

One Verizon Way Basking Ridge, NJ 07920

September 16, 2010

Mr. Russell G. Golden Technical Director FASB 401 Merritt 7, PO Box 5116 Norwalk, CT 06856-5116

Re:

File Reference Number: 1840-100

Proposed Accounting Standards Update – Disclosure of Certain Loss Contingencies

Mr. Golden:

Verizon Communications Inc. (Verizon) appreciates the opportunity to comment on the Proposed Accounting Standards Update relating to the Disclosure of Certain Loss Contingencies ("proposed ASU"). Verizon, one of the world's leading providers of communications services, is a registrant with the SEC and is classified as a Large Accelerated Filer.

Verizon supports the FASB's effort to ensure that loss contingency disclosures provide adequate and timely information to investors and other users of financial reporting. In addition, we appreciate the Board's consideration of constituent feedback received in 2008 and at the March 2009 Roundtable Meeting. However, for the reasons described below, we believe the proposed ASU still raises significant concerns.

As part of our formal response to the Board, we have joined in comment letter submissions on behalf of more than 100 companies that discuss these concerns in greater detail. We submit the following individual response to emphasize those issues that apply specifically to Verizon and its experiences.

Proposed Disclosures of Accruals Are Prejudicial

We believe the proposed ASU's disclosure requirements related to accruals could expose a company's legal strategy and provide opposing parties with information that could be detrimental to both a company and its investors.

Verizon's litigation accruals reflect management's judgments, as substantially informed by the advice of counsel, that the probable, however no means certain, outcome of a matter will at least be equal to loss or payment of the accrued amount. We believe disclosing such an amount to an opposing party would be perceived as an acknowledgment of liability and would in turn become the starting point for settlement negotiations. Moreover, the accrued amount would be the object of pointed discovery requests to obtain the damaging admissions and legal advice that support it. In addition, plaintiffs' counsel could be

expected to actively seek to introduce the amount into evidence at trial as an admission of wrong-doing. Finally, we believe the mere fact that an accrual exists in a given case or area would create an incentive for more litigation.

Verizon appreciates that the Board has acknowledged the potential prejudice from accrual disclosures by allowing for aggregation of such amounts in the proposed Tabular Reconciliation Requirement. However, we believe such aggregation could still result in the disclosure of prejudicial information when a company only has one outstanding case in a particular class.

Therefore, for the reason described above, we believe an explicit exemption from disclosing information that is prejudicial is necessary.

Usefulness of Tabular Reconciliation Requirement

In addition to our concern noted above with respect to disclosure of prejudicial information, we believe the required disclosures may not be appropriately understood and meaningful in a tabular presentation. In our opinion, these estimates are very different from other accounting estimates such as the allowance for doubtful accounts and associated roll forwards that are presented in a tabular format. Moreover, with respect to the required accrual aggregations, we believe such classifications could be misleading. Further, they could lead to inconsistencies in financial reporting among preparers because these aggregations will be based on management's assessment.

Based on the concerns noted above, in our opinion the tabular reconciliation requirement should be eliminated.

Disclosure of Remote Loss Contingencies

We do not support the proposed requirement for an entity to disclose a claim amount for loss contingencies when the loss has only a remote likelihood of occurring. Verizon faces a high volume of frivolous litigation, often with no basis and excessive demands. For example, for more than a decade, Verizon has had two litigants who threaten multi-billion and sometimes trillion dollar claims against us. One litigant threatens several large companies in the same way as a matter of practice. If the disclosures related to such cases do not take into account the merit of each claim, the information provided could mislead users to a conclusion that a remote contingency represents a material risk to an investor. In addition, we believe such a requirement will encourage other litigants to make similar or even more extreme claims.

In light of the concerns noted above, we believe the requirement for disclosure of remote loss contingencies should be removed.

Inconsistencies with International Requirements

In general, we have concerns with the issuance of new U.S. guidance that is not consistent with international requirements. We believe issuance of the proposed ASU would only serve to further delay the convergence process and pass additional costs along to companies which would be required to adopt the FASB standard initially and eventually adopt the IASB standard a few years later. Consequently, we believe such dual adoption is inefficient and unnecessary.

In addition, we believe requiring U.S. public companies to meet a more stringent disclosure requirement for loss contingencies could put the U.S. capital markets at a disadvantage.

Finally, in 2008, the SEC Advisory Committee provided recommendations to the SEC Chairman to improve the usefulness of financial reporting for investors. The committee focused on areas of complexity which impede the effective communication between a company and its financial statement users, one of which was identified as the delivery of information. In light of the concerns noted above, we believe the proposed ASU does not take into account the committee's recommendations to provide more clear and relevant accounting disclosures for financial statement users.

Proposed Effective Date

If the proposed ASU were to be adopted in its current form, we believe the proposed implementation timeline and transition requirements are too aggressive and do not contemplate the extent of changes that we would need to make to the company's internal controls over financial reporting. In our opinion, a significant amount of time would be needed to allow for changes to our existing processes and controls in order to comply with the proposed ASU. Accordingly, we believe we would need at least twelve months to appropriately implement the new guidance.

Thank you for the opportunity to comment. We would be pleased to discuss our comments in more detail with members of the Task Force or Staff.

Regards,

Robert L/Barish

Senior Vice President and Controller