

Verizon Shareholders Vote FOR Proposals 4, 5 and 6 Improve Transparency and Accountability of Executive Compensation

Important Proxy Voting Materials Verizon Communications Inc. (NYSE: VZ) Meeting Date: May 3, 2007

Dear Verizon Shareholder:

At Verizon's May 3, 2007 Annual Meeting, shareholders will have the opportunity to vote on three important shareholder resolutions designed to strengthen transparency and accountability of executive compensation at Verizon. These proposals urge the Board of Directors to seek shareholder approval of excessive severance agreements (Item #4), disclose relationships that might compromise the independence of executive pay consultants (Item #5), and submit executive pay packages to an advisory shareholder vote (Item #6).

Shareholders Need a Greater Role in Executive Compensation Decisions

Items #4, #5 and #6 will encourage the Board to adopt policies critical to realigning executive compensation with shareholder interests. A recent study found that managers' involvement in determining executive pay has "led to compensation schemes that weaken managers' incentives to increase firm value and even create incentives to take actions that *reduce* long-term firm value" (Bebchuk and Fried, "Pay Without Performance," 2004). This study concluded that the most effective way to limit excessive CEO pay is to make boards more accountable to shareholders.

Verizon's practices for determining executive compensation are particularly in need of a makeover. In a recent study, The Corporate Library singled Verizon out as one of 11 companies where "the disconnect between pay and performance is particularly stark" ("Pay for Failure: The Compensation Committees Responsible," March 31, 2006). By voting in favor of Items #4, #5 and #6, shareholders will encourage Verizon to implement policies that prevent excessive executive pay and encourage good corporate governance, board accountability and long-term value creation.

Item #4: Vote FOR Shareholder Approval of Golden Parachutes

Item #4 urges the Board to seek shareholder approval of future severance agreements that grant executives benefits exceeding 2.99 times their base salary plus bonus. In 2003, a similar proposal was approved by 59% of voting shareholders. However, we believe the policy our Company implemented in response to this proposal is insufficient.

The current policy (as set forth in the 2007 Proxy) does not include retirement benefits, stock awards or tax reimbursements. We believe the cash value of benefits not included within Verizon's policy can be substantial. For example, if Mr. Seidenberg is involuntarily terminated without cause, he would receive at least \$65 million, not including his unvested stock options. Verizon's current policy does not require shareholders to approve this package while Item # 4 does.

American Federation of Labor and Congress of Industrial Organizations 815 16th Street N.W., Washington D.C. 20006

WHO WE ARE: The AFL-CIO is a federation of U.S. labor unions. Union-sponsored pension funds are significant shareholders of Verizon common stock. AFL-CIO affiliated unions represent Verizon employees and are seeking to represent additional Verizon employees, and the AFL-CIO supports these efforts. For more information, please contact the AFL-CIO Office of Investment at (202) 637-3900.

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Item #5: Vote FOR Disclosure of Pay Consultants' Conflicts of Interest

Item #5 urges Verizon to inform shareholders if any senior executive named in the proxy statement participated in the selection or retention of the compensation consultant and whether these consultants have been retained to advise the company on matters not related to executive compensation.

Verizon disclosed in the 2007 Proxy that they recently hired Pearl Meyer & Partners (“Pearl Meyer”) to replace long-time consultant, Hewitt Associates, LLP (“Hewitt”). Verizon noted that Hewitt provides other services to the company while Pearl Meyer does not.

We are encouraged by the selection of a consultant that does not do other business with Verizon. However, we are concerned that Verizon may, in the future, retain Pearl Meyer to perform additional services or be replaced by a consultant selected with input from management. For these reasons, we continue to believe that shareholder interests are best served by full implementation of Item #5.

Item #6: Vote FOR a Shareholder Voice in Executive Pay

Item #6 asks the Board to submit executive compensation packages to an advisory shareholder vote. This would give shareholders a voice in the process of determining executive compensation and give the Board an incentive to engage shareholders in meaningful conversations about appropriate pay packages before submitting the plans to a vote. Since the vote is not binding, it will give shareholders a voice in the process of determining executive pay without asking us to micromanage the Company.

This is not a new concept—U.K. listed companies have been required to put compensation packages up for a non-binding shareholder vote since 2003. A 2007 study by the Yale School of Management found that “a surprisingly broad consensus of corporate directors, shareholders and government in Britain sees [advisory votes on executive pay] acting as a driver of corporate value, making public corporations more competitive and, by raising confidence in governance integrity, lowering risks for investors.” (Testimony of Stephen M. Davis before the Committee on Financial Services, United States House of Representatives, March 8, 2007).

Conclusion: Vote FOR Items #4, #5 and #6

For these reasons, we urge you to vote in favor of shareholder approval of golden parachutes, disclosure of pay consultants' conflicts of interest, and a shareholder voice in executive pay. By voting in favor of these proposals, shareholders will encourage Verizon to implement policies that prevent excessive executive pay and encourage good corporate governance, board accountability and long-term value creation. This will result in pay packages that are better aligned with performance practices and reflect shareholder interest in long-term value and wealth creation.

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