

BELLTEL RETIREE

The Official Newsletter for Retirees of Bell Atlantic, GTE, NYNEX, Verizon and Its Subsidiaries
Paid for by contributions from Verizon retirees

Summer 2006

★ 1996 ★

10 Years of Service to the Verizon Retiree Community

★ 2006 ★

Volume 38

Over 500 Gather for 10th Annual Member Meeting

Some 510 association members took part in the 10th Annual Association of BellTel Retirees membership meeting held May 10 on Long Island. The event took place at The Carltun in Eisenhower Park with a half-hour ride from New York City.

Retirees traveled from locations as distant as Florida, North Carolina, Colorado, Virginia and our nation's capitol, Washington, D.C. as well as many from surrounding communities in New York, New Jersey, Maryland, Pennsylvania, Connecticut and Massachusetts.

The event was a huge success giving members the opportunity to meet and reconnect with former coworkers and fellow retirees as well as asking questions of the board of directors.

Mike Kucklinca, Executive Vice President of the Association and chairman of the event committee commented on the significance of the meeting location, "Ten years ago our



Curtis Kennedy who was the keynote speaker for the 2006 BellTel Annual Meeting held in Long Island in May

Association was born on Long Island and we thought it would be special to return where it all began."

President Bill Jones gave an overview of the efforts of the Associa-

tion in 2005 and 2006 to date and discussed some of the organization's long-range objectives to continue the fight for protection of retiree pensions and benefits. He also recognized some 90 retirees who were in attendance and had been consistent financial supporters of the Association for each of its 10 years in existence.

Mr. Jones noted that the Association's Annual Meeting was its largest ever, with more than three times the number of attendees than the Verizon Shareholders meeting had just the week before in Overland Park, Kansas.

Mr. Jones also introduced ProtectSeniors.Org, a new pro-retiree advocacy organization, created through the efforts of the Association of BellTel Retirees. Its aim is to focus on passage of pro-retiree healthcare legislation in Washington, D.C., specifically HR 1322, the Emergency

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At 102, A Retiree Who Has Been There from the Beginning

It can be said that longtime Association of BellTel Retirees member August Thuma was there in the beginning. A contributing member since the Association's founding year, 1996, Mr. Thuma has been part of the growth and evolution of the retiree advocacy organization. What is more remarkable about Thuma is that at 102 years old, he has also played an active role in the evolution of the telephone industry.

As one of twelve children, he grew up in Bohemia, New York, on Long Island when the landscape was populated mostly by farms and fishing villages. Growing up, Mr. Thuma developed a true love for nature, which continues to this day.

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ProtectSeniors.Org Takes the Lead Lobbying for Healthcare on Capitol Hill

Help is on the way for beleaguered retirees who are trying to deal with rising costs and shrinking healthcare coverage.

In the recent months, a group of former telephone company employees, all Association of BellTel Retirees leaders, banded together to form **ProtectSeniors.Org**. This new organization is dedicated to push for passage of legislation friendly to retirees. Specifically, ProtectSeniors.Org will focus on H.R. 1322, the Emergency Retiree Health Benefits Protection Act.

ProtectSeniors.Org took a second major step forward in their efforts to activate the more than 110,000 former fellow Verizon employees around the country, who have been deeply



impacted by the cuts or outright loss of healthcare benefits once promised to them by their former employer. Further, they will be reaching out to many thousands of others, from all industries, who have suffered similar cuts.

ProtectSeniors.Org is working on the fast track hiring long time Washington lobbyist Paul A. Miller as its new executive director and chief lobbyist. Paul was born and raised in Racine, Wisconsin. He received a BS in Political Science from the University of Wisconsin Whitewater. Paul served as an aide to Les Aspin former U.S. Congressman and U.S. Secretary of Defense.

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President's Message

by C. William Jones

ABTR - NRLN - PSO, WHY THREE ORGANIZATIONS?

It must be confusing to hear of the launching of yet another retiree protection organization, ProtectSeniors.Org, but there really is a plausible explanation.

When the Association was formed in 1996, our intention was to negotiate with the company to help secure a cost of living increase in our pension. Call us naïve at the time, but we felt that if we had a serious dialogue with the company, they would see the light. We also felt that if it were necessary, we would file a suit against the company. To add pressure, we thought of filing proxy proposals that would attack poor corporate governance and highlight retiree issues. Finally, we felt that bringing our issues to our legislators would also help raise awareness.

With that in mind, founders of the Association filed for 501(c)(3) tax exempt status. The advantages to that status were numerous: relating to taxes, a lower postage rate and allowing members to make tax deductible contributions. This made a great deal of sense, until retirees had to begin fighting for healthcare issues.

Our Association's first effort to stop the erosion of healthcare benefits was to file a lawsuit against the company because they promised us "lifetime" benefits and yet the benefits were eroding and the costs to retirees were increasing.

It was then that we heard about Sprague vs. GM, a suit filed by retired GM managers who were promised lifetime health benefits for themselves and their spouses if they retired by a certain date. Thousands of GM managers took that package but years later, GM cancelled their benefits anyway. The retirees got together, raised money and sued GM. They won in a lower court but GM appealed. The retirees lost on appeal so they went to the United States Supreme Court. Justice would be done.

Not so fast. The Supreme Court refused to hear the case because the "law was upheld" by the appellate court. Retiree advocates throughout America were horrified by this news!

How could this happen?

It was clear to us that a lawsuit was not the answer since the GM case established that a company can renege on a commitment to its retirees and the highest court in the land would not hold them responsible. That left us the only other option and that was to work to change the law.

The Association hired a well known labor attorney to draft a piece of legislation that would force companies to keep their healthcare promises to their retirees. The bill would be an amendment to the ERISA law that protects pensions.

Congressman John Tierney (D) of Massachusetts was enthusiastic about sponsoring this legislation, especially since his mother was a retiree of New England Telephone. The bill, the Emergency Retiree Health Benefits Protection Act (now HR 1322), drew support from almost 100 Democratic co-sponsors at one point but we could not attract support from Republicans. We also realized that this was going to take some serious lobbying effort to pass the bill.

But according to the law, a 501(c)(3) corporation cannot spend more than 20% of their expense on lobbying. Further, we felt that if we could attract retirees from other industries in all of the 50 states, we would have greater success.

Thus, your Association of BellTel Retirees in coordination with US West Retirees and others, formed a lobbying organization called the National Retiree Legislative Network (NRLN). It would be the job of this organization to be the lobbying arm of all of the NRLN member organizations.

This worked quite well for some time but NRLN became very involved in pension reform issues. Since the organization had not grown as large as we expected, they became spread too thin to simultaneously attack the healthcare issues and the pension reform issues. They decided to move HR 1322 to the back burner.

Our Association became concerned that if we did not attack the healthcare issues now, we might not have anything left to protect. It was at this point that it was decided to form another lobbying organization to focus on only one vital retiree issue at a time.

The first and only issue was to be the passage of healthcare legislation - HR 1322. We notified NRLN that we would take the lead on this legislation and they could concentrate on pension reform. We would continue to work together in support of these important issues.

The new organization, called ProtectSeniors.Org (or PSO) was founded, an Executive Director and Chief Lobbyist was hired, a Washington, D.C. office was secured and, as you know, a letter announcing the birth of PSO was sent to our membership. This letter solicited non-tax deductible contributions to be used for lobbying. This, of course is only the beginning.

We plan to solicit contributions from individuals all across the country, from all industries to join us in this very important venture and support ProtectSeniors.Org. This will enable the cost for supporting ProtectSeniors.Org to potentially be spread out to millions of retired Americans who would benefit from it activities on Capitol Hill.

Naturally by having the three organizations working in tandem, yet focused on specific issues, we can provide retirees and future retirees the greatest chance of successful benefit protections. We hope that you will embrace this new organization, send a contribution and when called upon, write to your Senators and Congressperson and ask them to support HR 1322.

For more information, please go to: www.ProtectSeniors.Org or call Jim Casey President of ProtectSeniors.Org toll free at (800) 398-3044. Contributions may be made three ways:

- 1) via credit card on the secure web site,
- 2) via credit card over the telephone on: 800-398-3044 and
- 3) by U.S. Mail by sending a check to: ProtectSeniors.Org, 601 Pennsylvania Ave., N.W. Suite 900 South Building, Washington, DC 20004.

Verizon Mulling Sale of Landlines in 7 States

According to the *Wall Street Journal*, Verizon Communications is fielding offers to potentially sell off its traditional telephone lines in the states of Vermont, New Hampshire and Maine, as well as those in Indiana, Illinois, Ohio and Michigan.

The Journal reports the company is seeking to sell the lines as two different packages worth up to \$8 billion. It suggests those funds might be used by Verizon to acquire a larger stake in Verizon Wireless (Vodafone Group PLC currently has a 45% stake) and to help underwrite its spending to add to its broadband offerings and capa-

bilities in its other service areas.

Sources say these areas are not slated for fiber upgrades, which could allow the company to offer television and internet based services to customers, thus making the lines potentially less profitable to the company.

In 2002 Verizon sold lines in Mississippi, Kentucky, and Alabama. The company also previously sold 700,000 lines in Hawaii. In recent years it also abandoned a proposal to sell land lines in upstate New York.

In the fall of 2004 Chairman Seidenberg announced at an investor conference that the company planned to sell

up to 15 million of its access lines and focus more of its resources on broadband and wireless. Currently the company has some 48 million access lines.

The reports say that 1.6 million land lines in Vermont, New Hampshire and Maine would be sold as a package, with an estimated valuation of between \$2 billion - \$3 billion.

The second package up for bid is being dubbed the "GTE North" territory of some 3.4 million access lines in former GTE territories throughout Indiana, Illinois, Ohio and Michigan. The estimates say this market might fetch \$4 billion - \$5 billion.

Report: Less Being Spent on National Healthcare & More Out of Consumers Pockets

According to a report by the Centers for Medicare and Medicaid Services of the U.S. Department of Health and Human Services, U.S. health care spending is projected to grow 7.3 percent in 2006. That 2006 level is lower than the 7.4 percent growth observed in 2005 and the 7.9 percent growth of health care spending in 2004. This year's figures also represent the third consecutive year of decelerating growth.

Between 1999 and 2002, the country's health care expenditures experienced six years of consistent and accelerated growth.

The study also went on to forecast that American consumers are expected to spend \$421 billion out of their own pockets on health care by 2015, up from nearly \$250 billion in 2005 and that the combined spending of the federal and state government on Medicaid is expected to slow for the fourth consecutive year to 7.7 percent.

As an estimated 78.2 million baby boomers enter the golden years, medical experts believe older Americans will become more and more of a factor in the country's healthcare delivery system. In a 2006 report by the Center for Disease Control, the rate of adults who suffer from poor health, and chronic health conditions, doubles or even triples between the age groups 55-64 and 85 years and older.

The impending gap between government healthcare spending and the number of Americans reaching retirement age highlights the need for older

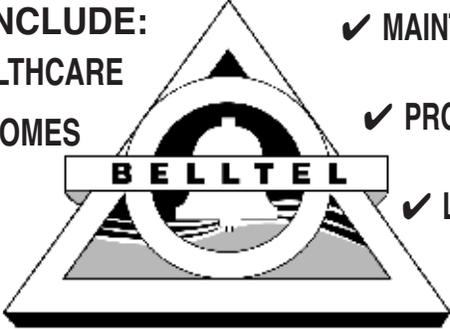
Americans to become more proactive and better protect their retirement benefits.

In conjunction with ProtectSeniors.Org and the National Retiree Legislation Network the Association of BellTel Retirees, Inc. has been lobbying Congress to pass H.R. 1322, The Emergency Retiree Health Benefits Protection Act, which seeks to amend the ERISA (Employee Retirement Income Security Act of 1974).

If enacted, the bill, which has been cosponsored by 65 members of Congress, would prohibit companies from making post-retirement cancellations or reductions in health benefits that were provided to them; require companies to restore benefits taken from retirees and establish a federal loan guarantee program for employers attempting to restore benefits.

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Over 500 Gather for 10th Annual Member Meeting

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Retiree Health Benefits Protection Act. This legislation would make it illegal for any company to take away or diminish promised healthcare benefits once a person has retired.

Among guest speakers were Paul Miller, Executive Director and Chief Lobbyist of ProtectSeniors.Org who talked about the need for retirees to spring into action and defend these benefits they earned and were promised into retirement. He spoke on the strategy to overturn recent activities that have stripped many of America's retirees of their health care benefits and made it more costly for retirees to afford to maintain them.

Returning as a guest speaker was Curtis Kennedy, a national legal advocate for pensioner rights, who spoke on how he plans to help the Association to protect our Pension Trusts and our Sickness Death Benefit.

Mr. Kennedy, who now works on behalf of the Association of BellTel



BellTel retiree making a point at the microphone during the ABTR's Annual Meeting

Retirees member issues, has also served as an attorney for U.S. West/Qwest Retirees and has had numerous courtroom successes on their behalf.

Kennedy started out his presentation by reading the Bell System creed. *"We will change whatever we must to prosper and serve well, as we always have, but not at the expense of our*

employees and retirees." He read aloud as many attendees joined along. He went on to say how radically the mindset at the highest reaches of the executive level had changed since this was inscribed on many of the Bell System buildings throughout the nation.

Throughout his talk Mr. Kennedy had attendees on the edge of their seats highlighting concerns with the Verizon pension plan in comparison with other companies' plans. He urged all retirees in attendance to find out more about the management of the plans that hold their pension dollars and help act as watchdogs.

During the question and answer session from the floor, issues were discussed ranging from salary levels for the Chairman and top executives to funding levels of the Verizon pension plan to the breakdown of membership within our own Association.

Hal Peterson, a veteran of several BellTel annual membership meetings, got up to say that Wall Street has encouraged many company pension fund managers to put their retiree money in very risky investments and stressed great concern over this.

At one point an attendee recalled reports that Mr. Seidenberg earned approximately \$55,000 per day in salary and compensation. A meeting attendee with a calculator factored that at the Chairman's reported \$19,500,000 compensation level that would be \$53,424.66 per day if Mr. Seidenberg worked 365 days a year; or about \$81,250 per day in compensation when factoring in weekends, holidays and vacation. One person noted this amount is more than what the combined 500 retirees in attendance earn from their pensions.

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Work friends spending some time together at ABTR's pre-event breakfast

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Annual Member Meeting

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Mr. Jones responded that this is an important reason why the Association of BellTel Retirees has taken such an aggressive stance on the proxy proposals, so to rein in the large sums of compensation that executives are allowed to award themselves.

Irene Kramer Harman, who introduced herself as a Freshman retiree, asked about what would happen to pensioners if land line divisions of the company they worked for were sold off and if that would negatively effect each person in that plan. Both Bill Jones and Curtis Kennedy suggested that once someone is fully vested they are protected under the plan and under the law, as long as the plan is fully funded.

In answering they went on to provide an example of how, according to Verizon, the company's pension plan is currently 109% funded. But other telecoms like Bell South are over 130% funded and how the results of investments in those plans can change overnight. This occurred sev-

eral years ago when Verizon's pension plan administrators saw a \$26 billion pension plan over funding evaporate to only \$787 million over funding, a paper loss of over \$25 billion from the retiree pension.

Another question from the audience was requesting a show of hands of how many CWA retirees were in attendance. Following a nice retired CWA showing, including BellTel board member Pamela Harrison, who is currently President of CWA Local 1103 Retirees,

board member Bob Rehm, mentioned that some 48,000 retired CWA and IBEW members are Association members. He then went on to say, "In retirement we are no longer management or union, but we are all retirees."

The Association wishes to thank all of our members, supporters and volunteers who turned out to help make this event such a success. In the coming months, the Association will announce the location of its 2007 Annual Member Meeting.

Another Consolidation Returns Ma Bell to #1

On the heels of SBC Communications takeover of AT&T and then deciding to take on the AT&T moniker, the largest telecommunications company in America announced in March that it was getting even bigger, by taking over the BellSouth Corporation for \$67 billion

The merged company would have 70 million local-line phone customers, 54.1 million wireless subscribers and nearly 10 million broadband subscribers in 22 states. If

approved by regulators, the sale would give AT&T control over the nine state territory controlled by BellSouth and 100% ownership of the Cingular wireless network.

The combined companies would have 316,000 employees, before expected post merger job reductions to eliminate "so-called redundancies."

The deal also reconnects AT&T with many of the parts it was forced to split off in the 1984 breakup.

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Retirees Lose Proxy & Still Force Governance Change at Verizon

This year the members of your Association of BellTel Retirees had two measures on the Verizon shareowner proxy ballot with an eye toward continuing to force good corporate governance changes in the company's policies related to performance-based equity compensation for top executives and a more independent board of directors.

Although not achieving an outright victory in this year's voting, one retiree proposal did spur the company into making changes.

The retiree proxy fights have been waged since 1998 by members of the Association with victories coming first in 2003 and every year since. Proposals put forth by Association members have led to significant changes in corporate policy in recent years (see story **On a Proxy Roll...** pg 7)

Retiree shareowner and Association CFO Robert Rehm put forth a proposal this year to amended Verizon's Corporate Governance Guidelines to provide that the board nominate board of director candidates so that a two-thirds majority would be

independent and candidates would not be considered, if during the past five years they had been: employed by Verizon or an affiliate; a company-paid advisor or consultant; a significant supplier or customer; a nonprofit that receives significant grants from the company; or a firm whose board includes an executive officer of Verizon. This proposal won the support of an impressive 25% of shareowners.

A second proposal, put forth by Association President C. William Jones, was touted by the **New York Times** in a front page exposé on glutinous executive compensation. The proxy's intent was to change Verizon's method of 'Performance-Based Equity Compensation' (PSU) which retirees found awards millions of dollars to executives even if the company performs with mediocrity.

The lengthy **New York Times** story made the case that the compensation of Verizon's senior executives has been disconnected from returns to shareholders. The retiree proposal and even the **New York Times Editorial Board** questioned how, Chairman Siedenberg had a 48% increase in compensation vs the 25% decrease in VZ stock price in 2005 and 50% decrease in value since 2001.

Yet while the proxy gained support of only 20% of shareholders, it seems the retiree proposal uncovered compensation practices that the company may not have wanted to be made public. A closer look at Verizon's performance stock agreement reveals that the performance hurdles could be achieved by executives without any effort at all, let alone it

being used as an incentive to increase executive productivity.

Using this generous compensation formula, if 79% of the companies in the S&P 500 and industry peer group far outperform Verizon, company executive would be rewarded with 34% of the total value of their award shares.

If Verizon performs only somewhat below average – say at the 45th percentile – the executive gets a whopping 76.5% of the award, even though 55% of their competitors outperformed the company.

As a result, before the shareowner vote, Verizon did a filing with the Securities & Exchange Commission which may have amounted to admittance that they were caught with their fingers in the honey jar – as it relates to a performance-based equity compensation for top executives instituted in recent years.

The retirees Performance-Based Equity Compensation proxy on the 2006 shareowner ballot calls for at least 75% of future long-term incentive compensation, including stock options and restricted stock, etc. awarded to senior executives be performance-based, with actual challenging performance metrics adopted by the board and required to be disclosed to shareholders.

Under pressure from the retiree proxy and in Verizon's recent filing with the SEC, the company decided to change the formula for these awards, to potentially blunt criticism leading up to the shareowners meeting and the coming expose in the

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Retirees Force Change

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New York Times and another in the **Wall Street Journal**.

"We caught the Verizon Compensation Committee red-handed with this proposal and it has forced them to completely change the PSU award formula going forward. This will help turn the "gimme" award level for 2005 into mere affirmative action for shareowners in 2006," said Mr. Jones.

In the PSU agreement/formula adopted by the Verizon board one

year ago for the 2005-07 award cycle, they offer executives wealthy incentive awards for lackluster results. Comparing that to the new PSU formula, disclosed in the recent SEC filings, you can see the award levels will now be less generous.

"In other words, the company has been embarrassed into dialing down the award after the retiree's proxy revealed the embarrassing truth and math of the formula." He added. "I guess you could say the company's former PSU criteria are what educators might call 'the soft bigotry of low

expectations."

The Association does wish to send its congratulations to the members and leaders of the Union Brotherhood of Carpenters Pension Fund which achieved a victory in asking Verizon's board to amend the company's policy to require directors to be elected by a majority of votes cast at the annual meeting, rather than plurality. In their campaign the Carpenters argued that a majority vote for directors would give shareowners a more meaningful role in elections.

On a Proxy Roll....

It has been a record breaking proxy run for your Association of BellTel Retirees and its members. No other shareholder activist group in the world has had year-after-year success that the Association has encountered, most incredibly doing so going up against the 18th largest company in the world.

Association's Chief Financial Officer and proxy proposer Robert Rehm said, "This win streak is amazing and truly unmatched in the annals of shareowner activism. Who would have thought a group of retirees could take on and defeat the 18th largest company in America, not once but four years consecutively. This is a great signal to small shareowners and a warning to CEO's and their handpicked deputies that the company does not belong to them, but rather to each and every shareowner."

"I and many retirees like me dedicated the best years of our lives to Verizon, helping build it to greatness. But as shareowners we can not and will not just stand by as its moral compass is directed off-center showering riches on a select few at a huge cost to all who invested their lives and life savings in the company."

Tale of the Tape in Previous Retiree Wins:

In 2003 the retirees received 59% of the shareowner vote with their Executive Severance Agreement proposal. The non-binding proposal limited executive severance agreements, known as golden parachutes. At the time it was the first proxy loss by Verizon or any other Bell System company in its 100-year history.

That same year Verizon agreed to another retiree proposal prior to its annual shareholders meeting to Exclude Pension Credits (or Shadow Profits) from its calculation of executive

compensation. The year before this retiree proposal had gained 43% shareholder support.

In 2004, the retirees were forced to come back at the company on the Executive Severance Agreement after Verizon failed to follow shareholders' wishes and had not cut golden parachutes packages. When the retirees authored a binding proposal mandating the change, Verizon relented, capping future agreements at no more than 2.99 times an executive's base salary and bonus.

Then in 2005, before shareowner ballots went out Verizon agreed to the retirees demand to rein-in Supplemental Executive Retirement Plan (SERP) income for senior executives, which previously received 37% of shareowner votes and support of

many major national pension funds.

Before that change, executives received SERP contributions equal to 32 percent of their combined base salary plus bonus for every dollar above \$210,000 during their first 20 years in the plan. After the first 20 years, the SERP contribution rate reduced to 7 percent. In 2004 the payout to top Verizon officers amounted to \$161 million and more than \$400 million over three years, according to the company's own estimates. The agreement negotiated by retiree leaders reduced these excessive amounts including the 32 percent level down to a range of 4 to 7 percent.

The Association will continue to present proposals aimed at improving corporate governance and calling attention to retiree issues.

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ProtectSeniors.Org Takes the Lead Lobbying for Healthcare on Capitol Hill

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In addition to his work for ProtectSeniors.Org, Paul serves as President of the American League of Lobbyists, an association representing the lobbying community. Paul is very involved in the current debate in Washington on lobbying reform.

Most recently Paul was invited by the U.S. State Department to travel to Peru to speak and work with the Peruvian government on drafting and implementing a lobbying disclosure law similar to that of the United States. He also is the founder of a charity sports event that pits members of Congress vs. lobbyists each year in an effort to raise money for children's charities in the Washington, D.C. area.

"I am very excited about the opportunity this offers me and the members of ProtectSeniors.Org," stated Paul Miller. "The leadership of ProtectSeniors.Org should be commended for their efforts to create an organization for the over 20 million former employees who were promised healthcare and then had it pulled out from underneath them," Miller added.

Headquartered in Washington, D.C., the organization plans to aggressively educate members of Congress as to the critical problems facing people who, at the time they need it the most, are watching their coverage shrink and their premiums soar. "This is a national crisis of huge proportions," said ProtectSeniors.Org President, James E. Casey.

He continued, "Corporate America is trying to solve its financial problems by shifting healthcare costs to retirees, who can least afford the additional burden. With Paul on-board we believe ProtectSeniors.Org is in great shape to move this important legislation forward."

H.R. 1322 would put in place protections on retirees' company-sponsored healthcare insurance similar to those that ERISA has provided for pensions for the past 34 years. The bill would make it illegal for companies to reduce or terminate healthcare plans or to pass additional costs on to employees once they retire.

"People worked for companies for 20, 30, 40 or more years with the promise that certain benefits would be there

through their working years and into retirement. These benefits were an integral part of the employee's compensation package – something that they earned, just like their salary, during their careers. "It is unconscionable to renege on those commitments," said Casey. "We plan to do something about this through ProtectSeniors.Org."

"This legislation is extremely important to millions of American retirees and our job with ProtectSeniors.Org is to energize those who stand to lose or have lost portions of their healthcare benefits. We are rallying these people to understand that together we can make a difference but as individuals we don't have that same voice. I would encourage everyone out there who has had been promised healthcare benefits by their company only to have them taken away to call us and become a part of the solution – ProtectSeniors.Org," Miller concluded.

The Association encourages all of our members to visit the ProtectSeniors.Org web site to find out more about their efforts to date and how easily you can get involved. Pay them a visit and sign up as a user at www.ProtectSeniors.Org or call 800-398-3044.

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MISSION STATEMENT

The Association of BellTel Retirees Inc. is dedicated to promote the protection and enhancement of the pensions and benefits for retirees and beneficiaries of the companies and subsidiaries that make up the Verizon Corporation.

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 the passage of legislation which will protect and guarantee, rather than invade, our hard-earned pension and benefits funds.

Retiree and Pioneer News & Notes:

On April 26 some 50 New England area retirees met for their regular luncheon, but this time to celebrate the 10th anniversary of the Association of BellTel Retirees. Association President Bill Jones joined Association Director Emeritus Lou Miano and others to recognize the accomplishments of the Association and the contribution of this active group of members. Bill reviewed the Association history, present initiatives and future strategic plans.

According to Miano, it is a "fellowship group" from the sales and marketing operation of New England Telephone, who have met for lunch 3 times a year over the past decade. "We have about 70 members and usually will have 40 to 50 attend the luncheon." A core group of 10 were among the early members of the Association in the region.

Lou went on to tell how in January 1997 they recruited 35 members from their group and all became active to help grow the Association. He mentioned several other notable accomplishments of the group in the Association's development:

- They spawned several volunteer directors to the Association board, including: John Vente, Phil Richer, Joanne Jacobsen, Rose Patton and Lou Miano;

- Hosted the Association's 2nd annual membership meeting in 1998 held in Boston;

- Ran highly successful and well attended pickets at the company headquarters in Boston to raise public awareness of retiree concerns;

- Worked to aggressively build membership throughout the six New England states.

He proudly pointed out that retirees from New England have been among the strongest financial supporters of our non-profit Association, calculated by percentage that make a contribution. Bill thanked the group for the tremendous support of the Association for the past ten years. "You have been an inspiration to the Association and to the New England retirees."

Association Chairman Jack Brennan spoke to a group of some 60 Pioneers from the Patterson/Passiac and Ridge-wood Life Members Clubs in New Jer-



From left to right: John Vente, Bill Jones, Lou Miano and Brendan Feeney at Boston Retiree Gathering.

sey in late April. The group was very interested in issues related to the retirees' proxy 2006 campaign, the establishment of ProtectSeniors.Org and pension funding issues.

Jack also spoke in January at the H.G. McCully Pioneers meeting at the New Milford Elks Club. About 50 members were in attendance, all of whom came from various parts of Hackensack, Englewood and Union City, NJ. The members raised many questions

and concerns about healthcare and prescription drug plans; many were uncertain and concerned about pensions in the wake of Verizon's management pension being frozen.

Congratulations to retiree Hermine Duerr, of Syracuse NY, who celebrated her 100th birthday on December 15, 2005. Mrs. Duerr retired from New York Telephone in 1969 after 41 years of service. She is a grandmother of 4, and a great-grandmother of 10.

The Binghamton (NY) Life Member Club will host a picnic at Hickory Park in Oswego, New York on August 4. For more information or to attend contact Sandy Cincebox at 607-723-2115.

If you have events or news to report contact us at 800-261-9222 or via email: association@belltelretirees.org We do accept photos of recent events, given that a photo identification detailing the event and participants is included. Please note photos submitted for publication are not returned.

ASSOCIATION OF BELLTTEL RETIREES INC.
 PO BOX 61, Glen Head, NY 11545-0061

Yes! I want to join the Association of BellTel Retirees Inc. I support you in your fight to protect the pension and benefit rights of both craft and management retirees and active employees. Enclosed is my tax-deductible contribution of:

Active Employee Member* \$75 \$50 \$36.50‡ \$25 or Other \$ _____

Retiree Member* \$75 \$50 \$36.50‡ \$25 \$20 or Other \$ _____

Check Enclosed or Charge contribution to my Visa MasterCard

Credit Card Acct.# _____ Exp. Date _____

Signature _____

Name _____

Address _____ E-mail _____

City/State/Zip Code: _____ Telephone: _____

Craft Management I retired or expect to retire in (year) _____ from (Co.) _____

* All names are kept strictly confidential ‡ Only 10¢ a day

The Association of BellTel Retirees is a 501 (c) (3) IRS • Tax-Exempt Corporation representing retirees and active employees of Verizon, all of its subsidiaries and all of the companies that were combined to form Verizon. 6/06

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3/1/06

At 102, A Retiree Who Has Been There from the Beginning

(Continued from page 1)

In 1922, after graduating from high school, August enlisted in the National Guard and began looking for work.

Responding to a newspaper ad from Western Electric, he applied for a job as a line technician. He tells the BellTel Retiree, "Believe it not, when I was hired by Western Electric, I earned \$.35 cents an hour. It was a 40 hour week and we got half an hour for lunch."

After two years at Western Electric, Mr. Thuma was transferred to New York Telephone, working the twelve-hour night shift.

As he explained "I worked with a group of men who became known as the "shock troops." We worked with six telephone operators who conducted test dials and our job was to fix any problems that would come up before the lines were turned over to the public."

In discussing the earlier days of the telephone industry, Thuma recalls how every six months or so, new technologies were being introduced, meaning his team would have to learn how to operate and service new equipment. While the technology changes were gradual, his work in 1938 sticks out in his mind. At the time, New York Telephone was introducing crossbar switches.

After working with the company over a span of five decades, from the early 1920's, through the Woodstock generation, August had given the company much.

In 1968, after 46 years with Ma Bell, August Thuma retired. Who might have thought that this senior man retiring from the job, then at age 67, still had so much spring left in his step!

Life Away from The Bell:

While working for New York Telephone and still living on Long Island



August Thuma (left) with fellow New York Telephone Company employee and friend George Damoth in 1949. Seen here on a boat trip to Nova Scotia.

with his wife and daughter, August had become active as a volunteer with the local chapter of the Boy Scouts of America, mentoring and coordinating nature hikes for the neighborhood boys. An avowed outdoorsman, these experiences had a life long effect on him and the youth he mentored.

Thuma lost his first wife Olba in 1959 after she was overcome by a battle with leukemia. From that point forward he continued raising their only daughter, Jean, who is now 73 years of age.

After the soldiers returned from World War II not only a baby boom, but a housing boom began where he lived and the sleepy communities that he once knew and loved for their easy access to hunting, fishing and hiking had become much suburbanized.

In 1968 following his retirement, August yearned for a place to call home where he could return to nature. He found that and a new and exciting chapter in his life in Nova Scotia.

It was there where he and his sec-

ond and current wife Jean lived for many years.

Up in the north country, August says he was very content to spend his days, fishing, hunting, tending to his garden and chopping wood. He also volunteered in the local community, including laboring to rebuild a community social hall, which had burned down in a fire.

August and Jean also purchased a mobile home, when gas was about 1/10 of today's price at the pump, allowing them to winter in Florida during Canada's especially cold months.

It was some dozen years after retirement, in 1980 that Jean and August, then at age 79 decided to return to Florida but this time for good. They chose Kissimmee as their home, as it has been for the last 26 years.

(Continued on next Page)



UNITED. TO PROTECT OUR FUTURE

Published by: Association of BellTel Retirees Inc.

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There from the Beginning

(Continued from previous page)

Modern Day Retirement Crisis:

It was in 1996 and the Association of BellTel Retirees start-up year, when Thuma first learned about the fledgling retiree advocacy organization, then named the Association of NYNEX Retirees.

After finding out more about the pro-retiree issues the organization was focused on, Thuma decided to support the work of the group and his fellow retirees. He has now been a loyal financial supporter of the Association every year for the last decade.

Thuma said "I have been lucky. As far as I am concerned, I am very satisfied with the way things have turned out with my retirement. But not everyone is as lucky as I am."

"It's funny," he said, "they broke up (Ma Bell) into eleven companies, and (then) made seven, and now they are coming back together again." Before long he suggested, "Eventually Verizon will team up with AT&T," to bring the whole company back together again.

In his retirement, Thuma has become an avid watcher of the U.S. Congress sessions on C-Span. Watching the news and keeping up with the changes in national policies has Thuma thinking more and more about retiree issues being decided and legislated by our elected officials.

Retirees like August Thuma understand the critical role they played in the pioneering development of many of today's leading information technologies. Those advances are thanks in large part to the telephone industry pioneers, like Mr. Thuma and the sacrifices and dedication they made over many decades of service.

The Association salutes all of our members, like August who play a significant role in lending your voice and support to the Association's mission to protect the pensions and benefits of Verizon retirees and their surviving spouses. As a volunteer organization, we can't do it without your support.

Member Mailbag



Dear Association,
I believe my last year's contribution was \$100.00 While I was considering whether or not I could afford that amount again this year it came to me that I cannot afford to lose my prescription benefit plan and end up in that insane Federal Medicare D plan or lose my supplemental health insurance either. The association may not be able to stop Verizon but you are the only thing standing in their way. I therefore have increased my contributions by 50 percent. Keep swinging at 'em.

*Roy C. German
District Manager (retired)
C&P Telephone
Polk City, Florida*



Thuma (pictured right) with fellow hunters before heading into the wilderness along the Clyde River in Nova Scotia in 1950.

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RETIREE FORUM: Are Your Beneficiaries Up to Date?

In previous issues of the *BellTel Retiree* we reviewed some of the benefits for which many Verizon retirees are eligible. At the end of this article we have listed those benefits and where you can find information about them in past *BellTel Retiree* issues. The focus of this article is on your beneficiary: How to review your beneficiary information and how to change who you've designated as your beneficiary, if you need to.

The benefit plans that require you to designate a beneficiary are:

- Pension Plan
- Life Insurance
- Sickness Death Benefit
- Savings Plan

What follows is information on how to review your beneficiary information and how to make any changes for these four benefit plans.

Pension, Life Insurance and Sickness Death Benefit

There are two ways to access your beneficiary information for your pension plan, life insurance and sickness death benefit:

Log on to *Your Benefits Resources™* at <http://resources.hewitt.com/verizon>.

Call the Verizon Benefits Center at 1-877-Ask-VZHR (1 877-275-8947).

If You Use Your Benefits Resources

To review and/or change your **pension and life insurance** beneficiary information: Log on at

<http://resources.hewitt.com/verizon>.

Enter your Social Security number and password.

From the home page, click on "Change Your Beneficiaries" in the Take Action section in the center of your screen.

You'll then see the beneficiaries you have on file.

If you want to change or add a beneficiary, click on "Choose Beneficiaries."

For the **Sickness Death Benefit**, follow the same steps to log on. After you click "Change Your Beneficiaries," click "Pension" or "Cash Balance Plan" and you'll see the name of your spouse. If you want to change this information, follow the prompts.

If You Call the Verizon Benefits Center:

Call 1-877-Ask-VZHR (1-877-275-8947).

Say your Social Security number.

Say "Life or Personal Events."

Say "Benefits Center."

A representative will answer and you can ask to have your beneficiaries for pension and life insurance reviewed and/or changed.

If you want to review and/or change your sickness death benefit beneficiary, ask the representative to transfer you to the "Life Benefits Group."

Savings Plan

There are two ways you can access your Savings Plan beneficiary information: Log on to Fidelity NetBenefits at

www.netbenefits.fidelity.com.

Call 1-888-457-9333.

If You Use the NetBenefits Web Site

Log on at www.netbenefits.fidelity.com.

Enter your Social Security number and PIN in the Log In box.

Click on "Your Profile."

Click on "Beneficiaries."

Click on the "Continue" box and follow the instructions.

If You Call

Call 1-888-457-9333.

Enter your Social Security number and PIN.

At the prompt say "401k."

When you are given some touch tone options, select "0" to speak to a service representative who can help you review and/or change your beneficiary information.

Previous Articles

You can find information on the various benefits available to retirees in the following issues of the *BellTel Retiree*:

Company-Sponsored Supplemental Life Insurance - Volume 43, page 3

General Information for Verizon Survivors - Volume 27, page 4

Pension Survivor Pop-Up Option - Volume 25, page 11

Verizon Death Benefits - Volume 25, page 11

Verizon Savings Plan - Volume 24, page 11

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