



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

February 14, 2019

Mary Louise Weber
Verizon Communications Inc.
mary.l.weber@verizon.com

Re: Verizon Communications Inc.
Incoming letter dated December 14, 2018

Dear Ms. Weber:

This letter is in response to your correspondence dated December 14, 2018 concerning the shareholder proposal (the "Proposal") submitted to Verizon Communications Inc. (the "Company") by the Association of BellTel Retirees Inc. (the "Proponents") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence on the Proponent's behalf dated January 24, 2019. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

M. Hughes Bates
Special Counsel

Enclosure

cc: Cornish F. Hitchcock
Hitchcock Law Firm PLLC
conh@hitchlaw.com

February 14, 2019

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: Verizon Communications Inc.
Incoming letter dated December 14, 2018

The Proposal urges the board 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.

We are unable to conclude that the Company has met its burden of demonstrating that it may exclude the Proposal under rule 14a-8(i)(7). Although the Proposal appears to relate to a form of compensation that is available to approximately 3200 current and former employees, pertains only to one of twenty-eight investment options available to participants and potentially represents a fraction of total compensation, we note the absence of the board's analysis addressing whether the Proposal implicates a significant compensation matter to the Company's shareholders, particularly in light of approximately 28% of the Company's shareholders supporting the same proposal at the 2018 annual meeting. Accordingly, we do not believe that the Company may omit the Proposal from its proxy materials in reliance on rule 14a-8(i)(7).

Sincerely,

Jacqueline Kaufman
Attorney-Adviser

DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

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CORNISH F. HITCHCOCK
E-MAIL: CONH@HITCHLAW.COM

24 January 2019

Office of the Chief Counsel
Division of Corporation Finance
Securities & Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

By Electronic mail: shareholderproposals@sec.gov

Re: Shareholder proposal to Verizon Communications Inc.
from the Association of BellTel Retirees Inc.

Dear Counsel:

I write on behalf of the Association of BellTel Retirees Inc. (the “Proponents”) in response to a letter from counsel for Verizon Communications Inc. (“Verizon” or the “Company”) dated 14 December 2018 (“Verizon Letter”) in which Verizon advises that it intends to omit the Association’s proposal (the “Proposal”) from the Company’s 2019 proxy materials.

The Proposal

The Proposal urges the Board of Directors to adopt a policy that ends “the practice of paying above-market earnings on the non-tax-qualified retirement saving or deferred income account balances of senior executive officers” and to apply this policy “only to senior executive officers in a manner that does not interfere with any contractual rights.” The resolution states:

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.

The Supporting Statement expresses a belief that “the payment of an above-market rate of return on the multi-million dollar non-tax-qualified savings and deferred income account balances of senior executive officers” is a “costly and unjustifiable feature” of Verizon’s Executive Deferral Plan. The Statement notes that the nation’s leading proxy advisory firm, Institutional Shareholder Services, “supported this proposal in its 2018 proxy analysis report, stating that “while it is common to maintain additional supplemental retirement accounts for executives, providing above-market earnings on investment options is not common market practice.” The Statement further quotes the 2018 ISS recommendation in favor of this proposal, which noted that “practice of paying above-market earnings increases the expense to shareholders and is not considered a best practice.”

The Statement goes on to cite disclosures in Verizon’s proxy statements showing that this practice imposes substantial costs that are not performance-based. “For example, in 2017 then-CEO Lowell McAdam received \$73,949 in ‘above-market earnings’ on his non-qualified plan assets (2018 Proxy, Summary Compensation Table, page 46, column h), which exceeded \$13 million at year end (2018 Proxy, page 52).” The Statement also substantiates for shareholders that “the combined cost of these company contributions and above-market earnings can be substantial” for senior executive officers. Over the most recent disclosed 10-year period (2008 – 2017), “Verizon reported paying McAdam a total of \$5,470,490 in nonqualified plan contributions and above-market earnings (page 52, table note 4).”

The Verizon Letter argues that although the Proposal explicitly states the proposed policy change would “apply only to senior executive officers,” the Proposal may be omitted from the Company’s 2019 proxy materials because the Proposal relates to the Company’s “ordinary business” within the meaning of Rule 14a-8(i)(7), as interpreted by the recently issued *Staff Legal Bulletin 14J*. We respond as follows.

The Proposal cannot be excluded under Rule 14a-8(i)(7).

As an initial matter, the Verizon Letter (at p. 2) “acknowledges that the Staff denied exclusion of a substantially similar proposal on this basis last year in *Verizon Communications Inc.* (March 8, 2018).” In fact, the 2018 Resolution (which received 28% of the vote) was not just “substantially similar”; it was word-for-word identical to Proponent’s resubmitted proposal. Verizon made essentially the same arguments last year in relation to exclusion under Rule 14a-8(i)(7), although in far greater detail. (Verizon No-Action Request Letter, Dec. 28, 2017, at pp. 5-6.)

Because the Staff concluded in 2018 that this proposal cannot be excluded under Rule 14a-8(i)(7), Verizon mounts a renewed challenge based solely on *Staff Legal Bulletin 14J*, which states that “a proposal that addresses senior executive and/or director compensation may be excludable under Rule 14a-8(i)(7) if a primary

aspect of the targeted compensation is *broadly available or applicable to a company's general workforce* and the company demonstrates that the executives' or directors' eligibility to receive *the compensation does not implicate significant compensation matters*" (emphasis added).

Verizon has made no showing here that "above-market" payments on non-qualified deferred executive compensation are "broadly available" to Verizon's "general workforce." The Proposal does not focus on a compensation policy that could affect all or many Verizon employees, as Verizon effectively acknowledges. The Proposal focuses on a senior executive compensation practice that applies to Verizon's Executive Deferral Plan and benefits a relatively small number (3200) of executives, former executives, and retired executives (beneficiaries who, even if they were all currently employed at Verizon, would comprise fewer than two percent of Verizon's 150,000 employees). More importantly, the Proposal explicitly limits the proposed compensation policy change to "senior executive officers." As a result, the Proposal simply does not raise the concerns cited in *Staff Legal Bulletin 14J* about compensation practices that are "broadly applicable" to "the company's general workforce."

Moreover, the Supporting Statement describes for shareholders how this practice contradicts the Board's stated commitment to performance-based compensation while imposing significant costs on shareholders. The Supporting Statement includes the Board's disclosure in Verizon's 2018 proxy statement that under the policy a single senior executive – former CEO Lowell McAdam – received "a total of \$5,470,490 in nonqualified plan contributions and above-market earnings (page 52, table note 4)" over the most recent ten-year period.

1. The proposal applies explicitly and only to "senior executive officers."

Verizon argues (at p. 3) for exclusion of the Proposal under Rule 14a-8(i)(7) as being consistent with the views expressed in *Staff Legal Bulletin 14J* because the Proposal "applies to a broader range of employees than 'senior executive officers.'" Verizon's claim in this regard is misplaced for three primary reasons.

First, the assertion just quoted is factually inaccurate. The text of the Proposal asks the Board 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*," a policy that should be "implemented prospectively and *apply only to senior executive officers . . .*" (emphasis added). Should the Board adopt this recommendation, the Board could maintain the practice with respect to the small number of former, retired and active senior managers who also benefit from above-market payments, but who are not current senior executive officers.

Second, as to the availability of this benefit, Verizon acknowledges that only about “3200 employees *and former employees* maintain account balances” in the Executive Deferral Plan (at p. 3, emphasis added). How many of these 3200 are retired or former senior executives and managers? Verizon does not say how many of these 3200 are currently employed at Verizon. Nor does Verizon reveal how many of the retired, former and active employees who “maintain account balances” actually benefit from the above-market compensation practice that is the focus of the Proposal. Verizon also fails to reveal whether the active employees who are not senior executives have multi-million-dollar account balances that make their situation even remotely comparable to former CEO Lowell McAdam’s \$13 million accumulation, or the other senior executive officers who are the sole focus of the proposal.

In a company as old and large as Verizon, it seems likely that only a minority of these 3200 Deferral Plan participants are current employees. And even if 2000 of these 3200 participants are active employees, that would represent at most 1.5 percent of Verizon’s more than 150,000 employees. As a result, if the Board were to use its discretion to apply the proposed policy change to everyone in the Deferral Plan, the change would still apply to less than one out of every 65 members of Verizon’s workforce. Indeed, Verizon concedes (at p. 3) that “participation in these [non-qualified deferral] plans is limited to certain employees in light of federal pension law” – that is, participation is limited to very highly-compensated employees and former employees. In short, Verizon has failed to meet its burden to show that the compensation practice that is the focus of the proposal is “broadly available or applicable to a company’s general workforce.”

Third, Verizon cites a series of no-action letters that granted relief as to proposals that explicitly targeted a universe of employees that ranged far beyond “senior executives.” *Bank of America Corp.* (31 January 2012) (100 top-earning executives); *Minnesota Mining and Manufacturing Co.* (4 March 1999) (CEO and top 40 executives); *Alliant Energy Corp.* (4 February 2004) (president, vice president, CEO, CFO and “all levels of top management”); *3M Co.* (6 January 2018) (corporate officers); *Apple Hospitality REIT, Inc.* (18 February 2015) (“management team”); *The Goldman Sachs Group* (8 March 2010) (100 most highly compensated executives); *3M Co.* (6 March 2008) (“high level” employees); *Lucent Technologies Inc.* (6 November 2001) (“all” officers and directors). Here, by contrast, the Proposal is expressly confined to “senior executive officers,” a formulation long accepted by the Division as not raising “ordinary business” concerns.

2. Above-market payments on the multi-million dollar deferred accounts of senior executive officers are significant and not a common market practice.

Verizon argues (at p. 4) that the payment of “above-market” interest on

Executive Deferral Plan accumulations is not a “significant” aspect of that Plan and “the fact that such compensation is reportable in the Summary Compensation Table does not necessarily mean it implicates a significant compensation matter.” Tax deferral may be the most significant aspect of the Deferral Plan as far as participants are concerned, but from a corporate governance perspective, the guaranteed payment of above-market interest on the multi-million-dollar accumulations of senior executives presents a significant policy matter for at least three reasons.

First, Verizon’s practice of paying above-market earnings on the multi-million-dollar savings accounts of senior executives is limited to a relative handful of its highest-paid executives, and not only that, the practice is also an uncommon executive compensation practice. As the Supporting Statement informed shareholders, in its 2018 analysis Institutional Shareholder Services recommended that its institutional clients vote in favor of this proposal, stating “that ‘while it is common to maintain additional supplemental retirement accounts for executives, providing above-market earnings on investment options is not common market practice.’”

Moreover, the Verizon Letter is misleading in describing this option (at p. 4) as “one of 28 investment options available to participants in Verizon’s deferred compensation plan.” This characterization fails to convey the unique nature of this option, which last year’s proxy statement candidly described (p. 70) as an “additional hypothetical investment option” that is not available to participants in the Savings Plan, which is open to all employees.¹

Second, this compensation is not performance-based despite the fact that the Board’s Human Resource Committee leads off its Compensation Discussion and Analysis by telling shareholders that “pay for performance” is Verizon’s number one “Best practice in executive compensation and governance.” (2018 proxy statement at p. 27). In this context the Committee states that “[a]pproximately 90% of named executive officers’ total compensation opportunity is variable, incentive-based pay.” (*Id.*) The Proposal offers this performance-based policy rationale for their proposal clear in the Supporting Statement, stating: “Above-market earnings on non-qualified accounts are not performance-based and thus do nothing to align management incentives with long-term shareholder interests.”

Finally, with respect to senior executive officers (and the retired and former

¹ Elsewhere the 2018 proxy statement explains (at p. 51): “Participants in the [Executive] Deferral Plan may elect to invest their deferrals in the hypothetical investment options available to all participants under the Savings Plan or in a hypothetical cash account that earns a return rate equal to the long-term, high-grade corporate bond yield average as published by Moody’s Investor Services.”

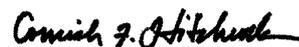
senior executive officers who continue to benefit from this perk) above-market and guaranteed rates of return on multi-million-dollar account balances are a substantial expense. As noted above, former CEO McAdams received nearly \$5.5 million in contributions and above-market interest payments over 2008-2017, while another senior executive officer, John Stratton, received “a total of \$2,873,722” over the five-year period from 2013-2017. (Verizon 2018 Proxy, p. 52, table note 4). Since McAdams and Stratton had balances of \$13.1 million and \$14.6 million, respectively, in their non-qualified deferred compensation accounts as of year-end 2017, their ability to opt for guaranteed above-market earnings on all or a portion of those accumulations represent costly additional compensation unrelated to performance. As Institutional Shareholder Services stated in its analysis and recommendation, the “practice of paying above-market earnings increases the expense to shareholders and is not considered a best practice.”

Conclusion

For these reasons, we respectfully ask the Division to advise Verizon that the Division does not concur that this Proposal may be omitted under Rule 14a-8(i)(7).

Thank you for your consideration of these points. Please do not hesitate to contact us you require any additional information.

Very truly yours,



Cornish F. Hitchcock

cc: Mary Louise Weber, Esq.



Mary Louise Weber
Associate General Counsel

One Verizon Way
Mail Code VC54S
Basking Ridge, NJ 07920

December 14, 2018

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. 2019 Annual Meeting
Shareholder Proposal of the Association of BellTel Retirees Inc.

Ladies and Gentlemen:

I am writing on behalf of Verizon Communications Inc., a Delaware corporation (“Verizon”), 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 the Association of BellTel Retirees Inc. (the “Proponent”), from the proxy materials to be distributed by Verizon in connection with its 2019 annual meeting of shareholders (the “2019 proxy materials”). A copy of the Proposal is attached as Exhibit A 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 2019 proxy materials with the Commission and have concurrently sent a copy of this correspondence by email and overnight courier to the Proponent as notice of Verizon’s intent to omit the Proposal from Verizon’s 2019 proxy materials.

The Proposal

The Proposal states:

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 offices. This policy should be implemented prospectively and apply only to senior executive officers in a manner that does not interfere with any contractual rights.

Basis 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 2019 proxy materials pursuant to Rule 14a-8(i)(7), because the Proposal deals with matters relating to Verizon's ordinary business operations. Verizon acknowledges that the Staff denied exclusion of a substantially similar proposal on this basis last year in *Verizon Communications Inc.* (March 8, 2018), but respectfully submits that the Proposal should be re-evaluated in light of the new guidance issued by the Staff on October 23, 2018 in Staff Legal Bulletin No. 14J ("SLB 14J") as further discussed below.

Analysis

The Proposal may be excluded under Rule 14a-8(i)(7) because it addresses an aspect of senior executive compensation that is also available or applicable to the general workforce.

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."

SLB 14J, among other things, provides guidance on the scope and application of Rule 14a-8(i)(7) for proposals that touch upon senior executive and/or director compensation matters. In SLB 14J, the Staff states its view that "a proposal that addresses senior executive and /or director compensation may be excludable under Rule 14a-8(i)(7) if a primary aspect of the targeted compensation is broadly available or applicable to a company's general workforce and the company demonstrates that the executives' or directors' compensation eligibility to receive the compensation does not implicate significant compensation matters." The Staff further explains, "For example, a proposal that seeks to limit when senior executive officers will receive golden parachutes may be excludable under Rule 14a-8(i)(7) if the company's golden parachute provision broadly applies to a significant portion of its general workforce. This is because the availability of certain forms of compensation to senior executives and/or directors that are also broadly available or applicable to the general workforce does not generally raise significant compensation issues that transcend ordinary business matters."

The Proposal, if adopted, would require Verizon to eliminate one of the investment options available under its deferred compensation plans that provides a return based on the long-term, high-grade corporate bond yield average published by Moody's Investor Services (the "Moody's investment option"). Verizon believes that the Proposal may be properly excluded under Rule 14a-8(i)(7) because the aspect of compensation addressed in the Proposal – namely, the availability of,

and interest rate associated with, an investment option offered under Verizon's deferred compensation plans – is available to a much broader range of employees and former employees than “senior executive officers” and does not implicate significant compensation matters.

A. The Proposal applies to broader range of Verizon employees than “senior executive officers”.

Verizon's deferred compensation plans allow employees to defer a portion of their base salary and short-term incentive award and the non-employee directors to defer their annual equity award, cash retainer and meeting fees (such deferred compensation, the “Deferred Compensation”), until a future payment event (e.g., separation from service or a specified date). The deferral plans are maintained by Verizon to encourage retirement savings. While participation in these plans is limited to certain employees in light of the requirements of federal pension laws, a much broader range of employees than “senior executive officers” are participants. In fact, over 3200 employees and former employees maintain account balances in the plans. The vast majority of the participants are managers who are not “senior executive officers” (which would include only persons who are “executive officers” as defined in Rule 3b-7 under the Exchange Act). In fact, most of the participants are not even “senior managers” (which would include vice presidents and above under Verizon's management structure). Accordingly, Verizon believes that exclusion of the Proposal under Rule 14a-8(i)(7) is consistent with the views and approach expressed by the Staff in SLB 14J, as well as the Staff's previous decisions to grant no-action relief in relation to compensation proposals that extend to employees beyond a company's “senior executive officers.”

The Staff has generally allowed exclusion of proposals that relate to the compensation of employees outside a narrow band of “senior executives,” even when the Proposal would only apply to a limited group of high-level employees. In *Bank of America Corporation* (January 31, 2012), for example, the Staff concurred in the exclusion of a proposal regarding the compensation of the company's “100 top earning executives . . . and . . . members of its Board of Directors.” In *Bank of America*, the company observed that the Staff “has consistently found that proposals regarding the compensation of a large number of employees that did not have a policy making role at their companies . . . are excludable under Rule 14a-8(i)(7).” The Staff concurred, concluding that the proposal was excludable as relating to “compensation that may be paid to employees generally and . . . not limited to compensation that may be paid to senior executive officers and directors.” Similarly, in *Minnesota Mining and Manufacturing Company* (March 4, 1999), the Staff allowed exclusion of a proposal to limit the compensation of the company's CEO and its “top 40 executives” as “relating to [the company's] ordinary business operations (i.e., general compensation matters).” Likewise, in *Alliant Energy Corp.* (February 4, 2004), the Staff concurred in the exclusion of a proposal seeking to regulate the salary of “the president, all levels of vice president, the CEO, CFO and all levels of top management.” In *Alliant*, the company explained that the classes of employees covered by the proposal included persons not commonly identified as senior executives. The Staff concurred, concluding that the proposal was excludable as relating to “general compensation matters.” See also *3M Company* (January 8, 2018) (allowing exclusion of a proposal relating to stock and option awards to “Corporate Officers”); *Apple Hospitality REIT, Inc.* (February 18, 2015) (concurring in the exclusion of a proposal that related to the compensation of a company's “management team”); *The Goldman Sachs Group, Inc.* (March 8, 2010) (allowing exclusion of a proposal that applied to named executive officers and the 100 most highly-compensated employees); *3M Company* (March 6, 2008) (concurring in the exclusion of a proposal related to compensation of “high-level 3M employees”); and *Lucent Technologies Inc.*

(November 6, 2001) (allowing exclusion of a proposal concerning the compensation of “ALL officers and directors” (emphasis in original) of the company).

B. The Proposal does not implicate a significant compensation matter.

While the investment option targeted by the Proposal is a feature of a savings plan in which senior executives may elect to participate, it is certainly not a “significant” aspect of such plan, or Verizon’s executive compensation program or practices more generally. The Moody’s investment option is one of 28 investment options available to participants in Verizon’s deferred compensation plans. Because the Moody’s investment option offers a cash-based, interest only return, earnings on balances invested in that option may be reportable as “above-market” interest in the summary compensation table of the proxy statement in any given year if the rate of interest exceeds 120% of the applicable federal long-term rate at the time the plan interest rate or formula was originally established. It is hard to see how the Moody’s investment option is a significant aspect of any participant’s compensation when, depending on the corporate bond rates in any given year, this investment option may or may not generate “above-market” interest. Furthermore, the fact that such compensation is reportable in the summary compensation table does not necessarily mean it implicates a significant compensation matter. For example, company contributions to the qualified savings plan are reportable in the summary compensation table even though the named executive officers’ eligibility to receive this compensation does not implicate significant compensation matters.

Given the fact that the investment options under Verizon’s deferred compensation plans are available to a much broader range of employees than “senior executive officers” and do not implicate a significant compensation matter, the issue of whether Verizon should continue to offer the Moody’s investment option to “senior executive officers” under its deferral plans should not be subject to direct shareholder oversight.

Conclusion

For the foregoing reasons, Verizon believes that the Proposal may be properly excluded from its 2019 proxy materials in reliance on 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 2019 proxy materials.

Verizon requests that the Staff send a copy of its determination of this matter by email to the undersigned at mary.l.weber@verizon.com.

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
December 14, 2018
Page 5

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

Very truly yours,

A handwritten signature in cursive script that reads "Mary Louise Weber".

Mary Louise Weber
Associate General Counsel

Enclosure

Cc: Association of BellTel Retirees, Inc.

Association of BellTel Retirees Inc.

Post Office Box 33
Cold Spring Harbor, New York 11724



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Web Site: www.belltelretirees.org
E-mail: association@belltelretirees.org

November 15, 2018

Senior Staff Manager
Susan M. Donegan
(631) 367-3067

BOARD OF DIRECTORS

Officers
Jack K. Cohen
Chairman of the Board
(914) 245-3129

Eileen T. Lawrence
Chief Financial Officer &
Executive Vice President
(718) 229-6078

Robert G. Gaglione
Treasurer
(516) 676-0937

Una Kelly
Assistant Treasurer
(516) 729-5787

Pamela M. Harrison
Secretary &
V.P. Union Relations
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Directors
Lionel Brandon
(607) 656-7971

John W. Hyland
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(717) 398-2423

John Kolimaga
(215) 694-7708

David J. Simmonds
(732) 636-4847

Thomas M. Steed
(845) 457-9848

Board Member Emeritus
Louis Miano

Board Member Emeritus
Robert A. Rehm

Board Member Emeritus
C. William Jones

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 2019 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 through the date of the 2019 Annual Meeting. An officer of the Association will introduce and speak for our resolution at the Company's 2019 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,

Robert G. Gaglione
Treasurer
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 2019 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 non-tax-qualified savings and deferred income account balances of senior executives.

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

Proxy advisor Institutional Shareholder Services supported this proposal in its 2018 proxy analysis report, stating that "while it is common to maintain additional supplemental retirement accounts for executives, providing above-market earnings on investment options is not common market practice."

The ISS report also noted that the "practice of paying above-market earnings increases the expense to shareholders and is not considered a best practice."

For example, in 2017 then-CEO Lowell McAdam received \$73,949 in "above-market earnings" on his nonqualified plan assets (2018 Proxy, Summary Compensation Table, page 46, column h), which exceeded \$13 million at year end (2018 Proxy, page 52).

For CEO McAdam, these above-market earnings came on top of \$325,150 in Company matching contributions to his Deferral Plan account and \$18,850 to his Management Savings Plan account (2018 Proxy, page 47).

The \$418,000 in total Company matching contributions and “above-market earnings” received by McAdam *for just one year* dwarfed the maximum Company contribution available to managers or other employees participating only in the tax-qualified Savings Plan. Verizon provides a matching contribution equal to 100% of the first 6% of base salary and short-term incentive compensation that a participant contributes (Proxy, page 42).

Together, the combined cost of these company contributions and above-market earnings can be substantial. Over the 10-year period (2008 to 2017) Verizon reported paying McAdam a total of \$5,470,490 in nonqualified plan contributions and above-market earnings (page 52, table note 4).

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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