director or an executive officer. To date, no such waiver has been granted. In the unlikely event of a waiver, the Board's action will be promptly disclosed on the Company's website noted above. If you would like to receive a copy of the Guidelines or the Code, send your request in writing to the Assistant Corporate Secretary, Verizon Communications Inc., 140 West Street, 29th Floor, New York, NY 10007.

Meetings and Executive Sessions of the Board. Directors are expected to attend all meetings of the Board and each committee on which they serve. In 2006, the Verizon Board of Directors met twelve times, seven regularly scheduled meetings and five special meetings. The Directors, in the aggregate, attended over 95% of the Board and their committee meetings. Each of the incumbent Directors attended over 79% of the meetings of the Board and the committees to which the Director was assigned. In addition to Board meetings, the Directors communicate informally with management on a variety of topics, including suggestions for Board or committee meeting agenda items, recent developments, and other matters of interest to the Directors. The Board has unrestricted access to management at all times.

The independent Directors meet regularly in private sessions without any members of management present. These private meetings include at least one session to review and assess the process and effectiveness of the Board and to consider any other matters that the Directors may request. In addition, the Board reviews the performance and approves the compensation of the Chief Executive Officer in an executive session. The Presiding Director chairs each executive session or meeting of independent Directors and any meeting of the Board at which the Chairman is not present.

Directors standing for election are expected to attend the Annual Meeting of Shareholders. In 2006, eleven of the thirteen Directors standing for election attended the Annual Meeting.

Presiding Director. The Presiding Director is an independent Director who is elected annually by the independent Directors. Dr. Sandra O. Moose will serve as the Presiding Director until the 2008 Annual Meeting or until her successor is elected and qualified. The Presiding Director acts as liaison with the Chairman, in consultation with the other Directors. In addition, all Directors

have direct and unrestricted

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access to the Chairman at any time. The Presiding Director chairs all executive sessions of the Board and all other meetings of the Board at which the Chairman is not present. The Presiding Director may, in her discretion, call an executive session of the Board, and shall call an executive session at the request of any other Director.

The Presiding Director, in consultation with the Chairman, reviews and approves the schedule of meetings of the Board, the proposed agendas and the materials to be sent to the Board. Directors have the opportunity to provide suggestions for the meeting schedule, agenda items and materials to the Chairman or the Presiding Director.

Any shareholder or interested party may communicate directly with the Presiding Director:

Verizon Communications Inc.

Presiding Director

Board of Directors

140 West Street, 29th Floor

New York, New York 10007

Independence. The Board evaluates the independence of each Director in accordance with applicable laws and regulations, the listing standards of the New York Stock Exchange and the standards set forth in Verizon's Corporate Governance Guidelines. The Corporate Governance Guidelines attached as Appendix A to this Proxy Statement include the independence standards established by the Board and used by the Corporate Governance and Policy Committee and the Board in their assessment of the independence of Directors. The independence standards are also available in the Corporate Governance Guidelines through the Corporate Governance link on the Company's website at www.verizon.com/investor. Based on the recommendation of the Committee, the Board has determined that all of the non-employee Directors are independent: James R. Barker, Richard L. Carrión, M. Frances Keeth, Robert W. Lane, Sandra O. Moose, Joseph Neubauer, Donald T. Nicolaisen, Thomas H. O'Brien, Clarence Otis, Jr., Hugh B. Price, Walter V. Shipley, John W. Snow, John R. Stafford and Robert D. Storey.

In determining the independence of Mr. Barker, Mr. Carrión, Ms. Keeth, Mr. Lane, Mr. Neubauer and Mr. Otis, the Board considered payments for telecommunications services made to Verizon by the companies that employ or employed those Directors in 2006. In determining Mr. Carrión's independence, the Board also considered payments for billing collection and banking-related services, dividends paid by Verizon to the company that employs him and the minority ownership interest of that company in Telecomunicaciones de Puerto Rico Inc., a Verizon subsidiary. Verizon has entered into an agreement to sell its interest in this company. In determining Mr. Neubauer's independence, the Board also considered the membership of a Verizon executive officer on the board of the company that employs him and payments for competitively bid food and facility management services that Verizon made to the company that employs him. In determining Mr. Shipley's independence, the Board considered his serving as a director of another company where Verizon's chief executive officer also serves as a director. In determining Mr. Stafford's independence, the Board considered his membership on the board of another company where Verizon's chief executive officer also serves as a director. In applying the independence standards, the independent members of the Board have determined that these transactions and relationships were not material and do not impair the ability of the Directors to act independently.

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The Board has also assessed the independence of each of the members of the Audit and Finance, Corporate Governance and Policy, and Human Resources Committees based on the Corporate Governance Guidelines and applicable rules. The Board has determined that all members of those committees are independent. The Board's findings are included in the discussion of each committee below.

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Shareholder Communications with Directors. A shareholder who would like to communicate directly with the Board, a committee of the Board, the non-employee Directors as a group or with an individual Director, should send the communication to:

Verizon Communications Inc.

Board of Directors [or committee name, the non-employee Directors as a group

or Director s name, as appropriate]

140 West Street, 29th Floor

New York, New York 10007

Verizon will forward all such shareholder correspondence about Verizon to the Board, committee, non-employee Directors or individual Director, as appropriate. This process has been approved by the independent Directors of Verizon.

Committees of the Board. There are three standing committees of the Board, the Audit and Finance Committee, the Corporate Governance and Policy Committee and the Human Resources Committee. Each committee s activities are governed by a committee charter. A copy of the committee charters is available through the Corporate Governance link at www.verizon.com/investor, or by sending your request in writing to the Assistant Corporate Secretary, Verizon Communications Inc., 140 West Street, 29th Floor, New York, New York 10007.

The Chairperson of each committee approves the agenda and materials for each meeting. As part of the annual committee assessment, each committee reviews its charter to determine if any changes are necessary or advisable and determines whether the committee has sufficient information, resources and time to fulfill its obligations. The assessment also determines whether the committee is performing its obligations. Under the Corporate Governance Guidelines, each committee may retain independent advisors to assist it in carrying out its responsibilities.

The current members of each Committee of the Board are listed below:

Audit and Finance	Corporate Governance and Policy	Human Resources
Committee	Committee	Committee
Thomas H. O Brien, Chairperson James R. Barker Robert W. Lane Sandra O. Moose Donald T. Nicolaisen Clarence Otis, Jr.	Sandra O. Moose, Chairperson Richard L. Carrión Donald T. Nicolaisen Hugh B. Price Walter V. Shipley Robert D. Storey	Walter V. Shipley, Chairperson Richard L. Carrión Robert W. Lane Joseph Neubauer Clarence Otis, Jr. John R. Stafford

Ms. Keeth and Dr. Snow have recently joined the Board of Directors and have not yet been assigned to any committee.

The Audit and Finance Committee The Committee is responsible for the appointment, compensation, removal, and oversight of the work of the independent registered public accounting firm. The Committee also oversees the performance of management in carrying out its responsibility for the integrity of the Company's accounting and financial reporting and its systems of internal controls, the performance and qualifications of the independent registered public accounting firm (including their independence), the performance of the Company's internal audit function, and the Company's compliance with legal and regulatory requirements. The Committee met nine times during 2006. Based on the analysis and recommendation of the Audit and Finance Committee, the Board of Directors has designated each member of the Committee as an audit committee financial expert. Based on the analysis and recommendation of the Corporate Governance and Policy Committee and the concurrence of the Audit and Finance Committee, the Board of Directors has determined that all of the members of the Audit and Finance Committee are independent as required by applicable laws

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and regulations, the listing standards of the New York Stock Exchange and the Corporate Governance Guidelines. The report of the Audit and Finance Committee is included later in this Proxy Statement.

The Corporate Governance and Policy Committee The Committee provides oversight and guidance to the Board of Directors to ensure that the membership, structure, policies, and practices of the Board and its committees facilitate the effective exercise of the Board's role in the governance of the Company. The Committee reviews and evaluates the policies and practices with respect to the size, composition, independence and functioning of the Board and its committees and those policies and practices are reflected in the Corporate Governance Guidelines. The Committee evaluates the qualifications of candidates for election as Directors and presents its recommendations to the full Board. The Committee also reviews the Company's charitable contribution policies, selected social, environmental, regulatory and political matters, compliance with equal opportunity and diversity initiatives and safety issues. The Committee met four times in 2006. Based on the analysis and recommendation of the Corporate Governance and Policy Committee, the Board of Directors has determined that all of the members of the Committee are independent as required by applicable laws and regulations, the listing standards of the New York Stock Exchange and the Corporate Governance Guidelines.

The Human Resources Committee The Committee is responsible for designing and overseeing the Company's compensation policies and practices to ensure that they further the Company's strategic goals and the interests of its shareholders and are competitive with peer companies. The Committee considers the Company's policies and practices with respect to succession planning. The Committee also reviews, and recommends to the full Board, the compensation and benefits for non-employee Directors. The Committee met eight times in 2006. Based on the analysis and recommendation of the Corporate Governance and Policy Committee and the concurrence of the Human Resources Committee, the Board of Directors has determined that all of the members of the Human Resources Committee are independent as required by applicable laws and regulations, the listing standards of the New York Stock Exchange and the Corporate Governance Guidelines. The report of the Human Resources Committee is included later in this Proxy Statement.

Nomination of Candidates for Director. In attempting to identify potential candidates, the Corporate Governance and Policy Committee considers individuals recommended by Directors, members of management, shareholders and self-nominated individuals. The Committee is advised of all nominations that are submitted to Verizon. In order to be considered by the Committee, a proposed candidate must be ethical, have proven judgment and competence, have professional skills and experience in dealing with a large, complex organization or in dealing with complex problems that are complementary to the background and experience represented on the Board and that meet the needs of the Company, have demonstrated the ability to act independently and be willing to represent the interests of all shareholders and not just those of a particular philosophy or constituency, and be willing and able to devote sufficient time to fulfill his or her responsibilities to Verizon and its shareholders. In evaluating candidates, the Committee also considers other factors that are relevant to the current needs of the Company, including those that promote diversity.

Each candidate for re-election as a Director must consent to stand for re-election and tender an irrevocable resignation to the Chairperson of the Corporate Governance and Policy Committee prior to nomination each year. The Committee also considers their qualifications, including their understanding of Verizon's businesses and the environment within which the Company operates, their attendance and participation at meetings, and their independence and relationships, if any, with the Company.

After the Committee has completed its evaluation of all candidates, it presents its recommendation to the full Board for consideration and approval. The Committee also reports on any candidates who were considered but not recommended for election or re-election as Directors.

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The Company will report any material change to this procedure in its quarterly or annual filing with the Securities and Exchange Commission. In addition, Verizon will make any new procedure available promptly through the Corporate Governance link on its website at www.verizon.com/investor.

The Bylaws require that if a shareholder wishes to nominate an individual for election as a Director at the Company's Annual Meeting of Shareholders, the shareholder must give the Company advance written notice and provide specified information no later than 90 days prior to the anniversary date of the Annual Meeting. For the 2008 Annual Meeting, this notice must be received by February 4, 2008. Information that must be provided includes, among other things, the nominee's name, address and principal occupation. Shareholders may request a copy of the Bylaw requirements from the Assistant Corporate Secretary, Verizon Communications Inc., 140 West Street, 29th Floor, New York, New York 10007.

Mandatory Retirement. Under the Company's Bylaws, a non-employee Director must retire no later than the Board meeting that follows his or her 72nd birthday.

Related Transactions. Pursuant to the Related Person Transaction Policy contained in the Corporate Governance Guidelines which are available through the Corporate Governance link at www.verizon.com/investor, the Corporate Governance and Policy Committee reviews potential related transactions and takes such action as it deems necessary and appropriate under the circumstances, including approval, disapproval, ratification, cancellation, or a recommendation to management. Only disinterested members of the Committee shall participate in those determinations. The Committee reports any such action to the Board of Directors. The Policy is included in the Guidelines which are attached as Appendix A to this Proxy Statement.

Lawrence T. Babbio, Jr. was an executive officer of Verizon through 2006. His son, Lawrence T. Babbio III, is employed by one of the Company's subsidiaries in a non-executive position. He participates in compensation and benefit plans generally available to employees and received total compensation of \$144,955 in 2006.

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REPORT OF THE AUDIT AND FINANCE COMMITTEE

In the performance of our oversight responsibilities, the Committee has reviewed and discussed with management and the independent registered public accounting firm the Company's audited financial statements for the year ended December 31, 2006 and management's assessment of the effectiveness of the Company's internal controls over financial reporting as of December 31, 2006.

The Committee has discussed with the independent registered public accounting firm the matters required to be discussed by the Securities and Exchange Commission, the New York Stock Exchange, and Statement on Auditing Standards No. 61, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

The Committee has received the written disclosures and the letter from the independent registered public accounting firm required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and has discussed with the independent registered public accounting firm their independence.

The Committee discussed with the internal auditors and the independent registered public accounting firm the overall scope and plans for their respective audits. The Committee met with the internal auditors and the independent registered public accounting firm, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls and the overall quality of the Company's financial reporting.

Based on the reviews and discussions referred to above, in reliance on management and the independent registered public accounting firm, and subject to the limitations of our role, the Committee recommended to the Board of Directors, and the Board has approved, the inclusion of the financial statements referred to above in the Company's Annual Report on Form 10-K.

Following a review of the independent registered public accounting firm's performance and qualifications, including consideration of management's recommendation, the Committee approved the reappointment of the independent registered public accounting firm for the fiscal year 2007.

Respectfully submitted,

Audit and Finance Committee

Thomas H. O'Brien, Chairperson

James R. Barker

Robert W. Lane

Sandra O. Moose

Donald T. Nicolaisen

Clarence Otis, Jr.

Dated: March 1, 2007

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ELECTION OF DIRECTORS

ITEM 1 ON PROXY CARD

The Board has fixed the size of the Board at fifteen Directors. Each of the nominees listed below is an incumbent Director who is being nominated to serve for a one-year term at the recommendation of the Corporate Governance and Policy Committee, and the Board has approved the nomination of the individuals listed below. A Director who reaches mandatory retirement age during his or her term must retire in accordance with the Company's Bylaws. Each nominee has consented to stand for election and the Board does not anticipate that any nominee will be unavailable to serve. However, if any nominee should become unavailable to serve at the time of the Annual Meeting, the Proxy Committee will vote the shares it represents for the remaining nominees and for substitute nominee(s), if any, designated by the Board, unless otherwise instructed by a shareholder.

The Company's Bylaws require directors to be elected by a majority of the votes cast. Each nominee has submitted an irrevocable letter of resignation that will be considered by the Board if that candidate fails to receive a majority of the votes cast. In the event of a contested election where there are more candidates than there are director positions to be filled, the election of directors would be determined by a plurality of the votes cast.

The following biographies provide information about each nominee's principal occupation and business experience, age, and directorships held in other public corporations, as well as Verizon Board committee memberships, as of March 1, 2007.

The Board of Directors recommends a vote FOR each of the nominees.

DIRECTOR NOMINEES

JAMES R. BARKER, Chairman, The Interlake Steamship Co. and New England Fast Ferry Company and Vice Chairman, Mormac Marine Group, Inc. and Moran Towing Corporation. Director of The Brink's Company. Director since 2000 (Director of GTE Corporation 1976-2000); member of Audit and Finance Committee. Age 71.

RICHARD L. CARRIÓN, Chairman, President and Chief Executive Officer, Popular, Inc. and Chairman and Chief Executive Officer, Banco Popular de Puerto Rico. Director of Telecomunicaciones de Puerto Rico, Inc. Director since 1997 (Director of NYNEX Corporation 1995-1997); member of Corporate Governance and Policy Committee and Human Resources Committee. Age 54.

M. FRANCES KEETH, Retired Executive Vice President, Royal Dutch Shell plc (January 2005-December 2006); Executive Vice President, Royal Dutch Shell plc and President and Chief Executive Officer, Shell Chemical LP (January 2005-July 2006); Executive Vice President, Customer Fulfillment and Product Business Units and President and Chief Executive Officer, Shell Chemical LP (July 2001-January 2005). Director of Arrow Electronics, Inc. Director since December 2006. Age 60.

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ROBERT W. LANE, Chairman and Chief Executive Officer, Deere & Company. Director of General Electric Company. Director since 2004; member of Audit and Finance Committee and Human Resources Committee. Age 57.

SANDRA O. MOOSE, President of Strategic Advisory Services LLC; Retired Senior Vice President and Director of The Boston Consulting Group, Inc. Director of Rohm and Haas Company; The AES Corporation; Chairman of the Board of IXIS Advisor Funds and Loomis Sayles Funds. Director since 2000 (Director of GTE Corporation 1978 - 2000); Chairperson of Corporate Governance and Policy Committee and member of Audit and Finance Committee. Age 65.

JOSEPH NEUBAUER, Chairman and Chief Executive Officer, ARAMARK Holdings Corporation; Chairman and Chief Executive Officer, ARAMARK Corporation (September 2004 - January 2007); Executive Chairman of the Board (January 2004 - September 2004); Chairman (April 1984 - December 2003); Chief Executive Officer (February 1983 - December 2003). Director of Federated Department Stores, Inc.; Wachovia Corporation. Director since 1995; member of Human Resources Committee. Age 65.

DONALD T. NICOLAISEN, Former Chief Accountant of the United States Securities and Exchange Commission (2003 - 2005); Partner, PricewaterhouseCoopers (1967 - 2003). Director of MGIC Investment Corporation; Morgan Stanley; Zurich Financial Services. Director since December 2005; member of Audit and Finance Committee and Corporate Governance and Policy Committee. Age 62.

THOMAS H. O BRIEN, Retired Chairman and Chief Executive Officer, The PNC Financial Services Group, Inc. and PNC Bank, N.A. Director of BlackRock, Inc.; Hilb Rogal & Hobbs Company. Director since 1987; Chairperson of Audit and Finance Committee. Age 70.

CLARENCE OTIS, JR., Chairman and Chief Executive Officer, Darden Restaurants, Inc.; Chief Executive Officer (December 2004 - November 2005); Executive Vice President (March 2002 - November 2004); President, Smokey Bones Barbeque & Grill (December 2002 - November 2004); Chief Financial Officer (December 1999 - December 2002). Director VF Corporation. Director since January 2006; member of Audit and Finance Committee and Human Resources Committee. Age 50.

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HUGH B. PRICE, Senior Fellow, The Brookings Institution; Formerly Senior Advisor, DLA Piper Rudnick Gray Cary U.S. LLP (2003–2005); President and Chief Executive Officer, National Urban League (1994–2003). Director of Metropolitan Life, Inc. and Metropolitan Life Insurance Company. Director since 1997 (Director of NYNEX Corporation 1995–1997); member of Corporate Governance and Policy Committee. Age 65.

IVAN G. SEIDENBERG, Chairman and Chief Executive Officer, Verizon Communications Inc.; President and Chief Executive Officer (April 2002–December 2003); President and Co-Chief Executive Officer (June 2000–March 2002); Chairman of the Board (December 1998–June 2000) and Chief Executive Officer (June 1998–June 2000). Director of Honeywell International Inc.; Wyeth. Director since 1997 (Director of NYNEX Corporation 1991–1997). Age 60.

WALTER V. SHIPLEY, Retired Chairman, The Chase Manhattan Corporation; Chairman and Chief Executive Officer (1983–1992; 1994–1999). Director of Exxon Mobil Corporation; Wyeth. Director since 1997 (Director of NYNEX Corporation 1983–1997); Chairperson of Human Resources Committee and member of Corporate Governance and Policy Committee. Age 71.

JOHN W. SNOW, President, JWS Associates, LLC; Former United States Secretary of the Treasury (February 2003–June 2006); Chairman and Chief Executive Officer, CSX Corporation (1989–2002). Non-executive Chairman of Cerberus Capital Management, L.P.; Director of Marathon Oil Corporation. Director since February 2007 (Director of GTE Corporation 1998–2000; Verizon Communications Inc. June 2000–January 2003). Age 67.

JOHN R. STAFFORD, Retired Chairman of the Board (1986–2002) and Chief Executive Officer (1986–2001), Wyeth. Director of Honeywell International Inc. Director since 1997 (Director of NYNEX Corporation 1989–1997); member of Human Resources Committee. Age 69.

ROBERT D. STOREY, Retired Partner, Thompson Hine LLP. Director since 2000 (Director of GTE Corporation 1985–2000); member of Corporate Governance and Policy Committee. Age 70.

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**RATIFICATION OF APPOINTMENT OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ITEM 2 ON PROXY CARD**

The Audit and Finance Committee of the Board of Directors considered the performance and qualifications of Ernst & Young LLP, and has reappointed the independent registered public accounting firm to examine the financial statements of Verizon for the fiscal year 2007 and to examine the effectiveness of internal control over financial reporting.

Fees billed to the Company by Ernst & Young for services rendered during fiscal year 2006 and 2005 were as follows:

	<u>2006</u>	<u>2005</u>
Audit fees:	\$ 28.2 million	\$ 13.8 million
Audit-related fees:	\$ 4.6 million	\$ 4.2 million
Tax fees:	\$ 2.9 million	\$ 0.8 million
All other fees:	\$ 0.8 million	\$ 0.9 million

Audit fees include the financial statement audit, the audit of the effectiveness of the Company's internal control over financial reporting required by the Sarbanes-Oxley Act of 2002, as well as financial statement audits required by statute for the Company's foreign subsidiaries or by regulatory agencies in the U.S. Audit-related fees primarily include audits of other subsidiaries, employee benefit plan audits, as well as other audit and due diligence procedures performed in connection with acquisitions or dispositions. Tax fees primarily consist of federal, state, local and international tax planning and compliance. All other fees primarily consist of support services to certain Verizon expatriate employees and other advisory services. The Audit and Finance Committee considered, in consultation with management and the independent registered public accounting firm, whether the provision of these services is compatible with maintaining the independence of Ernst & Young.

The Audit and Finance Committee has established policies and procedures regarding pre-approval of all services provided by the independent registered public accounting firm. At the beginning of the fiscal year, the Committee pre-approves the engagement of the independent registered public accounting firm to provide audit services based on fee estimates. The Committee also pre-approves proposed audit-related services, tax services and other permissible services, based on specified project and service details, fee estimates, and aggregate fee limits for each service category. The Committee receives a report at each meeting on the status of services provided or to be provided by the independent registered public accounting firm and the related fees.

The affirmative vote of a majority of eligible shares present at the Annual Meeting, in person or by proxy, and voting on the matter is required to ratify the reappointment of Ernst & Young for the fiscal year of 2007. If this appointment is not ratified by the shareholders, the Audit and Finance Committee will reconsider its decision.

One or more representatives of Ernst & Young will be at the Annual Meeting. They will have an opportunity to make a statement and will be available to respond to appropriate questions.

The Board of Directors recommends a vote FOR ratification.

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SHAREHOLDER PROPOSALS

ITEMS 3 9 ON PROXY CARD

The shareholders below have advised us that they will present the following proposals at the Annual Meeting. Each shareholder proposal must receive the affirmative vote of a majority of the votes cast. The Board of Directors has concluded that it cannot support these proposals for the reasons given.

Item 3 on Proxy Card:

Mrs. Evelyn Y. Davis, Watergate Office Building, 2600 Virginia Avenue, N.W., Suite 215, Washington, D.C. 20037, owner of 424 shares of the Company's common stock, proposes the following:

RESOLVED: That the Board of Directors take the necessary steps so that NO future NEW stock options are awarded to ANYONE, nor that any current stock options are repriced or renewed (unless there was a contract to do so on some).

Reasons: Stock option awards have gone out of hand in recent years, and some analysts MIGHT inflate earnings estimates, because earnings affect stock prices and stock options.

There are other ways to reward executives and other employees, including giving them actual STOCK instead of options.

Recent scandals involving CERTAIN financial institutions have pointed out how analysts CAN manipulate earnings estimates and stock prices.

If you **AGREE**, please vote YOUR proxy FOR this resolution.

BOARD OF DIRECTORS POSITION

The Board believes that this proposal, which calls for a complete ban on any future stock options to all employees, is unduly restrictive. Moreover, the Verizon Long-Term Incentive Plan already addresses many of the concerns raised by the proposal. Specifically, the Plan prohibits:

grants of stock options priced at less than the fair market value of the stock on the date of grant;

the re-pricing of previously granted options; and

the future granting of any reload options.

In addition, the Human Resources Committee of the Board of Directors has not granted any stock options since 2004 and has no plans to grant stock options in 2007 or in the future. However, under the Verizon Long-Term Incentive Plan, as approved by shareholders, the Committee has the flexibility to award stock options. The Board believes that the Committee should continue to maintain the flexibility to grant stock options because this form of compensation may be appropriate under certain circumstances to attract and retain executive talent.

Accordingly, the Board recommends a vote **AGAINST** this proposal.

Item 4 on Proxy Card:

AFL-CIO Reserve Fund, 815 Sixteenth Street, N.W., Washington, D.C. 20006, owner of 1,700 shares of the Company's common stock, proposes the following:

RESOLVED: that the shareholders of Verizon Communications, Inc. (the Company) urge the Board of Directors to seek shareholder approval of future severance agreements with senior executives that provide benefits in an amount exceeding 2.99 times the sum of the executives' base salary plus bonus.

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Severance agreements include any agreements or arrangements that provide for payments or awards in connection with a senior executive's severance from the Company, including employment agreements; retirement agreements; settlement agreements; change in control agreements; and agreements renewing, modifying or extending such agreements.

Benefits include lump-sum cash payments (including payments in lieu of medical and other benefits); the payment of any gross-up tax liability; the estimated present value of periodic retirement payments; any stock or option awards that are awarded under any severance agreement; any prior stock or option awards as to which the executive's access is accelerated under the severance agreement; fringe benefits; and consulting fees (including reimbursable expenses) to be paid to the executive.

SUPPORTING STATEMENT

In our opinion, severance agreements as described in this resolution, commonly known as golden parachutes, are excessive in light of the high levels of compensation enjoyed by senior executives at the Company and U.S. corporations in general. The Institutional Shareholder Services (ISS) survey of 16 shareholder proposals to restrict golden parachutes in 2006 showed they averaged 51.2% of the vote and obtained majority support at six companies.

We believe that requiring shareholder approval of such agreements may have the beneficial effect of insulating the Board of Directors from manipulation in the event a senior executive's employment must be terminated by the Company. Because it is not always practical to obtain prior shareholder approval, the Company would have the option if this proposal were implemented of seeking shareholder approval after the material terms of the agreement were agreed upon.

In 2003, a similar proposal was approved by 59% of voting shareholders. However, we believe the policy our Company implemented is insufficient. According to the Company's 2006 Proxy, the Board of Directors will seek shareholder ratification of any new severance agreement between a senior executive officer and the Company that provides for a total cash value severance payment exceeding 2.99 times the sum of the executive's base salary plus bonus. But this limitation only applies to the cash value of any post-employment consulting arrangement between the senior executive officer and the Company, and does not apply to the cash value of any benefits that are payable or become payable pursuant to Company policy applicable to management.

We believe the cash value of benefits can be substantial. For example, under Vice Chairman Lawrence Babbio's employment agreement, if there were a change of control, he would be entitled to at least \$16,104,135, which includes just his performance stock units (provided that the Company attains the applicable performance goals), restricted stock units, and lump sum payment. This figure is already more than 2.99 times his 2005 base salary and bonus of \$3,000,000.

For these reasons, we urge shareholders to vote FOR this proposal.

BOARD OF DIRECTORS POSITION

In 2004, the Human Resources Committee of the Board of Directors adopted a policy that provides that the Company will not enter into a new severance agreement with a senior executive officer that provides for a total lump-sum cash severance payment exceeding 2.99 times the sum of the executive's base salary plus bonus without seeking shareholder ratification of such severance agreement. While it is not the Company's practice to enter into post employment consulting arrangements, any compensation paid for such services would also be included in the limitation. The policy's limitation does not, however, apply to the cash value of any

earned and vested retirement benefits or earned and vested stock awards, as the proposal would require.

The Committee supports reasonable and appropriate limits on severance payments and it believes that the limitations in its existing policy are appropriate because they effectively prevent the payment of extraordinary severance benefits without shareholder approval. This policy effectively addresses the primary concerns of the proposal. However, the Committee believes that other benefits that are not provided under the terms of a severance plan or employment agreement should not be included in

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the severance calculation, as would be required by the proposal. These other benefits include accrued and vested retirement benefits and vested prior stock awards. These benefits are not payable under the terms of any severance plan or employment agreement, and are earned by the executives over the course of their careers, as is the case for any employee of the Company.

The Committee further believes that, by failing to properly differentiate vested retirement benefits that are generally available to all management employees from cash separation benefits provided under the terms of a severance policy or employment agreement, the proposal could place the Company at a competitive disadvantage in recruiting and retaining top talent.

For the foregoing reasons, the Board of Directors recommends a vote **AGAINST** this proposal.

Item 5 on Proxy Card:

Communications Workers of America Members Relief Fund, 501 Third Street, N.W., Washington, D.C. 20001-2797, owner of 182 shares of the Company's common stock, proposes the following:

Shareholder Proposal

RESOLVED, that the shareholders of Verizon Communications Inc. (Company) request that the Board of Directors submit a report to shareowners, which would identify any executive pay consultants that have provided advice on the compensation of the Company's senior executives within the past five years, or are engaged to provide such advice in the future, and disclose any relationships with such consultants that might compromise their independence, including:

- (1) Whether any senior executive named in the proxy statement may have participated in decisions concerning selection or retention of such a consultant; and
- (2) The extent to which any such consultant has performed services for the Company, or is engaged to perform services in the future, that are not related to the compensation of senior executives.

Supporting Statement

The 2006 proxy statement discloses that the Compensation Committee of the Board of Directors uses a compensation consultant. However, in our view, it does not disclose information that would make it possible for shareowners to determine whether that particular consultant or any other compensation consultants are sufficiently independent to provide objective advice.

The independence of compensation consultants could be an important factor in determining how senior executives are compensated. According to one recent study (p. 38), CEOs have often been involved in the selection process (L. Bebchuk and J. Fried, *Pay Without Performance*, 2004). The authors add that, Even if the CEO has not been involved [in the selection process], the

chosen consultant has understood that a recommendation that displeases the CEO may pre-empt the consultant's future employment.

In this context, the study points out that executive pay consultants have usually worked for consulting firms that derived most of their income from other services to firms' human resources departments. As a result, consulting firms often had, or at least could expect to get in the future, other assignments with the hiring company. (See also *The New York Times*, 10/23/2005 and 4/9/2006.)

Under the circumstances, Bebchuk and Fried observe that compensation consultants have faced strong incentives to please, or at least not to anger, the CEO. They quote Warren Buffett for the proposition that compensation consultants have had no trouble perceiving who buttered their bread.

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The *New York Times* reported that the independence of the Company's Consultant is open to question, revealing that the Company's Consultant provides other services for the Company. (*Outside Advice on Boss's Pay May Not Be So Independent*, *The New York Times*, 4/10/2006) The article suggests that the Company's compensation consultant has a long and lucrative relationship with the Company, maintained at the behest of the executives whose pay it recommends.

We believe that the disclosure of Verizon's relationships with its compensation consultants will help ensure that executive compensation decisions are rendered independently and in shareholders' interests.

We urge shareholders to vote for this proposal.

BOARD OF DIRECTORS POSITION

As part of its corporate governance practices as outlined on page 25 of this Proxy Statement, the Committee believes that it has fully disclosed the relationship of the Company to its independent consultant. The Compensation Discussion and Analysis section of this Proxy Statement provides information about the role of the Committee's independent consultant and the nature of the services provided. As noted in that section, the Committee has the sole authority to retain and terminate the independent compensation consultant and defines the consultant's responsibilities and approves its fees. In addition, no senior executive named in the Proxy Statement participated in the decision regarding the selection or retention of the consultant. Finally, the consultant does not provide any services to the Company other than those provided to the Committee.