BELLTEL RETIREE

The Official Newsletter for Retirees of NYNEX, Bell Atlantic, Verizon and Its Subsidiaries

Winter 2002-03 Volume 24

Some Retirees' Healthcare Premiums Soar

In the Fall 2002 BellTel Retiree newsletter, we reported that healthcare insurers were expected to boost their rates by 20 percent (Health Insurers Seek 20% Rate Increase in 2003). After receiving correspondence from some of our retirees, we found out that it was far worse than had anticipated.

From Cigna Healthcare in New Hampshire to Verizon Medicare Blue to Health-Net of the Northeast, Inc., rates really sky-rocketed - sometimes more than $2,000 per year!

The biggest reported monetary increase was from a New Jersey retiree who said his premium went from $1,509 to $3,986 - a $2,477 jump!

The biggest percentage increase involved a Pennsylvania retiree who saw his premium go from $0 last year to $2,254!

What makes matters worse is that retirees who did experience an increase received no explanation why their premiums jumped so much.

Try some of these increases on for size:

* A New Jersey retiree will go from paying $0 in 2002 to $2,252 in 2003.

* A retiree in New York saw his premium go from $300 to $1,146.

* A NYNEX retiree, who saw her rate raise from $175.44 to $1,021.

* A New Hampshire premium went from $606.72 to $1,328.

One retiree said that while his medical plan went up 52 percent, he also saw an 8½ percent increase in his dental plan. He also didn't get an explanation, and was beside himself when he got the news of the increases.

"The company continues its miserable treatment of retirees," he wrote. "They continue to erode the value of our pensions from two fronts. They refuse to grant any cost-of-living increases to our pensions, and shrink whatever amount we do get through medical costs."

C. William Jones, the executive director of the Association of BellTel Retirees, said that because it has happened with so many healthcare providers, retirees must keep their eyes open and carefully read their statements.

"For anyone who thought this wouldn't happen to them, it has," Jones said. "Initial projections on a national level were for a 20 percent increase, but we've seen it exceed even the most worst-case projections as it relates to retirees up and down the East Coast."

If healthcare costs have risen so much in just one year, what will happen two or three years from now? That's why, Jones said, the Association is continuing its vigilant crusade through its proxies and legislation.

"This is what the Association has been fighting for," he said. "Not only do we want to see rates stabilize, but we want the company to reinstate healthcare benefits that have been lost over the years, something retirees were promised during their working years."

PENSION FUND DILEMMA

There have been a number of recent news articles regarding the likelihood of major losses in corporate pension funds this year. It has been reported that some funds, including Verizon's, might even end up in "red ink."

It is our understanding that the problem relates primarily to two factors. First, there is no question that the stock market slump has a caused the value of pension plan holdings to be reduced. We saw that last year in the annual report, which showed that the "Fair Value of Plan Assets" dropped by about $7 billion or almost 13 percent in 2001. Even so, the pension plan was over-funded by $12 billion.

However, news articles quoting Merrill Lynch and others are suggesting that the larger problem is in the assumptions that are used in pension fund calculations. Those assumptions are used to calculate how much is needed to pay pensions in the future and how plan assets will grow in the future in order to pay those pensions. Analysts predict that these assumptions will need to be adjusted this year to reflect a more realistic view.

We have written twice to Doreen A. Toben, the new chief financial officer of Verizon, and asked for the assumptions that are being made for 2002. She has responded that the requested information is "made public after year-end in conjunction with our annual disclosures." She further stated that the company does not make interim calculations. We will continue to press Ms. Toben to produce appropriate information about OUR pension fund.

Unfortunately, this leaves us with unsubstantiated estimates and projections, albeit by experts in the field, but no concrete answers to our questions. Only time will tell.

Be assured that your pension is not in jeopardy. The worst that could happen is that the company may have to start making contributions to the fund - something that they have not had to, or elected to do, in the past 15 years.

We certainly will stay close to this issue and will inform you of new developments.

INSIDE

New Board Member Helps Association Expansion

There's a new face on the Board of Directors that's helping to extend the reach of the Association of BellTel Retirees.

Thomas Sisti, Director for Union Relations, is a current Verizon employee in New Jersey, and is trying to get other Verizon employees involved in the Association's causes.

Sisti also holds the position of secretary for the Pioneers' HEH Council and is an alternate delegate with his union, IBEW Local 827, which includes outside technicians for all of New Jersey, the clerical people who work with them, and a small part of Pennsylvania.

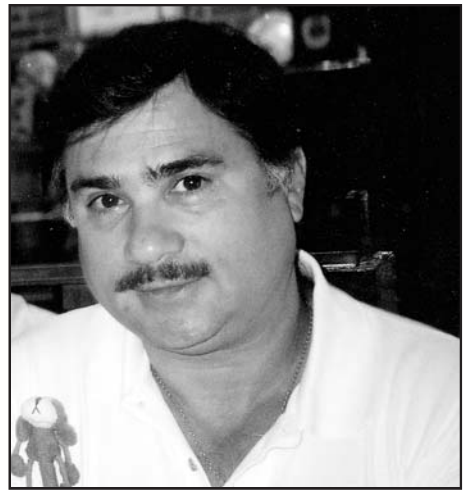
"I want the union members to know this organization (BellTel Retirees) is out there working for them," he said. "A lot of people don't know the Association exists."

Sisti already has his union supporting the Association's Congressional legislation, the Emergency Retiree Health Benefits Protection Act.

"The union thought that the bill was a good one to endorse," he said.

Whether it's talking to co-workers, penning letters and opinion editorials to local newspapers, or talking to the local president of his union, he's spreading the Association's message. He encourages everyone to get involved, no matter what their position is with the company.

"We're here for all retirees, whether you're management or union," he said.



Thomas Sisti
Director for Union Relations

When the Association was started, it was solely comprised of former management retirees from NYNEX. But through extensive efforts over the past few years, the Association has undergone a metamorphosis. Its current membership roster is composed of some 59 percent former management and 41 former union workers from the Bell Atlantic side of Verizon.

Sisti said he'll continue to work tirelessly to get the Association's message out, no matter what higher-ups at Verizon may say or think.

"I'm protected by the union, and there's not much they can do to me," he said, adding with a smile, "Besides, I like a good controversy."

The 47-year-old Sisti, who celebrated his 23rd anniversary at Verizon on Sept. 17, got interested in the phone company after dating a Bell employee in the late 1970's, and shortly thereafter began his career in directory assistance.

The bulk of his time at the company, from 1984 to 1995, was spent doing basic installation and repairs for businesses and residences. Sisti spliced new cables and terminals for five years before moving into his current position in the Special Services Wholesale Group.

He now is responsible for renting out the Verizon's High-Speed Data Lines to other companies and carriers. He also is involved in their repair and maintenance.

(Continued on page 4)

Retirees — Beware of Missing Pension $$!

By: Joel A. Kaplan

In recent months, we all have become aware of the numerous reports regarding the problems suffered by countless employees and retirees as a result of poor management decisions affecting their company or its pension plan. We are grateful for legislation like ERISA (Employee Retirement Income Security Act) that was designed to protect our pensions. We assume our pensions are safe, sound and accurate - no matter what - right? WRONG!

A recent study by the Labor Department's Inspector General discovered 22 percent of cash-balance pension plans were not providing employees with the all of their benefits.

The Inspector General examined 60 cash-balance plans and found that in 13 cases, participants were underpaid because of administrative errors. Although by law the present value of the retirement benefit at normal retirement must be calculated, in these cases they were not, which shortchanged the employees by a total of $17 million a year. Based on the findings, the study estimated that in the United States' 300 to 700 cash-balance plans, employees were underpaid by $85 million to $199 million per year.

Many things can go wrong when it comes time to calculate your pension dollars and the sad fact is that you may never know if you are being deprived of your hard-earned money. Unfortunately, most of us who receive a pension accept the calculated dollar amount as correct without checking the math. Errors can - and do - occur in calculating an individual's payout. Some of the more common mistakes include:

- Uncounted years of service: Service with one division was not counted toward the pension plan of another division or subsidiary.
- Uncounted income: Pension benefits should factor in all of your compensation, not just salary. Bonuses and overtime often fall through the cracks.
- Employee contributions: Contributions made to the plan were misstated.
- Wrong actuarial table: The wrong actuarial tables were used to determine benefits.
- Worked past age 65: Working past age 65 was not taken into account.
- Cost of living increases: Cost of living increases were not considered.
- Social security offset: Social security offset was overstated resulting in a smaller pension benefit.
- Low lump-sum distribution: Many people take a lump-sum distribution without checking its accuracy.
- Errors in the pension software program: Inherent errors existed in the pension software program used in the calculations.

If you have reason to believe your calculations are not accurate or if you merely want to check to see if they are correct, did you know that you can challenge the benefit even after you leave the company?

Pension litigation is conducted in federal court, but the applicable state statute of limitations - ranging from two to 15 years - determines the period of time in which a suit may be filed. Pension rules and regulations are very complex and if you do not feel competent to do the review yourself, you can have a benefits expert skilled in pension matters review the documents. The cost for these types of services can often be quite costly, sometimes $300 or more per hour. Some firms will also work based on a contingent fee of 20 percent of any additional money obtained and with no fee charged if there is no pension calculation error found.

If you find an error, notify the company in writing. Send your letter certified mail, return receipt requested, so you have proof of your query. If you do not get a response, send a follow-up letter and enclose a copy of your first one. If this doesn't work, consider hiring a lawyer or other pension expert.

The author, Joel Kaplan is a Director with the National Center for Retirement Benefits, Inc., 800-666-1000. NCRB recently uncovered an error in the GTE Pension Plan that resulted in 7,000 GTE plan members receiving an additional $18 million in total.

PLEASE NOTE: **The Association of BellTel Retirees, Inc. membership continues to grow and at a rapid pace. We're now over 80,000 strong. To be even more effective we need & seek additional members. You can help by telling other retirees about us & encourage them to join the Association. Have them complete the form on page 7 and return.**

Slight Social Security Increase

Social Security checks will increase by 1.4 percent in January, which will mean an extra $13 a month for most retirees. This is down from a 2.6 percent increase last year and 3.5 percent in 2001, and is the smallest increase since 1.3 in 1999.

The small increase is reflective of the slowdown of inflation because of a weak economy. The average monthly check for a retiree will go from $882 to $895 ($13 increase), while the average couple's check will go from $1,463 to $1,483 ($20).

The government ties its factoring into inflation, but clearly is not taking into account the true cost of living for retirees, which includes skyrocketing costs for healthcare, co-payments and prescription drugs.

Voice Your Displeasure to the CEO

By Ed Creegan

Most CWA and IBEW Verizon Retirees have been totally frustrated by Verizon's total lack of concern for them for the past 11 years. That's how long it has been for Verizon retirees in the old NYNEX portion of the company since the last COLA increase for retiree pensions. While the lengths of time since a COLA was granted may vary in other parts of Verizon, none of the increases have been satisfactory.

Correspondence has been transpiring between myself and Verizon President and Chief Executive Officer Ivan Seidenberg. Below are some excerpts from my most recent letter to Mr. Seidenberg.

"Dear Mr. Seidenberg,

I served on seven bargaining committees where we tried to reason with (the company) and its predecessors, and we struck almost every time.

Let me quote the final paragraph of your (Mr. Seidenberg's) letter to me:

'I believe the majority of Verizon's more than 200,000 retirees recognize and appreciate the generous and fair benefit package that Verizon provides them. I also think that they would agree with me that confrontation is not the preferred catalyst for change and that there are more constructive uses of our time, energy and resources.'

Mr. Seidenberg, "what you failed to say is that we had to fight and strike almost every contract to get it. We did not choose to do what you expect the retirees to do now: Sit around and be grateful that we have a pension and benefits while you in top management take very, very good care of yourselves, especially you and your fellow conspirator, Chuck Lee.

Did you conduct a thorough comparison of the industry when...you awarded him (Lee) $250,000 a month as a retiree consultant? What an outlandish joke."

I think, "It takes a special type of arrogance to tell us that while you froze retirees' pensions for the past 11 years - but skyrocketed your own wages and options - that we had better not threaten confrontation and instead should make more constructive use of our time. If the union had applied that reasoning while I was a local union officer, we would now have one of the worst benefit and wage packages in the industry. Everything we got from the company was won because of confrontation, especially since you took charge."

I believe it is important that Mr. Seidenberg hear from our retirees and their supporters that they are not satisfied with frozen pensions - going on 12 years and most likely years to come.

I also am asking that all local and retiree leaders of CWA, IBEW do everything possible to see that Mr. Seidenberg hears from as many retirees and their supporters expressing their disgust and dissatisfaction with the company's treatment of them.

Mr. Seidenberg can be reached by sending letters to the following address:

Ivan Mr. Seidenberg
President & CEO, Verizon
1095 Avenue of the Americas
New York, NY 10036
E-mail: ivan@verizon.com

Ed Creegan is the past President of Local 1106, and current President of Local 1106 Retirees and CWA District 1 Chairman - Retired Members Council.

New Board Member Helps Association

(Continued from page 2)

He plans to put in seven more years before retiring.

"Thirty (years) is the number you need for a full pension," he said.

One of Sisti's bigger challenges as a liaison, he notes, is that many of the people he works with at the company are young, and have quite some time before they begin thinking about retirement, that is, if they even stay on long-term at Verizon.

Sisti said that because things have been slow - as with other companies across the nation - some of the younger workers may be thinking about transferring into residential phone work or leaving Verizon completely.

How Sisti became involved with the Association was through New Jersey retiree leader Jack Sellen. Sisti said that when Sellen told him part of his job would be to contact local government officials and write to local newspapers, he knew the job was for him.

"I do as much reading as I can on politics and current events," he said.

With the Association's focus on aiding retirees - and soon-to-be retirees - through advocacy, Sisti's know-how and enthusiasm will surely be an asset.

If you wish to become more involved with the Association of BellTel Retirees, give us a call at (631) 367-3067.

Retirees Returning to Workplace

Years ago, when people started investing in 401(k) savings programs, it seemed like a sure way to provide for a happy retirement.

But few factored in a very important matter - the volatility and uncertainty of the stock market - and it has cost these retirees a lot of money.

Since the market took a downward turn more than two years ago, it is estimated that retiree portfolios have decreased by more than $678 billion, stated a recent study by the Institute for Social Research at the University of Michigan.

Of the nearly 20 million retired Americans who rely on investments to provide for part of their income, it is those who had higher incomes during their careers who are taking the biggest beating, said William Rodgers, an economics professor at the College of William and Mary in Williamsburg, Va.

These retirees, he estimated, have more than one-third of their assets tied up in the market and an additional one-fifth in pension plans - for a whopping 53 percent. Compare this to those who ranked in the bottom 20 percent of pay during their careers, who rely on Social Security for some 80 percent of their income.

The poor performances of their retirement plans are forcing some retirees back into the job market - an area where they face a significant disadvantage.

Once a retiree jumps back into the workplace, though, there are certain hurdles they have to clear. One of them is psychological factor of receiving a paycheck that is just a fraction of what they may have received at their former jobs.

Another obstacle is getting up to speed and keeping up with the technology. Many may have retired before computers came into the mainstream of the workplace, or, even though they may have been out of the work force for just a few years, they may have lagged behind technological advances.

Some returning retirees also may worry about not having the stamina to keep up with their younger counterparts.

According to industry experts, including Dennis A. Ahlburg, associate dean of the Carlson School of Management at the University of Minnesota, and Bill Coleman, senior vice president of salary.com, if you are one of the many retirees who are contemplating a return to the workplace, here are a few tips for securing that job you're looking for:

• When interviewing, don't say you're returning to work because of financial troubles. Say something more to the effect of that you were bored being retired and want to become an active part of the workplace.

• Accentuate your experiences and the attributes you can bring to a certain job.

• Highlight that you're flexible. Show an employer that you'd be willing to work on a project basis or even part-time, rather than younger workers who are looking for full-time, top-paying jobs.

• Highlight your maturity and years in the workforce.

• Keep your contacts open. Talk to former co-workers to find out what's out there, or who may be able to steer you in the right direction.

• If you feel uncomfortable with computers, take a course at a local college. It will provide a good foundation and may be able to settle your nerves about working with a computer.

WE STAND CORRECTED

In the Fall 2002 Edition of the BellTel Newsletter, we reported to you the names of the Congressional supporters and non-supporters of the pro-retiree Emergency Retiree Health Benefits Protection Act (HR1322). Inadvertently, we left one very important name out of the list of supporters.

Representative Robert Andrews (D - 1st District of New Jersey) has been a longtime supporter and was one of the original co-sponsors of the legislation following its introduction into Congress by Representative John Tierney (D - 6th District of Massachusetts). In fact, we first reported the support of Congressman Andrews in a cover story in our Fall 2000 issue.

A seven-term Congressman representing Burlington, Camden and Gloucester Counties, of New Jersey, Congressman Andrews has spent his entire 11-plus years in Congress on the all-important Education and the Workforce Committee. He is the Democratic leader and Ranking Member on the subcommittee on Employer-Employee relations, which has responsibility for the health insurance, pension and labor laws of the nation. He also serves on the Armed Services Committee.

Congressman, thank you for your support of Bell System retirees and all retirees throughout the United States.

Bell Executives Gluttonous Pay Habits

Saying that BellSouth, Qwest, Verizon and SBC Communications Inc. senior management compensation is "a primer in corporate greed," a watchdog organization called New Networks Institute has issued a study available to all retirees of the Association of BellTel Retirees detailing some of the excesses.

In the report, Bruce Kushnick, executive director of New Network, addresses the question, "When it comes to executive pay - how much is too much? Should phone customers pay higher rates and shareholders receive fewer dividends to support free personal air travel in corporate jets, lavish apartments in New York City, or golden parachute retirement funds worth millions? Is one to two billion dollars in stock options and other perks among the top Bell executives in the last three years too much?"

Other points discussed in the report:

• Since 1999, the top executives from the Bell companies received an estimated 54 million shares of stock options with an estimated value of between one and two billion dollars - almost 10 percent of all stock options.

• As a group, the top executive at each of the four companies made $160 million dollars in salaries and bonuses and received an additional 25.5 million shares of stock options, worth between an estimated $404 and $818 million in the last three years.

• Since 1999, Verizon CEO Ivan Seidenberg made $54 million in salary, bonuses and retirement funds and was awarded 2.6 million shares of stock options with an estimated value between $83 and $215 million. Seidenberg's base salary went up 25 percent over the last three years and his bonuses and "awards" were 1,045 percent above salary.

• Edward Whitacre, Jr., chairman and CEO of SBC, made $115 million in salary and stock options, which is 65 percent of all money paid to SBC's top executives in the last three years.

• Joseph Nacchio of Qwest made $36 million in salary in the last three years, with stock options valued from $238 to $603 million.

• Executives can get free personal use of aircraft, apartments, spending money for "club" memberships, and "golden parachutes" worth millions of dollars.

"The question becomes whether companies that still serve utility functions (who are required to serve the public at 'fair and reasonable' rates because of their monopoly status) should be held accountable to their customers and shareholders," Kushnick writes.

"Make no mistake about it, someone has to be paying these excessive salaries, stock options and perks, and these expenses are passed on to everyone who uses Bell local phone service or purchases stock in these companies," he adds.

Asking how Bell executives actually get away with these perks, the report quotes the 2002 Proxy filing of the Association of BellTel Retirees:

"Our Board's lack of independence is unusual among leading public companies. Among S&P 500 companies, 89 percent have a majority of independent directors, as defined by the Council of Institutional Investors. In contrast, at least eight of Verizon's 16 directors are non-independent. In addition to the two co-CEOs, six outside directors are viewed as non-independent due to board interlocks or because their own employer receives grants, fees, or business from the Company, or did in the recent past."

The report then calls Bell mergers "senior management perks." It notes that when Verizon was formed, the senior management greatly benefited. For example, Verizon's top six executives received "Implementation Executive Incentives," totaling $13 million for the group, while Verizon's CEOs Ivan Seidenberg and Charles Lee received "founder's grants" for a estimated value of $56 million dollars.

Answering the question of how much is too much, the report states that "while the Bell companies complain about their lower profits, it would seem prudent that senior management be held accountable, yet Verizon CEO Seidenberg received 25 percent salary increases over the last three years and bonuses of over 1,000 percent above salary."

Quoting the Association again, the report explains that according to the BellTel Retirees, many employees with 30 years of service have "not received a pension cost-of-living adjustment in over 10 years, allowing inflation to steadily erode the purchasing power of pensions earned over long careers."

To reach the New Networks Institute, contact Executive Director Bruce Kushnick at (212) 777-5418 or bruce@new networks.com or visit their web site at http://.www.newnetworks.com

To read this report by the Institute visit: http://www.teletruth.org/docs/compensationFIN.doc

Officers' Hands are in the Cookie Jar... Again and Again and Again ...

Verizon Executives Among the 'Most Fortunate' in Business

In a year when the Association recorded its highest level of shareholder support for its Executive Compensation Proxy at 42.82 percent, it comes as no surprise that Verizon executives continue to climb the pay scale in America and are perched at the top.

According to a Pittsburgh Post-Gazette "Fortunate 50" report of the regions' top-paid executives, Verizon honchos occupied the top two spots, five in the top 10, and six in the top 11.

In fact, the two at the top, Lawrence T. Babbio, vice chairman/president, and Charles R. Lee, retiring chairman/Co-CEO, outdistance the next executive from Mellon Financial by more than $7 million. Babbio pulled in $24.27 million in 2001, a 42 percent increase from 2000, while Lee's $21.76 million was only a 30 percent increase.

Ivan G. Seidenberg, president/Co-CEO, checks in at No. 4, pulling in $13.49 million, but he was one of the three that was hit "hard," taking a 14.3 percent cut in pay.

Rounding out those Verizon executives in the top 10 are Michael T. Masin, vice chairman/president, ($12.4 million, 27.7 percent increase), and Dennis F. Strigl, executive vice president, ($7.88, 13.6 percent decrease).

The last Verizon executive on the list, at No. 11, is Frederick V. Salerno, retiring vice chairman/CFO, who was the "least fortunate" of them all: $7.01 million, a 2.4 percent decrease.

According to the Post-Gazette, this year was a "tough year" for the executives. The average for the top 50 was only $5.7 million compared to $7 million last year, and there were just six executives who made more than $10 million, instead of the 10 in 2000.

The top six Verizon executives combined to take home an amazing $86.84 million in 2001. Just to put that in perspective, these six men took home more money than the payroll of most Major League Baseball teams, which consists of 24 very highly compensated men.

However, Babbio's No. 1 total couldn't even compare to last year's winner: Alcoa Chairman Paul O'Neill, who took home a whopping $56.5 million in 2000.

These ridiculous - but true - figures are why the Association's Proxy proposals are so vital. Without restrictions placed on their pay, these executives expect to see no ceiling, while denying retirees their long-ago-promised cost-of-living increases and stable health care benefits.

Fighting Off Computer Junk Mail

It's the technological wave of junk mail: Spam e-mail.

Are you tired of opening up your e-mailbox and finding that you have "50 new messages" since you last checked one week ago? And out of those 50 new messages, only a handful - if you're lucky - are ones from people you know.

Spammers get paid by the number of e-mails they send out that register a hit. In court cases, they have tried to shroud themselves in the freedom of speech right protected under the First Amendment. However, according to U.S. Supreme Court Chief Justice Warren Berger, that is not necessarily a plausible defense.

"Nothing in the Constitution compels us to listen to or view any unwanted communication, whatever its merit. We categorically reject the argument that a vendor has a right under the Constitution or otherwise to send unwanted material into the home of another. If this prohibition operates to impede the flow of even valid ideas, the answer is that no one has a right to press even 'good' ideas on an unwilling recipient. The asserted right of a mailer, we repeat, stops at the outer boundary of every person's domain," he said.

U.S. Federal Judge Stanley Sporkin agrees with Berger's assertion.

"(Spammers) have come to court not because their freedom of speech is threatened but because their profits are; to dress up their complaints in First Amendment garb demeans the principles for which the First Amendment stands," he said when ruling about a spam case.

But what can the average person do while the courts and spammers fight back and forth? Well, there are ways that you combat spam. One method is using UXN Spam Combat (www.combat.uxn.com), which helps individuals trace spammers or assists in formatting complaints.

According to UXN, the U.S. Federal Trade Commission monitors spam complaints on behalf of the federal government and recommends that bothersome e-mails can be sent to them at uce@ftc.gov

You also can check out some helpful information to combat spam at www.spam.abuse.net and www.cauce.org

Member Mailbag

Dear Editor,

I have been on Prozac for 11 years. I am seen by my doctor every 90 days for therapy and follow-up medicine treatment.

Six months ago, Merck-Medco started charging me $182.00 for my prescription. I can get the same (medication) through an outside organization for slightly less. My out-of-pocket expenses of $35.00 no longer apply. I can get the benefit if I use the generic (brand of medication), but it doesn't work for me. My doctor has written them and they are steadfastly refusing to budge.

I haven't been hospitalized for more than 11 years. This drug (Prozac) has saved my life. I am living a happy and peaceful existence, free of the turmoil and strife caused by my chemical imbalance.

I am lucky. I can pay for my medicine.

But, what of those who can't? I grieve for the less fortunate in this dilemma.

I also was carried on my husband's benefits for Vision Care through Verizon. I am a retired management employee who can't have Vision coverage through my retiree benefits.

When I went to the eye doctor last week, I discovered I was no longer on my husband's vision coverage. Cost to us $350.00. If they informed us of this latest change, I swear I don't recall. Again, I am turning to outside Insurance to get the health coverage I need. This, after I gave my heart and soul and served the "Spirit of Service" for more than 30 years. This, after they promised us they would look after us and reward us for all our loyalty.

It is a sad day for the caliber of the lost, forgotten and devoted personnel who gave to the Bell System all they had to give, sometimes to the detriment of our families and home life.

I realize that my story can't compare to the truly less fortunate. But, it is my story and it matters to me.

Donna W. Reese
Charles City, Virginia

* * *

Dear Association,

The Syracuse Life Member Group wishes to thank you for all of the effort, dedication and work you do for Verizon retirees! We especially appreciated your Association's meeting in Syracuse two years ago.

We wish you success!

Members of Syracuse (N.Y.) Life Member Club

Verizon Fined for Violations in Safety Code

Verizon was recently slapped with more than $55,000 in fines for safety infractions, including one that led to the electrocution death of a worker last spring.

According to Diane Brayden, area director for the United States Occupational Safety and Health Administration, Verizon was fined $30,500 for various violations. The most serious infractions included failure to ensure that workers wear personal protective equipment and use grounding rollers around high-voltage lines.

The fines are a result of an OSHA investigation into the death of 28-year-old Jarrod Lyon of Dolgeville, N.Y., who was electrocuted when a 12,500-volt power line touched a telephone cable he was repairing from a bucket truck.

OSHA fined the company $25,000 for repeat violations including failure to provide personal protective equipment, protective devices and special tools needed for the work of employees.

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UNITED, TO PROTECT OUR FUTURE

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Passing of Senator Wellstone Hits Home

The Association of BellTel Retirees and its fight for the protection of eroding health benefits was dealt a severe blow recently when Democratic Senator Paul Wellstone died in plane crash in late October.

Wellstone, 58, was the chief sponsor of the Senate bill S.2904, which is the companion bill to H.R. 1322, the Emergency Retiree Health Benefits Protection Act.

The Oct. 25 plane crash occurred in freezing rain and light snow near Eveleth-Virginia Municipal Airport, some 175 miles north of Minneapolis. Senator Wellstone, his wife, Sheila, daughter Marcia and five others were on the plane, identified as a King Air, a twin-engine turboprop made by Raytheon.

Wellstone, a two-term incumbent, becomes the second official to recently die in a plane crash so close to Election Day. Two years ago, Missouri Gov. Mel Carnahan was killed in a plane crash three weeks before Election Day while running for the Senate. Carnahan's name remained on the ballot and he beat Republican Sen. John Ashcroft. Carnahan's widow, Jean, was appointed to serve in his place.

Senator Wellstone was on his way to the funeral of the father of a state lawmaker. Members of the Association of BellTel Retirees, as well as all retirees across the nation, will miss him.

Association 2003 Meeting to Be Held in D.C. /Metro Virginia Area

The Association of BellTel Retirees will hold its seventh annual membership meeting at the Hyatt Dulles in Herndon, Va., on Friday, April 11. The meeting gives the members an opportunity to gather with fellow retirees and old work friends, hear about the organization's progress and voice their concerns.

This will be the first time the meeting will be held in the Washington, D.C./Metro Virginia area. In the past, meetings have been held in Atlantic City (twice), Boston, Syracuse, Long Island, N.Y., and, last year, Fort Pierce, Fl. Past meetings have proven popular and have brought many new and familiar faces.

The meeting will update members on the Association's legislation process, including the Emergency Retiree Health Benefits Protection Act, to help stop and overturn the loss of health benefits, the Association's Proxy battle plans for 2003, and the overall state of retiree healthcare, benefits and what retirees must and can do to fight and protect their future.

Attendees also will learn how to become more involved in the Association's crusade, as well as getting friends and neighbors involved.

The meeting will take place at the Hyatt Hotel adjacent to Dulles International Airport. Retirees living in Maryland, Delaware, Washington, D.C., Virginia, West Virginia, Pennsylvania and South Jersey should find this location fairly accessible.

Registration and a continental breakfast will begin at 8:30 a.m., with the business portion of the meeting to start at 10 a.m.

For the first time, the Association is offering two prizes for "early bird" registrants. The first group of "early birds" who reserve a seat before Jan. 15, 2003, will be entered into a drawing for a 13-inch color TV/VCR combination. The second group registering between Jan. 15 and March 15 will be entered for a chance to win a 13-inch color TV.

To reserve a seat and become eligible for the "early bird" drawings, fill out the registration form (below), enclose a $5 registration fee (per person) and mail it to Jack Sellen; P.O. Box 457; New Milford, N.J. 07646-0457.

Seating is limited to the first 400 RSVPs.

Registration Form

'Early Bird' RSVP for Association of BellTel Retirees Annual Meeting
Herndon, Virginia, Friday, April 11, 2003, at 8:30 a.m.

I will attend the meeting in Florida - # in party ____

Name ______________________________

Address ______________________________

Phone Number ________________ E-Mail ____________

Enclosed is a check for $________ ($5 per person)

Yes, I would like to serve on the: ____ Planning Committee
____ Welcoming Committee

No, I will not be able to serve on any committee at this time. ___

Please return this registration form and fee to: Association of BellTell Retirees Inc; c/o Jack Sellen; P.O. Box 457; New Milford, N.J. 07646.

E-mails by the Millions to Congress

(Excerpts from Roll Call)

Flooded with tens of thousands of pieces of mail a year, Congressional offices want to know one thing as soon as each letter is opened: Is it from a constituent?

That information, verified by mailing address, is crucial to determining whether that letter will receive a response. E-mail is no different.

In recent years, a sizable portion of the e-mail received has arrived via interest groups or online organizations that allow users to let lawmakers know their positions on issues. Much of this e-mail is being deleted or pushed aside indefinitely because it doesn't have a constituent address.

Wanting to streamline the process, a few of these conduit organizations - including Capitol Advantage, which is a service used by the Association of BellTel Retirees and Grassroots.com - went to the Capitol Hill to coordinate strategies.

Together, they devised a way for Congressional offices to get e-mails with data fields that coordinated with their software. The groups could then tell clients, like the Association, that mail sent through their systems would have a greater impact because it would be easier for offices to handle.

The key was software to define the name, address and other identifying information. Brad Fitch, deputy director of the Congressional Management Foundation, said most people don't realize how much e-mail generated on the Hill comes from such groups.

One of the ways Capitol Advantage accomplishes that is by allowing its clients to have constituents customize their e-mails, preventing hundreds of messages with the same subject line from ending up in staffers' inboxes.

In addition to interest groups, major portals such as AOL, MSN and Yahoo use Capitol Advantage to channel messages that individuals seek to send to their Member of Congress. The company facilitated about 8 million messages sent to the Hill and the White House last year, amounting to four to five percent of the total e-mails sent to Capitol Hill each year, according to Bob Hansan, President of Capitol Advantage.

Indeed, Congress had a vested interest in helping the vendors in their task. Channing Nuss, deputy staff director for House Administration, says "It creates more efficiencies for Member offices and enhances their ability to be more responsive to the constituents they serve."

More than half of all Members in both chambers have turned off their public e-mail addresses and have instead opted to use Web-based forms, according to a study released in August.

No Vote

In studies of web site use, Vote.com often exceeds the traffic the Senate's official site receives on any given day. And the e-mails sent from the site do not include the writer's name and address, verify that the writer is a constituent or even require the sender's full name.

Staffers have described e-mails from the site as little more than a nuisance.

Rep. Jerry Lewis (R-Calif.)'s web site says in bold print on the home page: "NOTE: Jerry is unable to respond to constituents who e-mail him through the Vote.com service."

"We don't respond to anything - e-mails, phone calls or snail mail - unless we have an address. In the case of Vote.com, often you don't get the person's real name. If it is something Mr. Lewis is directly involved in, occasionally we will tally them, but if it's just a general issue, it's not something we respond to," he said.

"The big thing is: Is it from a constituent?" said one House staffer who has sorted e-mail. "That's the criteria for deciding. You need to have the constituent identifier. It carries no weight otherwise."

The staffer added that his office does respond to postcards - the paper equivalent of mass e-mailings funnelled through advocacy groups. "In our office we respond to everything," he said. "The Congressman [even] likes to respond to postcards."

And frustrated offices are faced with two less-than-ideal choices: delete the e-mail and ignore a potential constituent or spend valuable staff time and resources corresponding with nonconstituents - a civic-minded approach, perhaps, but not efficacious for Members who are up for re-election every two years.

"Some Members do want to respond to these e-mails without names and addresses, but it's really tough," he said.

Attention BellSouth Retirees

An organization called the BellSouth Retirees Association is being formed to represent retirees of your company. This grass-roots organization is committed to help retirees preserve and enhance their pensions and benefits.

For more information, to join and/or volunteer to help, go to www.bellsouthretirees.org or call (225) 791-8887. You may also write: BellSouth Retirees Association; 35090 StoneCastle Drive; Denham Springs, La. 70706.

Pennsylvania, Virginia and West Virginia Retirees Needed

The Association is seeking retirees from Bell of Pennsylvania, Virginia and West Virginia to help manage the organization's rapidly growing membership. By donating a few hours, you are helping yourself as well as your fellow retirees.

You can call Jack Brennan at (201) 666-8174, Jim Casey at (540) 439-9568 or the Association Headquarters at (631) 367-3067.

Retired Workers Lose Benefits Case

(From PLANSPONSOR.COM)

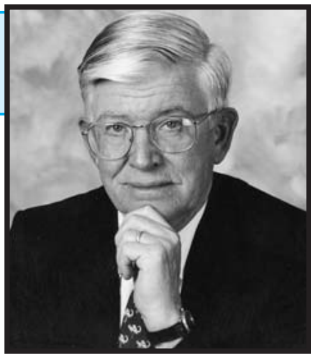
In late June, a group of retired workers of the former Fruehauf Corporation, a truck trailer manufacturer, suffered a setback in their battle to receive free lifetime health coverage when a federal judge ruled that their lawsuit was too late and that case law said they weren't entitled to such benefits.

The retirees argued that their employer's plan was ambiguous because it both guaranteed lifetime benefits and reserved the right for the company to change the plan.

U.S. District Judge Gerald Rosen of the Eastern District of Michigan said a 1998 decision from the U.S. 6th Circuit Court of Appeals found that no such ambiguity exists in an ERISA plan with a lifetime benefits promise and a clause allowing the company to impose benefit changes.

Rosen found that both the retirees' claim for benefits and the retirees' fiduciary breach claims were filed after ERISA's three-year time limit. Even if they had been timely, the retirees in the current case were prohibited from relying on their employer's oral misrepresentations promising their benefits would be free for life.

Rosen rejected the workers' claim that they had a vested right to the benefits and that their bankrupt company and its predecessor violated the plan by requiring workers to pay a part of their health coverage costs.



Executive Director's Message

by C. William Jones

The election is over and we had some victories and some losses. Of course, the biggest loss came prior to the election when Senator Paul Wellstone, Chief Sponsor of S.2904 (the companion bill to H.R.1322) lost his life in an airplane crash. This was a terrible tragedy for his family and for the state of Minnesota. While many people did not agree with his position on certain matters, virtually everyone who knew him agreed that he fought fiercely and tirelessly for his convictions. This is why his loss will be felt by retirees across America who lost a major champion of our cause. It is my hope that by the time you read this newsletter we will have a new Chief Sponsor to pick up the flag and rally support for our important bill.

Why is this so important? You only have to ask some retirees who are feeling the enormous weight of jaw dropping increases in their healthcare benefit costs. If you think that our previous warnings were hollow and would not come to pass, look at what some of your fellow retirees saw when they looked at the costs for their 2003 medical benefits: a North Carolina retiree reports an increase from $175.44 per year to $1,021.00 per year, a New Jersey retiree reports an increase from $0.00 to $2,252.30, a New Hampshire retiree will experience a 119 percent increase to $1,328.00. It is clear that we were not sounding a false alarm. The "Emergency" in the Emergency Retiree Health Benefits Act is real, not something cooked up to get attention to our cause.

Where do we go from here? First, we are already working on finding a new Chief Sponsor. A number of candidates have been identified and will be contacted. Second, your Association and the fellow NRLN associations from other companies across the country will be meeting in Washington, D.C., in January to hammer out a new strategy to revitalize our campaign. However, I am sure of one thing, any new strategy that we develop will rely heavily on you. There is nothing more powerful than our members pouring out their stories to their elected representatives as to how diminishing healthcare benefits and spiraling medical costs are undermining their financial security. And now, thanks to the healthcare industry, your former employer and the failure of your elected officials of the 107th Congress, you will have a very compelling story to tell.

Finally, I sincerely hope that you and your families had a wonderful Thanksgiving. In spite of all of the terrible news that we read about all over the world and in our own great country, we have a lot to be thankful for - not the least of which is the communion that we all share as members of our Association. The entire Board joins me in wishing you and your family a safe and joyful holiday season.

ASSOCIATION OF BELLTEL RETIREES INC. MISSION STATEMENT

The Association of BellTel Retirees Inc. is dedicated to promote the protection and enhancement of Bell Atlantic retirees and/or their beneficiaries' pensions and benefits.

The Association will convince the company to properly care for its thousands of dedicated retired employees.

The Association will conduct activities designed to educate elected federal, state and local representatives and promote passage of legislation which will protect and guarantee, rather than invade our hard-earned pension and benefits funds.

Verizon Savings Plan Starts Paying at Age 70½

If you are a retiree participant in the Verizon Savings Plan, and reach age 70½ in 2002, the Internal Revenue Code requires that you start receiving a Required Minimum Distribution (RMD) from your Plan. You cannot keep funds in these Plans indefinitely - eventually they must be distributed. If there are no distributions, or the distributions are not large enough, you may have to pay a 50 percent excise tax on the amount not distributed as required by the IRS. You also have the option to withdraw more than the RMD amount.

Your Association has been talking with Verizon Human Resources since last year on the issue of new Internal Revenue Services Mortality Tables and Rules that will permit our former employer to schedule and implement these changes. Bob Rehm, Association Board member and VP-Finance, received the following information from Verizon that will apply to the age 70½ RMD.

The IRS issued proposed RMD regulations in January 2001. For a variety of reasons, permitted by the IRS, Verizon opted to wait for FINAL regulations to be issued before implementing the new RMD rules. Rules were finalized and issued by the IRS in April 2002.

Verizon HR has advised us that, again for a variety of reasons, the plans will be amended to adopt the final regulations and new mortality tables to be used in calculating the RMD as of Dec. 1, 2002, for Savings Plans participants who are required to take a minimum distribution for calendar year 2002 and beyond. Verizon also told us that these changes would apply provided the distribution occurs after Dec. 1. The IRS does not require implementation until the 2003 calendar year. However, the IRS provides for 2002 as a transitional year. Verizon will be sending communications to all participants in the Savings Plans who are impacted by the new rules for determining RMD's. They tell us that most participants receive their RMD in December each year.

Since IRS RMD and other tax rules may vary with specific situations, it is recommended that you discuss your financial concerns with your accountant or qualified tax advisor before making a final decision on any financial matter.