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

DIVISION OF
CORPORATION FINANCE

March 14, 2024

Brandon N. Egren
Verizon Communications Inc.

Re: Verizon Communications Inc. (the "Company")
Incoming letter dated January 2, 2024

Dear Brandon N. Egren:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by the National Center for Public Policy Research for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal requests the board of directors adopt a policy, and amend the bylaws if and as necessary, requiring directors to disclose their expected allocation of hours among all formal commitments set forth in the director's official bio on a weekly, monthly, or annual basis.

There appears to be some basis for your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal seeks to micromanage the Company. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on Rule 14a-8(i)(7). In reaching this position, we have not found it necessary to address the alternative basis for omission upon which the Company relies.

Copies of all of the correspondence on which this response is based will be made available on our website at https://www.sec.gov/corpfin/2023-2024-shareholder-proposals-no-action.

Sincerely,

Rule 14a-8 Review Team

cc: Scott Shepard
National Center for Public Policy Research

One Verizon Way
Mail Code VC54S
Basking Ridge, NJ 07920
908.559.2726
brandon.egren@verizon.com

Brandon N. Egren
Managing Associate General Counsel &
Assistant Corporate Secretary

January 2, 2024

By electronic submission

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. 2024 Annual Meeting
Shareholder Proposal of the National Center for Public Policy Research

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 National Center for Public Policy Research (the "Proponent"), from the proxy materials to be distributed by Verizon in connection with its 2024 annual meeting of shareholders (the "2024 proxy materials"). A copy of the Proponent's submission, which includes the Proposal, is attached as Exhibit A hereto.[1]

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 2024 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 2024 proxy materials. Rule 14a-8(k) and Staff Legal Bulletin No. 14D (November 7, 2008) provide that a shareholder proponent is required to send the company a copy of any correspondence relating to the Proposal which the proponent submits to the Commission or the Staff. Accordingly, we hereby inform the Proponent that, if the Proponent elects to submit additional correspondence to the Commission or the Staff relating to the Proposal, the Proponent should concurrently furnish a copy of that correspondence to the undersigned.

[1] Exhibit A omits correspondence between Verizon and the Proponent that is irrelevant to this request. *See* the Staff's "Announcement Regarding Personally Identifiable and Other Sensitive Information in Rule 14a-8 Submissions and Related Materials" (December 17, 2021), available at https://www.sec.gov/corpfin/announcement/announcement-14a-8-submissions-pii-20211217.

The Proposal

The Proposal states:

> **RESOLVED**
>
> Shareholders request the Board of Directors to adopt a policy, and amend the bylaws if and as necessary, requiring Company directors to disclose their expected allocation of hours among all formal commitments set forth in the director's official bio. Allocation may be on a weekly, monthly, or annual basis. This policy would be phased in for the next election of directors in 2025.

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 2024 proxy materials for the following, separately sufficient, reasons:

1. The Proposal may be excluded pursuant to Rule 14a-8(i)(3), because the Proposal is impermissibly vague, indefinite and susceptible to various interpretations so as to be inherently misleading in violation of the proxy rules; 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.

Analysis

I. The Proposal may be excluded under Rule 14a-8(i)(3) because it is impermissibly vague, indefinite and susceptible to various interpretations so as to be inherently misleading in violation of the proxy rules, including Rule 14a-9.

Rule 14a-8(i)(3) permits the exclusion of a shareholder proposal 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 soliciting materials. The Staff has taken the position that a shareholder proposal is excludable under Rule 14a-8(i)(3) if the proposal is so vague and 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).

The Staff has consistently permitted the exclusion of shareholder proposals under Rule 14a-8(i)(3) when such proposals have failed to define key terms necessary to implement the proposal, contain only general or uninformative references regarding the steps to be taken, or where the proposals otherwise fail to provide sufficient clarity or guidance to enable either shareholders or the company to understand how the proposal would be implemented. For example, in *Apple Inc.* (December 6, 2019), the Staff concurred in the exclusion of a proposal

as vague and indefinite where the proposal requested that the company "improve guiding principles of executive compensation." The proposal did not define what it means to "improve" such guiding principles and the supporting statement did not clarify the nature of the requested "improvements." In its response, the Staff noted that "neither shareholders nor the [c]ompany would be able to determine with reasonable certainty how the [p]roposal seeks to 'improve [the] guiding principles of executive compensation'" and that the proposal therefore "lack[ed] sufficient description about changes, actions or ideas for the [c]ompany and its shareholders to consider." Similarly, in *Berkshire Hathaway Inc.* (January 31, 2012), the Staff concurred in the exclusion of a shareholder proposal where the proposal requested that company personnel "sign off [by] means of an electronic key" to indicate whether they "approve or disapprove of [certain] figures and policies" because the proposal did not "sufficiently explain the meaning of 'electronic key' or 'figures and policies.'" *See also AT&T Inc.* (February 21, 2014) (concurring in the exclusion of a proposal requesting that the board review the company's policies and procedures relating to the "directors' moral, ethical and legal fiduciary duties and opportunities," where the phrase "moral, ethical and legal fiduciary" was not defined or meaningfully described); *Morgan Stanley* (March 12, 2013) (concurring in the exclusion of a proposal that requested the appointment of a committee to explore "extraordinary transactions" as vague and indefinite); *The Boeing Company* (March 2, 2011) (allowing exclusion of a proposal requesting, among other things, that senior executives relinquish certain "executive pay rights" without explaining the meaning of the phrase); *General Motors Corp.* (March 26, 2009) (concurring in the exclusion of a proposal to "eliminate all incentives for the CEO and the Board of Directors" that did not define "incentives"); and *Verizon Communications Inc.* (February 21, 2008) (concurring in the exclusion of a proposal prohibiting certain compensation unless the company's returns to shareholders exceeded those of its undefined "Industry Peer Group").

The Staff has also allowed exclusion of proposals under Rule 14a-8(i)(3) where the meaning and application of key terms used in the proposal may be subject to differing interpretations, such that shareholders in voting on the proposal and the company in implementing it might be uncertain what the proposal calls for or reach different conclusions regarding the manner in which the proposal should be implemented. Ambiguities in a proposal may render the proposal materially misleading, because "any action ultimately taken by the [c]ompany upon implementation could be significantly different from the actions envisioned by shareholders voting on the proposal." *Fuqua Industries, Inc.* (March 12, 1991) (allowing exclusion of a proposal to prohibit "any major shareholder . . . which currently owns 25% of the [c]ompany and has three [b]oard seats from compromising the ownership of the other stockholders," where the meaning and application of such terms as "any major shareholder," "assets/interest" and "obtaining control" would be subject to differing interpretations). *See also The Boeing Company* (February 23, 2021) (allowing exclusion of proposal seeking to require that 60% of the directors have an "aerospace/aviation/engineering executive background" where the qualification requirements were not defined and were subject to various interpretations); and *Alaska Air Group, Inc.* (March 10, 2016) (allowing exclusion of a proposal requesting amendment of the bylaws to require that management "strictly honor shareholders rights to disclosure identification and contact information to the fullest extent possible by technology" as "neither the shareholders nor the company would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires").

As in the foregoing precedents, the Proposal is excludable under Rule 14a-8(i)(3), because it fails to define key terms that are critical to understanding the type and scope of information requested by the Proposal or otherwise provide sufficient clarity or guidance to enable either shareholders or Verizon to understand how the Proposal would be implemented. At its core, the Proposal seeks disclosure of each Verizon Director's "expected allocation of hours among all *formal commitments* set forth in the director's *official bio*" (emphasis added), but the terms "formal commitment" and "official bio" lack definition and are critical to understanding the scope of the information requested.

To begin, the scope of the disclosure requested by the Proposal is directly dependent upon the contents of a Director's "official bio," but the Proposal provides no clarity as to what constitutes this central concept. Presumably, a Director's biography that meets the requirements of Item 401 of Regulation S-K in Verizon's proxy statement could be one form of "official bio," and in fact, the reference in the supporting statement to the securities law concept of materiality in this context supports this proposition, but the Proponent's own "review of Verizon's director bios" described in the supporting statement cites not to the Director biographies in Verizon's proxy statement, but rather to those on its corporate governance website. Director biographies on a company's website are not necessarily the same as those in its proxy statement, and in fact, Verizon has chosen to provide a website biography for its Chairman and Chief Executive Officer in a different format than that in the proxy statement, one that is more closely aligned with the website biographies of its other executives. The contents and any "formal commitments" contained in these differently presented biographies differ, and it is unclear which one would constitute the "official bio" of Verizon's Chairman and Chief Executive Officer for purposes of implementing the Proposal. The ambiguous use of the term "official bio" makes it impossible for Verizon and its shareholders to understand the type and scope of information requested by the Proposal.

The scope of the disclosure requested by the Proposal is also directly dependent upon the concept of a "formal commitment," but here, too, the Proposal provides no clarity as to the definition of this key term. The supporting statement suggests that "formal commitments" are not limited to service on other boards, but it is unclear what beyond such service constitutes a "formal commitment" covered by the Proposal, and what does not. The supporting statement alleges that one Verizon Director has a "case of formal commitments . . . *apparently* as high as 8" (emphasis added), but Verizon is not aware of any Director with that many "formal commitments" as it understands the term and is unable to determine which of its Directors this refers to, and therefore, the "formal commitments" for which that Director, whoever he or she may be, would be required to disclose an allocation of hours. Moreover, the Proposal, by its use of the qualifier "apparently" in this context also concedes that it is ambiguous what is captured by the term "formal commitment" and what is not.

It is impossible for Verizon and its shareholders to comprehend precisely the scope and intent of the Proposal because of the Proposal's vague and indefinite terms and parameters. *See New York City Employees' Retirement System v. Brunswick Corp.*, 789 F. Supp. 144, 146 (S.D.N.Y. 1992) ("Shareholders are entitled to know precisely the breadth of the proposal on which they are asked to vote."). As demonstrated, the Proposal is impermissibly vague, indefinite and susceptible to various interpretations to as to be inherently misleading, and we respectfully request that the Staff concur in our view that it is excludable under Rule 14a-8(i)(3).

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

Under Rule 14a-8(i)(7), a shareholder proposal may be excluded from a company's proxy materials if the proposal "deals with matters relating to the company's ordinary business operations." In Exchange Act Release No. 34-40018 (May 21, 1998) (the "1998 Release"), the Commission stated that the policy underlying the ordinary business exclusion rests on two central considerations. The first recognizes that certain 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. The second consideration relates to 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. As demonstrated below, the Proposal implicates this second consideration.

As the Commission has explained, a proposal may attempt to micromanage a company by probing too deeply into matters of a complex nature if, among other things, it "involves intricate detail." *See* 1998 Release; *see also, for example, Amazon.com, Inc.* (April 7, 2023). The Commission further noted that "proposals may seek a reasonable level of detail" without crossing the line into micromanagement. *See* 1998 Release. In Staff Legal Bulletin No. 14L (November 3, 2021) ("SLB 14L"), the Staff explained that it will take a "measured approach to evaluating companies' micromanagement arguments," focusing on "the level of granularity sought in the proposal." The Staff further explained that an appropriate level of detail should "be consistent with that needed to enable investors to assess an issuer's impacts, progress towards goals, risks or other strategic matters appropriate for shareholder input."

Consistent with this approach, the Staff has permitted the exclusion of proposals that sought excessive and overly granular detail. For example, in *Deere & Co.* (January 3, 2022), the Staff permitted exclusion under Rule 14a-8(i)(7) of a proposal that requested the annual publication of the "written and oral content of any employee-training materials" offered to the company's employees, noting that the proposal probed "too deeply into matters of a complex nature by seeking disclosure of intricate details regarding the [c]ompany's employment and training practices" and thus constituted micromanagement. *See also American Express Co.* (March 11, 2022) (same); *Verizon Communications Inc.* (March 17, 2022) (same). Similarly in *GameStop Corp.* (April 25, 2023), the Staff permitted exclusion under Rule 14a-8(i)(7) of a shareholder proposal that requested the company provide detailed and current information regarding shareholder ownership of the company to the public and also provide a searchable history of this information, noting that the proposal "seeks to micromanage the [c]ompany."

In this instance, the Proposal seeks to micromanage Verizon by seeking extremely intricate detail and thereby probing too deeply into matters of a complex nature. It does so by requesting that Verizon require public disclosure of each Verizon Director's expected allocation of hours, on a weekly, monthly or annual basis, among all "formal commitments" set forth in the Director's "official bio." This request is inappropriate and wholly inconsistent with the type of information that investors need to assess the fundamental concern of the Proposal, which is director "overboarding."

In this regard, institutional investors, proxy advisory firms and companies have a variety of policies on the topic of director overboarding, and proxy advisory firms and institutional investors have reasonable levels of information on which to make voting recommendations or decisions. *See, for example,* BlackRock 2023 Global Voting Spotlight, available at https://www.blackrock.com/corporate/literature/publication/2023-investment-stewardship-voting-spotlight.pdf, at page 17; Vanguard Investment Stewardship U.S. Regional Brief, available at https://corporate.vanguard.com/content/dam/corp/advocate/investment-stewardship/pdf/policies-and-reports/us_2023_regional_brief.pdf, at page 3. In addition, Verizon's Corporate Governance Guidelines, available at https://www.verizon.com/about/sites/default/files/Corporate_Governance_Guidelines_Jan2023.pdf, contain a policy on service on other boards, which is described on page 11 of Verizon's 2023 proxy statement and provides as follows:

> A Director who is an executive officer of a public company should serve on no more than two public company boards, and other Directors should serve on no more than four public company boards. Members of the Audit Committee should serve on no more than two other public company audit committees.

Verizon's policy on service on other boards, as well as the voting policies of institutional investors and proxy advisory firms, address the issue of director commitments based on reasonable information that shareholders can assess. The granular information sought by the Proposal, however, goes far beyond the level of information necessary for investors to evaluate whether directors are overcommitted.

We note that Staff's view that the subject matter of overboarding limits relates to director qualifications and normally would not be excludable as ordinary business, but we believe the facts here are distinguishable. *See, for example, American International Group, Inc.* (March 6, 2013) ("*AIG*"). For example, in *AIG*, the proposal in question sought a bylaw amendment to limit directors to a maximum of three board memberships in companies with sales in excess of $500 million annually. The current Proposal stands in stark contrast to the proposal in *AIG*, however, as it goes far beyond analyzing or limiting the number of boards on which a Director may serve. Rather, the Proposal seeks intricate details of an unnecessarily granular nature. Moreover, as described in SLB 14L, a micromanagement analysis "may apply to any subject matter." Requiring Directors to provide an expected allocation of hours across various professional endeavors on a weekly, monthly or even an annual basis, as the Proposal requests, goes well beyond the reasonableness standard articulated by the Commission in the 1998 Release and discussed by the Staff in SLB 14L, and epitomizes the type of overly granular request that constitutes micromanagement.

Conclusion

For the foregoing reasons, Verizon believes that the Proposal may be properly excluded from its 2024 proxy materials in reliance on Rules 14a-8(i)(3) and 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 2024 proxy materials.

Verizon requests that the Staff send a copy of its determination of this matter by email to the undersigned at brandon.egren@verizon.com and to the Proponent.

If you have any questions with respect to this matter, please telephone me at (908) 559-2726.

Very truly yours,

Brandon N. Egren
Managing Associate General Counsel &
Assistant Corporate Secretary

Enclosure

Cc: Stefan Padfield, National Center for Public Policy Research

Exhibit A

The Submission

November 22, 2023

Via FedEx to

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

Dear Assistant Corporate Secretary,

I hereby submit the enclosed shareholder proposal ("Proposal") for inclusion in the Verizon Communications Inc. (the "Company" or "Verizon") proxy statement to be circulated to Company shareholders in conjunction with the next annual meeting of shareholders. The Proposal is submitted under Rule 14(a)-8 (Proposals of Security Holders) of the United States Securities and Exchange Commission's proxy regulations.

I submit the Proposal as an Associate of the Free Enterprise Project of the National Center for Public Policy Research, which has continuously owned Company stock with a value exceeding $2,000 for at least 3 years prior to and including the date of this Proposal and which intends to hold these shares through the date of the Company's 2024 annual meeting of shareholders. A proof of ownership letter is forthcoming.

Pursuant to interpretations of Rule 14(a)-8 by the Securities & Exchange Commission staff, I initially propose as a time for a telephone conference to discuss this proposal Dec. 8, 2023, or Dec. 11, 2023, from 9-11:59 a.m. eastern. If that proves inconvenient, I hope you will suggest some other times to talk. Please feel free to contact me at [redacted] so that we can determine the mode and method of that discussion.

Copies of correspondence or a request for a "no-action" letter should be sent to me at the National Center for Public Policy Research, [redacted] and emailed to [redacted].

Sincerely,

Stefan Padfield

cc: Scott Shepard, FEP Director
Enclosures: Shareholder Proposal

Board of Directors Accountability and Transparency Amendment

RESOLVED

Shareholders request the Board of Directors to adopt a policy, and amend the bylaws if and as necessary, requiring Company directors to disclose their expected allocation of hours among all formal commitments set forth in the director's official bio. Allocation may be on a weekly, monthly, or annual basis. This policy would be phased in for the next election of directors in 2025.

SUPPORTING STATEMENT

Overboarding is an issue specifically addressed by proxy advisors Independent Shareholder Services and Glass Lewis, as well as asset managers BlackRock, Vanguard, and State Street, with none of them recommending more than 6 board commitments per director.[1] In addition, the oversight duties of directors continue to require significant attention, with a McKinsey interview asserting that even as far back as 2014, "if a potential director can't put in 300 to 350 hours a year, she shouldn't take the job."[2] Meanwhile, potential liability for failures of oversight are significant, with relevant litigation from a few years ago related to Boeing including "US$20 billion in non-litigation costs and more than US$2.5 billion in litigation costs."[3]

Meanwhile, a review of Verizon's director bios reveals multiple cases of formal commitments exceeding 5, with one apparently as high as 8.[4] While it is certainly true that not all, or even most, of these competing commitments involve service as a director on other corporate boards (though many do), the commitments must nonetheless be assumed to be material or else their inclusion in the bios would be potentially misleading.

A related article provides an example of the type of material information this proposal seeks. It involves the case of an individual sitting on 4 boards in addition to serving as a CEO, as is the case for one of Verizon's directors. Based on various reasonable assumptions, the article concludes that such an individual "should apparently be working 90.5 hours per week or 13 hours per day Monday thru Sunday."[5] The article goes on to ask:

> [S]hould shareholders really have to perform back-of-the-envelope calculations … to determine whether their directors are reasonably likely to be devoting appropriate time to a job that is supposedly at the heart of a corporation's governance and for which the director is

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[1] https://corpgov.law.harvard.edu/2023/09/25/2023-corporate-governance-developments/

[2] https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/are-you-getting-all-you-can-from-your-board-of-directors

[3] https://www.klgates.com/Approval-of-US2375-Million-Settlement-in-Boeing-Derivative-Action-Demonstrates-Impact-of-Section-220-Demand-in-ESG-Litigation-3-23-2022

[4] https://www.verizon.com/about/investors/board-directors

[5] https://www.newsmax.com/finance/streettalk/woke-capitalism-board-directors/2023/08/24/id/1131957/

being well-compensated (it has been reported that the average 2022 compensation for an S&P 500 director was $316,091)?[6]

By adopting this proposal, the Company can provide material information that shareholders should not have to, and may not be able to, ferret out themselves. Specifically, the Company can allow shareholders to make fully informed decisions regarding the ability of the Company's directors to devote sufficient time to their important duties.

[6] Id

January 31, 2024

Via Online Shareholder Proposal Form

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, NE
Washington, DC 20549

Re: Verizon Communications Inc. 2024 Annual Meeting Shareholder Proposal of the National Center for Public Policy Research

Ladies and Gentlemen:

This correspondence is in response to the letter of Brandon N. Egren on behalf of Verizon Communications Inc. (the "Company" or "Verizon") dated January 2, 2024, requesting that your office (the "Commission" or "Staff") take no action if the Company omits our shareholder proposal (the "Proposal") from its 2024 proxy materials for its 2024 annual shareholder meeting.

RESPONSE TO THE COMPANY'S CLAIMS

Our Proposal asks the Company to:

> [A]dopt a policy, and amend the bylaws if and as necessary, requiring Company directors to disclose their expected allocation of hours among all formal commitments set forth in the director's official bio. Allocation may be on a weekly, monthly, or annual basis. This policy would be phased in for the next election of directors in 2025.

The Company seeks to exclude the Proposal from the 2024 Proxy Materials pursuant to Rule 14a-8(i)(3), because the Proposal is impermissibly vague, indefinite and susceptible to various interpretations so as to be inherently misleading in violation of the proxy rules, and Rule 14a-8(i)(7) because it claims the subject matter of the Proposal directly concerns the Company's ordinary business operations.

Under Rule 14a-8(g), the Company bears the burden of persuading the Staff that it may omit our Proposal. The Company has failed to meet that burden.

Rule 14a-8(k) and Section E of Staff Legal Bulletin No. 14D (Nov. 7, 2008) provide that companies are required to send proponents a copy of any correspondence that they elect to submit to the Commission or the Staff. Accordingly, we remind the Company that if it were to submit correspondence to the

Commission or the Staff or individual members thereof with respect to our Proposal or this proceeding, a copy of that correspondence should concurrently be furnished to us.

I. The Proposal Is Not Impermissibly Vague, Indefinite or Susceptible to Various Interpretations.

Under Rule 14a-8(i)(3), a company may exclude a shareholder proposal in its entirety "if the language of the proposal or the supporting statement render the proposal so vague and 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."[1]

None of the no-action decisions the Company cites in Part I of its request aid its claim that our Proposal is impermissibly vague. The table below sets forth the cited no-action decisions and the terms or phrases deemed impermissibly vague in those proceedings. As will be explained in more detail below, all of these terms and phrases are facially and materially more vague than the Proposal's use of "official bio" and "formal commitment."

No-Action Decision	**Vague Terms**
Apple Inc. (December 6, 2019)	"improve guiding principles of executive compensation"
Berkshire Hathaway Inc. (January 31, 2012)	"sign off [by] means of an electronic key"; "approve or disapprove of [certain] figures and policies"
AT&T Inc. (February 21, 2014)	"directors' moral, ethical and legal fiduciary duties and opportunities"
Morgan Stanley (March 12, 2013)	"extraordinary transactions"
The Boeing Company (March 2, 2011)	"executive pay rights"
General Motors Corp. (March 26, 2009)	"eliminate all incentives for the CEO and the Board of Directors"
Verizon Communications Inc. (February 21, 2008)	"Industry Peer Group"
Fuqua Industries, Inc. (March 12, 1991)	"any major shareholder"; "assets/interest"; "obtaining control"
The Boeing Company (February 23, 2021)	"aerospace/aviation/engineering executive background"

[1] See Staff Legal Bulletin No. 14B (September 15, 2004) ("SLB 14B") (emphasis added).

Alaska Air Group, Inc. (March 10, 2016)	"strictly honor shareholders rights to disclosure identification and contact information to the fullest extent possible by technology"

The Company argues that the Proposal's use of "official bio" is impermissibly vague because the Company publishes different bios. Specifically, the Company identifies its proxy statement and its website as providing different bios for its directors. Proponent assumes the Company is not admitting to publishing materially different bios for its directors, as this would likely be an admission of making materially misleading disclosures. Accordingly, the Company's argument boils down to the proposition that having to choose between two bios that differ in immaterial ways "makes it impossible for Verizon and its shareholders to understand the type and scope of information requested by the Proposal." Once the Company's argument on this point is clearly viewed in this light, it becomes clear that the Staff should reject it. If nothing else, the Company is wholly free to declare whichever bios it wishes to be the "official bios" for purposes of our Proposal, and neither we nor anyone else would have any conceivable grounds for objection. No doubt we would have been accused of micromanagement if we had specified with particularity where we thought the information should appear. Having equally acceptable options doesn't create paralysis for those acting in good faith.

The Company also argues that the phrase "formal commitments" is impermissibly vague. The Company attempts to make much of the fact that the Proposal's supporting statement qualifies a sample count of formal commitments with the word "apparently." Obviously, Proponent has no way of knowing whether the formal commitments listed in any of the bios of the Company's directors are actual commitments – as in ones to which non-*de minimis* amounts of time are committed – and that is all the qualifier "apparently" is intended to convey.

The Company further argues that the phrase "formal commitments" is impermissibly vague because the supporting statement asserts one of the Company's directors has eight commitments while the Company cannot identify that director. However, a quick review of the bio for Roxanne S. Austin makes it very hard to accept the argument that identifying formal commitments is overwhelmingly imprecise, as the following commitments are obviously listed:[2]

1. Director, Verizon
2. Audit Committee, Verizon
3. Finance Committee, Verizon
4. President, Austin Investment Advisors
5. CEO, Austin Investment Advisors
6. Director, AbbVie, Inc.
7. Director, CrowdStrike Holdings, Inc.
8. Director, Freshworks, Inc.

It is worth noting here, as will be repeated below, that a recent post on the *Harvard Law School Forum on Corporate Governance* stated: "As board responsibilities grow, so has the focus on director bandwidth; directors should be realistic about their bandwidth when considering new opportunities for

[2] https://www.verizon.com/about/investors/roxanne-s-austin

board service."[3] Accordingly: "Board roles that may require additional time, such as the board chair and audit committee chair, are now being taken into account when determining whether a director is overboarded."[4]

Again, here, had we included prescriptive details about what does and does not make for a "formal" commitment, we would have been accused of micromanaging. More importantly, though, our Proposal is purposely designed *not* to be prescriptive and *not* to substitute our judgment for that of the directors. Our Proposal seeks estimates of expected time commitments for the coming year – with the methods of estimating left to each director. One of the great advantages of this method is that determinations of what constitute formal or significant commitments are left to directors themselves and aren't even influenced by the reporting we seek. If some commitments are nominal, the hours-estimate will illustrate the point. If they are significant and formal, the directors' own estimations will reveal that.

In light of the foregoing, the Company's claim that it is "'impossible for Verizon and its shareholders to comprehend … the scope and intent of the Proposal because of the Proposal's vague and indefinite terms and parameters" borders on farcical and should accordingly be rejected. In quoting the Company here, we have changed "comprehend precisely the scope" – the Company's formulation – to "comprehend … the scope" because "precisely" is not the standard. Rather, as noted above, the relevant standard is "reasonable certainty" and the Proposal easily meets that standard. Only by pretending that the standard is far higher than it is could the Company even attempt to state a minimally colorable claim; application of the proper standard drains away even that minimal coloration.

II. The Proposal Deals with Overboarding, Which Is an Issue the SEC Has Repeatedly Declined to Exclude as Ordinary Business.

The Company acknowledges "the Staff's view that the subject matter of overboarding limits relates to director qualifications and normally would not be excludable as ordinary business."[5] The analysis should stop there because there is nothing about our proposal that transforms it into anything other than a non-excludable proposal dealing with director qualifications. Again, the Company's arguments to the contrary are unavailing.

The Company tries to distinguish *American International Group, Inc.* (Mar. 6, 2013), which found non-excludable a proposal to limit directors to serving on three boards, by arguing that our proposal "goes far beyond analyzing or limiting the number of boards on which a director may serve."[6] The reality is precisely the opposite because asking directors to estimate how they plan to allocate their time across commitments identified in their company bios is a far smaller encumbrance and imposition than limiting the number of boards on which they may serve. As we note in our proposal, by our count at least one of the Company's directors lists as many as eight commitments in her bio. Asking how such a director plans to meet all those commitments is an obvious question that likely no employer would ignore. Given that the Company's directors work for the Company's shareholders, the question is similarly obviously

[3] Martin Lipton, *Thoughts for Boards: Key Issues in Corporate Governance for 2024*, HARVARD LAW SCHOOL FORUM ON CORPORATE GOVERNANCE (Jan. 3, 2024), https://corpgov.law.harvard.edu/2024/01/03/thoughts-for-boards-key-issues-in-corporate-governance-for-2024/ .
[4] Id .
[5] Verizon's no-action request (Jan. 2, 2024) (citing *American International Group, Inc*. (Mar. 6, 2013)).
[6] Id.

related to director qualifications. As a recent post on the *Harvard Law School Forum on Corporate Governance* put it: "As board responsibilities grow, so has the focus on director bandwidth; directors should be realistic about their bandwidth when considering new opportunities for board service."[7] Accordingly: "Board roles that may require additional time, such as the board chair and audit committee chair, are now being taken into account when determining whether a director is overboarded."[8]

Nor does our proposal constitute micromanagement by "seeking extremely intricate detail and thereby probing too deeply into matters of a complex nature."[9] Making sure there are enough hours in the day to satisfy the commitments one is taking on is one of the most basic tasks of daily living. Either the Company's directors have already calendared their commitments to ensure they aren't over-extended, or they may be breaching their fiduciary duty to the Company, which requires them to have the time to be able to digest all material information necessary to do their job. Even if the allocation of hours is indeed a new exercise, there is nothing "extremely intricate" or "of a complex nature" involved. Perhaps the lawyers who prepared the Company's no-action request cannot imagine time accountings less tedious and granular than billable hours, but our Proposal is clearly not asking for anything like that. If directors don't even have a few minutes to ask an assistant to make some estimates of how much time they spend on each of their commitments over a relevant period, then they have made too many commitments and have a sure duty to drop some of them – exposure of this problem being one of the benefits of our Proposal. If the effect of our Proposal is that a director of the Company is so wildly overstretched that they can't conduct this minimally time-consuming responsibility, and hence leaves the Company's board, absolutely all parties involved will benefit from that result. (Meanwhile, of course, note the whipsaw: in the Company's telling, every aspect of our Proposal that isn't bafflingly vague is micromanagingly prescriptive. This isn't a good-faith mode of reading.)

The no-action letters the Company cites in support of its position might have some bearing, if the task that our Proposal asks directors and potential directors to perform were in any way onerous, but as it is not, they are not. Publishing the "written and oral content of any employee-training materials" offered to the company's employees,[10] or providing "detailed and current information regarding shareholder ownership of the company to the public and also provid[ing] a searchable history of this information"[11] are tasks simply not comparable to a simple request for an estimate of allocation of hours.

Notably, "specific methods, timelines, or detail do not necessarily amount to micromanagement and are not dispositive of excludability."[12] Put another way, "proposals seeking detail … do not per se constitute micromanagement."[13] Rather, the focus is "on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management."[14] To that end, proposals seeking details do not constitute micromanagement when the level of detail sought is

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[7] Martin Lipton, *Thoughts for Boards: Key Issues in Corporate Governance for 2024*, HARVARD LAW SCHOOL FORUM ON CORPORATE GOVERNANCE (Jan. 3, 2024), https://corpgov.law.harvard.edu/2024/01/03/thoughts-for-boards-key-issues-in-corporate-governance-for-2024/ .
[8] Id .
[9] Verizon's no-action request (Jan. 2, 2024).
[10] Id. (citing *Deere & Co.* (Jan. 3, 2022)).
[11] Id. (citing *GameStop Corp.* (Apr. 25, 2023)).
[12] SLB 14L.
[13] Id.
[14] Id.

"consistent with that needed to enable investors to assess an issuer's impacts .., risks or other strategic matters appropriate for shareholder input."[15] Overboarding is certainly a matter appropriate for shareholder input and, despite the Company's claims to the contrary, the information sought is not onerous or detailed at all. It's a simple estimate of time commitments. It's about as simple a bit of information as could be imagined, sought without any attempt to prescribe the method of its estimation.

Finally, the Company argues that the existence of internal and external policies dealing with overboarding should permit it to exclude our proposal. We note that the Company is not arguing that it has substantially implemented our proposal and cites no other precedent for such a rule. We assume that the Company and the various entities cited as part of this argument are happy with the status quo. But the relevant incentives of the "institutional investors, proxy advisory firms and companies" the Company cites should not be assumed to align perfectly with those of the Company's shareholders writ large. Concerns about overboarding include concerns about divided loyalties. Whether this proposal efficiently addresses those concerns is for the shareholders to decide.

In fact, it is not even clear that current approaches to overboarding are as universally approved by institutional stakeholders as the Company suggests. A recent *Harvard Law School Forum on Corporate Governance* post from The Conference Board states in relevant part:[16]

> While companies are moving in the direction of setting a policy limit of three additional board seats, in practice that can still result in overboarding, depending on the circumstances at the companies at which the directors serve. Moreover, while adopting an overboarding policy can be useful, it is more important for boards to have candid conversations about their evolving time requirements and the ability of directors to devote the time necessary to the role. For example, in its *Summary of Material Changes to State Street Global Advisors' 2023 Proxy Voting and Engagement Guidelines*, State Street indicates that starting in 2024 for companies in the S&P 500, it will no longer use numerical limits to identify overcommitted directors and instead "require that companies themselves address this issue in their internal policy on director time commitments and that the policy be publicly disclosed."[17] ...
>
> Overboarding policies are now a predominant practice, embraced by three-quarters of the S&P 500 and over half the Russell 3000 and supported by the proxy advisory firms. But policies alone are insufficient. As part of the annual evaluation process, directors should assess their ability, both on an individual and collective level, to dedicate the

[15] Id.

[16] See Matteo Tonello (The Conference Board), *Driving Board Excellence*, HARVARD LAW SCHOOL FORUM ON CORPORATE GOVERNANCE (Jan. 31, 2024), available at https://corpgov.law.harvard.edu/2024/01/31/driving-board-excellence/ .

[17] Id. (linking to https://www.ssga.com/library-content/pdfs/asr-library/summary-material-changes-ssga-proxy-voting-and-engagement.pdf).

> necessary time to fulfill their responsibilities effectively and make informed decisions.[18]

Finally, we note that the SEC's own extensive disclosure regime rests heavily on the distinction between disclosure requirements and other types of interventions that reach the internal affairs of the corporation for which the SEC lacks authority.[19] In doing so it bases its own regulatory regime on the premise that disclosure is not micromanagement of a company and is instead properly linked to making markets more accessible and regular for shareholders. In fact, it has made this argument explicitly in its defense of its approval of the NASDAQ rule requiring company disclosure of private information about the surface characteristics of its board members.[20] Those arguments apply to our Proposal, which seeks disclosure as an efficient, inexpensive and non-burdensome way for the Company to provide shareholders information that will help them determine whether the Company is acting prudently – without in any conceivable way micromanaging anything. If the Staff asserts that the relevant disclosures sought by the Proposal constitute micromanagement of the Company, then it has contravened the SEC's own argument in *AFBR v. SEC*.[21]

Part III. Issuing relief to the Company would raise serious constitutional and administrative law concerns.

For the reasons discussed above, our proposal's merits under Commission and Staff rules, interpretations, guidance, and precedent require that Staff deny the Company's request for relief. If the Staff elects to issue relief to the Company despite its clear merits, the Staff's decision would raise a host of constitutional and administrative law issues.

A. The Company is asking the Staff to take arbitrary and capricious action under the Administrative Procedure Act.

If the Staff grants no-action relief to the Company for our proposal, it must explain how our proposal is distinct from prior overboarding disclosure proposals that it has blessed.[22]

Under the Administrative Procedure Act (APA), agency action that is "arbitrary and capricious" may be set aside.[23] The Supreme Court has succinctly explained that "[t]he APA's arbitrary and capricious standard requires that agency action be reasonable and reasonably explained."[24] Under this precedent,

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[18] Id.

[19] Cf. James J. Park, *Reassessing the Distinction Between Corporate and Securities Law*, 64 UCLA L. REV. 116, 128 (2017) ("According to the [U.S. Supreme] Court, securities law is based on a 'philosophy of full disclosure,' while corporate law is about the 'internal affairs of the corporation.'") (quoting *Green*, 430 U.S. at 470); Bus. Roundtable v. SEC, 905 F.2d 406, 411-12 (D.C. Cir. 1990).

[20] Cf. All. for Fair Bd. Recruitment v. Sec. & Exch. Comm'n, 85 F.4th 226, 255 (5th Cir. 2023) ("Nasdaq's disclosure-based framework does not alter the state-federal balance. It is well-established that disclosure rules do not interfere with the role of 'state corporate law' in 'regulat[ing] the distribution of powers among the various players in the process of corporate governance.'") (quoting Bus. Roundtable, 905 F.2d at 411-12.

[21] Id.

[22] See generally, *American International Group, Inc.* (Mar. 6, 2013).

[23] 5 U.S.C. § 706(2)(A).

[24] FCC v. Prometheus Radio Project, 141 S. Ct. 1150, 1158 (2021); see also Motor Vehicle Mfs. Ass'n of U.S., Inc. v. State Farm Mut. Auto. Ins. Co., 463 U.S. 29, 50 (1983).

in order for action to be reasonable and reasonably explained, the agency must at least consider the record before it and rationally explain its decision.[25]

Additionally, where an agency seeks to change its position from a prior regime, it must "display awareness that it is changing position," "show that there are good reasons for the new policy" and provide an even "more detailed justification" when the "new policy rests upon factual findings that contradict those which underlay its prior policy," and "take[] into account" "reliance interests" on the prior policy.[26]

Given the Staff's prior precedent on overboarding, issuing relief to the Company would undoubtedly be a change in its position. At a bare minimum, the Staff—or the Commission—would have to explain its reasoning for the reversal in position to comply with the APA.

B. The Company is requesting relief the Staff lacks statutory authority to issue.

Regardless, the Staff lacks statutory authority to grant the Company no-action relief. The Company has notice that we intend to submit our proposal, which is valid under state law, for consideration at the annual meeting. The Staff may not give the company its blessing to exclude an otherwise valid proposal from its proxy statement.

Section 14(a) of the Exchange Act prohibits anyone from "solicit[ing] any proxy" "in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors."[27] While this authority might be read "broadly," "it is not seriously disputed that Congress's central concern [in enacting § 14(a)] was with disclosure."[28] The purpose of Section 14(a) was to ensure that investors had "adequate knowledge" about the "financial condition of the corporation . . . [and] the major questions of policy, which are decided at stockholders' meetings."[29]

While Section 14(a) gave the Commission authority to compel investor-useful disclosures, the substantive regulation of stockholder meetings was left to the "firmly established" state-law jurisdiction over corporate governance.[30] Recognizing that state law provides the "confining principle" to Section 14(a)'s otherwise "vague 'public interest' standard," the D.C. Circuit has held that "the Exchange Act cannot be understood to include regulation of" "the substantive allocation" of corporate governance that is "traditionally left to the states."[31] Under Section 14(a), then, the SEC may compel the disclosure in a company's proxy materials of items that will be before shareholders at the annual meeting.

Under state law, a shareholder proposal may be presented for consideration at the corporation's annual meeting if the proposal is a proper subject for action by the corporation's stockholders.[32] A proposal is a

[25] See FCC, 141 S. Ct. at 1160.
[26] FCC v. Fox Television Stations, Inc., 556 U.S. 502, 515 (2009).
[27] 15 U.S.C. § 78n(a)(1).
[28] Bus. Roundtable v. SEC, 905 F.2d 406, 410 (D.C. Cir. 1990).
[29] S. Rep. No. 792 at 12 (1934).
[30] Bus. Roundtable, 905 F.2d at 413 (internal citation omitted).
[31] Id.
[32] See CA, Inc. v. AFSCME Emps. Pension Plan, 953 A.2d 227 (Del. 2008).

proper subject for action by stockholders if it is within the scope or reach of the stockholders' power to adopt.[33]

Our proposal is valid under state law. Under Section 14(a), the SEC only has power to compel that the Company disclose our proposal in its proxy materials. The Staff therefore may not then give the Company no-action relief to exclude it.

Conclusion

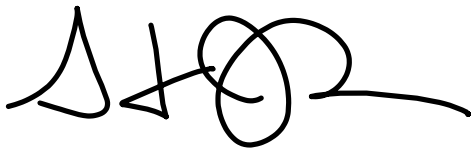
Proponent's proposal is not impermissibly vague, indefinite or susceptible to various interpretations. Furthermore, Proponent's overboarding Proposal deals with director qualifications, which is not a matter of ordinary business to be left with the Company but rather is an issue for shareholders. Finally, issuing relief to the Company would raise serious constitutional and administrative law concerns.

Accordingly, the Company has failed to meet its burden under Rule 14a-8(g) to exclude our Proposal. Therefore, based upon the analysis set forth above, we respectfully request that the Staff reject the Company's request for a no-action letter concerning our Proposal.

A copy of this correspondence has been timely provided to the Company. If we can provide additional materials to address any queries the Commission may have with respect to this letter, please do not hesitate to call us at (202) 507-6398 or email us at [redacted] and at [redacted].

Sincerely,

Scott Shepard
FEP Director
National Center for Public Policy Research



Stefan Padfield
FEP Deputy Director
National Center for Public Policy Research

cc: Brandon N. Egren ([redacted])

[33] Id. at 232.

One Verizon Way
Mail Code VC54S
Basking Ridge, NJ 07920
908.559.2726
brandon.egren@verizon.com

Brandon N. Egren
Managing Associate General Counsel &
Assistant Corporate Secretary

February 28, 2024

By electronic submission

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. 2024 Annual Meeting
Shareholder Proposal of the National Center for Public Policy Research

Ladies and Gentlemen:

I refer to my letter dated January 2, 2024 (the "No-Action Request"), on behalf of Verizon Communications Inc. ("Verizon"), pursuant to which Verizon requested that the Staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") concur with Verizon's view that the shareholder proposal and supporting statement (the "Proposal") submitted by the National Center for Public Policy Research (the "Proponent") may be excluded from the proxy materials to be distributed by Verizon in connection with its 2024 annual meeting of shareholders (the "2024 proxy materials").

Verizon is responding to the letter submitted in response to the No-Action Request by the Proponent dated January 31, 2024 (the "Proponent's Letter"), and this letter supplements the No-Action Request. In accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, a copy of this letter is also being sent to the Proponent.

In the Proponent's Letter, the Proponent argues that the Proposal may not be excluded under Rule 14a-8(i)(3) and Rule 14a-8(i)(7). Verizon believes that each of the bases for exclusion set forth in the No-Action Request, and the reasoning therein, continue to stand. In an effort to limit repetitive correspondence, Verizon will not reiterate those arguments. Nonetheless, this response is warranted in order to focus attention on certain points made by the Proponent relating to Rule 14a-8(i)(7) that incorrectly characterize the Proposal, applicable Staff no-action letter precedent and/or the No-Action Request.

The Proposal may be excluded pursuant to Rule 14a-8(i)(7) because it deals with matters relating to Verizon's ordinary business operations.

As described in the No-Action Request, and consistent with the precedent and Staff guidance described herein and in the No-Action Request, the Proposal may be excluded

pursuant to Rule 14a-8(i)(7) because the Proposal seeks to micromanage Verizon by seeking intricate detail and probing into matters of a complex and speculative nature by requesting that Verizon require public disclosure of each Verizon Director's expected allocation of hours, on a weekly, monthly or annual basis, among all "formal commitments" set forth in the Director's "official bio."

The No-Action Request acknowledges the Staff's view that the subject of overboarding typically is not excludable as ordinary business but distinguishes the Proposal from traditional overboarding proposals requesting the consideration or imposition of a policy regarding outside board service limits, including the proposal at issue in *American International Group, Inc.* (March 6, 2013) ("*AIG*"), because it requests granular, unnecessary, and entirely speculative disclosure.

The Proponent's Letter incorrectly asserts that the Proposal cannot be distinguished from *AIG* because the requested disclosures represent a "far smaller encumbrance and imposition than limiting the number of boards on which they may serve." This argument incorrectly suggests that the relevant question in board-related micromanagement analyses is the relative burden on directors of the action sought. That is not the case; rather, it is the Proposal's request for granular and extraneous disclosure that distinguishes it from traditional overboarding proposals, as discussed in the No-Action Request.

Unlike proposals requesting the adoption of policies, such as *AIG*, the Proposal is comparable to the proposal at issue in *Exxon Mobil Corp.* (March 24, 2023) ("*Exxon*"), where the Staff concurred with exclusion under Rule 14a-8(i)(7). In *Exxon*, the proposal requested an annual report to shareholders detailing all interviews, speeches, writings, or other significant communications regarding the company by ExxonMobil's directors. While the supporting statement referenced potential communications incompatible with directors' fiduciary duties, the *Exxon* proposal itself requested a report on "*all"* communications and *"all* information necessary for shareholders to monitor and review director communications" (emphasis added). As a result, the company argued that the "thrust of the [p]roposal concerns decision-making around public statements made by the [b]oard about the [c]ompany, regardless of the topic addressed or viewpoint expressed." Similarly, the Proposal requests intricate and extraneous biographical details unrelated to the ability of shareholders to assess overboarding or Director qualifications, requiring speculative projections of the future allocation of hours related to *all* "formal commitments," including activities such as a Director's principal occupation or charity boards unrelated to overboarding, for *all* Directors, regardless of their outside board service. Such broad, highly detailed, and speculative disclosure of Directors' personal information has no basis in any disclosure rules of the Commission, voting guidelines of institutional investors or proxy advisory firms, or any other disclosure framework or public company policy of which Verizon is aware.

Accordingly, like the precedent described herein and in the No-Action Request, Verizon may exclude the Proposal under Rule 14a-8(i)(7).

The Proposal may be excluded pursuant to Rule 14a-8(i)(3) because the Proposal is impermissibly vague, indefinite, and susceptible to various interpretations.

In the event the Staff is unable to concur with Verizon's view that the Proposal may be excluded from the 2024 proxy materials pursuant to Rule 14a-8(i)(7) because the Proposal deals with matters relating to Verizon's ordinary business operations, Verizon respectfully submits that, as described in the No-Action Request, the Proposal may be excluded from the 2024 proxy materials pursuant to Rule 14a-8(i)(3) because the Proposal is impermissibly vague, indefinite, and susceptible to various interpretations so as to be inherently misleading.

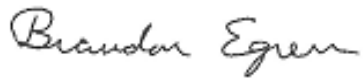
Conclusion

For the reasons set forth above and in the No-Action Request, Verizon believes that the Proposal may be properly excluded from its 2024 proxy materials in reliance on Rules 14a-8(i)(3) and 14a-8(i)(7). Verizon respectfully requests that the Staff confirm that it will not recommend enforcement action to the Commission if Verizon excludes the Proposal from its 2024 proxy materials.

If the Staff disagrees with Verizon's conclusions regarding the omission of the Proposal, or should the Staff require any additional information in support of Verizon's position, I would appreciate an opportunity to speak with the Staff concerning these matters prior to the issuance of the Staff's response.

If you have any questions with respect to this matter, please telephone me at (908) 559-2726.

Very truly yours,



Brandon N. Egren
Managing Associate General Counsel &
Assistant Corporate Secretary

Cc: National Center for Public Policy Research

March 13, 2024

Via Online Shareholder Proposal Form

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, NE
Washington, DC 20549

Re: No-Action Request from Verizon Communications Inc. Regarding Shareholder Proposal by the National Center for Public Policy Research ("Proponent" or "NCPPR")

Ladies and Gentlemen:

This correspondence is in response to the supplemental letter of Brandon N. Egren on behalf of Verizon Communications Inc. (the "Company" or "Verizon") dated February 28, 2024, requesting that your office (the "Commission" or "Staff") take no action if the Company omits our shareholder proposal (the "Proposal") from its 2024 proxy materials for its 2024 annual shareholder meeting.

The Company argues that asking directors to disclose their expected allocation of hours among all formal commitments set forth in the director's official bio is akin to requesting an annual report detailing all interviews, speeches, writings, or other significant communications by directors regarding the company, and thus the former request is excludable just as the latter was in *Exxon Mobil Corp.* (March 24, 2023). However, the only thing that connects these requests is their use of the word "all." Under this framework, a request for a list of "all" the board meetings in a given year would be deemed as "granular" as a request for "all" company communications of any form during a given year. This is obviously a ridiculous basis for comparison. In an attempt to bridge the cavernous gap between the Proposal here and *Exxon Mobil*, the Company further argues that:

> [T]he Proposal requests intricate and extraneous biographical details unrelated to the ability of shareholders to assess overboarding or Director qualifications, requiring speculative projections of the future allocation of hours related to all "formal commitments," including activities such as a Director's principal occupation or charity boards unrelated to overboarding, for all Directors, regardless of their outside board service. Such broad, highly detailed, and speculative disclosure of

> Directors' personal information has no basis in any disclosure rules of the Commission, voting guidelines of institutional investors or proxy advisory firms, or any other disclosure framework or public company policy of which Verizon is aware.

What this boils down to is the Company effectively saying: "Sure, it may seem hard to imagine how anyone can find enough hours in the day to juggle seven material commitments[1] on top of their directorship – including a full-time CEO position[2] – but we just can't be bothered with providing shareholders the minimal assurance of a projected allocation of hours because, well, it's just a lot of work and we don't see how having enough hours to do the job is relevant to overboarding concerns." Hopefully, the Staff can see how brazenly this undermines the Company's accountability to shareholders. Beyond that, one must surely question whether it is even possible to satisfy the fiduciary duties of a director if one hasn't even done the minimal work of ensuring that there are in fact enough hours in the day/week/year to devote adequate time to all expected material commitments.

As for relevant guidelines from critical stakeholders, the Staff should consider the following guidance:

- **Weil, Gotshal & Manges LLP**: "The board should assess whether directors that may be overcommitted have sufficient time and ability to take on the significant tasks relating to public company directorship."[3]
- **Wachtell, Lipton, Rosen & Katz**: "As board responsibilities grow, so has the focus on director bandwidth; directors should be realistic about their bandwidth when considering new opportunities for board service."[4]
- **Vanguard**: "The role of public company directors is complex and time-consuming, and the funds believe that directors should maintain sufficient capacity to effectively carry out their responsibilities to shareholders. For this reason, the funds look for directors to appropriately limit their board and other commitments to ensure that they are accessible and responsive to both routine and unexpected board matters (including by attending board and relevant committee meetings). The funds look for boards to have in place policies regarding director commitments and capacity and to disclose such policies (and any potential exceptions) to shareholders, as well as how the board oversees and implements the policy."[5]

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[1] If the commitments are not material, then they should not be listed in the director's official bio.

[2] See, e.g., https://www.verizon.com/about/investors/roxanne-s-austin .

[3] Lyuba Goltser & Kaitlin Descovich, *Heads Up for the 2024 Proxy Season: Key Corporate Governance, Disclosure and Engagement Topics*, GOVERNANCE & SECURITIES WATCH (Jan. 30, 2024) (emphasis added), available at https://governance.weil.com/featured/heads-up-for-the-2024-proxy-season-key-corporate-governance-disclosure-and-engagement-topics/ .

[4] Martin Lipton, Thoughts for Boards: Key Issues in Corporate Governance for 2024, HARVARD LAW SCHOOL FORUM ON CORPORATE GOVERNANCE (Jan. 3, 2024), available at https://corpgov.law.harvard.edu/2024/01/03/thoughts-for-boards-key-issues-in-corporate-governance-for-2024/ .

[5] John Galloway (Global Head of Investment Stewardship at Vanguard, Inc.), *Global Proxy Voting Policy for Vanguard-advised funds*, HARVARD LAW SCHOOL FORUM ON CORPORATE GOVERNANCE (Feb. 8, 2024) (emphasis added), available at https://corpgov.law.harvard.edu/2024/02/08/global-proxy-voting-policy-for-vanguard-advised-funds/ .

- **The Conference Board**: "[W]hile adopting an overboarding policy can be useful, it is more important for boards to have candid conversations about their evolving time requirements and the ability of directors to devote the time necessary to the role. For example, in its Summary of Material Changes to State Street Global Advisors' 2023 Proxy Voting and Engagement Guidelines, State Street indicates that starting in 2024 for companies in the S&P 500, it will no longer use numerical limits to identify overcommitted directors and instead "require that companies themselves address this issue in their internal policy on director time commitments and that the policy be publicly disclosed." ... In light of expanding workloads, boards should take a fresh look at the time commitments expected of directors and, if they haven't already done so, consider adopting policies that address the number of boards on which directors can serve. Overboarding policies are now a predominant practice, embraced by three-quarters of the S&P 500 and over half the Russell 3000 and supported by the proxy advisory firms. But policies alone are insufficient. As part of the annual evaluation process, directors should assess their ability, both on an individual and collective level, to dedicate the necessary time to fulfill their responsibilities effectively and make informed decisions."[6]

The fact that the Company claims to be unaware of this increasing focus on time commitments is further indication of the need for the Proposal.

Far from impermissibly micromanaging the Company, the Proposal requests merely an utterly reasonable projection of expected allocation of hours that likely should already be part of any onboarding process consistent with fiduciary duties.

While the SEC is busily burying companies in climate-change disclosure obligations of questionable utility, it seems little to ask that the SEC also support shareholder proposals requesting disclosures of the most fundamental nature regarding director qualifications (i.e., "Do you actually have time to do your job?").

We are of course aware that the Staff has already this season, in *Johnson & Johnson* (Mar. 1, 2024), permitted omission of a proposal of ours materially the same as our Proposal here. We here respond to and oppose Verizon's no-action attempt in order to give the Staff an opportunity to reconsider that decision, particularly in light of the views of critical stakeholders cited above to the effect that our Proposal fits squarely within overboarding concerns, and thus is also squarely in line with *American International Group, Inc.* (March 6, 2013), which the Company acknowledges represents "the Staff's view that the subject of overboarding typically is not excludable as ordinary business."

As noted above and in the *Johnson & Johnson* proceeding, the Staff has established relevant guiding principles, including that proposals designed to seek information from and about directors and nominees are particularly appropriate, such that allowing their omission is rare and disfavored. The SEC as an agency, meanwhile, has very recently asserted to the U.S. Courts that seeking disclosures from companies is less invasive and more unobjectionable than seeking to direct corporate behavior.[7] Yet the

[6] Matteo Tonello (The Conference Board), Driving Board Excellence, HARVARD LAW SCHOOL FORUM ON CORPORATE GOVERNANCE (Jan. 31, 2024) (emphasis added), available at https://corpgov.law.harvard.edu/2024/01/31/driving-board-excellence/ .

[7] All. for Fair Bd. Recruitment v. Sec. & Exch. Comm'n, 85 F.4th 226, 255 (5th Cir. 2023) ("Nasdaq's disclosure-based framework does not alter the state-federal balance. It is well-established that disclosure rules do not interfere with

Staff allowed omission of our proposal by Johnson & Johnson, perhaps for the first time in the history of overboading proposals, despite the fact that many overboarding proposals seek to direct corporate conduct, while that proposal and our Proposal here only seek very limited disclosure which, as we've noted above, will necessitate a truly insignificant commitment of time and effort in comparison to the disclosures that the SEC has so recently demanded.

The Staff, as is its wont, provided no explanation how it reached its conclusion in *Johnson & Johnson* (Mar. 1, 2024), which is so at odds with every reasonable expectation of the course it would take and with the predicates that would guide a decision-maker acting objectively and according to its statutory and precedence-derived obligations as an agency of the United States. It is a decision that highlights the existential flaws in the no-action review process and underscores both the opportunities for and possible demonstration of unlawful decision-making on the basis of Staff personal-policy predilections. This is a chance for the Staff to correct this potentially revelatory error and possibly thereby to mitigate its consequences.

A copy of this correspondence has been timely provided to the Company. If we can provide additional materials to address any queries the Commission may have with respect to this letter, please do not hesitate to call us at (202) 507-6398 or email us at [redacted] and at [redacted].

Rule 14a-8(k) and Section E of Staff Legal Bulletin No. 14D (Nov. 7, 2008) provide that companies are required to send proponents a copy of any correspondence that they elect to submit to the Commission or the Staff. Accordingly, we remind the Company that if it were to submit correspondence to the Commission or the Staff or individual members thereof with respect to our Proposal or this proceeding, a copy of that correspondence should concurrently be furnished to us.

Sincerely,

Scott Shepard
FEP Director
National Center for Public Policy Research

Stefan Padfield

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the role of 'state corporate law' in 'regulat[ing] the distribution of powers among the various players in the process of corporate governance.'") (quoting Bus. Roundtable, 905 F.2d at 411-12).

FEP Deputy Director
National Center for Public Policy Research

cc: Brandon N. Egren ([redacted])