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Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549
Attention: Ms. Elizabeth M. Murphy, Secretary
Via e-mail: rule-comments@sec.gov

Re: Proposed Rule Change to NYSE Rule 452, File No. SR-NYSE-2006-92

Dear Ms. Murphy:

Verizon Communications Inc. is one of the world's leading providers of communications services. With approximately 2.84 billion shares outstanding held by approximately 1.6 million beneficial owners, Verizon has a strong interest in a transparent proxy voting process that ensures that the wishes of its shareholders are accurately reflected in the elections of its directors. I am writing to comment on the New York Stock Exchange's proposed amendment to NYSE Rule 452 that would classify uncontested elections of directors as "non-routine" items and thereby eliminate broker discretionary voting in those elections.

Verizon believes that the proposed amendment to Rule 452 should be addressed in the context of the fundamental concern underlying the amendment – that the current proxy voting system does not result in retail shares being voted in accordance with the desires of the retail shareholders.

In order to address this overarching concern, Verizon believes that a comprehensive reform of the proxy voting system is required. This reform should include measures that:

- Enhance issuers' ability to communicate directly with the beneficial owners of their securities;
- Significantly increase beneficial owner awareness of the mechanics of the proxy voting process and how their votes, or failures to vote, affect election results; and
- Address quorum concerns for companies that rely on broker non-votes to establish a quorum.

The Proxy Working Group recognized the importance of a comprehensive approach to proxy reform in its report to the NYSE, describing communications and education reforms as being of

“paramount” concern and “critical” in the context of any consideration of modifying brokers’ ability to cast discretionary votes in the election of directors.¹

The Proxy Working Group was equally clear that the need for a comprehensive approach to proxy reform would be even greater if majority voting in the election of directors became widespread.² In the 3 years since the Proxy Working Group’s report was issued, a substantial majority of the companies in the Standard & Poor’s 500 Index have adopted some form of majority voting.³ In other words, in that period the adoption of majority voting has gone from possibility to reality, significantly increasing the importance of not taking a piecemeal approach to proxy reform.

Verizon strongly believes that the proxy voting system should be reformed to ensure that retail shareholders who desire to exercise their voting rights and participate in the election of directors of their companies have a meaningful opportunity to participate in those elections. However, without simultaneous reforms that address the underlying issue of retail shareholder access to the election process, we believe that amending Rule 452 to make uncontested elections of directors a non-routine matter would effectively disenfranchise a large percentage of retail shareholders who may not understand the proxy voting system.

Understanding that adopting the proposed amendment to Rule 452 without other reforms would be, in the words of the Proxy Working Group, “easy” and the “fastest” course of action,⁴ we believe that any reform of the proxy system should be comprehensive rather than incremental.

As a result, we request that the Securities and Exchange Commission refrain from taking any action with respect to any proposed amendment to NYSE Rule 452 until a comprehensive examination of the proxy voting system has been completed and a comprehensive system of reforms is proposed.

Thank you for the opportunity to comment on the proposal. Please do not hesitate to contact the undersigned at 212.395.1783 with any questions you may have regarding our comments.

Very truly yours,



¹ See Report and Recommendations of the Proxy Working Group to the New York Stock Exchange, June 5, 2006 (the “Report”), at page 4 (“The Working Group believes that any plan to amend Rule 452 to make the election of directors a “non-routine” matter must include as a critical component a large scale education effort to inform shareholders about the mechanics of the proxy voting process”), and page 11 (“For example, if the NYSE were to completely eliminate broker discretionary voting, the need for easier (and cheaper) access to shareholders becomes paramount to most issuers . . .”).

² Report, at page 13 (“Further, if broker discretionary voting is modified and/or eliminated . . . and some type of majority voting requirement is adopted, the Working Group believes that there will be a critical need to educate investors about the importance of voting for directors in uncontested elections. Similarly, issuers and others will need to have ability to communicate more effectively and efficiently on matters which have traditionally been considered routine”).

³ See Neal, Gerber & Eisenberg LLP (C. Allen), *Study of Majority Voting in Director Elections*. The November 2007 edition of this study reported that in February 2006 only approximately 16% of the S&P 500 companies were known to have adopted some form of majority voting. The unpublished November 2008 edition of the study reports that more than 73% of the S&P 500 companies now have some form of majority voting.

⁴ Report, at page 18.