Calculating the Tax Basis for Verizon Communications Inc. Common Stock and Idearc Inc. Common Stock Following the Spin-off

Shareholders of Verizon Communications Inc. ("Verizon") who received shares of Idearc Inc. ("Idearc") in the spin-off are required to allocate their aggregate tax basis in their Verizon shares between the Verizon shares and the Idearc shares that they received in the spin-off in proportion to the relative fair market values of their Verizon and Idearc shares (including any cash received in lieu of fractional shares of Idearc). The distribution ratio in the spin-off was one share of Idearc for every twenty shares of Verizon.

U.S. federal income tax law does not specifically provide a method for determining the fair market values of the Verizon and Idearc shares. There are several potential methods for determining the fair market values of the Verizon and Idearc shares, including:

1. the opening trading prices of Verizon and Idearc on the first regular trading day of the Idearc shares ($34.82 and $26.50, respectively, on November 20, 2006);

2. the average of the high and low trading prices of the Verizon and Idearc shares on the first regular trading day of the Idearc shares ($34.90 and $27.57, respectively, on November 20, 2006); and

3. the closing trading prices of Verizon and Idearc on the first regular trading day of the Idearc shares ($34.67 and $28.20, respectively, on November 20, 2006).

There may be other methods to determine the fair market values of shares of Verizon and Idearc for purposes of allocating tax basis following the spin-off.

Verizon is providing an example below of how to allocate a shareholder's aggregate tax basis in Verizon common stock between his or her shares of Verizon and Idearc. This example is provided solely for illustrative purposes and as a convenience because shareholders and their tax advisors may find it useful when establishing their specific tax positions. Please remember that Verizon does not provide its shareholders with tax advice, and this notice is not intended to provide tax advice. Verizon encourages its shareholders to consult with their own tax advisors with their specific questions pertaining to their own tax positions including the application of the tax basis allocation rules to different blocks of Verizon shares acquired at different times and/or at different prices.

<u>EXAMPLE</u>

The following example is based on the first of the three alternatives above. It assumes that a Verizon shareholder owned 100 shares of Verizon that had all been acquired at the same time and for the same price of $30.00 per share, for an aggregate tax basis of $3,000.00 This shareholder received five shares of Idearc in the spin-off. Based on the calculations below using the first of the three alternatives above, the shareholder would allocate $2,890.02 of the original $3,000.00 aggregate tax basis to Verizon shares and $109.98 of the original $3,000.00 aggregate tax basis to Idearc shares.

	Verizon	Idearc
Opening price on November 20	$34.82	$26.50
1/20th of Idearc opening price		$1.325
Opening price of Verizon plus 1/20th of Idearc opening price (A)	$36.145	
Divide opening price of Verizon by (A) (i.e., $34.82 / $36.145)	96.334 %	
Divide 1/20th of Idearc opening price By (A) (i.e., $1.325 / $36.145)		3.666 %
Allocated tax basis ratios:	96.334 %	3.666 %
Verizon Tax Basis per share ($30.00 x 96.334 %)	$28.9002	
Idearc Tax Basis per share ($30.00 x 3.666 % x 20)		$21.996
New Tax Basis =		
Verizon: 100 shares x $28.9002	$2,890.02	
Idearc: 5 shares x $21.996		109.98
Combined Tax Basis	$3,000.00	