

ONE HUNDRED ELEVENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**  
COMMITTEE ON ENERGY AND COMMERCE  
2125 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-6115

Majority (202) 225-2927  
Minority (202) 225-3641

March 26, 2010

Mr. Ivan G. Seidenberg  
Chairman of the Board and Chief Executive Officer  
Verizon Communications Inc.  
140 West St.  
New York, NY 10007

Dear Mr. Seidenberg:

On March 23, 2010, President Obama signed health care reform into law. One of the top priorities of the House Energy and Commerce Committee will be to ensure that the law is implemented effectively and does not have unintended consequences.

After the President signed the health care reform bill into law, your company told its employees that provisions in the law could adversely affect your ability to provide health insurance. A Verizon executive vice president sent an e-mail to all Verizon employees stating that “we expect that Verizon’s costs will increase in the short term” as a result of health care reform.<sup>1</sup> Verizon also cautioned employees that “changes affecting the Part D subsidy will make it less valuable to employers, like Verizon, and as a result, may have significant implications for both retirees and employers.”<sup>2</sup>

The new law is designed to expand coverage and bring down costs, so your assertions are a matter of concern. They also appear to conflict with independent analyses. The Congressional Budget Office has reported that companies that insure more than 50 employees would see a decrease of up to 3% in average premium costs per person by 2016.<sup>3</sup> The Business Roundtable, an association of chief executive officers from leading U.S. companies, asserted in November

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<sup>1</sup> Verizon E-mail to Employees (March 24, 2010)(online at <http://corner.nationalreview.com/post/?q=YTk1OWNjNGNmYWJiOTIzY2E4YjYyYmJjOTJhMGQwZDg=>).

<sup>2</sup> *Id.*

<sup>3</sup> Letter from Douglas W. Elmendorf, Director, Congressional Budget Office, to Senator Evan Bayh (Nov. 20, 2009).

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2009 that health care reform could reduce predicted health insurance cost trends for businesses by more than \$3,000 per employee over the next ten years.<sup>4</sup>

The Subcommittee on Oversight and Investigations will hold a hearing on April 21, 2010 at 10:00 a.m. in Room 2123 of the Rayburn House Office Building to examine the impact of the new law on Verizon and other large employers. We request your personal testimony at this hearing.

To assist the Committee with its preparation for the hearing, we request that you provide the following documents from January 1, 2009, through the present: (1) any analyses related to the projected impact of health care reform on Verizon; and (2) any documents, including e-mail messages, sent to or prepared or reviewed by senior company officials related to the projected impact of health care reform on Verizon. We also request an explanation of the accounting methods used by Verizon since 2003 to estimate the financial impact on your company of the 28% subsidy for retiree drug coverage and its deductibility or nondeductibility, including the accounting methods used in preparing the cost impact released by Verizon this week.

We ask that you provide the requested information by April 9, 2010. For purposes of this request, the term "senior company officials" includes all company officials at the level of Vice President and above for the company or any subsidiary. Attachments to this letter provide additional information about responding to Committee document requests and testifying before the Committee.

If you have any questions regarding this request, please contact Meredith Fuchs with the Committee staff at (202) 226-2424.

Sincerely,



Henry A. Waxman  
Chairman



Bart Stupak  
Chairman  
Subcommittee on Oversight  
and Investigations

Attachment

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<sup>4</sup> Business Roundtable, *Health Care Reform: Creating a Sustainable Health Care Marketplace* (November 2009).

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cc: The Honorable Joe Barton  
Ranking Member

The Honorable Michael C. Burgess  
Ranking Member  
Subcommittee on Oversight and  
Investigations