

Shareholders Press Verizon Board on Net Neutrality Stance

New Proposal Submitted for Vote at Company's 2015 Annual Meeting

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NEW YORK - Investors in [Verizon Communications Inc. \(NYSE:VZ\)](#) are once again pressing the company's board of directors to report on the business risks arising from the company's opposition to open Internet and network neutrality principles.

A shareholder proposal which last year won 26.4% of the shareholder vote – representing \$30.6 billion of Verizon shares – has been resubmitted for consideration at Verizon's 2015 annual meeting.

The [proposal](#) comes as the Federal Communications Commission is reportedly preparing to propose [new open Internet and network neutrality rules](#) at its next public meeting on February 26. Verizon has mounted a multi-year legal effort to [block prior FCC open Internet rules](#) and has publicly indicated that it [might take legal action](#) to block new rules.

Net neutrality is the principle that all Internet traffic should be treated equally and that Internet providers cannot block, speed up or slow down content for any reason.

The shareholder proposal, by the [Nathan Cummings Foundation](#) and [Trillium Asset Management LLC](#), notes that more than 3.7 million comments regarding network neutrality were filed with the FCC in 2014, with the vast majority expressing support for net neutrality and concerns about "paid prioritization" for some Internet content. In November of 2014, President Obama urged the FCC to ban paid prioritization and reclassify broadband Internet under Title II of the Telecommunications Act.

The shareholder proposal argues that "open Internet policies help drive the economy, encourage innovation and reward investors. Network neutrality principles may help Verizon financially by bringing new products to its platform, attracting customers and creating opportunities to share revenue with developers." At the same time, the proposal says, "there may also be reputational and commercial risk in not providing customers with evidence of open Internet policies that apply to wireless communications and preclude business models based on paid prioritization."

Laura Campos, director of shareholder activities at the Nathan Cummings Foundation, said: "Shareholders have supported calls for better information on Verizon's approach to network neutrality in growing numbers over the last few years. It's increasingly evident that this issue can have significant implications for Verizon's business and, ultimately, shareholder value. As investors, we want to be sure Verizon is poised to effectively address this significant policy challenge, especially given its history of vigorous opposition to proposed network neutrality rules."

Jonas Kron, Senior Vice President at Trillium Asset Management, said: "We want CEO Lowell McAdam and Lead Director M. Frances Keeth to know that a large group of Verizon investors see net neutrality as being in their interests, a positive for the US economy, and good for the company. Mutual fund shareholders and pension fund beneficiaries can take this opportunity to speak up in support of net neutrality."

The shareholder proposal notes that Verizon's stated position regarding network neutrality "has been inconsistent and contradictory," with claims made by Verizon lawyers in its legal case against the FCC

seemingly at odds with other public company statements. “As investors,” the proposal states, “we are confused by this ambiguity and troubled by the potential negative impact that paid prioritization could have on innovative technology start-ups, which drive so much economic growth.”

Michael Connor, Executive Director of [Open MIC](#), a non-profit organization which works with companies and shareholders on open media issues, said: “As Verizon contemplates how it will respond to the anticipated new FCC rules, it’s critical that the company understand the powerful business arguments in support of net neutrality. This proposal is an opportunity for institutional investors and individual shareholders to be heard.”

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