VERIZON CEO SEIDENBERG CALLS FOR ECONOMIC GROWTH AND JOBS FORMATION

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Sound Bites from Mr. Seidenberg's Remarks

[Mr. Seidenberg spoke as both Chairman and CEO of Verizon and as Chairman of the Business Roundtable. Ed.]

Internet: Today, almost 2 billion people – about a quarter of the world's population – are connected to the Internet. Twice that many – 4 billion people – have mobile phones, which are themselves becoming smarter and more connected every day. On Verizon's networks alone, we carry more than 1.7 billion text messages, 50 million picture and video messages, 1 billion phone calls, 400 million e-mails, and the equivalent of 4 million full-length movies, all in a single day. Verizon invests some $17 billion a year to put ourselves in the center of this expanding marketplace.
Verizon: Broadband wireless and global IP are at the heart of American competitiveness. At Verizon we're excited about the future and we believe fervently that our industry can continue to play a big role in addressing the challenges we face as a country.
Business Roundtable's four pillars of economic growth: First, we need tax policies that promote capital formation. Second, we need to increase exports and improve our international competitiveness. Here, the rhetoric from policy makers has been right, but the actions need to be better aligned through an emphasis on trade agreements, corporate tax reform, and other initiatives to put us on a more competitive footing internationally. Third: We need infrastructure investment to create jobs and build the platform for 21st-century growth. The fourth area is education. Now here, we fully support the Administration's actions to shore up America's educational system, particularly in science, technology, engineering, and math. Fifth, we need to promote the innovation and entrepreneurialism that are the beating heart of the economy. While the government has a lot of innovation initiatives, we need better focus and coordination in this vital arena. We need a permanent tax credit for research and development, more effective protection for intellectual property, and sustained federal investment in basic research. Both government and private sectors have a critical role to play here.
BRT's fiscal position: The single most important step government could take to stabilize the financial markets and create an environment for growth would be to show a real commitment to fiscal discipline and recognition that sustainable growth will only occur when the private sector, not the government, is expanded.
Areas for action: We have so much untapped potential if we could come together around a pro-jobs economic strategy. So to do that, we need to focus on the inputs required to create investment in private sector jobs. We need a worldview that embraces engagement abroad to

support growth here at home. And most of all, we need accountable leaders in government as well as the business community who reject the false choices between job creation or deficit reduction, growth or sustainability, serving consumers or investors, managing for the short term or the long-term, being profitable or doing things right.

DAVID RUBENSTEIN: Welcome to our Club members and guests. I'm David Rubenstein, President of The Economic Club of Washington.

We're very pleased today to have Ivan Seidenberg, the Chairman of Verizon, as our special guest. Some of you may not realize quite how large Verizon is. In terms of market capitalization, it's a company with about an $83 billion market capitalization, which makes it about the 20th largest company in the United States; it has revenues of about $108 billion, which makes it in net scale about the 13th biggest company in the United States; and it's a company with about 217,000 employees and 94 million wireless customers.

The company was really built in many ways by our guest today, Ivan Seidenberg. Ivan started out in the Bronx, where he grew up. And after he graduated from high school, he went to work at New York Telephone as a cable splicer and worked his way up. He went to Vietnam, served his tour of duty, and came back. While he was back working at New York Telephone, he got his college degree at Lehman College-City College of New York University, and then got his MBA at Pace, while he was working. Ultimately he rose up to be the CEO of NYNEX.

In 1996, he orchestrated a merger, NYNEX and Bell Atlantic. He became the chief operating officer of the company, Bell Atlantic, and then in 1999 became the CEO of Bell Atlantic. He did a merger with GTE in 2000 and combined those companies into what is now known as Verizon. In 2005, he orchestrated the acquisition of MCI. Verizon is now the second largest telecommunications company in the United States, and the second largest telecommunications company in the United Sates.

In addition to those activities at Verizon, he's been very active in other areas. One of them is the Business Roundtable, where he's now the Chairman. The Business Roundtable is an organization of about 170 of the largest publicly traded companies in the United States. In addition to those activities, he's very involved in a number of philanthropic activities. He is married with two grown children, and two grandchildren. And he is married to his junior high school sweetheart, married now for 41 years to her.

So it's my pleasure to introduce Ivan Seidenberg. [Applause.]

IVAN SEIDENBERG: Thank you, David, for the very nice introduction. Good afternoon, everyone. It's a pleasure to be with you this afternoon.

As you all understand, The Economic Club of Washington stands at the intersection between policy and business, where my Business Roundtable colleagues and I spend a good deal of time these days. And based on your invitation list, I see you've had a number of business leaders here recently to give their prescriptions for putting the U.S. back on the path to growth. So in my remarks this afternoon, I will try to add to the same conversation.

But first, I would like to tell you a bit about Verizon and the enormously exciting industry that we're in. Before I start, though, I might be the only speaker who would encourage you to keep on your Blackberries and your cell phone while I talk. [Laughter.] It's very good for business. It's okay. Thank you.

Today, almost 2 billion people – about a quarter of the world's population – are connected to the Internet. Twice that many – 4 billion people – have mobile phones, which are themselves becoming smarter and more connected every day. On Verizon's networks alone, we carry more than 1.7 billion text messages, 50 million picture and video messages, 1 billion phone calls, 400 million e-mails, and the equivalent of 4 million full-length movies, all in a single day. Verizon invests some $17 billion a year to put ourselves in the center of this expanding marketplace.

We operate Internet backbone networks that serve as the digital trade routes for the global economy. We're reinventing our legacy backbone telephone networks around fiber technology capable of delivering 100-megabit capacity directly to customers' homes. In wireless, we operate 3G networks across the country. Later this year, we'll start to roll out our fourth-generation wireless network, which will increase data speeds by up to 10 times and initiate the era of the Internet of things. Soon, wireless will be embedded in everything we touch, infusing intelligence into all our systems, and presenting us with a whole new way to run a home or enterprise or even a country.

When it comes to innovation and communications, the U.S. has a clear, decided edge. The smart phone revolution is centered in the U.S. The creation of tens of thousands of wireless applications is a U.S. phenomenon. Our 4G LTE networks – fourth-generation networks – will leapfrog the world in wireless. Verizon alone has deployed more fiber-to-the-home than all the countries of Europe combined. And a new ecosystem of devices, applications, and operating systems is coming together around these platforms for innovation, spawning new businesses and driving our industry forward.

America's communications companies have made a big bet on this vision for the future, investing around $130 billion in 2009 alone. Last year, total investment in information and communications technology accounted for an astonishing 43% of all non-structural capital investment in the United States. And while private investment in general fell by almost 23% from 2006 to 2009, communications investment rose by almost 9% over the same period.

These investments are a major engine of our economy. Businesses report that every dollar invested in Internet technology creates $4 of value in return. Robert Crandall of Brookings says, "Broadband investment can produce more than half a million new jobs over the next five years while creating new demand for computer software, network equipment and applications." And on a global basis, one study estimates the annual economic benefits of the commercial Internet to be $1.5 trillion, more than the global sales of medicine, investment in renewable energy and government R&D investments all combined.

Broadband wireless and global IP are at the heart of American competitiveness. At Verizon we're excited about the future and we believe fervently that our industry can continue to play a big role in addressing the challenges we face as a country.

Now, it's important that we not throw sand in the gears of this critical growth engine. You may have seen that last week the FCC began a proceeding to establish a new regulatory regime for broadband that would impose old utility-style regulation on the Internet. We are very concerned that in attempting to address legitimate issues about access to the Internet, the FCC has proposed basically an unimaginative and overbearing set of rules that essentially tries to retrofit a new industry into an old framework, and expand their regulatory reach well beyond what is necessary.

As we said and as we've demonstrated, communications companies will continue to work with the Commission and the other players in the Internet space to protect customers and ensure an open and robust broadband environment. The FCC's current course of action will really do little to achieve those objectives, but rather, will cause uncertainty in the marketplace, create disincentives for investment, and make one of the true success stories of the American economy less competitive on the global stage.

Now, competitiveness is also on the minds of the 170 members of the Business Roundtable, which, as David said, I serve as Chair. Together, Business Roundtable companies generate more than $6 trillion in revenues and employ more than 12 million people. We account for 60% of all corporate taxes, 60% of all charitable contributions, and one-half of all private R&D spending in the U.S. Our market capitalization is one-third of the total value of the stock market, and we pay some $160 billion in dividends to individual investors, pension funds, and retirement accounts.

For every person employed by a BRT company, there are two more employed by the medium and small businesses that supply the goods and services that we need to keep our businesses running. So obviously, the companies of the Business Roundtable have a huge stake in the success of the American economy. We create jobs all along the food chain. We invent and manufacture and sell the things consumers need. And we have the technology expertise and capital capacity to play a huge role in contributing to our nation's economic growth.

It should be equally obvious that our collective resources are not being sufficiently engaged. The BRT has accepted our responsibility as partners in moving the country forward. My colleagues and I have worked closely with policy makers across the political spectrum on matters from healthcare to trade and tax policy to energy and climate change. But frankly, we have become somewhat troubled by a growing disconnect between Washington and the business community that is harming our ability to expand the economy and grow private-sector jobs in the U.S.

We see a host of laws, regulations, and other policies being enacted that impose a government prescription of how individual industries ought to be structured, rather than produce an environment in which the private sector can innovate, invest, and create jobs in this modern global economy. In our judgment, we have reached a point where the negative effects of these policies are simply too significant to ignore.

In the search for short-term revenue fixes, we're doing long-term damage to growth. By reaching into virtually every sector of economic life, government is injecting uncertainty into the marketplace and making it harder to raise capital and create new businesses. Meanwhile, without a sufficiently comprehensive focus on growth and jobs, our unemployment rate continues to hover close to 10%. The CBO says debt will rise to 90% of GDP in 10 years. And last month's job report showed the private sector creating only 41,000 jobs; a figure the Economic Policy Institute says is nothing closely resembling the job growth needed to dig us out of our very deep hole.

So from our perspective it's time to refocus public policy on creating the conditions that will drive private sector jobs. Recently, in response to a request from Dr. Peter Orszag of the OMB, the Business Roundtable and the Business Council polled our members about laws, rules, and regulations that are inhibiting growth. We summarized our concerns in an extensive report that we have already delivered to OMB. And I'm very much encouraged that the Administration in several places has already reached out to us to set up a process to review these recommendations and ideas and set these in motion for much further discussion in the future. This is very encouraging to us.

From the avalanche of examples included in our OMB submission, let me share just a few specifics in three categories: taxes, trade, and financial reform. One message we heard loud and clear from our members is that the current U.S. tax system is a major impediment to international competitiveness. Our corporate tax rate is the second-highest among 30 OECD nations. We're one of only five OECD countries to tax companies on worldwide income. Moreover, since 1990 every other OECD country has lowered its corporate tax rates, while the U.S. is going in somewhat the opposite direction.

Recently, the House passed a tax extender bill containing several provisions that raise taxes on multinational companies. We believe these actions would impair America's competitiveness and harm American workers. Multinational companies account for 63 million jobs, nearly half of U.S. exports, and most of the productivity gains in the U.S. economy– facts that need to be taken into account when making tax policy.

Sometimes, the problem isn't too much action, but too little. Dividend taxation is one example. Next year, unless the Congress takes action, the tax on dividends is scheduled to rise to that of ordinary income, with rates topping out at 39%. On its face, this may seem to be an easy revenue-raising idea. But at a time of extreme market volatility, do we really want to disadvantage stable, dividend-paying stocks and the retirement funds of millions of long-term dividend investors who depend on it?

Another area in which we fear good intentions will have unintended consequences is financial reform. Clearly, the government has an interest in ensuring a stable financial system, efficient capital markets, and ethical and transparent business practices. That's why the BRT completely supports the idea of financial reform. However, we believe some of the current proposals with respect to derivatives and proxy access go a step too far, imposing one-size-fits-all solutions on highly dynamic and diverse businesses. Instead of focusing on the inputs to a transparent and efficient financial system, the proposed reforms will increase risk and volatility at a time when just the reverse is required.

We also see a disconnect between objectives and actions in the area of international trade. The Administration has indicated its intent to double U.S. exports over the next 5 years. Recognizing that with 75% of the world's purchasing power and 87% of the growth coming from outside the U.S., an export-focused trade policy will grow jobs here at home. The Business Roundtable agrees wholeheartedly with this goal. But while the European Union is moving ahead and implementing free trade agreements, we have seen very little movement on pending agreements with Colombia, Panama, and South Korea, to name a few.

Nor have we made it a priority to seek more expansive trade negotiating authority to keep up with foreign competitors. We could also do more to make America a more attractive destination for foreign direct investment, which fell by nearly 60% from 2008 to 2009. Now, to be fair, much of that is due to the global recession. But the truth is, the U.S. share of global capital inflows has been declining for decades.

A new survey by Ernst & Young found that whereas 48% of global investors saw North America as a desirable location for investment in 2006, by 2010 this percentage had fallen to just 22%. The most attractive market was China, favored by 39%. To quote the Ernst & Young study, "We're competing for capital in a new multi-polar world in which investors can shop the globe for growth, talent, technology and productivity." We need to make sure that the U.S. isn't a flyover zone when it comes to international trade and investment.

These are just a few of the issues we have laid out in our response to Dr. Orszag's request. The full reports contains literally hundreds of separate actions and decisions that, taken together, create an increasingly hostile environment for investment and job creation here in this country. As I said before, it would be better to refocus public policy on creating private sector jobs. In general, among BRT CEOs there is remarkable consensus around a few fundamental pillars to achieve this growth.

So first, we need tax policies that promote capital formation. As Fred Smith, CEO of FedEx, noted recently in a *Wall Street Journal* article, "The correlation between domestic job growth and business investment is very strong." He calls for an extension of accelerated depreciation tax provisions as a way to give an immediate boost to the economy. According to the Institute for Policy Innovation, every $1 of tax cuts devoted to accelerated depreciation generates about $9 of growth in GDP.

Second, we need to increase exports and improve our international competitiveness. Here, the rhetoric from policy makers has been right, but the actions need to be better aligned through an emphasis on trade agreements, corporate tax reform, and other initiatives to put us on a more competitive footing internationally.

Third, we need infrastructure investment to create jobs and build the platform for 21st-century growth. Jim Owens, the Chairman and CEO of Caterpillar, points out that since the 1970s, U.S. investment in infrastructure has grown at only half the rate of GDP growth. Roads and bridges are in disrepair and the power grid is inefficient. In particular, we need to upgrade our transportation and energy systems with communications and information technology to create smart grids that will radically improve efficiency and productivity. We've heard this story before. Some of this will take public investment, but most can be done by the private sector, if we don't impose so many rules and regulations that it becomes an uneconomic proposition.

The fourth area is education. Now here, we fully support the Administration's actions to shore up America's educational system, particularly in science, technology, engineering, and math. Verizon alone is directing more than $25 million this year from our charitable foundation to support education, working with partners like the National Academy Foundation, the New York Hall of Science, Jobs for America's Graduates, and the many educational partners in our online educational resource, ThinkFinity.org. This is also a top priority for the Business Roundtable, which is leading a businesswide initiative to increase the number of American students with college degrees in STEM fields.

The fifth area of BRT CEO focus is we need to promote the innovation and entrepreneurialism that are the beating heart of the economy. While the government has a lot of innovation initiatives, we need better focus and coordination in this vital arena. We need a permanent tax credit for research and development, more effective protection for intellectual property, and sustained federal investment in basic research. Both government and private sectors have a critical role to play here.

Now, government invented the Internet, mapped the human genome, developed GPS technology – extraordinary advances. But it took private industry to commercialize these discoveries, develop real businesses around them, and make them available to average Americans. There are many areas, from renewable energy to transportation to homeland security protections, where government and industry can and should be working together to develop the technologies that will create new industries and new jobs. To do that, though, we need a more favorable environment for investment and new business formation.

The BRT believes that these five areas – capital formation, exports, infrastructure, education, and innovation – are the necessary inputs for creating growth and private sector jobs. We also believe that, if we can focus on the big goal and stop trying to micromanage industries, we could make real progress in these areas immediately by taking some of the pragmatic targeted actions I just mentioned.

As further evidence of our commitment to being a good partner to the public sector, the Business Roundtable is forming an initiative around fiscal reform with the goal of providing constructive suggestions and input to government about deficit and entitlement reform. The single most important step government could take to stabilize the financial markets and create an environment for growth would be to show a real commitment to fiscal discipline and a recognition that sustainable growth will only occur when the private sector, not the government, is expanded.

Now, clearly we have a lot of work to do. The U.S. Department of Commerce estimates that each $1 billion of capital spending generates about 18,000 new jobs for U.S. workers. This means that if we could stimulate an additional $50 billion in capital spending, we could create nearly 1 million new jobs. That same $50 billion in capital would also accelerate productivity growth by one or two basis points a year. Over the past 10 years, U.S. productivity growth has averaged 2.8% a year. Raising that by a single basis point, to 2.9% a year, would raise real incomes for Americans by 1% over the next 10 years, injecting an additional $200 billion into the economy.

We have so much untapped potential if we could come together around a pro-jobs economic strategy. So to do that, we need to focus on the inputs required to create investment in private sector jobs. We need a worldview that embraces engagement abroad to support growth here at home. And most of all, we need accountable leaders in government as well as the business community who reject the false choices between job creation or deficit reduction, growth or sustainability, serving consumers or investors, managing for the short term or the long-term, being profitable or doing things right.

Real leadership isn't about making false choices. It's about finding solutions to real problems. Every one of us should find it unacceptable that so much capacity for growth is sitting on the sidelines. It's time for us all to raise our game and embrace the power of the private sector that will create real value and real growth for our country. If we work together to release the private sector's investment and innovative power, I have no doubt that America can accelerate its competitive footing and lead the world in the industries that will create jobs and raise living standards for many decades to come. Thank you very much. [Applause.]

QUESTIONS AND ANSWERS

MR. RUBENSTEIN: Thank you. I have a few questions. Presumably as the Chairman of the Business Roundtable, you have expressed these views to the President of the United States. What was his receptivity to those views?

MR. SEIDENBERG: I think, David, there's a couple of points to be made here. The first is the President, Secretary Geithner, Larry Summers, Valerie Jarrett, Peter Orszag – this has been one of the most accessible and engaged groups on all of these issues in many years. So I think we're getting a good audience.

I do believe, however, that Business Roundtable CEOs have hundreds of anecdotal information and stories about scaling back and not forming the capital and injecting the capital into growth that we need. And it's a result of the cumulative effects of all these policies. So we sent a note in. As you might expect, the White House and the various agencies would like a chance to review some of the things. What we're looking for, to be honest about it, is to get the ideas at 10,000 feet and get them aligned across the machinery in Washington.

Because what we see is, when you look at the Cabinet agencies and you look at the legislation coming out of the Hill, in our judgment they're not consistent with what we believe to be the agreement at a high level of what these policies need to do. I think this is a classic case of getting alignment throughout the system in Washington.

MR. RUBENSTEIN: Do you find more receptivity to your views and the Business Roundtable's views in the Administration or in Congress? Or neither? [Laughter.]

MR. SEIDENBERG: Well, I don't think I want to separate the two. I think when you call my company and we give you two different answers, you call me when you want to get it right. So I think we need to look at this from the Administration out. And right now, I think quite honestly we can get better aligned. I mean, the tax extender bill has quite pay-fors. It's got new taxes in it. The financial reform bill has got a lot of unnecessary things in it. Our industry has issues with the FCC. The food industry has labeling issues. I mean, I can go down the list.

We've sent a whole bunch of stuff in. And I think all the CEOs are saying is, let's take a stop, take a time out, and let's make sure we're creating incentives for investment; we're not trying to prescribe rules that may or may not have any benefit in them.

MR. RUBENSTEIN: There's no mandatory retirement at Verizon for chief executives. But when you do reach a certain age in a few years, would you consider going into government yourself? [Laughter.]

MR. SEIDENBERG: Why would I do that? [Laughter.] Well, the retirement age at Verizon is 93. [Laughter.] So I have another 30 years or so.

MR. RUBENSTEIN: Right. When you need to get your own telephone repaired, what do you do? [Laughter, applause.]

MR. SEIDENBERG: You know, it's really interesting. I have my people here. They know I do this. See, we have a rule at our company. Our executives have to call in like everybody else. That's the rule. Now, it gets screwed up, they usually escalate it. But I think – [laughter] – you know, I just had FiOS installed in my home. They showed on time. They did a good job. And of course, once they knew who it was, they showed up on time. [Laughter.] But I call the office like everybody else, and that's kind of our rule.

MR. RUBENSTEIN: People want to know, where did the name Verizon come from?

MR. SEIDENBERG:

There is a story to this. In 1999, when we were heading into the merger with GTE and Bell Atlantic very quickly, there was no name that you could put together between GTE and Bell Atlantic at the time. So we felt we needed a brand new name. And our goal was to be on David Letterman's Top 10 List, as was the issue when they did it.

But "Verizon" is a combination of two words: veritas – and we paid somebody to do this for us, you realize that – [laughter] – which represents truth and history and legacy. So it was the gravity of the past. And horizon, which is the future. So we put the two together and came out with Verizon; we got the patent lawyers to make sure that we had intellectual property rights, so we had domain exclusivity, and we had a name that we're very pleased with. And the best thing is we got two good colors, red and black, so the whole thing works. And you see us every day and we have one of the top brands in the world at this point. So that's the story of our name.

MR. RUBENSTEIN: When will Verizon provide service for the Apple iPhone? Or when will Verizon acquire AT&T so we can use the Apple phone that way? [Laughter, applause.]

MR. SEIDENBERG: Well, you could buy a little MiFi card that helps you actually improve the quality of service that you get on whatever device you might be using. So we do sell a device that lets you expand capacity.

But look, on the iPhone. It's a great device. Apple's done a great job. Obviously, AT&T's done a good job. I mean, that decision is really Apple's. I mean, we stand ready to do it, but that's an Apple decision.

MR. RUBENSTEIN: Which company represents a greater competitive threat to Verizon: AT&T, Comcast, or Google? And why?

MR. SEIDENBERG: I think they're all in the same boat. Remember, when you look at our company, we don't have one competitor that lines up with everything we do. We have multiple competitors that look at different parts of our business. So certainly all the companies you just mentioned are extremely formidable and great companies. But there's a longer list that that, by the way.

MR. RUBENSTEIN: What type of cell phone do you carry and use?

MR. SEIDENBERG: Where did you get these questions, David? [Laughter.] This is like appearing on MTV. The next question is what kind of skivvies do you wear? [Laughter.]

MR. RUBENSTEIN: That was the next question. [Laughter.]

MR. SEIDENBERG: So I carry a Droid and a Blackberry. I use them both because wherever I go I have to show off something, right? So I use both of them and I love them both.

MR. RUBENSTEIN: And what do you consider to be your biggest business failure and your biggest business success at Verizon?

MR. SEIDENBERG: That's easy, because every employee in our company believes this is my fault. My biggest failure is the stock price. I think we have a great business, great fundamentals, but we're having a hard time getting our investors to see it the way we see it.

Now, having said that, life is relative. So we're in the same boat as a lot of other companies, so it's not that we're being singled out. I would love to see our industry be perceived better by our investors. But investors are always right. So I think my biggest challenge is not to do anything silly, but to constantly be the primary spokesperson for the business on the issue of making sure that we get our business correct. I think the other question was –

MR. RUBENSTEIN: – your biggest failure and biggest success.

MR. SEIDENBERG: All right. Success. Okay. So I think that the way I would like to see that is, we believe as an institution that we have worked our way into your lives in such a fashion that we make a difference. So our biggest success is that we're here, we're always there, we provide you valuable services. So I think it's being relevant.

I've always worried that when you're in a large institution you never want to somehow get so entrapped up in – so wound up, so to speak, in your own businesses that you become less relevant to the world. I think Verizon, particularly here in Washington, you all may not be customers, but my guess is even if you're not our direct customers, you're using our networks. So my guess is we are a very relevant organization. And to me that's a big mark of success.

MR. RUBENSTEIN: You see the greatest growth in your company in the wireless area or in the wired area?

MR. SEIDENBERG: I think the wireless and wireline come together. So the biggest growth would be in broadband. When you go into the future, the separation of these networks will be less evident to people. So when you pick up your smart device or your smart phone, what you see on that will be on your TV, it might on your iPad, it might be on something else – or any other tablet device.

So I think the issue for us is broadband, and it will continue to permeate everything you do. And then of course, in the future, you'll have all sorts of wireless devices in your watch. You'll have it in your earrings, if you want. You'll have it in your medical devices. So I think wireless will become even more pervasive. So it's a broadband play.

MR. RUBENSTEIN: When will the cost of wireless better align with the rest of the globe in terms of pricing? And a second part to this question is, when will we be able to get NFL Sunday tickets through Verizon?

MR. SEIDENBERG: These are very technical questions. [Laughter.] So on the first question, the premise of the question is wrong. I think that in the U.S., average usage for a wireless customer for any of the carriers averages well over 800 minutes a month. In Europe, the average is less than 250. So we're comparing an apple and an orange. And the pricing here is lower than the pricing is in Europe.

So I think – I get that question a lot, if you don't mind – there's always this perception that somebody thinks the European system's ahead of us. That isn't the case. And I think the reason that people would say that is, it's true for the first 10 years of the wireless industry. You had to buy separate devices if you were on AT&T or Verizon or Sprint or T-Mobile's network, and that was always a consumer annoyance; whereas in Europe you could get a new little SIM card and you could move your devices from carrier to carrier.

But a lot of people don't realize that, if you actually live in Europe, you have to carry multiple phones, because the roaming rates are so high that the only way to avoid paying the roaming rates is to have multiple numbers. So let me just dispel the myth. The U.S. system is much better.

Now, we also are taking one last step in the U.S., which is good. This fourth-generation technology that we're all putting in will allow all devices to be manufactured to a common standard. So as we are going into 2011, 2012, you'll see all the carriers beginning to develop devices that will connect in a common way to business. So I think that's a good part.

MR. RUBENSTEIN: What attributes of yours would you consider to be the most responsible for your rise from a cable splicer to Chairman and CEO?

MR. SEIDENBERG: I have a very short memory. [Laughter.]

MR. RUBENSTEIN: Should I repeat the question, then? [Laughter.] No?

MR. SEIDENBERG: I think that answer applies to any question. [Laughter, cross talk.] Look, I don't know. Somebody else would have to answer that. I guess my own view is, I try to be flexible and always look ahead, don't look back, and not be weighed by what I said yesterday – or what you said yesterday.

MR. RUBENSTEIN: All right. The final question I'd like to ask you is right now, what do you consider the greatest single challenge that you have at Verizon, and what keeps you up at night in terms of worrying about the business?

MR. SEIDENBERG: Here's my view of that. Wherever I go, people always – like you did – go through 20 Questions and ask all these issues. But as a CEO and working for the company that I've worked for, for 45 years, there has never been less confidence about what's going to happen in 10 years. Never in my whole career did I worry that we didn't have a plan for the next 10 years.

I think we have a plan for the next 10 years. But the average guy in the street – our workers, your friends – everybody's trying to figure out how will America transform itself? What will the work be in the future? And how are we going to get from here to there?

So I've taken it upon myself in my remarks today and the activities of our company to help really focus the country around how to recreate work. It's not obvious where that comes from. I think in the past it almost was an entitlement. There was always another industry on the horizon for people to then focus on it and get work. Right now, everybody's just scared to death that some people will work, the world will work, but people aren't sure we'll work.

So I think as an American CEO – and I know John Castellani is here – every member of the BRT CEO group, we really want to hammer home this idea that we have to help fix this perception that America's future isn't quite as strong as it's always been. The way to get at that is to show people how we're going to put everybody to work.

MR. RUBENSTEIN: Thank you. [Applause.] We have an antique map of the District of Columbia that we'd like to present to Ivan Seidenberg on behalf of The Economic Club of Washington. Thank you very much.

MR. SEIDENBERG: Thank you, sir.

MR. RUBENSTEIN: Appreciate it. Thank you. [Applause.]

Ivan G. Seidenberg

Ivan Seidenberg is Chairman of the Board and Chief Executive Officer of Verizon Communications. Under Mr. Seidenberg's leadership, Verizon has become a premier network company, providing customers with the most advanced and innovative broadband experiences. Mr. Seidenberg was instrumental in forming Verizon through a number of mergers and acquisitions, including Bell Atlantic and NYNEX (1997), GTE (2000), and MCI (2006). He also helped create what is now Verizon Wireless in 1999 by bringing together the assets of Bell Atlantic Mobile, GTE Wireless, and the U.S. properties of Vodafone AirTouch.

Mr. Seidenberg has led Verizon since its inception, first as co-CEO in 2000, then as sole CEO since 2002 and Chairman of the Board since 2004. Verizon now operates an advanced global Internet backbone, a premier national wireless network and – with the company's deployment of its high-speed, fiber-optic FiOS technology - a next-generation broadband network. Verizon's leadership in network innovation has earned the company numerous citations and awards, including being named to the BusinessWeek 50, which represents the "best in class" from each sector of the S&P 500.

Prior to the creation of Verizon, Mr. Seidenberg was Chairman and CEO of Bell Atlantic and NYNEX. He began his communications career more than 40 years ago as a cable splicer's assistant and has held numerous operations and engineering assignments, including various leadership positions at NYNEX and Bell Atlantic.

Mr. Seidenberg has a long-standing commitment to education and has made Verizon a leader in finding innovative ways to use communications technology to improve educational and literacy performance in the U.S. He also champions diversity both within and outside the company, and under his leadership Verizon's commitment to diversity has been widely recognized.

In June 2009, Mr. Seidenberg was elected Chairman of the Business Roundtable, an association of chief executive officers of leading U.S. companies. Previously, he had chaired the Roundtable's Consumer Health and Retirement Initiative. Also in 2009, he became a member of the President's Council of the New York Academy of Sciences. In 2007, President George W. Bush named Mr. Seidenberg to the National Security Telecommunications Advisory Committee, which advises the President on communications issues related to national security, emergency preparedness, and the protection of critical infrastructure. Mr. Seidenberg also serves on the board of trustees of the New York-Presbyterian Hospital, The New York Hall of Science, Pace University, and the Paley Center for Media.

A New York City native, he earned a bachelor’s degree in mathematics from Lehman College, part of the City University of New York, and a master’s degree in business administration and marketing from Pace. He and his wife, Phyllis, have two adult children and reside in New York.