

VERIZON COMMUNICATIONS INC
Form DEF 14A
March 20, 2006

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

VERIZON COMMUNICATIONS INC.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

Notes:

Verizon Communications Inc.

140 West Street

New York, New York 10007

March 20, 2006

To Our Shareholders:

On behalf of the Board of Directors, Verizon cordially invites you to attend the 2006 Annual Meeting of Shareholders of Verizon Communications Inc. on Thursday, May 4, 2006. The Annual Meeting will be held at the Overland Park Marriott Hotel, 10800 Metcalf Avenue, Overland Park, Kansas. The Annual Meeting will begin at 10:30 a.m. and we anticipate that it will end no later than 12 noon.

The attached Proxy Statement describes the matters that we expect to act upon at the Annual Meeting. Shareholders who attend the Annual Meeting will have the opportunity to ask questions of broad interest to Verizon's shareholders. You will need an admission ticket to attend the Annual Meeting, and specific information about obtaining your admission ticket can be found in the Notice of Annual Meeting that appears on the next page. Directions to the Annual Meeting are printed on the back inside cover of the Proxy Statement and on the admission ticket.

Your vote is important and we hope that you will vote your shares as soon as possible. Please review the instructions on the proxy card for voting on the Internet, by telephone or by mailing your written proxy.

Sincerely,

Chairman and Chief Executive Officer

Notice of Annual Meeting of Shareholders of Verizon Communications Inc.

Date: May 4, 2006
Time: 10:30 a.m. Local Time
Place: Overland Park Marriott Hotel 10800 Metcalf Avenue Overland Park, Kansas 66210

At the Annual Meeting of Shareholders, you will be asked to:

1. Elect Directors;
2. Ratify the appointment of the independent registered public accounting firm;
3. Act upon such other matters, including the seven shareholder proposals described on pages 13-21 of this Proxy Statement, as may properly come before the meeting; and
4. Consider any other business that is properly brought before the meeting.

Shareholders of record at the close of business on March 6, 2006 are entitled to vote at the Annual Meeting. We hope that you will vote your shares as soon as possible. You may vote on the Internet or by telephone or by mailing a proxy card or you may vote your shares by returning the voter instruction form provided by your bank or broker. You may also vote in person at the Annual Meeting. Please review the instructions for the various voting options which are provided on the proxy card.

You will need an admission ticket to attend the meeting. If you are a registered shareholder, an admission ticket is attached to your proxy card. If your shares are not registered in your name, you should ask the broker, bank or other institution that holds your shares to provide you with a copy of your account statement or a letter from the firm confirming that you owned Verizon common stock on March 6, 2006. You can obtain an admission ticket by presenting that documentation at the meeting.

By Order of the Board of Directors

Marianne Drost

March 20, 2006

Senior Vice President,

Deputy General Counsel and

Corporate Secretary

The Overland Park Marriott Hotel is accessible to all shareholders. If you would like to have a sign language interpreter at the meeting, please direct your request to the Assistant Corporate Secretary, Verizon Communications Inc., 140 West Street, 29th Floor, New York, New York 10007, so that we receive it no later than April 14, 2006.

PROXY STATEMENT

Beginning March 20, 2006, Verizon is mailing this Proxy Statement and proxy card to its shareholders of record as of March 6, 2006. The Board of Directors is soliciting proxies in connection with the election of Directors and other actions to be taken at the Annual Meeting of Shareholders and at any adjournment or postponement of that Meeting. The Board of Directors encourages you to read the Proxy Statement and to vote on the matters to be considered at the Annual Meeting.

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VOTING PROCEDURES AND RELATED MATTERS

Your vote is very important. You can vote your shares at the Annual Meeting if you are present in person or represented by proxy. You may revoke your proxy at any time before the Annual Meeting by delivering written notice to the Corporate Secretary, by submitting a proxy bearing a later date or by appearing in person and casting a ballot at the Annual Meeting.

Who can vote? Shareholders of record as of the close of business on March 6, 2006 (also referred to as the Record Date) are entitled to vote. On that date, approximately 2.9 billion shares of common stock were outstanding and eligible to vote. Each share is entitled to one vote on each matter presented at the Annual Meeting.

How do I vote? You may vote in person at the Annual Meeting or you may vote by proxy without attending the Meeting. If you are a registered shareholder, you may vote your shares by giving a proxy via mail, telephone or Internet. To vote your proxy by mail, indicate your voting choices, sign and date your proxy card and return it in the postage-paid envelope provided. You may vote by telephone or Internet by following the instructions on your proxy card. If you hold your shares through a broker, bank or other nominee, that institution will send you separate instructions describing the procedure for voting your shares.

What shares are represented by the proxy card? The proxy card represents all the shares registered in your name as of March 6, 2006. If you participate in the Verizon Communications Direct Invest Plan, the card also represents any full shares held in your account. If you are an employee who participates in a Verizon employee savings plan and you also hold shares in your own name, you will receive a single proxy card that includes the plan shares attributable to the units that you hold in the plan, and the shares registered in your name. Your proxy card or proxy submitted by telephone or Internet will serve as voting instructions to the plan trustee.

How does the Proxy Committee vote my shares? If you provide a properly executed proxy before voting at the Annual Meeting is closed, the Proxy Committee will vote the proxy in accordance with your directions. If you do not indicate how your shares are to be voted, the Proxy Committee will vote your shares as recommended by the Board of Directors. The Proxy Committee will also have the discretionary authority to vote on your behalf on any other matter that is properly brought before the Annual Meeting. If you wish to give a proxy to someone other than the Proxy Committee, please cross out the names of the Proxy Committee and add the name of the person holding your proxy.

How are votes counted? If we receive a valid proxy before voting at the Annual Meeting is closed, your shares are voted as indicated on the proxy card. If you indicate on your proxy card that you wish to abstain or withhold, as the case may be, from voting on an item, your shares will not be voted on that item. Abstentions or withhold votes are not counted in determining the number of shares voted with respect to any nominee for Director or any management or shareholder proposal, but will be counted to determine whether there is a quorum present.

If you do not provide voting instructions to your broker or nominee at least ten days before the Annual Meeting, that person has discretion to vote your shares on matters that the New York Stock Exchange has determined are routine. However, a nominee cannot vote shares on non-routine matters without your instructions, and this is referred to as a broker non-vote. Broker non-votes are only counted in determining whether a quorum is present.

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If you are an employee who participates in a Verizon employee savings plan and you do not return a proxy card or otherwise give voting instructions for the plan shares, the trustee of your plan will vote those shares in the same proportion as the shares for which the trustee receives voting instructions from other participants in that plan. To allow sufficient time for the savings plan trustees to tabulate the vote of the plan shares, we must receive your proxy voting instructions by May 1, 2006.

What vote is required? The Annual Meeting cannot conduct business unless a quorum is present. In order to have a quorum, a majority of the shares of Verizon common stock that are outstanding and entitled to vote at the meeting must be represented in person or by proxy. If a quorum is not present, the Annual Meeting will be rescheduled for a later date.

Directors are elected by a plurality of the votes cast. The management and shareholder proposals described in the Proxy Statement must be approved by a majority of the votes cast. Any shares not voted (whether by abstention, broker non-vote or otherwise) will have no effect on the outcome.

Who will tabulate the vote? The Company's transfer agent, Computershare Trust Company, N.A., will tally the vote, and the independent inspectors of election will certify the results.

Is my vote confidential? It is the Company's policy to maintain the confidentiality of proxy cards, ballots and voting tabulations that identify individual shareholders, except where disclosure is mandated by law and in other limited circumstances.

Who is the Company's proxy solicitor? Georgeson Shareholder Communications Inc. has been retained by the Company to assist in the distribution of proxy materials and solicitation of votes for a base fee of \$17,500, plus reimbursable expenses and custodial charges.

Where can I find the voting results of the Annual Meeting? Voting results will be available on our website at www.verizon.com/investor and will be included in the Company's Form 10-Q for the second quarter which will be filed with the Securities and Exchange Commission in August 2006.

How may I request an electronic set of proxy materials? To sign up for electronic delivery of future proxy materials, go to www.verizon.equiserve.com. You may also sign up when you vote by Internet at <http://www.computershare.com/us/proxy> and follow the instructions. Once you sign up, you will no longer receive a printed copy of the proxy materials, unless you request one. Each year you will receive an e-mail explaining how to access the proxy materials on-line as well as how to vote your shares on-line. You may suspend electronic delivery of the proxy materials at any time by contacting Computershare Trust Company, N.A (by telephone at 1-800-631-2355 or in writing at P.O. Box 43005, Providence, Rhode Island 02940-3005).

Why did I receive only one set of proxy materials when there are several shareholders at my address? We have adopted a procedure approved by the Securities and Exchange Commission called "householding." Under this procedure, eligible shareholders who share a single address receive only one copy of the Annual Report and Proxy Statement at their household unless we receive notice that they wish to continue to receive individual copies. This procedure does not apply to shareholders who have signed up for electronic delivery of proxy materials.

How may I request a single set of proxy materials for my household? Contact Computershare Trust Company, N.A. (by telephone at 1-800-631-2355 or in writing at P.O. Box 43005, Providence, Rhode Island 02940-3005) and you will receive a single copy of the Annual Report and Proxy Statement each year, beginning 30 days after receipt of your instructions. If you hold your shares through a broker, bank or other nominee, you can contact your broker, bank or nominee to request a single

set of proxy materials.

What if I have questions about my stock account, dividends, how to transfer my shares or similar matters? Please contact Verizon's transfer agent, Computershare Trust Company, N.A. (by telephone at 1-800-631-2355 or in writing at P.O. Box 43005, Providence, Rhode Island 02940-3005) with questions concerning stock certificates, dividend checks, transfer of ownership or other matters pertaining to your stock account.

STRUCTURE AND PRACTICES OF THE BOARD OF DIRECTORS

Verizon's business and affairs are managed under the direction of the Board of Directors. The Board of Directors exercises general oversight to ensure that Verizon's management performs in the long term best interests of our shareholders. Verizon has an independent Board of Directors with professional experience and expertise to oversee management. The Board of Directors is committed to maintaining the highest standards of corporate governance. Currently, there are thirteen directors: James R. Barker, Richard L. Carrión, Robert W. Lane, Sandra O. Moose, Joseph Neubauer, Donald T. Nicolaisen, Thomas H. O'Brien, Clarence Otis, Jr., Hugh B. Price, Ivan G. Seidenberg, Walter V. Shipley, John R. Stafford and Robert D. Storey. All of the directors are standing for election and their biographies appear on pages 9 through 11.

Corporate Governance Guidelines and Codes of Ethics. The Board of Directors has adopted Corporate Governance Guidelines that address the practices of the Board and, together with the Certificate of Incorporation, Bylaws and Board Committee charters, provide the framework for governance of Verizon. The Guidelines also address business conduct and ethics for Directors. The Verizon Code of Business Conduct is a code of ethics that applies to all employees, including the Chief Executive Officer, the Chief Financial Officer and the Controller. The Guidelines and the Verizon Code of Business Conduct are available through the Corporate Governance link on the Company's website at www.verizon.com/investor. If the Guidelines or the Code are amended, the revised version will be posted promptly on that website. As stated in the Guidelines, the Board is strongly predisposed against any waivers of the business conduct and ethics provisions of the Guidelines or the Code for a Director or an executive officer. In the unlikely event of a waiver, the action will be promptly disclosed on the Company's website noted above. If you would like to receive a copy of the Guidelines or the Code, send your request in writing to the Assistant Corporate Secretary, Verizon Communications Inc., 140 West Street, 29th Floor, New York, NY 10007.

Meetings of the Board, Executive Sessions and Presiding Director. In 2005, the Verizon Board of Directors had seven regularly scheduled meetings and special meetings were held as necessary, for a total of fourteen meetings. Each of the incumbent Directors attended over 78% of the meetings of the Board and the committees to which the Director was assigned. The Directors, in the aggregate, attended over 92% of the Board and their committee meetings. In addition, management and the Directors communicate informally on a variety of topics, including suggestions for Board or committee agenda items, recent developments, and other matters of interest to the Directors. The Board has access to management at all times.

The independent Directors meet regularly in private sessions without any employee directors or members of management present, including at least one session to review and assess the process and effectiveness of the Board and to consider any other matters that the Directors may request. In an executive session of the independent Directors, the Board reviews the performance and compensation of the Chief Executive Officer. Any Director has the right to call a meeting or executive session of the independent Directors. An executive session or meeting of independent Directors, or any meeting of the Board at which the Chairman is not present, is chaired by the Presiding Director, who is an independent Director elected annually by the independent Directors. As described below, procedures have been established to enable shareholders to communicate with the Board, any committee or any Director.

Directors annually review and approve the proposed meeting schedule and are expected to attend all meetings of the Board and each committee on which they serve. Directors are provided with a copy of the proposed agenda sufficiently in advance of each scheduled meeting in order to have the opportunity to comment on or make changes to the agenda. Committee Chairs review and approve the agendas and materials for each committee meeting. Directors standing for election are expected to attend the Annual Meeting of Shareholders. Nine of the eleven Directors standing for election at the 2005 Annual Meeting of Shareholders attended the meeting.

Independence. The Board evaluates the independence of each Director in accordance with applicable laws and regulations, the listing standards of the New York Stock Exchange and the criteria set forth in Verizon's Corporate Governance Guidelines. These standards include evaluating material relationships with Verizon, if any, including vendor, supplier, consulting, legal, banking, accounting, charitable and family relationships. Based on the recommendation of the Corporate Governance Committee, the Board of Directors has determined that all of the non-employee Directors, James R. Barker, Richard L. Carrión, Robert W. Lane, Sandra O. Moose, Joseph Neubauer, Donald T. Nicolaisen, Thomas H. O'Brien, Clarence Otis, Jr., Hugh B. Price, Walter V. Shipley, John R. Stafford and Robert D. Storey, are independent as required by applicable laws and regulations, by the listing standards of the New York Stock Exchange and by the Corporate Governance Guidelines. The Board has also assessed the independence of the members of the Audit and Finance, Corporate Governance and Human Resources Committees based on the Corporate Governance Guidelines and applicable rules and has found all members of those committees to be independent. The Board's findings are included in the discussion of the committees below.

Shareholder Communications with Directors. A shareholder who would like to communicate directly with the Board, a committee of the Board or with an individual Director, should send the communication to:

Verizon Communications Inc.

Board of Directors [or committee name or Director's name, as appropriate]

140 West Street, 29th Floor

New York, New York 10007

Verizon will forward all such shareholder correspondence about Verizon to the Board, committee or individual Director, as appropriate. This process has been approved by the independent Directors of Verizon.

Committees of the Board. As described below, there are four standing committees of the Board. Each committee's activities are governed by a charter that is available through the Corporate Governance link on the Company's website at www.verizon.com/investor, or by sending your request in writing to the Assistant Corporate Secretary, Verizon Communications Inc., 140 West Street, 29th Floor, New York, New York 10007. Each committee Chairperson approves the agenda and materials for each meeting. Each committee reviews its charter annually as part of the committee assessment process. The committee also determines whether it has sufficient information, resources and time to fulfill its obligations and whether it is performing its obligations. Under the Corporate Governance Guidelines, each committee may retain independent advisors to assist it in carrying out its responsibilities.

The table below shows the members of each Committee of the Board:

Audit and Finance	Corporate Governance	Human Resources	Public Policy
Committee	Committee	Committee	Committee
Thomas H. O'Brien, Chairperson James R. Barker Robert W. Lane Sandra O. Moose	Sandra O. Moose, Chairperson Donald T. Nicolaisen Hugh B. Price Walter V. Shipley	Walter V. Shipley, Chairperson Richard L. Carrión Robert W. Lane John R. Stafford	James R. Barker, Chairperson Richard L. Carrión Joseph Neubauer Thomas H. O'Brien

Donald T. Nicolaisen
John R. Stafford

Robert D. Storey

The Audit and Finance Committee The Committee is responsible for the appointment, compensation, removal, and oversight of the work of the independent registered public accounting firm. The Committee also oversees management's performance of its responsibility for the integrity of the Company's accounting and financial reporting and its systems of internal controls, the performance and qualifications of the independent registered public accounting firm (including their independence), the performance of the Company's internal audit function, and the Company's compliance with legal and regulatory requirements. The Committee met nine times during 2005. The Board of Directors, based on the recommendation of the Audit and Finance Committee, has designated each member of the Committee as an audit committee financial expert. Based on the recommendation of the Corporate Governance Committee and with the concurrence of the Audit and Finance Committee, the Board of Directors has determined that all of the members of the Audit and Finance Committee are independent as required by applicable laws and regulations, the listing standards of the New York Stock Exchange and the Corporate Governance Guidelines. The report of the Audit and Finance Committee is included in this Proxy Statement on page 8.

The Human Resources Committee The Committee is responsible for overseeing the development of policies and practices that support the Company's strategic objectives of competitive management compensation and benefit plans. These policies and practices include succession planning. The Committee also reviews, and recommends to the full Board, the compensation and benefits for non-employee Directors. The Committee met five times in 2005. Based on the recommendation of the Corporate Governance Committee and with the concurrence of the Human Resources Committee, the Board of Directors has determined that all of the members of the Human Resources Committee are independent as required by applicable laws and regulations, the listing standards of the New York Stock Exchange and the Corporate Governance Guidelines. The report of the Human Resources Committee is included in this Proxy Statement on page 22.

The Public Policy Committee The Committee reviews and provides guidance to the Board of Directors on selected issues of significance to the Company and oversees management in the development and implementation of the Company's charitable contribution policies, pension fund management and policies related to the administration of pension benefits, selected social, environmental and regulatory matters and political contributions, equal opportunity and diversity compliance and initiatives, and safety issues. The Committee met twice in 2005.

The Corporate Governance Committee The Committee provides oversight and guidance to the Board of Directors to ensure that the membership, structure, policies, and practices of the Board and its committees facilitate the effective exercise of the Board's role in the governance of the Company. The Committee reviews and evaluates the policies and practices with respect to the size, composition, independence and functioning of the Board and its committees and reflects those policies and practices in Corporate Governance Guidelines. The Committee also evaluates the qualifications of candidates for election as Directors and presents its recommendations to the full Board. The Committee met four times in 2005. Based on the recommendation of the Corporate Governance Committee, the Board of Directors has determined that all of the members of the Committee are independent as required by applicable laws and regulations, the listing standards of the New York Stock Exchange and the Corporate Governance Guidelines.

Nomination of Candidates for Director. In exploring potential candidates for directors, the Corporate Governance Committee considers individuals recommended by members of the Committee, other Directors, members of management, shareholders and self-nominated individuals. The Committee is advised of all nominations that are submitted to Verizon and determines whether it will further consider the candidates using the following criteria. In order to be considered, each proposed candidate must be ethical; have proven judgment and competence; have professional skills and experience in dealing with a large, complex organization or in dealing with complex problems that are complementary to the background and experience represented on the Board and that meet the needs of the Company; have demonstrated the ability to act independently and be willing to represent the interests of all shareholders and not just those of a particular philosophy or constituency; and be

willing and able to devote sufficient time to fulfill his or her responsibilities to Verizon and its shareholders. In evaluating candidates, the Committee also considers other factors that are relevant to the current needs of the Company, including those that promote diversity.

In addition, as part of its review of the renomination of the incumbent Directors, the Committee also considers their qualifications including their participation at meetings, their understanding of Verizon's businesses and the environment within which the Company operates, their attendance, and their independence and relationships, if any, with the Company.

After the Committee has completed its evaluation of all candidates, it presents its recommendation to the full Board for its consideration and approval. In presenting its recommendation, the Committee also reports on any candidates who were considered but not recommended.

The Company will report any material change to this procedure in a quarterly or annual filing with the Securities and Exchange Commission. In addition, any new procedure will be available promptly through the Corporate Governance link on the Company's website at www.verizon.com/investor.

The Bylaws require that a shareholder who wishes to nominate an individual for election as a Director at the Company's Annual Meeting of Shareholders must give the Company advance written notice no later than 90 days prior to the anniversary date of the Annual Meeting, or February 5, 2007, in connection with next year's Annual Meeting and provide specified information. These requirements include, among other things, the nominee's name, address and principal occupation. Shareholders may request a copy of the Bylaw requirements from the Assistant Corporate Secretary, Verizon Communications Inc., 140 West Street, 29th Floor, New York, New York 10007.

Director Compensation. An employee Director does not receive any separate compensation for Board responsibilities. Non-employee Directors receive both cash and stock compensation. Directors do not receive meeting fees for any Board or committee meeting held the day before or the day of a regularly scheduled Board meeting. Directors receive a meeting fee of \$1,000 for any other Board or committee meeting.

Directors may defer the receipt of all or part of their cash retainers and fees. Directors may elect to allocate the deferred amounts in investment options that generally parallel the investment choices in Verizon's qualified savings plan for employees.

Each new non-employee Director who joins the Board receives a one-time grant of 3,000 share equivalents.

Non-employee Directors are entitled to receive concession wireline and wireless telecommunications services and equipment. Non-employee Directors also are provided with business-related travel accident insurance coverage.

The following table provides information on non-employee Director compensation in 2005:

2005 Non-Employee Director Compensation

Director	Retainer	Equity Grant	Committee Chairperson Fees	Additional Meeting Fees	Concession Services and Travel Insurance Premiums	Total
James. R. Barker	\$ 60,000	\$ 130,000	\$ 5,000	\$ 6,000	\$ 3,544	\$ 204,544
Richard L. Carrión	60,000	130,000		5,000	1,075	196,075
Robert W. Lane	60,000	130,000		10,000	844	200,884
Sandra O. Moose	60,000	130,000	5,000	9,000	2,158	206,158
Joseph Neubauer	60,000	130,000		7,000	159	197,159
Donald T. Nicolaisen ¹	5,000	107,193			159	112,352
Thomas H. O'Brien	60,000	130,000	5,000	8,000	5,554	208,554
Clarence Otis, Jr. ²						
Hugh B. Price	60,000	130,000		7,000	6,523	203,523
Walter V. Shipley	60,000	130,000	5,000	7,000	4,254	206,254
John R. Stafford	60,000	130,000		9,000	1,200	200,200
Robert D. Storey	60,000	130,000		7,000	2,861	199,861

¹ Mr. Nicolaisen joined the Board in December 2005 and received a pro-rated annual retainer. In addition, he received the one-time grant of 3,000 share equivalents and a pro-rated annual equity grant of 337 share equivalents.

² Mr. Otis joined the Board in January 2006.

Directors who were elected to the Board before 1992 participate in a charitable giving program. Upon the Director's death, the Company will contribute an aggregate of \$500,000 to one or more qualifying charitable or educational organizations designated by the Director. Directors who formerly served as Directors of NYNEX Corporation participate in a similar program for which the aggregate contribution is \$1,000,000, payable in ten annual installments commencing when a Director retires or attains age 65 (whichever occurs later) or dies. Directors who formerly served as Directors of GTE Corporation participate in a similar program for which the aggregate contribution is \$1,000,000, payable in five annual installments commencing upon the Director's death. The GTE and NYNEX programs are financed through the purchase of insurance on the life of each participant. The charitable giving programs are closed to future participants.

Mandatory Retirement. Under the Company's Bylaws, a non-employee Director must retire no later than the Board meeting that follows his or her 72nd birthday.

REPORT OF THE AUDIT AND FINANCE COMMITTEE

In the performance of our oversight responsibilities, the Committee has reviewed and discussed with management and the independent registered public accounting firm the Company's audited financial statements for the year ended December 31, 2005 and management's assessment of the effectiveness of the Company's internal controls over financial reporting as of December 31, 2005.

The Committee has discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, the Securities and Exchange Commission and the New York Stock Exchange.

The Committee has received the written disclosures and the letter from the independent registered public accounting firm required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and has discussed with the independent registered public accounting firm their independence.

The Committee discussed with the internal auditors and the independent registered public accounting firm the overall scope and plans for their respective audits. The Committee met with the internal auditors and the independent registered public accounting firm, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls and the overall quality of the Company's financial reporting.

Based on the reviews and discussions referred to above, in reliance on management and the independent registered public accounting firm, and subject to the limitations of our role, the Committee recommended to the Board of Directors, and the Board has approved, the inclusion of the financial statements referred to above in the Company's Annual Report on Form 10-K.

Following a review of the independent registered public accounting firm's performance and qualifications, including consideration of management's recommendation, the Committee approved the reappointment of the independent registered public accounting firm for the fiscal year 2006.

Respectfully submitted,

Audit and Finance Committee

Thomas H. O'Brien, Chairperson

James R. Barker

Robert W. Lane

Sandra O. Moose

Donald T. Nicolaisen

John R. Stafford

Dated: March 2, 2006

ELECTION OF DIRECTORS

ITEM 1 ON PROXY CARD

The Board has fixed the size of the Board at thirteen Directors. Each of the nominees listed below is an incumbent Director whose nomination to serve for a one-year term was recommended by the Corporate Governance Committee and approved by the Board. Each nominee has consented to stand for election and the Board does not anticipate that any nominee will be unavailable to serve. However, if any nominee should become unavailable to serve at the time of the Annual Meeting, the Proxy Committee will vote shares represented by proxies for the remaining nominees and for substitute nominee(s), if any, designated by the Board, unless otherwise instructed by a shareholder. A Director who reaches mandatory retirement age during his or her term must retire in accordance with the Company's Bylaws.

If you wish to vote for or withhold your vote from all nominees, please mark the corresponding box on your proxy card or proceed as directed in the instructions for telephone or Internet voting. If you do not wish your shares to be voted for a particular nominee, you should note that nominee's name in the exception space provided on the proxy card or proceed as directed in the instructions for telephone or Internet voting.

The election of Directors is determined by a plurality of the votes cast.

The following biographies provide information about each nominee's principal occupation and business experience, age, and directorships held in other public corporations, as well as Verizon Board committee memberships, as of March 2, 2006.

The Board of Directors recommends a vote FOR each of the nominees.

DIRECTOR NOMINEES

JAMES R. BARKER, Chairman, The Interlake Steamship Co. and New England Fast Ferry Company and Vice Chairman, Mormac Marine Group, Inc. and Moran Towing Corporation. Director of The Brink's Company. Director since 2000 (Director of GTE Corporation 1976-2000); Chairperson of Public Policy Committee and member of Audit and Finance Committee. Age 70.

RICHARD L. CARRIÓN, Chairman, President and Chief Executive Officer, Popular, Inc. and Chairman and Chief Executive Officer, Banco Popular de Puerto Rico. Director of Telecomunicaciones de Puerto Rico, Inc.; Wyeth. Director since 1997 (Director of NYNEX Corporation 1995-1997); member of Human Resources Committee and Public Policy Committee. Age 53.

ROBERT W. LANE, Chairman and Chief Executive Officer, Deere & Company. Director of General Electric Company. Director since 2004; member of Audit and Finance Committee and Human Resources Committee. Age 56.

SANDRA O. MOOSE, President of Strategic Advisory Services LLC; Retired Senior Vice President and Director of The Boston Consulting Group, Inc. Director of Rohm and Haas Company; The AES Corporation; Chairman of the Board of CDC-IXIS and Loomis Sayles Funds. Director since 2000 (Director of GTE Corporation 1978 - 2000); Chairperson of Corporate Governance Committee and member of Audit and Finance Committee. Age 64.

JOSEPH NEUBAUER, Chairman and Chief Executive Officer, ARAMARK Corporation; Executive Chairman of the Board (January 2004 - September 2004); Chairman (April 1984 - December 2003); Chief Executive Officer (February 1983 - December 2003). Director of Federated Department Stores, Inc.; Wachovia Corporation. Director since 1995; member of Public Policy Committee. Age 64.

DONALD T. NICOLAISEN, Former Chief Accountant of the United States Securities and Exchange Commission (2003 - 2005); Senior Partner, PricewaterhouseCoopers (1967 - 2003). Director since December 2005; member of the Audit and Finance Committee and Corporate Governance Committee. Age 61.

THOMAS H. O BRIEN, Retired Chairman and Chief Executive Officer, The PNC Financial Services Group, Inc. and PNC Bank, N.A. Director of BlackRock, Inc.; Hilb, Rogal and Hobbs Company; The PNC Financial Services Group, Inc. Director since 1987; Chairperson of Audit and Finance Committee and member of Public Policy Committee. Age 69.

CLARENCE OTIS, JR., Chairman and Chief Executive Officer, Darden Restaurants, Inc.; Chief Executive Officer (December 2004 - November 2005); Executive Vice President (March 2002 - November 2004); President, Smokey Bones Barbeque & Grill (December 2002 - November 2004); Chief Financial Officer (December 1999 - December 2002). Director of St. Paul Travelers Companies, Inc. (not standing for reelection in 2006); VF Corporation. Director since January 2006. Age 49.

HUGH B. PRICE, Senior Fellow, Brookings Institution; Senior Advisor, DLA Piper Rudnick Gray Cary U.S. LLP (2003 - 2005); President and Chief Executive Officer, National Urban League (1994 - 2003). Director of Metropolitan Life, Inc. and Metropolitan Life Insurance Company. Director since 1997 (Director of NYNEX Corporation 1995 - 1997); member of Corporate Governance Committee. Age 64.

IVAN G. SEIDENBERG, Chairman and Chief Executive Officer, Verizon Communications Inc.; President and Chief Executive Officer (April 2002 - December 2003); President and Co-Chief Executive Officer (June 2000 - March 2002); Chairman of the Board (December 1998 - June 2000) and Chief Executive Officer (June 1998 - June 2000). Director of Honeywell International Inc.; Wyeth. Director since 1997 (Director of NYNEX Corporation 1991 - 1997). Age 59.

WALTER V. SHIPLEY, Retired Chairman, The Chase Manhattan Corporation; Chairman and Chief Executive Officer (1983 - 1992; 1994 - 1999). Director of Exxon Mobil Corporation; Wyeth. Director since 1997 (Director of NYNEX Corporation 1983 - 1997); Chairperson of Human Resources Committee and member of Corporate Governance Committee. Age 70.

JOHN R. STAFFORD, Retired Chairman of the Board (1986 - 2002) and Chief Executive Officer (1986 - 2001), Wyeth. Director of Honeywell International Inc. Director since 1997 (Director of NYNEX Corporation 1989 - 1997); member of Audit and Finance Committee and Human Resources Committee. Age 68.

ROBERT D. STOREY, Retired Partner, Thompson Hine LLP. Director of The Procter & Gamble Company. Director since 2000 (Director of GTE Corporation 1985 - 2000); member of Public Policy Committee. Age 69.

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

ITEM 2 ON PROXY CARD

The Audit and Finance Committee of the Board of Directors considered the performance and qualifications of Ernst & Young LLP, certified public accountants, and has reappointed the independent registered public accounting firm to examine the financial statements of Verizon for the fiscal year 2006 and examine management's assertion regarding the effectiveness of internal controls.

Fees billed to the Company by Ernst & Young for services rendered during fiscal year 2005 and 2004 were as follows:

	<u>2005</u>	<u>2004</u>
Audit fees:	\$ 13.8 million	\$ 12.8 million
Audit-related fees:	\$ 4.2 million	\$ 5.3 million
Tax fees:	\$ 0.8 million	\$ 3.4 million
All other fees:	\$ 0.9 million	\$ 1.6 million

Audit fees include the financial statement audit, as well as the audit of the assertion by management of the effectiveness of the Company's internal controls required by the Sarbanes-Oxley Act of 2002. Audit-related fees primarily include regulatory audits and audits of subsidiaries. Tax fees primarily consist of federal, state, local and international tax planning and compliance. All other fees primarily consist of support services to certain Verizon expatriate employees and other advisory services. The Audit and Finance Committee considered, in consultation with management and the independent registered public accounting firm, whether the provision of these services is compatible with maintaining the independence of Ernst & Young.

The Audit and Finance Committee has established policies and procedures regarding pre-approval of all services provided by the independent registered public accounting firm. At the beginning of the fiscal year, the Committee pre-approves the engagement of the independent registered public accounting firm to provide audit services based on fee estimates. The Committee also pre-approves proposed audit-related services, tax services and other permissible services, based on specified project and service details, fee estimates, and aggregate fee limits for each service category. The Committee receives a report at each meeting on the status of services provided or to be provided by the independent registered public accounting firm and the related fees.

The affirmative vote of a majority of eligible shares present at the Annual Meeting, in person or by proxy, and voting on the matter is required to ratify the appointment of Ernst & Young. If this appointment is not ratified by the shareholders, the Audit and Finance Committee will reconsider its decision.

One or more representatives of Ernst & Young will be at the Annual Meeting. They will have an opportunity to make a statement and will be available to respond to appropriate questions.

The Board of Directors recommends a vote FOR ratification.

SHAREHOLDER PROPOSALS

ITEMS 3 9 ON PROXY CARD

Each shareholder has advised us that they will present their proposal at the Annual Meeting. Each shareholder proposal must receive the affirmative vote of a majority of eligible shares present at the Annual Meeting, in person or by proxy, and voting on the matter to be approved. The Board of Directors has concluded that it cannot support these proposals for the reasons given.

Item 3 on Proxy Card:

Mrs. Evelyn Y. Davis, Watergate Office Building, 2600 Virginia Avenue N.W., Suite 215, Washington, DC 20037, owner of 424 shares of the Company's common stock, proposes the following:

RESOLVED: That the stockholders of Verizon, assembled in Annual Meeting in person and by proxy, hereby request the Board of Directors to take the necessary steps to provide for cumulative voting in the election of directors, which means each stockholder shall be entitled to as many votes as shall equal the number of shares he or she owns multiplied by the number of directors to be elected, and he or she may cast all of such votes for a single candidate, or any two or more of them as he or she may see fit.

Reasons: Many states have mandatory cumulative voting, so do National Banks. In addition, many corporations have adopted cumulative voting. Last year, the owners of 699,074,580 shares, representing approximately 39.3% of shares voting, voted FOR this proposal.

If you **AGREE**, please mark your proxy FOR this resolution.

BOARD OF DIRECTORS POSITION

The Company, like most other major corporations, elects directors by providing that each share of common stock has one vote. The great majority of states do not have mandatory cumulative voting and the Revised Model Business Corporation Act recommends that state laws not mandate cumulative voting.

The Board of Directors opposes cumulative voting because it would permit special interest groups to leverage their voting power and elect one or more directors representing that group's particular interest. The Board is concerned that any director elected by a special interest constituency may have difficulty fulfilling his or her fiduciary duty of loyalty to the Company and all of its shareholders. The difficulty arises as a result of the inherent conflict between the Company and its shareholders' interests, on the one hand, and the interests of the director's constituency on the other. The Board of Directors believes that these potential conflicts might create factionalism and undermine the ability of Board members to work effectively for the best interests of all shareholders and not a selected few.

The Board of Directors firmly believes that the present system of electing directors best assures that the directors will represent the interests of all shareholders, and not just a particular group. This proposal has been rejected by the Company's shareholders at

each of its last four Annual Meetings.

For the foregoing reasons, the Board believes that the proposal is not in the best interests of the Company and its shareholders.

The Board of Directors recommends a vote AGAINST this proposal.

Item 4 on Proxy Card:

United Brotherhood of Carpenters Pension Fund, 101 Constitution Avenue, N.W., Washington, DC 20001, owner of 45,100 shares of the Company's common stock, proposes the following:

RESOLVED: That the shareholders of Verizon Communications Inc. (Company) hereby request that the Board of Directors initiate the appropriate process to amend the Company's governance documents (certificate of incorporation or bylaws) to