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December 28, 2017

By email to shareholderproposals@sec.gov

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. 2018 Annual Meeting
Shareholder Proposal of the Association of BellTel Retirees Inc.

Ladies and Gentlemen:

We are writing on behalf of our client Verizon Communications Inc., a Delaware corporation (“Verizon”), pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended, to notify the Staff of the Division of Corporation Finance (the “Staff”) of the Securities and Exchange Commission (the “Commission”) of Verizon’s intention to exclude the shareholder proposal and supporting statement (the “Proposal”) submitted by the Association of BellTel Retirees Inc. (the “Proponent”), from the proxy materials to be distributed by Verizon in connection with its 2018 annual meeting of shareholders (the “2018 proxy materials”). A copy of the Proposal is attached as Exhibit A.

In accordance with Section C of Staff Legal Bulletin No. 14D (November 7, 2008) (“SLB 14D”), we are emailing this letter and its attachments to the Staff at shareholderproposals@sec.gov. In accordance with Rule 14a-8(j), we are submitting this letter not less than 80 calendar days before Verizon intends to file its definitive 2018 proxy materials with the Commission and simultaneously sending a copy of this letter and its attachments to the Proponent as notice of Verizon’s intent to omit the Proposal from the 2018 proxy materials. Rule 14a-8(k) and Section E of SLB 14D provide that shareholder proponents are required to send companies a copy of any correspondence that the shareholder proponent elects to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to remind the Proponent that if the Proponent submits correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should concurrently be furnished to the undersigned on behalf of Verizon.

I. Introduction

The Proposal requests that the Verizon Board of Directors (“Board”) “adopt a policy that prohibits the practice of paying above-market earnings on the non-tax-qualified retirement saving or deferred income account balances of senior executive officers.”

Preliminarily, we note that the Proposal very clearly suggests that the compensation identified in the proxy statement as “above-market earnings” represents earnings in investments that exceed the returns in today’s market. That suggestion is incorrect. The investment option that is the focus of this Proposal is an index of corporate bond rates as published by Moody’s Investor Services, Inc. (the “Moody’s investment option”), so the returns are entirely reflective of, and do not constitute a premium above, today’s market for loans to large corporations such as Verizon (or other customary and routine market indices). In addition, as the Commission’s Instruction 2 to Item 402(c)(2)(viii)(B) states, the determination of whether a rate of interest is “above-market” is determined by the rate at the time the rate or formula was set, not the current plan rate. These issues make the Proposal fundamentally misleading.

We hereby respectfully request that the Staff confirm that no enforcement action will be recommended against Verizon if the Proposal is omitted in its entirety from Verizon's 2018 proxy materials for the following reasons:

- (i) Rule 14a-8(i)(3), because the Proposal is misleading in violation of Rule 14a-9,
- (ii) Rule 14a-8(i)(5), because the Proposal relates to company operations that account for less than 5% of each of Verizon’s total assets, net earnings and gross sales as of the end of the most recent fiscal year and is not otherwise significantly related to Verizon’s business, and
- (iii) Rule 14a-8(i)(7), because the Proposal relates to an ancillary feature of Verizon’s Executive Deferral Plan (the “EDP”), which is a matter relating to Verizon's ordinary business operations and does not otherwise raise a significant policy issue for Verizon.

II. The Proposal’s references to “above-market earnings” do not reflect the technical meaning of that phrase as it is required to be used in Verizon’s proxy materials

Rule 14a-8(i)(3) permits a company to omit a shareholder proposal from its proxy materials if the proposal or supporting statement is contrary to any of the Commission’s proxy rules, including Rule 14a-9, which prohibits materially false or misleading statements in proxy materials.

As previewed above, the Proposal strongly suggests an incorrect meaning for the phrase “above-market earnings” – i.e., that the phrase refers to earnings that exceed investment returns in today’s market. For example, the supporting statement quotes the Institutional Shareholder Services 2017 proxy analysis report as saying that Verizon “provided guaranteed earnings rates on deferred compensation that are above what can be earned in the general marketplace” and also describes such above-market amounts as “preferential earnings to executives.” The Proposal mistakenly suggests that Verizon’s proxy statement uses the phrase “above-market earnings” in a way that reflects its ordinary meaning. In fact, the phrase “above-market earnings” has a specific technical meaning under the applicable securities laws requirements that is different from its ordinary meaning. Instruction 2 to Item 402(c)(2)(viii)(B) of Regulation S-K (the “Instruction”)

states that:

interest on deferred compensation is above-market only if the rate of interest exceeds 120% of the applicable federal long-term rate, with compounding (as prescribed under section 1274(d) of the Internal Revenue Code, (26 U.S.C. 1274(d))) at the rate that corresponds most closely to the rate under the registrant's plan at the time the interest rate or formula is set. In the event of a discretionary reset of the interest rate, the requisite calculation must be made on the basis of the interest rate at the time of such reset, rather than when originally established.

As a result, the Proposal is materially misleading with respect to both (i) the rate of return implied by the phrase “above-market earnings” (i.e., in fact, the rate of return credited under the EDP is not preferential compared to today’s corporate borrowing rates or other customary and routine market indices) and (ii) the timing of the comparison to market rates (i.e., the comparison to today’s market is irrelevant for purposes of the phrase “above-market earnings” as it is used in Verizon’s proxy statements).

With respect to the “above-market earnings” disclosed in the Summary Compensation Table in Verizon’s proxy statements, these amounts reflect the return credited on the portion of deferred compensation that participants in the EDP elected to treat as invested in the Moody’s investment option, which is one of 28 investment options offered under the EDP. According to the Verizon information sheet describing the Moody’s investment option:

This investment option provides plan participants an opportunity to earn a return equal to the long-term, high-grade corporate bond yield average as published by Moody’s Investor Services, Inc. The investment return is adjusted quarterly, utilizing the published rate in effect on the last business day of the prior quarter. After adjustment, participant balances for the subsequent three months earn the same fixed interest rate yield without regard to price fluctuations that may be occurring in the U.S. bond market.

Thus, the return under the Moody’s investment option is based on an index of corporate bond rates in today’s market, which is, in fact, a market rate of return, and not above-market earnings in the usual meaning of that phrase.

With respect to the timing of the comparison to market rates, the Instruction clearly contemplates that the determination of whether an amount is “above-market” for purposes of the technical definition is based on a comparison of the plan interest rate to the applicable federal long-term rate at the time that such plan interest rate or formula was originally established (or in the case of a discretionary reset of such rate, at the time of such reset). The formula for the plan rate for the Moody’s investment option was set in 2004, when the plan was established, and has not been discretionarily reset since then. Accordingly, the Proposal’s suggestion that the plan rate is above today’s market rates is incorrect, since applicable securities laws requirements specifically define the “above-market earnings” comparison *not* to correspond to today’s market.

For the reasons discussed above, Verizon believes that the Proposal is materially false

and misleading in violation of Rule 14a-9.

III. The Proposal may be omitted because it is neither economically related to Verizon's business nor otherwise significantly related to Verizon's business

Rule 14a-8(i)(5) permits a company to omit a proposal that relates to “operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business.”

As of December 31, 2016, Verizon's total assets were \$244,180,000,000. Its net earnings and net sales for fiscal 2016 were \$13,608,000,000 and \$125,980,000,000, respectively. Five percent of the smallest of these numbers (net earnings) is \$680,400,000. The total amount of “above-market earnings” attributable to the EDP for all participants during fiscal 2016 was approximately \$10,800,000, which is about 1.6 percent of \$680,400,000, and therefore a very small fraction of the 5 percent of net earnings that Rule 14a-8(i)(5) recognizes as being significant to Verizon's business.

Even if a proposal meets the financial criteria for exclusion under Rule 14a-8(i)(5), a company may nevertheless be unable to rely on Rule 14a-8(i)(5) to exclude a proposal if the proposal is “otherwise significantly related to the company's business.” As the Commission has stated in Exchange Act Release No. 34-19135 (Oct. 14, 1982):

Historically, the Commission staff has taken the position that certain proposals, while relating to only a small portion of the issuer's operations, raise policy issues of significance to the issuer's business. ... For example, the proponent could provide information that indicates that while a particular corporate policy which involves an arguably economically insignificant portion of an issuer's business, the policy may have a significant impact on other segments of the issuer's business or subject the issuer to significant contingent liabilities.

However, this Proposal does not raise any other issues that are “significantly related” to Verizon's business that would prevent it from being excluded under Rule 14a-8(i)(5). As previously discussed, the Proposal deals with the interest rate of one hypothetical investment option under the EDP. While this interest rate may be related to Verizon's business to the extent that it is a feature of a Verizon executive compensation plan, it is certainly not a “significant” aspect of such plan or of Verizon's executive compensation program or practices more generally. In addition, as further discussed below, we believe that the Proposal's limited focus on this one interest rate does not otherwise raise other significant policy issues that could potentially result in a material impact to Verizon's business more generally.

Accordingly, Verizon believes that the Proposal is excludable from its 2018 Proxy Materials pursuant to Rule 14a-8(i)(5).

IV. The Proposal impermissibly seeks to subject ordinary business operations to shareholder oversight

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. 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.” *Id.* Verizon believes that the Proposal may be properly excluded under Rule 14a-8(i)(7) because the core issue raised by the Proposal – namely, the availability of, and interest rate associated with, one investment option offered under Verizon’s EDP – relates to Verizon’s ordinary business operations.

Verizon’s EDP is a deferred compensation plan that allows approximately 2,240 employees to defer a portion of their base salary and short-term incentive award and Verizon non-employee directors to defer their annual equity award, cash retainer and meeting fees (such as deferred compensation, the “Deferred Compensation”), until a future payment event (e.g., separation from service or a specified date). The EDP is maintained by Verizon to encourage retirement savings. Participation in the EDP is limited to certain employees in light of the requirements of federal pension law.

Participants may elect to have their Deferred Compensation treated as if it were invested in any of the hypothetical investment options that mirror the performance of the investment options available under the Verizon Management Savings Plan, Verizon’s broad-based retirement savings plan (the “Savings Plan”), or in the Moody’s investment option, which is not offered under Verizon’s Savings Plan. As a tax-qualified plan, the Savings Plan may only offer investment options in which contribution dollars can actually be invested, such as mutual funds, because investment accounts under the Savings Plan can only be credited with earnings on actual investments under federal pension law. By contrast, investment accounts in the EDP can be credited with earnings on hypothetical investments, such as a corporate bond index.

As explained above, the Moody’s investment option represents an index of current long-term corporate bond rates. Since a deferral of compensation into the EDP is the financial equivalent of an employee loaning their compensation to Verizon rather than being paid their compensation as it is earned, an index of long-term, high-grade corporate bond rates was determined to be an appropriate investment option as it serves as a good proxy for Verizon’s cost of borrowing. In fact, the interest rate under the Moody’s investment option is actually less than Verizon’s weighted average cost of capital (“WACC”) for the same period – it was 4.18% in 2016 compared to a 4.80% WACC in 2016 and it is currently 3.92% compared to a 5.28% WACC currently. Thus, Verizon believes that the issues raised by this Proposal – implementing a plan that is intended to incentivize retirement savings among a broad pool of employees and selecting an investment option that simulates Verizon’s cost of borrowing – fall within the realm of ordinary business operations rather than executive compensation.

In addition, the Proposal impermissibly seeks to micro-manage the design and administration of Verizon's retirement savings plans to an unreasonable degree. The amount of "above-market earnings" for the CEO set forth in the supporting statement is clearly immaterial – \$100,855 for the CEO in 2016 – and according to Verizon's proxy statement, \$427,614 for the other named executive officers combined in 2016. These amounts only represent approximately 1% of Verizon's named executive officers' total compensation as reported in the Summary Compensation table as of December 31, 2016.

Furthermore, although the subject matter of the Proposal relates to executive compensation, the Proposal does not present any compensation-related significant policy issue generally or specifically with respect to Verizon. The question of whether allowing executives to invest a small percentage of their overall compensation in a particular hypothetical investment option does not implicate the broader policy issues generally raised by executive compensation-related proposals, such as the alignment of management incentives with shareholder interests or managerial accountability raised in no-action requests such as *BlackRock, Inc.* (April 6, 2016) (proposal requesting the board of directors issue a report evaluating options for bringing company's voting practices in line with its stated principle of linking executive compensation and performance may not be omitted under Rule 14a-8(i)(7) due to focus on senior executive compensation); *Citigroup Inc.* (February 3, 2016) (proposal seeking to amend clawback policies to provide that a substantial portion of annual total compensation of executive officers to be deferred and forfeited to help satisfy any monetary penalty associated with violation of law may not be omitted under Rule 14a-8(i)(7) due to focus on senior executive compensation); *International Business Machines Corp.* (February 2, 2004) (proposal requesting that company conduct special review of its executive compensation policies to determine whether they create an undue incentive to make short-sighted decisions may not be omitted under Rule 14a-8(i)(7)).

The Human Resources Committee of the Board (the "Committee") has considered and approved the EDP in its current form, including the provisions concerning the designation of investment options. The Committee's consideration of the specific investment options available under the EDP reflects the immaterial nature of that issue from an incentive, cost and policy perspective to Verizon.

For the reasons discussed above, Verizon believes that the Proposal deals with "business matters that are mundane in nature and do not involve any substantial policy or other considerations" that Exchange Act Release 34-12999 (November 22, 1976) stated could be omitted pursuant to the ordinary business basis for exclusion. We respectfully submit that the "significant social policy issue" rule should not shield Rule 14a-8 proposals that relate to executive compensation in form but not in substance, as is the case with the Proposal at issue here. In addition, given the mundane and detailed nature of the investment option offerings under deferred compensation plans, the issue of whether Verizon should continue to offer the Moody's investment option under the EDP should not, as a practical matter, be subject to direct shareholder oversight.

V. Conclusion

Verizon believes that the Proposal may be properly excluded from its 2018 proxy materials under (i) Rule 14a-8(i)(3) because the Proposal is materially misleading; (ii) Rule 14a-8(i)(5) because the Proposal relates to operations that account for less than 5% of each of Verizon's assets, earnings and sales and (iii) Rule 14a-8(i)(7) because the Proposal deals with a

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matter relating to Verizon's ordinary business operations. Accordingly, we respectfully request the concurrence of the Staff that it will not recommend enforcement action against Verizon if Verizon omits the Proposal in its entirety from its 2018 proxy materials.

By copy of this letter, the Proponent is being notified that for the reasons set forth herein, Verizon intends to omit the Proposal from its 2018 proxy materials. If we can be of assistance in this matter, please do not hesitate to call me at (212) 225-2920.

We request that the Staff send a copy of its determination of this matter to the Proponent by email to association@belltelretirees.org and to the undersigned by email to akohn@cgsh.com.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Arthur H. Kohn', with a long horizontal flourish extending to the right.

Arthur H. Kohn

Enclosures

Cc: John M. Brennan, Association of BellTel Retirees

EXHIBIT A

The Proposal

See attached.

Association of BellTel Retirees Inc.

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Robert A. Rehm

**Board Member
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C. William Jonese

November 13, 2017

Mr. William L. Horton, Jr.
SVP, Deputy General Counsel and Corporate Secretary
Verizon Communications Inc.
1095 Avenue of the Americas, 8th Floor
New York, NY 10036

Dear Mr. Horton:

The Association of BellTel Retirees hereby submits the attached stockholder proposal for inclusion in the Company's 2018 proxy statement as allowed under Securities and Exchange Commission Rule 14a-8.

The resolution urges the Board of Directors "to adopt a policy that prohibits the practice of paying above-market earnings on the non-tax-qualified retirement saving or deferred income account balances of senior executive officers. This policy should be implemented prospectively and apply only to senior executive officers in a manner that does not interfere with any contractual rights."

The Association of BellTel Retirees is a stockholder of record and has continuously held the requisite number of shares of Verizon common stock for more than one year. The Association intends to maintain its ownership position (currently 214 shares of common stock) through the date of the 2018 Annual Meeting. An officer of the Association will introduce and speak for our resolution at the Company's 2018 Annual Meeting.

Thank you for including our proposal in the Company's Proxy Statement. If you need any additional information please do not hesitate to contact me.

Sincerely yours,

John M. Brennan
President
Association of BellTel Retirees

ATTACHMENT

Above-Market Returns on Nonqualified Executive Savings Plans

The Association of BellTel Retirees Inc., 181 Main Street/PO Box 33, Cold Spring Harbor, NY 11724, which owns 214 shares of the Company's common stock, hereby notifies the Company that it intends to introduce the following resolution at the 2018 Annual Meeting for action by the stockholders:

RESOLVED: The shareholders of Verizon Communications, Inc. urge our Board of Directors to adopt a policy that prohibits the practice of paying above-market earnings on the non-tax-qualified retirement saving or deferred income account balances of senior executive officers. This policy should be implemented prospectively and apply only to senior executive officers in a manner that does not interfere with any contractual rights.

SUPPORTING STATEMENT

Verizon offers senior executive officers far more generous retirement saving benefits than rank-and-file managers and other employees receive under the company's tax-qualified saving plans, in our view. One costly and unjustifiable feature is the payment of an above-market rate of return on the multi-million dollar supplemental non-tax-qualified savings and deferred income account balances of senior executives.

Proxy advisor Institutional Shareholder Services flagged this practice in its 2017 proxy analysis report, stating that Verizon "provided guaranteed earnings rates on deferred compensation that are above what can be earned in the general marketplace. This non-performance-based benefit creates additional costs to shareholders."

The ISS report also notes that the payment of "above-market or preferential earnings to executives . . . increases the ultimate expense of the plan to shareholders and is not considered a best practice."

Because of IRS limits on contributions to 401(k) and other tax-qualified savings plans, many companies maintain non-tax-qualified savings plans for additional contributions by executives. The Verizon Executive Deferral Plan allows executives to contribute or defer compensation significantly above applicable IRS limits, including without limit the long-term incentive compensation that represents the bulk of their annual income.

In 2016, CEO Lowell McAdam received \$100,855 in "above-market earnings" on his non-qualified plan assets, which totaled just under \$12 million at year-end. The six named executive officers cumulatively held more than \$50 million in non-qualified accounts at year-end 2016. (Nonqualified Deferred Compensation table, page 57).

For McAdam, these above-market earnings came on top of \$424,000 in Company matching contributions to his Deferral Plan account and \$21,200 to his Management Savings Plan account. (2017 Proxy, Compensation Tables). Verizon “provides a matching contribution equal to 100% of the first 6% of base salary and of short-term incentive compensation that a participant contributes.” (2017 Proxy, page 45).

This \$545,000 in total Company matching contributions and “above-market earnings” received by McAdam *for just one year* dwarfed the maximum Company contribution available to employees participating only in the Savings Plan (\$21,200). For McAdam, this is all on top of nearly \$2.8 million in accumulated pension benefits under legacy plans frozen in 2006 (2017 Proxy, pages 50, 55).

Above-market earnings on non-qualified accounts are not performance-based and thus do nothing to align management incentives with long-term shareholder interests. In addition, gross disparities between retirement benefits offered to senior executives and other employees risk potential morale problems and reputational risk.

Please **VOTE FOR** this proposal.

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