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August 8, 2008

The Honorable John D. Dingell
U. S. House of Representatives
Chairman
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Joe L. Barton
U. S. House of Representatives
Ranking Member
Committee on Energy and Commerce
2322A Rayburn House Office Building
Washington, DC 20515

The Honorable Edward J. Markey
U. S. House of Representatives
Chairman
Subcommittee on Telecommunications and the Internet
2108 Rayburn House Office Building
Washington, DC 20515

The Honorable Cliff Stearns
U. S. House of Representatives
Ranking Member
Subcommittee on Telecommunications and the Internet
2370 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Dingell, Ranking Member Barton, Chairman Markey and Ranking Member Stearns:

On behalf of Verizon's CEO, Ivan Seidenberg, I'm responding to your August 1, 2008 letter. Verizon appreciates the opportunity to describe our practices with respect to Internet advertising and to discuss our practices, policies and views regarding the protection of consumer privacy online. We understand that the Committee has inquired about the tailored advertising practices of other wireline Internet access providers and online Internet content and service providers. As explained below, both with respect to our DSL and FiOS Internet access services and our own web sites, Verizon does not tailor online advertising based on information gathered from our customers' Internet searches, Internet surfing or general Internet usage, and it has never done so. Instead, all of Verizon's online advertising involves the types of approaches common throughout the Internet – such as the use of cookies or ad delivery servers to provide advertisements for users of Verizon's *own* web sites or the offering of natural and ad-supported search results to help consumers find the web sites that they are looking for when they try to access a "no such name" address.

Online advertising is a widely utilized and entirely legitimate business practice that often permits services to be provided to consumers at a lower price (or even free) than would otherwise be the case. Likewise, targeted advertising is also a long established practice – both online and in all other segments of the economy – and this targeting helps to provide consumers

with information that is relevant to them. With online advertising – as with respect to all other aspects of our services – protecting our customers' privacy is a key priority. We are committed to maintaining strong and meaningful privacy protections for consumers in an era of rapidly changing technological advances. Among other things, we are strong proponents of transparency, and we provide consumers with meaningful information about the kinds of information we do collect and use, as well as effective tools that allow them to control what information is used.

Verizon acknowledges that online advertising practices by all Internet players raise a complex and important set of concerns surrounding online privacy and the continued development of the Internet environment. We, at Verizon, have worked to craft – and communicate to our customers – responsible policies aimed at protecting online privacy. We also remain committed to the establishment of responsible, Internet-wide industry standards applicable to all entities that provide content or services to consumers via the Internet. These industry-wide standards will best serve the interests of consumers by ensuring adequate safeguards are in place to protect the privacy and security of information that is gathered, while encouraging continued innovation and the development and growth of the Internet and its service providers. We look forward to working with the Committee as it considers these important issues and as it seeks to ensure an appropriately balanced policy that protects consumers' legitimate privacy interests while taking a holistic approach that does not arbitrarily favor one group of competitors or type of technology over another.

Responses to Questions from the Committee:

1. Has your company at any time tailored, or facilitated the tailoring of, Internet advertising based on consumers' Internet search, surfing, or other use?

No. Verizon does not tailor, and has not tailored, online advertising based on information gathered from our customers' Internet searches, Internet surfing or general Internet usage. Nor does Verizon collect or store any such information – or any personally identifiable information – about our customers' online activities for advertising purposes. So, for example, Verizon has not engaged in the types of tailored Internet advertising based on consumers' searches, surfing or other web use that reportedly have been used by other companies.

While Verizon does not engage in tailored advertising of the kind that has recently received the Committee's attention, and in which other search and Internet companies may engage, we do use – with respect to our *own* web sites and services – approaches similar to those of many (if not all) other commercial providers of online content, e-commerce and other Internet services, such as the use of cookies and ad delivery servers. We also offer an ad-supported service – DNS Assist – that provides our users with a search results page that helps them find the web sites that they are looking for when they try to access a "no such name" address. These practices, which are not new or unique to any customer, improve consumers' interaction with our web sites and services and increase the relevance of the advertising displayed to our customers or to visitors of our sites.

2. Please describe the nature and extent of any such practice and if such practice had any limitations with respect to health, financial, or other sensitive personal data, and how such limitations were developed and implemented.

As noted above, Verizon does not tailor, and has not tailored, online advertising based on information gathered from our customers' Internet searches, Internet surfing or general Internet usage.

3. In what communities, if any, has your company engaged in such practice, how were those communities chosen, and during what time periods was such practice used in each? If such practice was effectively implemented nationwide, please say so.

As noted above, Verizon does not tailor, and has not tailored, online advertising based on information gathered from our customers' Internet searches, Internet surfing or general Internet usage.

4. How many consumers have been subject to such practice in each affected community, or nationwide?

As noted above, Verizon does not tailor, and has not tailored, online advertising based on information gathered from our customers' Internet searches, Internet surfing or general Internet usage.

5. Has your company conducted a legal analysis of the applicability of consumer privacy laws to such practice? If so, please explain what that analysis concluded.

As noted above, Verizon does not tailor, and has not tailored, online advertising based on information gathered from our customers' Internet searches, Internet surfing or general Internet usage. We have conducted a legal analysis of the online advertising practices that we do use – again, practices commonly used by commercial providers of Internet content and services, such as the use of cookies – and have concluded that they comply with all applicable privacy laws.

6. How did your company notify consumers of such practice? Please provide a copy of the notification. If your company did not specifically or directly notify affected consumers, please explain why this was not done.

As noted above, Verizon does not tailor, and has not tailored, online advertising based on information gathered from our customers' Internet searches, Internet surfing or general Internet usage.

7. Please explain whether your company asked consumers to "opt in" to the use of such practice or allowed consumers who objected to "opt out." If your company allowed consumers who objected to opt out, how did it notify consumers of their opportunity to opt

out? If your company did not specifically or directly notify affected consumers of the opportunity to opt out, please explain why this was not done.

As noted above, Verizon does not tailor, and has not tailored, online advertising based on information gathered from our customers' Internet searches, Internet surfing or general Internet usage.

8. How many consumers opted out of being subject to such practice?

As noted above, Verizon does note tailor, and has not tailored, online advertising based on information gathered from our customers' Internet searches, Internet surfing or general Internet usage.

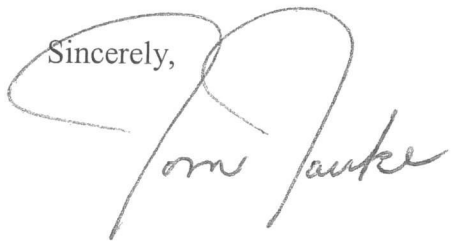
9. Did your company conduct a legal analysis of the adequacy of any opt-out notice and mechanism employed to allow consumers to effectuate this choice? If so, please explain what that analysis concluded.

As noted above, Verizon does not tailor, and has not tailored, online advertising based on information gathered from our customers' Internet searches, Internet surfing or general Internet usage.

10. What is the status of consumer data collected as a result of such practice? Has it been destroyed or is it routinely destroyed?

As noted above, Verizon does not tailor, and has not tailored, online advertising based on information gathered from our customers' Internet searches, Internet surfing or general Internet usage.

11. Is it possible for your company to correlate data regarding consumer Internet use across a variety of services or applications you offer to tailor Internet advertising? Do you do so? If not, please indicate what steps you take to make sure such correlation does not happen. If you do engage in such correlation, please provide answers to all the preceding questions with reference to such correlation. If your previous answers already do so, it is sufficient to simply cross-reference those answers.

No. Verizon does not correlate data of individual users to particular behaviors based on Internet usage across a range of services or applications, nor does it have the technical ability to do so.

Sincerely,