



Mary Louise Weber  
Associate General Counsel

One Verizon Way  
Room 54S440  
Basking Ridge, NJ 07920  
Office: 908-559-5636  
Fax: 908-696-2068  
mary.l.weber@verizon.com

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**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 Portfolio 21 Global Equity Fund,  
LongView LargeCap 500 Index Fund, Appleseed Fund, and  
Green Century Equity Fund

Ladies and Gentlemen:

I am writing on behalf of Verizon Communications Inc., a Delaware corporation ("Verizon" or the "Company"), pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended, to request that the Staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") concur with our view that, for the reasons stated below, Verizon may exclude the shareholder proposal and supporting statement (the "Proposal") submitted by Trillium Asset Management, on behalf of the Portfolio 21 Global Equity Fund, Amalgamated Bank, on behalf of its LongView LargeCap 500 Index Fund, Appleseed Capital, on behalf of the Appleseed Fund, and the Green Century Equity Fund (collectively, the "Proponents"), from the proxy materials to be distributed by Verizon in connection with its 2018 annual meeting of shareholders (the "2018 proxy materials"). All of the Proponents submitted the exact same Proposal in a timely fashion and demonstrated their eligibility to submit the Proposal. Accordingly, a single copy of the Proposal is attached as Exhibit A hereto, and copies of the cover letters from each of the Proponents are attached as Exhibit B hereto.

In accordance with Rule 14a-8(j), I am submitting this letter not less than 80 calendar days before Verizon intends to file its definitive 2018 proxy materials with the Commission and have concurrently sent a copy of this correspondence to the designated representatives of each of the Proponents.

## The Proposal

The Proposal states:

Resolved: The shareholders ask the Board of Directors of Verizon Communications Inc. (the “Company”) to prepare a report to shareholders that evaluates the feasibility of the Company achieving by 2030 “net-zero” emissions of greenhouse gases from parts of the business directly owned and operated by the Company, as well as the feasibility of reducing other emissions associated with Company activities. The report should be done at reasonable expense and may exclude confidential information.”

The supporting statement stipulates that “[a]chieving net-zero emissions essentially means reducing the level of greenhouse gases emitted on an annual basis to a level roughly equal to the amount of renewable energy created by an individual entity.” The supporting statement suggests that, in implementing the proposal, Verizon use *The Greenhouse Gas Protocol*, prepared by World Business Council for Sustainable Development and the World Resources Institute, for quantifying and reporting GHG emissions. The supporting statement further specifies that “offsets should be permanent and represent emission reductions not likely to have occurred otherwise. Also, offsets should represent carbon abatement that is not being counted by another party and should account for leakage, *i.e.*, deducting material increases in emissions elsewhere that nullify or reduce the abatement.”

## Background

Verizon is committed to reducing the environmental impact of its operations and empowering its customers to reduce their carbon footprint. To minimize its impact, Verizon set a goal in 2009 to reduce its carbon intensity—the carbon its business emits divided by the terabytes of data transported over Verizon’s network—by 50% by 2020, even as Verizon grew its business. Verizon exceeded this goal, reducing carbon intensity by 54% through the first quarter of 2016 nearly four years ahead of target, and continues to make further reductions. In addition, by using connected solutions to displace energy-intensive technologies, Verizon helps its customers save energy and reduce their carbon emissions. Verizon works with the Carbon Trust, a respected nonprofit, to measure the yearly reduction in CO<sub>2</sub>e emissions its customers are achieving through the use of its products and services. Verizon enabled total gross CO<sub>2</sub>e avoidance of 5.9-8.6 million metric tons in 2016; this is equivalent to removing 1.2-1.8 million cars from the road for one year and represents an 18-22% improvement over 2015. In addition, 98-144% of Verizon’s 2015 operational emissions were offset by CO<sub>2</sub>e reductions enabled by Verizon’s products and services in 2016. See Verizon’s 2016 Corporate Responsibility Report, available at <http://www.verizon.com/about/corporate-responsibility-report>. Verizon uses generally accepted accounting standards for tracking and reporting its greenhouse gas inventory. Verizon defines its Scope 1 and Scope 2 emissions reporting in accordance with *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*. For Scope 3 emissions, Verizon uses *The GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard*. Verizon’s carbon intensity results are independently assured by Ernst & Young LLP. Verizon received an A- on the Carbon Disclosure Project’s 2016 evaluation and is now ranked in CDP’s Leadership scoring band.

### **Bases for Exclusion**

In accordance with Rule 14a-8, Verizon respectfully requests that the Staff confirm that no enforcement action will be recommended against Verizon if the Proposal is omitted from Verizon's 2018 proxy materials for the following, separately sufficient, reasons:

1. The Proposal may be excluded pursuant to Rule 14a-8(i)(3) because it is vague and indefinite and, thus, materially false and misleading in violation of Rule 14a-9; and
2. The Proposal may be excluded pursuant to Rule 14a-8(i)(7) because it deals with matters relating to Verizon's ordinary business operations and impermissibly seeks to micro-manage the Company by imposing a specific timeframe to implement complex policies to satisfy quantitative targets.

### **Analysis**

#### **I. The Proposal may be excluded pursuant to Rule 14a-8(i)(3), because it is vague and indefinite and, thus, materially false and misleading in violation of Rule 14a-9**

Verizon believes that the Proposal may be properly excluded under Rule 14a-8(i)(3). Rule 14a-8(i)(3) permits a company to omit a shareholder proposal and the related supporting statement from its proxy materials if such "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 soliciting materials." The Staff has stated that a proposal will violate Rule 14a-8(i)(3) when "the resolution contained in the proposal is so inherently vague or indefinite that neither the stockholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires." Staff Legal Bulletin No. 14B (September 15, 2004) ("SLB 14B").

The Staff has determined that a proposal is vague and indefinite if the company and its shareholders might interpret the proposal differently, such that "any action ultimately taken by the company upon implementation of the proposal could be significantly different from the actions envisioned by the shareholders voting on the proposal." *Fuqua Industries, Inc.* (March 12, 1991). That is precisely the case here. The Proposal is vague and indefinite in its use of several terms and phrases that are critical to understanding the scope of the Proposal and the actions it requires. These key terms and phrases include "net-zero emissions," "the amount of renewable energy created by an individual entity," "emissions . . . from parts of the business directly owned and operated by the Company," and "reducing other emissions associated with Company activities." In addition, the final paragraph of the supporting statement purports to provide guidance on how the Proposal should be implemented, but it actually raises multiple ambiguities and questions by introducing a new concept of "offsets" into the equation without any explanation of what "offsets" are or how they relate to achieving "net-zero emissions" as defined by the Proposal. The above-referenced terms and phrases and final paragraph are subject to multiple interpretations that could involve significantly different outcomes and effects for Verizon and its shareholders. As described in greater detail below, neither the shareholders

nor Verizon would know with any reasonable certainty what actions or measures the Proposal requires.

**A. The target mandated by the Proposal is vague and indefinite.**

At its core, the Proposal asks Verizon's Board of Directors to evaluate "the feasibility of the Company achieving by 2030 'net-zero' emissions of greenhouse gases from parts of the business directly owned and operated by the Company, as well as the feasibility of reducing other emissions associated with Company activities." In evaluating the Proposal, the first and most important question a shareholder is likely to have is: What are "net-zero emissions"? Shareholders cannot evaluate, and Verizon cannot implement, the Proposal without a clear understanding of what is contemplated by this central concept. However the Proposal fails to provide a reasonably clear and unambiguous explanation. According to the supporting statement, "[a]chieving net-zero emissions essentially means reducing the level of greenhouse gases emitted on an annual basis to a level roughly equal to the amount of renewable energy created by an individual entity." This explanation of the central concept of the Proposal is confusing on its face and raises several questions and alternative interpretations that would prevent shareholders from being able to evaluate the Proposal and Verizon from being able to implement it without making numerous and significant assumptions. These include:

1. Does the inclusion of the word "essentially" indicate that there is more complexity to what is meant by "net-zero emissions" than is presented in the supporting statement?
2. Does the inclusion of the word "roughly" mean that the reduction in greenhouse gas emissions is not required to be exactly "equal to the amount of renewable energy created by an individual entity"? If not, how much of a disparity would be permitted to qualify as "net-zero emissions"?
3. What does "the amount of renewable energy created by an individual entity" include? Does "individual entity" refer only to Verizon, such that only renewable energy that Verizon actually produces or "creates" itself, such as renewable energy generated by Verizon's own on-site solar panels or wind turbines, goes into the equation? Or does "individual entity" also refer to another entity that creates renewable energy purchased and consumed by Verizon?

A key definition couched in such vague and indefinite terms cannot allow the shareholders voting on the Proposal or Verizon were it to implement the Proposal to "determine with any reasonable certainty exactly what actions or measures the [P]roposal requires." SLB 14B.

**B. The scope of emissions covered by the Proposal is vague and indefinite.**

In evaluating the Proposal, the next question that a shareholder is likely to have is: What kinds of emissions are covered by the Proposal? Again, the Proposal does not provide a reasonably clear and unambiguous answer to this key question. The Proposal requests a feasibility analysis with respect to reducing two categories of emissions:

- emissions “from parts of the business directly owned and operated by the Company,” and
- emissions “associated with Company activities.”

The descriptions of these two categories of emissions are so vague and indefinite that it is virtually impossible “to determine with any reasonable certainty exactly what actions or measures the proposal requires.” SLB 14B. For example, does the first category intend to exclude emissions from businesses that Verizon conducts through joint ventures and partnerships with third parties? Does it intend to exclude the emissions generated by the suppliers of electricity that Verizon requires to operate its networks and facilities? Technically these emissions are not “from parts of the business directly owned and operated by the Company,” but it is unclear whether the Proposal intends for them to be included or not.

The second category of emissions covered by the Proposal is even more vague and indefinite. There are any number of activities that could be included under the umbrella of “other emissions associated with Company activities,” depending on the context. For example, does this category intend to include emissions generated by Verizon’s suppliers in producing and transporting the equipment Verizon uses in its operations? How about the emissions generated by Verizon’s employees in commuting to work, whether in personal vehicles or by public transportation? Should emissions generated by the operation of real estate, vehicles, and other assets that are leased, as opposed to owned, be included in this category or the first? Because there is a further ambiguity, discussed in greater detail below, as to the amount of reduction the Proposal contemplates for each category, different answers to questions about what activities are intended to be included in each category could lead to vastly different outcomes not only with respect to the scope of activities covered by the Proposal, but also with respect to the amount of reduction targeted for each activity.

The supporting statement attempts to provide some guidance as to the implementation of the Proposal by suggesting that Verizon follow *The Greenhouse Gas Protocol*. The supporting statement then briefly describes the three categories of emissions that the *Protocol* identifies:

- *Direct emissions* from sources owned or controlled by the company; and
- *Electricity indirect emissions* from electricity purchased and consumed by the company.
- *Other emissions* that otherwise result from a company’s activities.

It is far from clear how these three categories of emissions relate to the two categories of emissions that the Proposal specifically mandates be included in the feasibility analysis. Moreover, this brief description of the *Protocol* standards does not provide any further clarification as to the meaning of “emissions associated with Company activities.” As mentioned above, Verizon defines its Scope 1 (direct), Scope 2 (indirect) and Scope 3 (other) emissions in accordance with *Protocol* standards. However, for Scope 3 (other) emissions, Verizon only reports emissions from corporate business travel (air and rail). Is that sufficient for purposes of the analysis requested by the Proposal, or does the Proposal also expect Verizon to include in the analysis emissions resulting from any or all of the activities mentioned in the paragraph above, which may or may not be included within the second category outlined in the Proposal?

The Proposal is so ambiguous and open to interpretation that the actions ultimately taken by Verizon to implement the Proposal could be significantly different from the actions envisioned by shareholders voting on the Proposal.

The Proposal's reference to an evaluation of "the feasibility of reducing other emissions associated with Company activities" is also vague and indefinite not only with respect to the types of emissions the analysis should cover, but also with respect to the amount of reductions the analysis should target. It is unclear whether the Proposal calls for an analysis of the feasibility of merely reducing such emissions from current levels, or alternatively, whether the Proposal's concept of "net-zero emissions" applies to these other emissions as well as to emissions from directly owned and operated parts of the business. In practice, there would be a significant difference between merely reducing these emissions and reducing them to a "net-zero" level. Also, to the extent the Proposal calls for a mere reduction of these emissions as opposed to a "net-zero" reduction, there is a significant difference in the analysis if the goal is to reduce these other emissions (whatever they are) by 5% versus by 95%. Because of these ambiguities, shareholders would not be able to properly evaluate and make an informed decision on the Proposal, and Verizon would not know what would be required in order to implement it.

**C. The supporting statement provides vague and conflicting guidance on what the Proposal entails.**

The final paragraph of the supporting statement purports to provide guidance on how the Proposal should be implemented, but it actually raises multiple ambiguities and questions by introducing a new concept of "offsets" into the equation without any explanation of what "offsets" are and how they relate to achieving "net-zero emissions" as defined by the Proposal. The term "offsets" appears to be a technical term that is not defined in the Proposal. It is likely that the supporting statement is referring to "carbon offsets," which the Merriam-Webster dictionary defines as (i) "an action or activity (such as the planting of trees or carbon sequestration) that compensates for the emission of carbon dioxide or other greenhouse gases to the atmosphere," or (ii) "a quantifiable amount of such an activity that may be bought, sold, or traded especially as part of a system to reduce pollutants in the atmosphere." If the supporting statement does intend to refer to such "carbon offsets," it does so in a vague and indefinite way, without providing a definition or any context or guidance that would allow shareholders to understand this complex technical concept or how it relates to the achievement of "net-zero emissions." The Proposal states that "offsets should be permanent and represent emission reductions not likely to have occurred otherwise." Even assuming that "offsets" refers to "carbon offsets" as defined by the Merriam-Webster dictionary, it is not clear what would be required to make such a carbon offset "permanent" and "not likely to have occurred otherwise." For example, would planting a tree be considered a "permanent" offset "not likely to have occurred otherwise"? If the tree burned down in a wildfire, would it have to be replanted in order to remain a "permanent" offset (therefore also requiring Verizon to monitor wildfires)? Alternatively, if Verizon were to purchase a carbon offset from a company that then files for bankruptcy or is liquidated, would that be a "permanent" offset "not likely to have occurred otherwise"? These questions require clear and unambiguous answers in order for shareholders to be able to make an informed decision on the Proposal, and for Verizon to implement it if adopted. Because the Proposal does not provide guidance on them, numerous and significant assumptions would

need to be made regarding what the Proposal actually contemplates, and shareholders and Verizon could arrive at significantly different interpretations of these terms.

In addition, the overall purpose and effect of the final paragraph itself is unclear and makes the Proposal vague and indefinite. The final paragraph consists of three sentences marked by the word “should,” which suggests that it is intended to provide guidance on how to implement the Proposal. However, it is unclear how this paragraph relates to the Proposal, since “offsets” are the focus of the paragraph, but nowhere does the Proposal state that “offsets” may be taken into account when measuring the level of Verizon’s greenhouse gas emissions. In fact, the concept of an “offset” seems to conflict with the Proposal’s description of achieving “net-zero emissions,” as discussed above. As a result of these ambiguities, shareholders voting on the Proposal and Verizon in implementing the Proposal would be left to come to their own, potentially differing conclusions, as to whether “offsets” may be taken into account when determining achievement of “net-zero emissions.”

As a result of the deficiencies described above, Verizon believes that the Proposal may be excluded under Rule 14a-8(i)(3) because neither the shareholders voting on the proposal, nor Verizon in implementing the Proposal (if adopted) would be able to determine with any reasonable certainty exactly what actions or measures the Proposal requires.

## **II. The Proposal may be excluded under Rule 14a-8(i)(7) because it deals with matters relating to Verizon’s ordinary business operations**

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. When adopting amendments to Rule 14a-8 in 1998, the Commission explained that 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) (the “1998 Release”). As explained in the 1998 Release, 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.” The Commission indicates that this second consideration “may come into play in a number of circumstances, such as where the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies.”

The Staff has permitted exclusion under Rule 14a-8(i)(7) of shareholder proposals similar to the Proposal that attempt to micro-manage a company by providing specific details for implementing the proposal. In *Apple Inc.* (December 21, 2017) (“*Apple 2017*”), the Staff concurred in the exclusion of a proposal that requested that the company’s board “prepare a report that evaluates the potential for the Company to achieve, by a fixed date, ‘net-zero’ emissions of greenhouse gases relative to operations directly owned by the Company and major suppliers” because the proposal sought to “micromanage 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.” In *Apple 2017*, the company characterized the proponent as “seek[ing] to have the Company develop a plan for achieving net-zero greenhouse gas emissions, which is a necessary pre-condition to evaluating the potential for implementing such a plan,” and the Proposal as “requir[ing] management to take a number of specific actions and make a number of calculations, including an evaluation and prioritization of competing business and strategic interests, in order to develop and then evaluate a plan for achieving the Proponent’s specific target of ‘net-zero’ greenhouse gas emissions.” This undertaking is substantially similar to the undertaking that the Proposal would require. The company in *Apple 2017* argued that “implementation of the Proposal would involve replacing management’s judgments on complex operational and business decisions and strategies with those favored by the Proponent and would fundamentally interfere with management’s ability to operate the Company’s global business.” That is also precisely the case with the Proposal at issue here, as described in greater detail below.

Similarly, in *Apple Inc.* (December 5, 2016) (“*Apple 2016*”), the Staff concurred in the exclusion of a proposal that requested that the company “generate a feasible plan for the company to reach a net-zero GHG emission status by the year 2030 . . . and report the plan to shareholders” because the proposal sought to “micromanage 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.” See also *Deere & Co.* (December 5, 2016) (same). In *Apple 2017*, *Apple 2016*, and *Deere & Co.*, the companies argued that the proposals sought to micro-manage the companies by replacing the judgment of management with specific quantitative measures and timelines provided by shareholders, who, as a group, would not be in a position to make an informed judgment. See also *Marriott International Inc.* (March 17, 2010) (exclusion of a proposal to install and test low-flow shower heads in some of the company’s hotels amounted to micro-managing the company by requiring the use of specific technologies); *Ford Motor Company* (March 2, 2004) (Staff concurred with the exclusion of a proposal requesting that the company publish a report about global warming/cooling, where the report was required to include details such as the measured temperature at certain locations and the method of measurement, the effect on temperature of increases or decreases in certain atmospheric gases, the effects of radiation from the sun on global warming/cooling, carbon dioxide production and absorption, and a discussion of certain costs and benefits). The Staff’s response in *Ford Motor Company* makes clear that a proposal may be excludable under Rule 14a-8(i)(7) because it seeks to micro-manage a company even if the proposal, like the Proposal at issue here, requests that the company publish a report, as opposed to requesting that the company take a specific action.

**A. The Proposal seeks to micro-manage Verizon by imposing a specific time frame to implement complex policies to satisfy quantitative targets**

The Proposal seeks to micro-manage Verizon to a similar degree as the proposals in the *Apple 2017*, *Apple 2016*, and *Deere* precedents discussed above, even though the wording of the resolution is slightly different. The proposal in *Apple 2017* requested that the company’s board “prepare a report that evaluates the potential for the Company to achieve, by a fixed date, ‘net-zero’ emissions of greenhouse gases relative to operations directly owned by the Company and major suppliers.” The proposals in *Apple 2016* and *Deere* requested that each company “generate a feasible plan to reach net-zero GHG emission status by the year 2030 for all

aspects of the business which are directly owned by the Company and major suppliers.” The Proposal requests that Verizon prepare a report that “evaluates the feasibility of the Company achieving by 2030 ‘net-zero’ emissions of greenhouse gases from parts of the business directly owned and operated by the Company, as well as the feasibility of reducing other emissions associated with company activities.” Like the *Apple 2017*, *Apple 2016*, and *Deere* proposals, the Proposal would require management to develop a hypothetical plan which could feasibly achieve “net-zero” greenhouse gas emissions by a certain date from its directly owned businesses and, potentially, from its suppliers, customers and employees (to the extent that they produce emissions associated with Verizon’s activities). Setting particular greenhouse gas emissions targets involves complex operational decisions made by engineering, legal, financial and management experts based on analyses, projections and assumptions regarding, among other things, the Company’s operations and long-term strategy, anticipated technological developments both in the Company’s industry and the energy sector, as well as projected cash flows, capital expenditure requirements and energy requirements.

Verizon’s carbon footprint is complex by nature, and measuring and reducing this footprint requires inventive solutions. This complexity is illustrated by the diversity and widely dispersed nature of different properties owned and/or operated by Verizon, which number in the tens of thousands and include central office buildings and other buildings that house network equipment, buildings that are used for administrative and other purposes, customer care centers, retail sales locations, garage work centers, switching centers, cell sites, and data centers. Each of these different kinds of properties raises particular considerations regarding the reduction of greenhouse gas emissions. For example, some of Verizon’s retail stores are located in shopping malls where Verizon has limited control over actions and activities that result in greenhouse gas emissions. To implement the Proposal, management would have to replace its own judgments as to how to best allocate Verizon’s resources to achieve its long-term growth strategy and instead prioritize particular courses of action directed solely at meeting the particular emission level selected by the Proponents by the arbitrary date mandated by the Proposal. By substituting the Proponents’ business judgment for management’s business judgment, the Proposal fundamentally interferes with management’s ability to exercise its judgment to run the Company and operate its business on a day-to-day basis.

To the extent that the Proposal intends “other emissions associated with Company activities” to mean emissions generated by its suppliers the Proposal would require Verizon to analyze (i) each supplier’s business to determine what changes would need to be made to their choices of processes, technologies and energy sources so that they could contribute to the reduction in emissions related to Verizon, (ii) the impact such changes would have on each supplier’s business to determine the feasibility of those changes, and (iii) the impact such changes would have on Verizon because additional costs borne by a supplier would likely be passed on to Verizon. For this reason, among others, the Proposal seeks to micro-manage Verizon to a far greater extent than a similar proposal submitted to The TJX Companies (“TJX”). In *TJX Companies, Inc.* (March 3, 2017), the proposal called for the company to prepare a report evaluating the potential for the company to achieve “net-zero” greenhouse gas emissions from parts of the business owned and operated by the Company. Unlike the Proposal, the TJX proposal did not require the company to investigate and address “other emissions associated with company activities” in its plan to reduce greenhouse gas emissions. In addition, as a provider of communications services and solutions, including wireline and wireless voice, data

and video services and internet of things solutions, both in the U.S. and internationally, Verizon is continually building and upgrading its networks to meet customer demand, and as a result, its business operations involve far more significant processes and related technology choices than TJX's business operations (which largely consist of retail stores offering apparel and home accessories manufactured by others). Moreover, Verizon's operations are subject to regulation on a federal, state and local level relating the operation of its networks, the terms and conditions of the services it provides and, in some cases, the prices that it can charge; the Proposal does not necessarily take these and other considerations into account, and its efforts to impose specific time-frames or methods for implementing complex policies curtails the ability of Verizon's management to do so.

Evaluating, and making decisions relating to, Verizon's choices regarding the processes, technologies, energy sources and suppliers that it uses, combined with evaluating the impact of those choices on the pricing of its products and services, are the types of day-to-day operational decisions that the 1998 Release indicated are too impractical and complex to subject to direct shareholder oversight. The Staff has previously concurred that a proposal seeking a report relating to the company's choice of processes and technologies used in the production of its products and services is excludable as relating to the company's ordinary business operations. See *FirstEnergy Corp.* (March 8, 2013) (allowing exclusion of a proposal calling for a report on the effect of increasing the company's use of renewable energy resources because it concerned the company's "choice of technologies" for its operations). As in *FirstEnergy*, decisions relating to the mix of resources used to source the electricity needed to power the Company's networks, nationwide retail stores and other facilities necessarily implicate Verizon's choice of processes, technologies and energy sources for use in its operations.

The degree to which the Proposal seeks to micro-manage the Company's greenhouse gas emissions program is demonstrated by the number of specific actions and calculations that implementation of the Proposal would entail, requiring compilation and analysis of numerous data points and areas of operations. By setting a particular level of acceptable greenhouse gas emissions ("net-zero") by a certain date (2030), the Proposal differs significantly from proposals that seek to establish "goals" for achieving an environmental objective or a range of acceptable levels of compliance. A proposal that seeks to establish goals for, or ranges of, compliance allows the company flexibility to determine an achievable level of compliance and an acceptable timetable for implementation and therefore, unlike the Proposal, does not micro-manage the company for purposes of Rule 14a-8(i)(7). See, e.g., *FirstEnergy Corp.* (March 4, 2015) (declining to concur in exclusion of proposal that called for preparation of a plan to address carbon dioxide emissions but did not "mandate what quantitative goals should be adopted, or how the quantitative targets should be set"); *Exxon Mobil Corporation* (March 12, 2007) (declining to concur in exclusion of proposal requesting adoption of a policy (as opposed to a plan) to significantly increase renewable energy sourcing, with a "recommended goal" in the range of 15%-25% of all energy sourcing by 2015-2025). The Proposal, in contrast, sets a specific goal of "net-zero" emissions and a specific deadline of 2030, attempts to provide a specific and detailed framework for defining and measuring "net-zero greenhouse gas emissions" and requires the development and evaluation of a feasibility plan rather than adoption of a policy.

The business decisions associated with Verizon's investment in, sourcing for, and operation of its networks, retail stores, and other facilities, and which environmental efforts to

prioritize, require complex engineering, financial, and legal analyses that are beyond the ability of shareholders to determine by means of a shareholder proposal. The Proposal invokes the type of micro-management of complex issues involving the ordinary course of a company's business that the 1998 Release was meant to address. The Proposal supplants the Company's judgments on business strategy with an arbitrary level of acceptable emissions and its insistence on an arbitrary deadline for achieving it. By subjecting to direct shareholder oversight the Company's choices regarding processes, technologies and energy sourcing and the terms of the Company's relationships with its suppliers and customers, the Proposal fundamentally interferes with management's ability to run the Company and operate its business on a day-to-day basis. For those reasons, the Proposal is excludable pursuant to Rule 14a-8(i)(7).

**B. The Proposal focuses on ordinary business matters regardless of whether it touches upon a significant policy issue**

The Commission stated in the 1998 Release that “proposals relating to [ordinary business] matters but focusing on sufficiently significant policy issues . . . generally would not be considered to be excludable.” The Staff elaborated on this “significant policy” exception in Staff Legal Bulletin No. 14E (October 27, 2009) noting that, “[i]n those cases in which a proposal’s underlying subject matter transcends the day-to-day business matters of the company and raises policy issues so significant that it would be appropriate for a shareholder vote, the proposal generally will not be excludable under Rule 14a-8(i)(7) as long as a sufficient nexus exists between the nature of the proposal and the company.” However, as discussed above, even if a proposal involves a significant policy issue, the Staff has found that the proposal may nevertheless be excluded under Rule 14a-8(i)(7) if it seeks to micro-manage the company by specifying in detail the manner in which the company should address the policy issue.

While reduction of greenhouse gas emissions is a significant policy issue, the environmental goals of the Proposal are secondary to the Proposal's effort to micro-manage the Company's processes and operations to achieve specific objectives. As discussed above, the Staff has concurred in the exclusion of proposals addressing greenhouse gas emissions where the proposals sought to micro-manage the companies' ordinary business operations by imposing a specific time frame to implement complex policies to satisfy quantitative targets. The Proposal does just that and, therefore, consistent with the precedents, should be excludable under Rule 14a-8(i)(7).

**Conclusion**

For the foregoing reasons, Verizon believes that the Proposal may be properly excluded from its 2018 proxy materials in reliance on Rule 14a-8(i)(3) and Rule 14a-8(i)(7). Verizon respectfully requests that the Staff confirm that it will not recommend enforcement action to the Commission if Verizon omits the Proposal from its 2018 proxy materials.

Verizon requests that the Staff send a copy of its determination of this matter by email to the proponent's representatives at [bmurphy@trilliuminvest.com](mailto:bmurphy@trilliuminvest.com), [deborahsilodor@amalgamatedbank.com](mailto:deborahsilodor@amalgamatedbank.com), [matt@appleseedcapital.com](mailto:matt@appleseedcapital.com) and [mlafave@greencentury.com](mailto:mlafave@greencentury.com) and to the undersigned at [mary.l.weber@verizon.com](mailto:mary.l.weber@verizon.com).

If you have any questions with respect to this matter, please telephone me at (908) 559-5636.

Very truly yours,



Mary Louise Weber  
Associate General Counsel

Enclosures

Cc: Brianna Murphy, Trillium Asset Management LLC  
Deborah Silodor, Amalgamated Bank  
Matthew Blume, Appleseed Capital  
Marissa LaFave, The Green Century Funds

Exhibit A

The Proposal

RESOLVED: The shareholders ask the Board of Directors of Verizon Communications, Inc. (the “Company”) to prepare a report to shareholders that evaluates the feasibility of the Company achieving by 2030 “net-zero” emissions of greenhouse gases from parts of the business directly owned and operated by the Company, as well as the feasibility of reducing other emissions associated with Company activities. The report should be done at reasonable expense and may exclude confidential information.

### SUPPORTING STATEMENT

In 2015, 196 parties at the U.N. Climate Change Conference agreed to limit climate change to an average global warming of 2 degrees Celsius above pre-industrial temperatures, with a goal of limiting it to 1.5 degrees Celsius. The Intergovernmental Panel on Climate Change states that to reach this goal, CO<sub>2</sub> emissions must fall to zero by 2040 to 2070, and scientists agree that reaching the Paris Agreement’s 1.5 degrees goal means that the world must reach net-zero greenhouse gas (“GHG”) emissions by 2030 to 2050, sooner than is currently planned by most corporations and nations.

Achieving net-zero emissions essentially means reducing the level of greenhouse gases emitted on an annual basis to a level roughly equal to the amount of renewable energy created by an individual entity. We believe that achieving this goal is important for companies generally to achieve long-term shareholder value.

Although Verizon has taken some steps, more needs to be done. For example, Verizon recently achieved its goal of reducing its carbon intensity by 50%, but there is no current goal for further reductions. Although Verizon has also committed to adding 24 MW of green energy into its operations by 2025, that would generate under one percent of the 10.8 million MWh of electricity that Verizon reports it consumed in 2016. Thus, it does not appear that the Verizon board has adopted an overall longer-term policy in line with the goals of the Paris Agreement.

Industry peer BT Group has committed to sourcing 100% of electricity from renewable sources by 2020. BT achieved an 80% reduction in absolute carbon emissions 3 years early.

In implementing this proposal, Verizon may wish to consider *The Greenhouse Gas Protocol*, prepared by World Business Council for Sustainable Development and the World Resources Institute, which provides a useful guide for quantifying and reporting corporate GHG emissions. That *Protocol* identifies three types of

emissions for a company's consideration:

- *Direct emissions* from sources owned or controlled by the company; and
- *Electricity indirect emissions* from electricity purchased and consumed by the company.
- *Other emissions* that otherwise result from a company's activities.,

We believe that offsets should be permanent and represent emission reductions not likely to have occurred otherwise. Also, offsets should represent carbon abatement that is not being counted by another party and should account for leakage, *i.e.*, deducting material increases in emissions elsewhere that nullify or reduce the abatement. Finally, we believe that independently audited information about offsets should be available to interested parties.

We urge you to vote FOR this proposal.

Exhibit B

Proponents' Cover Letters



November 14, 2017

Assistant Corporate Secretary  
Verizon Communications  
1095 Avenue of the Americas  
New York, NY 10036

Dear Assistant Corporate Secretary:

Trillium Asset Management LLC ("Trillium") is an investment firm based in Boston specializing in socially responsible asset management. We currently manage approximately \$2.2 billion for institutional and individual clients.

On behalf of the Portfolio 21 Global Equity Fund, Trillium Asset Management, as its investment advisor, hereby submits the enclosed shareholder proposal with Verizon Communications for inclusion in the 2018 proxy statement and in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 (17 C.F.R. § 240.14a-8). Per Rule 14a-8, Portfolio 21 Global Equity Fund holds more than \$2,000 of Verizon Communications common stock, acquired more than one year prior to today's date and held continuously for that time. As evidenced in the attached letter, our client will remain invested in this position continuously through the date of the 2018 annual meeting. We will forward verification of the position separately. We will send a representative to the stockholders' meeting to move the shareholder proposal as required by the SEC rules.

We would welcome discussion with Verizon Communications about the contents of our proposal.

As co-lead filer of this proposal with Amalgamated Bank please include me on any communications. I can be reached at (617) 532-6662 or via email at [bmurphy@trilliuminvest.com](mailto:bmurphy@trilliuminvest.com).

We would appreciate receiving a confirmation of receipt of this letter via email.

Sincerely,

A handwritten signature in black ink, appearing to read 'B Murphy', written over a light blue horizontal line.

Brianna Murphy  
Vice President, Shareholder Advocacy & Corporate Engagement  
Trillium Asset Management, LLC

Cc: Lowell C. McAdam, Chief Executive Officer

Enclosures



**DEBORAH A. SILODOR**  
Executive Vice President  
General Counsel

TEL (212) 895 4428  
FAX (212) 895-4726  
deborahsilodor@amalgamatedbank.com

November 15, 2017

Mr. William L. Horton, Jr.  
Senior Vice President, Deputy General Counsel  
and Corporate Secretary  
Verizon Communications Inc.  
1095 Avenue of the Americas, 8<sup>th</sup> Floor  
New York, NY 10036

Re: Shareholder proposal for 2018 annual meeting

Dear Mr. Horton:

On behalf of the Amalgamated Bank's LongView LargeCap 500 Index Fund (the "Fund"), I am submitting the enclosed shareholder proposal for inclusion in the proxy materials that Verizon Communications, Inc. (the "Company") plans to circulate to shareholders in anticipation of the 2018 annual meeting. The proposal relates to the Company's environmental policies.

The Fund is located at 275 Seventh Avenue, New York, N.Y. 10001. The Fund beneficially owns more than \$2000 worth of the Company's common stock and has held those shares for over a year. A letter from the Bank as record owner confirming ownership is being submitted under separate cover. The Fund plans to continue ownership through the date of the 2018 annual meeting, which a representative is prepared to attend.

The Fund uses shareholder resolutions as a means to open a dialogue with portfolio companies, and we would be pleased to have a dialogue with you on the issues raised by the resolution. If you believe that such a discussion would be useful, please let me know.

Very truly yours,

A handwritten signature in black ink, appearing to read "D. Silodor", is written below the closing text.



November 15, 2017

Assistant Corporate Secretary  
Verizon Communications, Inc.  
1095 Avenue of the Americas  
New York, NY 10036

Dear Assistant Corporate Secretary:

Please find enclosed a shareholder resolution submitted on behalf of Appleseed Capital, Advisor to the Appleseed Fund. Along with the fundamentals, we analyze the environmental, social, and governance (ESG) performance of companies in which we invest for our clients, including Verizon. We request that this resolution be included in the proxy statement for the 2018 Verizon Communications shareholders' meeting. We are submitting the resolution in accordance with Rule 14a-8 of the general rules and regulations of the Securities Exchange Act of 1934. Appleseed Capital has held more than \$2,000 worth of Verizon Communications shares for more than one year as of and including today, and verification of our ownership position will follow this submission.

Appleseed Capital, which has authorized me to file this proposal, currently owns more than 119,000 shares of Verizon Communications common stock, and intends to maintain ownership to meet the thresholds of Rule 14a-8 at least through the annual meeting.

In submitting this proposal, we are authorized to enter into dialogue with your company and discuss terms for satisfaction of the proposal and potential withdrawal of the resolution. We can be reached at 312-948-4973 or at [matt@appleseedcapital.com](mailto:matt@appleseedcapital.com). Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads 'Matthew R. Blume'.

Matthew R. Blume, CFA  
Director of ESG Research & Shareholder Advocacy  
Appleseed Capital



November 16, 2017

Assistant Corporate Secretary  
Verizon Communications  
1095 Avenue of the Americas  
New York, NY 10036

Dear Assistant Corporate Secretary,

The Green Century Equity Fund hereby submits the enclosed shareholder proposal with Verizon Communications (VZ) for inclusion in the Company's 2018 proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 (17 C.F.R. § 240.14a-8).

Per Rule 14a-8, the Green Century Equity Fund is the beneficial owner of at least \$2,000 worth of Verizon Communications' stock. We have held the requisite number of shares for over one year, and will continue to hold sufficient shares in the Company through the date of the annual shareholders' meeting. Verification of ownership from a DTC participating bank will be sent separately.

Due to the importance of the issue and our need to protect our rights as shareholders, we are filing the enclosed proposal for inclusion in the proxy statement for a vote at the next shareholder's meeting. **Green Century is the co-filer of this proposal and Amalgamated Bank and Trillium Asset Management will act as the lead filers.**

We look forward to discussing the subject of the enclosed proposal with Company representatives. Please include Marissa LaFave, Shareholder Advocate at Green Century Capital Management on any communications. She may be reached at (617) 482-0800 or [mlafave@greencentury.com](mailto:mlafave@greencentury.com).

We would appreciate receiving a confirmation of receipt of this letter via email.

Sincerely,

Kristina Curtis  
President  
The Green Century Funds

Enclosures: Resolution Text

GREEN CENTURY CAPITAL MANAGEMENT, INC.  
114 STATE STREET, SUITE 200 BOSTON, MA 02109  
tel 617-482-0800  
[www.greencentury.com](http://www.greencentury.com)

