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March 6, 2007

Via Email

Office of Mergers & Acquisitions
Securities and Exchange Commission
Division of Corporation Finance
100 F Street, NE
Washington, DC 20549

Attention: Brian V. Breheny, Chief of the Office of Mergers & Acquisitions
Nicholas P. Panos, Special Counsel of the Office of Mergers & Acquisitions

Re: Juniper Networks, Inc. – Request for Exemptive Relief

Gentlemen:

Juniper Networks, Inc., a Delaware corporation (the "Company"), proposes to make an Offer to Amend the Exercise Price of Certain Options once it is current in its reporting obligations under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), pursuant to which the Company will give all eligible employees holding eligible options to purchase shares of Company common stock the right to amend certain outstanding options and to receive cash payments (the "Offer"). The Offer is being conducted to alleviate certain potential unintended personal tax consequences, including an additional 20% penalty tax, caused by Section 409A of the United States Internal Revenue Code of 1986, as amended (the "Code") and the loss of preferable tax treatment under the Canadian income tax rules, and has been structured in reliance upon the Division of Corporation Finance's Exemptive Order dated March 21, 2001 (the "Exemptive Order"), which provides relief from the requirements of Rule 13e-4(f)(8) (the "all holders" and "best price" rules) under the "Exchange Act". The expected specific details of the Offer, including its compliance with the terms of the Exemptive Order, are explained further below and will be more fully described in a Schedule TO to be filed with the Securities and Exchange Commission (the "Commission") prior to the commencement of the Offer.

Although the Company is not current in its financial reporting obligations as of the date of this request, the Offer will not be commenced until it is current. It is important to the Company that exemptive relief be granted as quickly as possible so that it can structure the Offer in compliance with the exemptive relief granted and be in a position to commence the Offer as soon as possible after it is current in its reporting obligations. Because of the potential onerous tax consequences of Section 409A, it is important to the Company to be able to offer its rank and file employees the relief that the Offer will afford them as soon as possible, and any delay in commencing the Offer could result in adverse financial consequences to employees.

On behalf of the Company, we hereby request that the Commission grant the Company exemptive relief from compliance with Rule 13e-4(f)(5) and Rule 14e-1(c) under the Exchange Act.

I. Factual Background

A. The Company

The Company is a Section 12(b) reporting company under the Exchange Act and as of February 5, 2007 had approximately 565.75 million shares of common stock outstanding. These shares are principally traded on the Nasdaq Global Market of the NASDAQ Stock Market LLC.

As of February 1, 2007, there were approximately 4,289,919 discount options subject to Section 409A, held by approximately 1,008 eligible employees. As of February 1, 2007, there were approximately 197,673 discount options held by approximately 35 eligible employees that are not subject to Section 409A but are subject to the loss of preferable tax treatment under the Canadian income tax rules. The Company expects that these options will all be subject to the Offer.

On May 22, 2006, Juniper issued a press release and Form 8-K announcing that Juniper had received a request for information relating to its stock option granting practices from the U.S. Attorney's Office for the Eastern District of New York. Subsequently, the matter has been transferred to the U.S. Attorney's Office for the Northern District of California. In the same press release and Form 8-K, Juniper announced that its Board of Directors (the "Board") had directed the Board's Audit Committee, comprised of outside directors, to conduct a review of the Company's stock option granting practices. On May 24, 2006, Juniper received a letter from the SEC indicating that the SEC was conducting an inquiry regarding the Company. The inquiries of the U.S. Attorney's Office and the SEC are ongoing and the Company is cooperating with those agencies.

As announced in a press release filed with a Form 8-K on December 20, 2006, the Company recently completed a seven-month review of its historical stock option granting practices. The investigation was conducted by Juniper Networks' Audit Committee, which was assisted by both independent counsel and forensic accountants. The investigation involved the review of more than 785,000 documents. The Company's Board has reviewed and adopted the Audit Committee's findings.

Based on the investigation, the Company reached a conclusion that the actual measurement dates, and therefore the new grant dates of record, for financial accounting purposes of numerous stock option grants issued in the past differ from the stated grant dates of such awards. The result of this is that the exercise prices of certain of these stock option grants is less than the fair market value of the underlying Company common stock on the date of grant. The Company currently anticipates that it will record

additional non-cash charges for stock-based compensation expense of approximately $900 million, 99.9 percent of which relate to options granted between June 9, 1999 and December 31, 2003.

As a result of the Audit Committee's independent investigation and the conclusion that the actual measurement dates for financial accounting purposes of certain stock option grants issued in the past differ from the recorded grant dates of such awards, the Company intends to restate its financial statements to record non-cash charges for compensation expense relating to past stock option grants. In accordance with the letter issued by Conrad Hewitt, Chief Accountant, dated September 19, 2006, the Company has reviewed its proposed financial accounting for its historical stock option practices with the SEC's Office of the Chief Accountant. The Company intends to file its restated financial statements with the SEC as contemplated by the "Sample Letter Sent in Response to Inquiries Related to Filing Restated Financial Statements for Errors in Accounting for Stock Option Grants" by Carol A. Stacey, Chief Accountant, Division of Corporation Finance. The Company is currently completing its preparation of, and its outside independent accounting firm is in the process of auditing, the Company's Form 10-K for the fiscal year ended December 31, 2006 (the "2006 10-K"). The Company currently anticipates that the 2006 10-K will be filed on or before March 15, 2007, together with its Forms 10-Q for the quarters ended June 30, 2006 and September 30, 2006.

B. The Offer

Background of the Offer

As described above, the Company has determined that certain options granted to its employees under certain Company stock option plans (the "Company Stock Plans") were issued with an exercise price less than the fair market value of the underlying Company common stock on the date of grant. As a result of Section 409A of the Code, the portion of options that was granted at a discount and vests after December 31, 2004 potentially will subject the optionees who are U.S. taxpayers to unfavorable tax consequences. Additionally, the portion of the option that was granted at a discount potentially will subject optionees who are Canadian taxpayers to non-preferred tax treatment in Canada. If the eligible options are amended to increase the exercise price to the fair market value of the underlying Company common stock on the date of grant, the potential unfavorable tax consequences will be eliminated. See IRS Notice 2005-1, Q&A 18(d) and Proposed Treasury Regulations §1.409A-1 through §1.409A-6 and accompanying preamble at 70 FR 57930.

The Offer will give all eligible employees holding eligible options the right to amend those options and to receive cash payments. Eligible employees will not be asked to waive any claims of liability

relating to any backdating issues relating to any stock options. An employee will be an "eligible employee" only if (1) she/he will be an employee of the Company on the last date on which the Offer remains open for acceptance, (2) is subject to taxation in the United States and/or Canada, and (3) as of the last date on which the Offer remains open for acceptance, the employee is not and has never been an officer or director of the Company as contemplated by Section 16 of the Exchange Act. An option to purchase Company common stock is eligible for the Offer (an "Eligible Option") only to the extent that each of the following conditions is met:

- the option was granted under a Company Stock Plan;
- the option had an original exercise price per share that was less than the fair market value per share of the Company common stock underlying the option on the option's grant date of record, as determined by the Company's internal and independent investigations, (that is, it was granted at a "discount" to the then-current fair market value of the underlying stock);
- if held by a U.S. taxpayer, the option was unvested as of December 31, 2004 (if only a portion of an option grant was unvested as of December 31, 2004, the unvested portion of the grant may be an Eligible Option); and
- the option is outstanding as of the last date on which the Offer remains open for acceptance.

Employees who participate in the Offer will receive the following consideration in exchange for any Eligible Option tendered in the Offer:

- The Eligible Option will be amended at the closing of the Offer to increase the exercise price per share to the fair market value of a share of the common stock of the Company on the option's grant date of record, as determined by the Company's internal and independent investigations, (the "New Exercise Price"). If only a portion of the option grant is an Eligible Option because only that portion vested or is scheduled to vest after December 31, 2004, then only that portion of the option grant is an Eligible Option and will be amended to increase the exercise price.
- In addition, the employee will receive a cash payment equal to the difference between the New Exercise Price and the original exercise price per share, multiplied by the number of unexercised shares of Company common stock subject to the Eligible Option that was amended.

For example, assume that an option was granted on January 15, 2004 to purchase 10,000 shares of Company common stock with an exercise price per share equal to $5.00 per share, with a 4 year vesting schedule. No shares subject to the option were vested on or before December 31, 2004. On the option's original measurement date, the fair market value of Company common stock was $5.50 per share. As of the offer expiration date, no portion of the option had expired or been exercised.

1. The option to purchase 10,000 shares will be amended to increase the exercise price to $5.50 per share.

2. A total cash payment of $5,000 ($5.50 minus $5.00 multiplied by 10,000), less applicable tax withholding, payable as specified below will be paid to the optionee.

If the employee elects to receive an amended option for an Eligible Option, the Eligible Option will be amended to increase its exercise price on the date that the Offer expires. Promptly following the expiration of the Offer, the employee will receive a document entitled "Amendment to Stock Option Agreements and Promise to Make Cash Payment" evidencing the amendment of the options the employee elected to tender. Each amended option will be subject to the terms and conditions of the Company Stock Plan under which the original option was granted and as amended in accordance with the Offer. Any amended option will continue to be subject to the same vesting schedule as the Eligible Option that was tendered.

In addition, the "Amendment to Stock Option Agreements and Promise to Make Cash Payment" will evidence the employee's right to receive a cash payment for the Eligible Options tendered for amendment. All cash payments made to non-U.S. taxpayers will be paid on or promptly following the closing of the Offer, regardless of whether the optionee ceases to be an employee of the Company after the expiration of the Offer but before the payment date, and all such payments will be subject to any applicable tax withholding. All cash payments made to U.S. taxpayers will be paid on the first payroll date in 2008, regardless of whether the optionee ceases to be an employee of the Company after the expiration of the Offer but before the payment date, and all such payments will be subject to any applicable tax withholding. The Company will increase the calculated amount of the cash payment by 5% to compensate the U.S. taxpayers for the delay in payment necessitated by Section 409A. The Company also is presently contemplating and reserves the right to add a tax gross-up on the amount of the cash payment calculated for payment to Canadian taxpayers. Any such gross-up would be implemented to make up for the loss of preferential tax treatment that such Canadian taxpayers would have been eligible for if the amount of the cash payment instead had been realized as gain upon exercise of the option, as

originally intended. As provided above, any such gross up related cash payment to non-U.S. taxpayers would be made on or promptly following the closing of the Offer. In addition, the Company believes that the gross up related cash payment to non-U.S. taxpayers complies with the Exemptive Order for the reasons set forth below under "Compliance with Exemptive Order."

With respect to U.S. taxpayers, the January 2008 payment date was selected in order to comply with the Section 409A prohibition against paying monetary compensation during the same calendar year that an option is amended to increase its exercise price.[1] To conduct the offer and pay monetary compensation not in compliance with Section 409A would eliminate the compensatory purpose of the offer because it would not solve the Section 409A problem. To conduct the offer and not pay monetary compensation would result in extremely unhappy employees because they will be unjustly denied the gain to which they would otherwise be entitled. Since virtually all holders of options issued by the Company were not involved in or aware of the incorrect pricing, it is particularly important to the Company to alleviate the economic disadvantage that the loss of the gain would cause. The cash payments, which are specifically contemplated and permitted by the guidance available under Section 409A, equal the amount of the lost gain plus an additional 5% nominal payment to compensate the optionees for the delayed payment required by Section 409A, thereby allowing the Company to preserve the compensatory purposes of the option grants and remediate the unfavorable tax consequences for the optionees.

Further, other alternatives that would allow the Section 409A issue to be eliminated would not be as efficient in meeting the Company's and stockholders' interests in the careful use of the available pool of shares for purposes of recruiting, retaining and motivating employees. For instance, available guidance under Section 409A allows optionees to eliminate the potential adverse tax consequences by electing to exercise only in a limited future period of time. Such a strict limit in the flexibility of an option would substantially reduce the benefit of the option to its holder, thereby reducing the option's retention and incentive value. In addition, this alternative only is available for options under which no shares have been purchased and so is of limited use. The Company also considered repurchasing the impacted options; however, having the options cancelled as a result of a repurchase would result in the loss of the retention and incentive value of the options and therefore would not preserve the Company and stockholder interests that are served by employee stock options. Finally, the available Section 409A guidance permits the lost gain to be paid in the form of stock that could not be vested until January 2008. Payment in shares could fail to adequately compensate employees for their lost gain if the Company's stock price does not have the appropriate value at the time of vesting. Further, this alternative would be dilutive to stockholders and would reduce the finite number of shares available and approved by stockholders for use in attracting,

[1] This is analogous to the six-month delay required under previous accounting rules to avoid adverse financial accounting consequences with respect to a stock option repricing.

retaining and motivating employees. Given that the Company's cash resources are sufficient to make the contemplated payments, the Company determined that the cash payments most closely preserved the compensatory purposes of the grants and the stockholders' interests in avoiding further dilution.

Compliance with Exemptive Order

We believe that this Offer complies with the Exemptive Order because:

1. The issuer will be eligible to use Form S-8, the options subject to the exchange offer were issued under an employee benefit plan as defined in Rule 405 under the Securities Act, and the securities offered in the exchange offer will be issued under such an employee benefit plan as defined in Rule 405;
2. As detailed in this letter, the exchange offer is conducted for compensatory purposes to ameliorate the unintended tax consequences of Section 409A of the Code.
3. The Offer documents will disclose the essential features and significance of the exchange offer, including risks that option holders should consider in deciding whether to accept the offer; and
4. Except as exempted in the Exemptive Order and as exempted by this exemptive relief letter, the issuer will comply with Rule 13e-4.

Compliance with Prompt Payment

We believe that the interests of security holders are protected and it is appropriate from a policy perspective to grant exemptive relief from the "prompt payment" requirements of Rules 13e-4(f)(5) and 14e-1(c) because of the structure of the offer consideration. The total consideration consists of a) amended options and b) cash payment. The options will be amended promptly after closing of the Offer. In addition, the participants will receive a documented contractual right to the cash payments promptly after the closing of the Offer. As discussed in greater detail below, each participant who accepts the Offer will promptly receive a writing setting forth both the terms of his or her amended options and detailing his or her contractual right to the cash payment. As discussed more extensively elsewhere in this request letter, the compensatory purpose of the offer cannot be achieved for U.S. taxpayers if payment is not delayed until at least January 2008. In our view, the fact that it is a term of the contractual right that a cash payment will be made in the future in order to comply with Section 409A of the Code should alleviate any concerns under Rules 13e-4(f)(5) and 14e-1(c). In this regard, we believe that the Offer is consistent with

the compensatory purpose of the Exemptive Order and is more favorable than the exchange offers discussed below in which existing options are exchanged for new options or for cash, in either case subject to vesting conditions. However, because the staff of the Division of Corporation Finance (the "Staff") has indicated that the future cash payment raises "prompt payment" concerns under Rules 13e-4(f)(5) and 14e-1(c), we are submitting this request for exemptive relief.

II. Discussion

The cash payment feature of the Offer could be seen to present a "prompt payment" issue arising from the fact that the cash payment to U.S. taxpayers contemplated by the Offer will not be received by the employees until January 2008. Because conducting the offer and paying monetary compensation not in compliance with Section 409A to U.S. taxpayers would eliminate the compensatory purpose of the offer because it would not solve the Section 409A problem, this should be sufficient to grant exemptive relief for prompt payment purposes.

Additionally, we believe this delay is more favorable than many other tender offers conducted for compensatory purposes, for which the Staff has consistently granted exemptive relief. See, e.g., Security Capital Assurance Ltd. (October 31, 2006) (the "Security Capital Letter"); Martha Stewart Living Omnimedia, Inc. (November 7, 2003) (the "Martha Stewart Letter"); Microsoft Corporation (October 15, 2003) (the "Microsoft Letter").

Each of the Security Capital Letter, the Martha Stewart Letter and the Microsoft Letter discuss a tender offer in which eligible employees who tendered certain options to the issuer were given an immediate contractual right to receive a cash payment in the future, so long as the employee remained continuously employed through such future date. In this case, the Company is not requiring that participants in the Offer continue to be employed through the future payment date. In fact, a participant in the Offer could terminate his or her employment a week after the Offer concludes and still would be entitled to receive his or her cash payment in January 2008.

- In the Security Capital Letter, it appears that the issuer contemplated that the cash payment could be made as late as over two years from the closing of the offer. (In the Security Capital offer eligible employees could exchange outstanding unvested shares and "out of the money" options for the right to receive a cash long term incentive award (determined using Black-Scholes), to be granted no later than March 15, 2009 so long as the employee remains with the company continuously through December 31, 2008);

- In the Martha Stewart Letter, it appears that the issuer contemplated that the cash payment would be made more than six months from the closing of the offer. (In the Martha Stewart offer employees could exchange eligible "out of the money" options for a contractual right to receive a special cash bonus on the first payroll date in July 2004, provided that the tendering employee was continuously employed until that date); and

- In the Microsoft Letter it appears that a portion of the consideration would not be paid for two to three years after the offer period expired. (The Microsoft program allowed employees to exchange all (but not less than all) of their eligible "out of the money options" for a cash payment, one-third of which was to be received on the earliest administratively feasible payroll date following a 15 business day Averaging Period, with the remainder to be received after the completion of a period of continued service expected to be 2 to 3 years.)

In the Offer, as in each of the situations discussed in these letters, the Company will document each employee's right to receive a future cash payment for the Eligible Options tendered for amendment promptly following the expiration of the Offer. The right to payment contemplated by the Offer is more favorable than those described in the Security Capital Letter, the Martha Stewart Letter and the Microsoft Letter and should lead to the conclusion that the Offer does not raise a prompt payment issue under Rules 13e-4(f)(5) and 14e-1(c).

Finally, the Offer will prominently disclose that receipt of the cash payment is not subject to continued employment through any future payment dates. As such, Company believes that the Offer's payment feature does not constitute a fraudulent, deceptive or manipulative act or practice, and hereby requests that the Offer, as currently structured, be granted any necessary exemptive relief from compliance with Rules 13e-4(f)(5) and 14e-1(c).

In the context of tender offers conducted primarily for compensatory purposes, the Staff has often granted relief from the requirements of Rule 13e-4 where requiring otherwise would defeat the valid business purpose for undertaking such tender offer. See, e.g., Martha Stewart Letter (purpose of offer was compensatory to "provide eligible employees the opportunity to benefit from their hard work despite the loss of stockholder value, and to provide an additional incentive to remain with the Company"); Microsoft Letter (purpose of offer was compensatory to "to enable Microsoft employees to realize some value for their 'out of the money' employee stock options" and to provide "incentives for continued employment by participants"); Lante Corporation (February 9, 2001) (the "Lante Corporation Letter"). The valid business purpose at issue in each of these tender offers was a compensatory purpose—providing employees with the ability to realize some value from a security that had lost its value and providing an incentive to remain with the issuer. In the Company's case, the primary purpose of the Offer is to provide eligible employees

the opportunity maintain the original compensatory purpose of their option by increasing their exercise price to avoid the unfavorable tax consequences of Section 409A and paying the lost discount. This is similar to the compensatory purposes in the Martha Stewart Letter and the Microsoft Letter, among others, in which the Staff has granted relief from the requirements of Rule 13e-4.

We believe that the future payment feature in the Offer is also similar to features of other tender offers conducted for compensatory purposes, for which the Staff has consistently granted exemptive relief. See, e.g., Look Smart, Ltd. (March 20, 2001); Digimarc Corporation (March 16, 2001); Amazon.com, Inc. (February 28, 2001); the Lante Corporation Letter (collectively, the "Option Repricing Offers"). In the Option Repricing Offers, as a result of a steep decline in the stock prices of the issuers conducting the option exchange offers, employees of these issuers owned outstanding options issued at prices significantly above the issuers' then current stock price. The issuers in the Option Repricing Offers conducted the option exchange offers to provide incentives to employees holding out-of-the money options to continue to work for the issuers in the future. Consistent with the issuers' compensatory objectives, the new options issued to employees were generally subject to revised and extended vesting schedules. In addition, in order to avoid triggering variable accounting for options tendered in these offers, delivery of new options was deferred until more than 180 days following the expiration of the offer.[2]

III. Conclusion

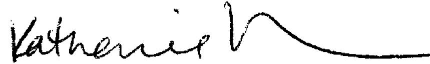
On the basis of the representations made above, we respectfully request that, in relation to the Offer, the Commission grant the Company exemptive relief from compliance with Rule 13e-4(f)(5) and Rule 14e-1(c).

[2] In a different context, in the Axel Springer AG Offer for ProSibenSat.1 AG Media (September 12, 2005), the Staff took a no-action position under Rule 14e-1(c) permitting payment for or return of the shares in the offer in accordance with German law and practice, subject to a condition that it receive regulatory clearances from the German Federal Cartel Office, the Austrian Cartel Court and the German media control authorities, which could have taken up to six months after the closing of the offer.

If you have any questions concerning the foregoing, or if you require any additional information, please do not hesitate to contact the undersigned at 650-493-9300.

Sincerely,

WILSON SONSINI GOODRICH & ROSATI
Professional Corporation



Katharine A. Martin

cc: Mitchell Gaynor, Juniper Networks, Inc.
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