



Independent Accountant's Report On Internal Controls Over Compliance

To the Board of Directors of Verizon Communications Inc. and
Federal Communications Commission:

1. We have examined Verizon Communications Inc.'s (the "Company" or "Verizon") internal controls over compliance with (i) the conditions set forth in Appendix B and paragraphs 26 through 95 (the "Genuity Conditions") of the Federal Communications Commission's (the "FCC") Memorandum Opinion and Order in Common Carrier Docket No. 98-184¹ approving the Bell Atlantic/GTE Merger (the "Merger Order") for the period from January 1, 2002 through December 17, 2002² and (ii) the compliance plan set forth in FCC order adopting consent decree³ related to the Genuity Conditions audit (the "Remedial Measures")⁴ and management's assertion, included in the accompanying Report of Management on the Effectiveness of Controls over Compliance with the Genuity Conditions set forth in FCC Order Approving the Bell Atlantic/GTE Merger and on Compliance with Compliance Plan Remedial Measures Set Forth in FCC Order Adopting Consent Decree Related to the Genuity Conditions Audit (the "Report of Management"), that Verizon, maintained effective internal controls over its compliance with the Genuity Conditions for the period from January 1, 2002 through December 17, 2002 and the Remedial Measures. The management of Verizon is responsible for maintaining effective internal controls over compliance with the Genuity Conditions and the Remedial Measures. Our responsibility is to express an opinion based on our examination.
2. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included obtaining an understanding of the internal controls over compliance with the Genuity Conditions and the Remedial Measures, testing and evaluating the design and operating effectiveness of the internal controls, and performing such other procedures, as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.
3. Because of the inherent limitations in any internal control, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal controls over compliance with the Genuity Conditions and the Remedial Measures to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with the internal controls may deteriorate.
4. In our opinion, Verizon maintained, in all material respects, effective internal controls over compliance with the Genuity Conditions for the period from January 1, 2002 through December 17, 2002, and the Remedial Measures.

5. This report is intended solely for the information and use of the Board of Directors of Verizon and the FCC and is not intended to be and should not be used by anyone other than these specified parties. Since this report is a matter of public record, its distribution is not limited.

Mitchell & Titus, LLP

May 23, 2003

¹ *Application of GTE Corporation, Transferor, and Bell Atlantic Corporation, Transferee, for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License, CC Docket No. 98-184, Memorandum Opinion and Order, 15 FCC Rcd 14032, 14143 (2000).*

² *On July 24, 2002, Verizon converted all but one of its Genuity Class B shares into Class A capital stock and thus relinquished their right to convert its equity into a controlling interest in Genuity. On November 27, 2002, Verizon filed the Motion to Remove Conditions Relating to Verizon's Relationship With Genuity, Inc. CC Docket No. 98-184 ("Verizon Motion"). According to Verizon Motion, the predicate for the Genuity Conditions no longer exists as of July 24, 2003. Moreover, on December 23, 2002, Verizon informed the FCC that it had taken additional step of selling all of its Class A shares of Genuity. On March 26, 2003, The FCC released the Application for Consent of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License from GTE Corporation, Transferor to Bell Atlantic Corporation, Transferee, CC Docket No. 98-184, (the "Removal Order"). The Removal Order provides that the Genuity Conditions are removed as of December 18, 2002. Accordingly, the evaluation period for the all other Genuity Conditions is from January 1, 2002 through December 17, 2002.*

³ *FCC's Order in File No. EB-01-IH-0519 adopting a consent decree related to the Genuity Conditions audit for the 2000 audit period released on August 20, 2002. The purpose of the consent decree is to terminate an informal investigation of the FCC into Verizon's compliance with the Merger Order. Verizon agreed to implement the Compliance Plan, attached and incorporated by reference to the consent decree, to help ensure Verizon's future compliance with the Merger Order, including the Genuity Conditions.*

⁴ *The Remedial Measures, by their terms, expired (except for applicable provisions regarding data retention, as noted in the Compliance Plan of Verizon Communications Inc., included in the Consent Decree) when the underlying Genuity Conditions were removed. See Verizon Communications Inc., File No. EB-01-IH-0519, slip op. at 8 (FCC, Chief, Enforcement Bureau, rel. August 20, 2002).*

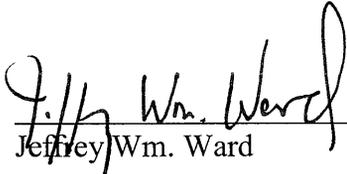
Report of Management on the Effectiveness of Controls over Compliance with the Genuity Conditions Set Forth in FCC Order Approving the Bell Atlantic/GTE Merger

Management of Verizon is responsible for establishing and maintaining effective internal controls over its compliance with the Federal Communications Commission's ("FCC's") Genuity Conditions set forth in the FCC's order approving the transfer of control of GTE to Bell Atlantic. *In re Application of GTE Corporation and Bell Atlantic Corporation for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of Submarine Cable Landing License*, CC Docket No. 98-184, Memorandum Opinion and Order (rel. June 16, 2000) ("Merger Order"). Management of Verizon is also responsible for establishing and maintaining effective internal controls over its compliance with compliance plan remedial measures set forth in the FCC's order adopting a consent decree related to the Genuity Conditions audit for the 2000 audit period ("Remedial Measures"). *In re Verizon Communications Inc.*, File No. EB-01-IH-0519, Order (FCC, Chief, Enforcement Bureau rel. Aug. 20, 2002) ("*Consent Decree*").

Verizon's internal controls have been designed to comply with the Genuity Conditions and the Remedial Measures. There are inherent limitations in any control, including the possibility of human error and the circumvention or overriding of the controls. Accordingly, even effective controls can provide only reasonable assurance with respect to the achievement of the objectives of controls. Further, because of changes in conditions, the effectiveness of controls may vary over time.

Verizon has determined that the objectives of the internal controls with respect to compliance with the Genuity Conditions and the Remedial Measures are to provide reasonable, but not absolute, assurance that compliance with the Genuity Conditions and the Remedial Measures has been achieved.

Verizon has assessed its internal controls over compliance with the Genuity Conditions and the Remedial Measures. Based on this assessment, the Company asserts, to the best of its knowledge and belief, that for the period January 1 through December 17, 2002 (the "Evaluation Period")¹ its internal controls over compliance with the Genuity Conditions and the Remedial Measures² were effective in providing reasonable assurance that Verizon has complied with the Genuity Conditions and the Remedial Measures in all material respects.³



Jeffrey Wm. Ward

Dated: May 23, 2003

¹ The Federal Communications Commission granted Verizon's request to remove Genuity Conditions, including the audit condition, effective December 18, 2002. *Application for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License from GTE Corp. to Bell Atlantic Corp.*, CC Docket 98-184, at 7 (FCC rel. March 26, 2003).

² The Remedial Measures, by their terms, expired when the underlying Genuity Conditions were removed. *See Consent Decree*, File No. EB-01-1H-0519, slip op. at 8.

³ Another independent auditor is separately auditing the accuracy and completeness of performance data for the service quality reports that are the subject of this Report of Management. Accordingly, this Report does not cover accuracy and completeness of such data.