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Putting Verizon CEO's pay through wringer

By **Aaron Elstein** March 28, 2010

With $108 billion in revenue and 230,000 employees, Verizon Communications has lots of assets. FiOS broadband service. A 91 million-customer wireless provider that it co-owns. Millions of land-line users, still.

But one asset that management probably would prefer to do without is its network of former employees, **the Association of BellTel Retirees, which has proved to be one of the noisiest—and most effective—shareholder advocacy groups around**. In 2007, the group persuaded other investors to vote in favor of a "say on pay" resolution, and now every year, shareholders get a nonbinding vote on whether they approve of the compensation granted to CEO Ivan Seidenberg**.**

Once again, the retirees are aiming at Mr. Seidenberg's pay, which was $17.5 million last year. The group is behind a resolution, to be voted on at the company's annual meeting in May, which says the board shouldn't make performance-based stock awards unless Verizon shares exceed the median performance of its peers on the Dow Jones industrial average or another benchmark selected by the board. Last year, Verizon's stock rose 4%, compared with the Dow's 19% increase.

"Large payouts for below-median performance does not adequately align pay with performance," says Bill Jones, the retiree group's president and a former managing director at Verizon predecessor Nynex.

Calling its performance targets "appropriate," Verizon says it opposes "arbitrary and subjective limitations" on compensation.

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