

THOMAS P. DiNAPOLI
STATE COMPTROLLER



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ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

August 2, 2011

Lowell McAdam, President & CEO
Ivan Seidenberg, Chairman and CEO
Verizon Communications
140 West Street
New York, NY 10007

Dear Mr. McAdam and Mr. Seidenberg:

I am writing to express my concerns regarding reports of tense labor relations between Verizon Communications ("Verizon") and the Communications Workers of America District One ("CWA"). As Comptroller of the State of New York, I am the administrative head of the New York State and Local Retirement System and the trustee of the New York State Common Retirement Fund ("Fund"), currently valued at approximately \$147 billion. The Fund is a long-term investor in Verizon; its portfolio currently includes 10,014,447 shares of Verizon stock with a market value of approximately \$368 million. As part of my fiduciary duty, I monitor issues that have the potential to affect the value of the Fund's investments negatively.

As I understand it, the current contract between CWA and Verizon -- a contract that covers both CWA and IBEW members from Massachusetts to Virginia, including approximately 16,000 employees in New York State -- will expire on August 6, 2011. While CWA and Verizon have begun talks for a new contract, it appears that negotiations thus far have been unsuccessful. From what I have been told, Verizon's proposals would abolish all job security provisions of the contract, reduce and possibly eliminate long-standing benefits to its employees, and could lead to the loss of thousands of jobs in New York State.

If these reports are accurate, the company's bargaining position could undermine the morale and productivity of Verizon's dedicated employees, and generate negative publicity that might ultimately impact Verizon's profitability. Therefore, I urge you to reconsider any demands that are likely to alienate your workforce, and work with the unions to reach a mutually beneficial agreement that preserves good jobs, ensures continued high quality service to the public, and protects Verizon's stock price.

I look forward to your response, and I appreciate your time and attention regarding this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "T. P. DiNapoli".

Thomas P. DiNapoli
State Comptroller