

January 15, 2009

Mr. Russell G. Golden Technical Director Financial Accounting Standards Board 401 Merritt 7, PO Box 5116 Norwalk, CT 06856-5116



LETTER OF COMMENT NO. 59



File Reference: Proposed FSP FAS 107-a, Disclosures about Certain Financial Assets: An Amendment of FASB Statement No. 107 ("proposed FSP")

Dear Mr. Golden:

Verizon Communications appreciates the opportunity to comment on the proposed FSP.

Verizon is one of the world's leading providers of communications services and a registrant with the Securities and Exchange Commission classified as a large accelerated filer. Verizon's common stock trades on the New York Stock Exchange and its securities trade on other exchanges around the world.

Verizon supports the Board's efforts to enhance the disclosures for financial assets and further the convergence with IFRS. In this particular instance, however, we do not believe that the proposed disclosures result in a meaningful improvement to the quality of Verizon's financial information. In addition, we believe the timetable for the proposed change would be disruptive to the current reporting process and should be reconsidered.

We also believe that the proposed FSP should not apply to lease receivables consistent with FAS 107 and other existing pronouncements. It is not clear that this is the case.

If you would like, we would be pleased to discuss our comments in more detail with members of the Board or their staff.

Michael Morrell

Vice President Finance

1. Do you believe that requiring disclosure of different reporting measurement attributes (that is, as reported in the statement of financial position, at fair value, and at the incurred loss amount) for certain financial assets within the scope of this proposed FSP would (a) improve the quality of information provided to users of financial statements and (b) increase the comparability of financial statements under U.S. generally accepted accounting principles (GAAP) and IFRS? Why or why not?

The proposed disclosures may improve the comparability of disclosures under U.S. GAAP and IFRS. In Verizon's case, however, it isn't clear that the additional disclosures would provide users with information about Verizon that would be particularly useful.

Verizon's financial assets that are within the scope of the proposed FSP primarily comprise available-for-sale debt securities. Verizon's investment in these securities is ancillary to its core operations and, therefore, the risks and exposures associated with these securities seem to be adequately covered by existing disclosure requirements.

In its own assessment of performance, Verizon does not utilize the incurred loss model.

2. Do you agree that the proposed disclosures should not include financial assets measured at fair value in the statement of financial position with changes in fair value recognized through earnings? If not, would you propose including such financial assets within the scope of this proposed FSP? Should financial assets measured at the lower of cost or fair value (such as mortgage loans) be included within the scope of this proposed FSP? Why or why not?

Yes. The primary focus of the additional disclosures seems to be on information not currently included in the financial statements.

3. Do you believe that requiring disclosures of the pro forma income from continuing operations (before taxes) for financial assets within the scope of this proposed FSP as if those financial assets were carried (a) at fair value with changes in fair value recognized through earnings and (b) at the incurred loss amount with changes recognized through earnings would improve financial reporting? Why or why not? Should the disclosure requirements described in the preceding sentence also be required for net income and shareholders' equity? Why or why not?

No. If thought to be useful, this information could be independently calculated using other information in currently required or proposed disclosures.

4. Would including separate reconciliations of reported income from continuing operations (before taxes) to the proposed pro forma adjusted income from continuing operations (before taxes) under both a fair value basis and an incurred loss basis for financial assets within the scope of this proposed FSP be useful? Why or why not?

No, see our response to question 3.

5. Do you believe that the provisions of this proposed FSP should be effective for interim and annual reporting periods ending after December 15, 2008? Why or why not? Do you believe that the disclosures in this proposed FSP should be provided on a comparative basis for subsequent periods after initial application of the proposed FSP? Why or why not?

No. Implementation of the proposed requirements at this time would be very difficult, at best. Additional time to properly implement the requirements is necessary.

6. Are all of the disclosures in this proposed FSP operational based on the proposed effective date? Why or why not? Please be specific in your response.

No. The disclosures required in the proposed FSP would be extremely difficult for Verizon to properly include in its current year financial statements. It could be done but at a cost and effort that do not seem justified based on the usefulness of the disclosures.

If the FSP is adopted by the FASB, Verizon recommends that the disclosure requirements be changed to reporting periods beginning after December 15, 2008.