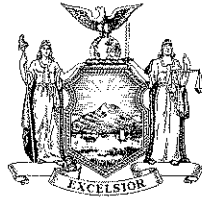


THOMAS P. DINAPOLI  
STATE COMPTROLLER



110 STATE STREET  
ALBANY, NEW YORK 12236

STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

April 21, 2016

Lowell McAdam  
Chairman and CEO  
Verizon Communications  
140 West Street  
New York, New York 10007

Dear Chairman McAdam:

I am writing to express my concerns regarding the recent and ongoing strike by the landline and business unit employees of Verizon Communications Inc. (Verizon). As New York State Comptroller, I am the administrative head of the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System and the Trustee of the New York State Common Retirement Fund (Fund), currently valued at approximately \$178.3 billion. The Fund is a long-term investor in Verizon; its portfolio currently includes 11,369,106 shares of Verizon stock with a market value of approximately \$593.2 million. As part of my fiduciary duty, I monitor issues that have the potential to negatively affect the value of the Fund's investments.

From what I understand, the contract between Verizon and its employees represented by the Communications Workers of America (CWA) and the International Brotherhood of Electrical Workers (IBEW) expired over eight months ago. After months of negotiations, the sides have failed to reach a new contract, and nearly 40,000 Verizon workers throughout the Northeast walked off the job on April 13<sup>th</sup> in a strike that is described as "shaping up to be one of the largest in the U.S. in recent years."

I am concerned that this impasse, coupled with the negative media attention that resulted in 2011 from tense contract negotiations between CWA and Verizon, may create a risk that Verizon will be perceived as "anti-labor." In fact, media coverage indicates that employees allege that Verizon bargained in bad faith, and further, has characterized Verizon's long-standing relationship with its employees as "rocky" and "stand[ing] in contrast to [the] peaceful [employee] relations" seen at Verizon's peer companies. A

Lowell McAdam

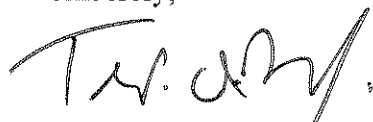
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protracted workforce strike of this magnitude would undoubtedly affect the morale and productivity of Verizon's employees. I am concerned that a disenfranchised workforce and the associated negative publicity may ultimately impact Verizon's profitability. Therefore, I urge you to take these considerations into account as discussions continue between the sides, so that a mutually beneficial outcome with both CWA and IBEW can be reached expeditiously, and potential damage to Verizon's stock price can be avoided.

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". The signature is fluid and cursive, with a prominent flourish at the end.

Thomas P. DiNapoli  
State Comptroller