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April 4, 2013

Ms. Susan M. Cospers  
Technical Director  
Financial Accounting Standards Board  
401 Merritt 7, PO Box 5116  
Norwalk CT, 06856-5116

File Reference No. EITF13-C

Dear Ms. Cospers:

Verizon Communications Inc. (Verizon) appreciates the opportunity to comment on the proposed Accounting Standards Update, *Income Taxes*. Verizon is one of the world's leading providers of communication services and is a registrant with the SEC.

We believe the intent of the current guidance in ASC 740 is for entities to present unrecognized tax benefits as liabilities because they represent future obligations to taxing authorities. The form of settlement, whether in cash or a reduction of net operating loss carryforwards, should not alone impact the financial statement presentation of such obligations.

Entities should be given a policy election to present their unrecognized tax benefits on a gross or net basis. In some cases, the cost of tracking utilization of net operating losses against unrecognized tax benefits by year, by jurisdiction and by entity, may exceed any potential benefit of the proposed presentation to financial statement users. Also, the cost of retrospective adoption may exceed the potential benefit to users of financial statements.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael W. Morrell".

Michael W. Morrell  
Vice President – Finance