

## White House Announces Subsidies for Temporary Early Retiree Coverage

Retirees ages 55 to 64 are the target beneficiaries of a new government bridge health care subsidy, the Early Retirement Reinsurance Program, announced on May 4th.

As first reported by the Associated Press, the Obama Administration has green-lit a \$5 billion plan to urge employers to continue offering medical coverage to early retirees who are not yet eligible for Medicare until the new health care reform legislation goes into full effect. Portions of the Early Retirement Reinsurance Program reflect the Emergency Retiree Health Benefits Protection Act (HR 1322) in that it protects employees ages 55-64 from losing their health benefits after retirement.

In its press release, the White House states that "...the percentage of large firms providing workers with retiree coverage has dropped from 66 percent in 1988 to 31 percent in 2008."

The subsidy plan is aiming to remedy that by offering to reimburse employers "...for up to 80 percent of the cost of medical claims between \$15,000 and \$90,000 for their early retirees," stated the AP article. Set to begin on June 1st, the money can be used to keep medical premiums low and affordable for pre-65 retirees and their dependents or by the employers to offset their own operational costs.

According to the White House, there are currently about 2 million early retirees nationwide, ages 55-64, whose health benefits are provided through their former employer. Some experts are speculating that with the new health care legislation in place, which is supposed to make it easier for individuals to afford health insurance on their own, companies will no longer be motivated to offer medical coverage to their retirees.

Recent action by companies like Verizon, AT&T and John Deere maintained that the new health care legislation would adversely affect earnings by eliminating a tax deduction to employers that provide prescription drug coverage to their retirees. A hearing on these claims was scheduled by Congressman Henry Waxman but subsequently cancelled (see page 3).

As of 2014 the health care reform law is said to ensure that no one be turned down for medical coverage because of pre-existing conditions. It also puts a cap on what insurance companies can charge older citizens and offers government assistance for purchasing certain policies.

Benefits of the subsidy program to employers and early retirees include but are not limited to:

- Reinsurance reimbursement for medical claims for retirees age 55-64 who are not eligible for Medicare, and their spouses, surviving spouses, and dependents.

- The inclusion of medical, surgical, hospital, prescription drug, and other benefits that may be specified by the Secretary of Health and Human Services, as well as coverage for mental health services as qualifying health benefits.

- Both self-funded and insured plans being eligible to apply, including plans sponsored by private entities, state and local governments, nonprofits, religious entities, unions, and other employers.

What this will mean for retirees 65 and over is still unclear. Retiree advocate group ProtectSeniors.Org proposed and has been lobbying for legislation to protect the earned benefits of retirees. Part of the retiree legislation, known as HR 1322, was adopted into the House ver-

*(Continued on page 5)*

## Over 350 Gather for 14th Annual Membership Meeting

Over 350 retirees from across 13 different states and the District of Columbia traveled to Tarrytown, New York overlooking the Hudson River for the 14th Annual Association of BellTel Retirees Inc. Membership Meeting.

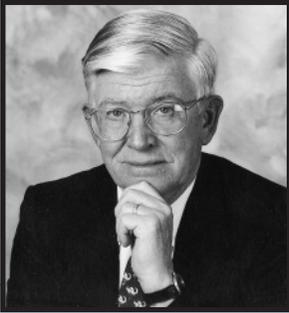
Festivities kicked off on the eve of the gathering, as more than 30 retirees and spouses, who booked overnight accommodations at the Tarrytown Doubletree Hotel and Conference Center, participated in a friendly cocktail reception for retiree guests hosted by hotel management. This gave many old friends from their telephone company days a chance to get reacquainted and have some laughs.

Meetings the following morning attracted attendees to participate and listen to the latest retiree news and issues. Impressively, retirees had traveled from as far away as Florida to participate. It was announced that one couple attending the meeting had been to a record 11 of the 14 annual meetings held since the founding of the Association.

Members began the morning chatting over a continental breakfast, while some choose to participate in a legislative educational seminar being offered by retiree members of ProtectSeniors.Org.

The official business portion of the meeting opened with the Pledge of Allegiance, followed by welcome greetings by Association board members Jack Cohen, who chaired the 14th Annual Meeting Host Committee and Association of BellTel Retirees Board Chairman Jack Brennan. Treasurer Eileen Lawrence then spoke to the gathering presenting the fiscal picture for the

*(Continued on page 6)*



## President's Message

by C. William Jones

The board and I were energized by an enthusiastic gathering of over 350 members at the 14<sup>th</sup> Annual Membership Meeting in Tarrytown, NY on April 21st. Members and their guests traveled from 13 different states and the District of Columbia to gather with old friends, listen to updates on Association activities and to ask questions of the Association leaders. The states represented were: Pennsylvania, New York, New Jersey, Maryland, Virginia, Vermont, Maine, New Hampshire, Massachusetts, Connecticut, Delaware, South Carolina and Florida. At least one of the couples in attendance has made it to 11 of the 14 annual meetings.

This annual meeting gives us all the opportunity to discuss issues of importance and to receive valuable feed back from our members. We hope you will make the effort to come to the meeting in the future. I promise you will not be disappointed.

### Verizon Pension Fund Status

The national economic crisis appears to be stabilizing and we can all hope for a full recovery in the near future. I am sure that our retirees are concerned about their future in these uncertain times. One of the concerns is the health of our pension plan. The following

information is drawn from the 2009 Verizon Annual Report which provides information as of December 31.

It should not come as a surprise to anyone that the pension fund did suffer heavy losses in 2008. It was the first time that the plan dropped below fully-funded status. In 2009, plan earnings were strong but not strong enough return the fund to fully funded status. At the end of 2009 the fund assets increased by \$801 million to \$31.8 billion. At the same time the Benefit Obligation also increased by \$1.4 billion. This resulted primarily from actuarial and other adjustments. The result is that funded status at the end of 2009 is a negative \$3.2 billion or 10.1% underfunded.

While this is bad news, it is far from critical. The Verizon plan has been very healthy for many years. We have experienced major economic down turns in the past and the plan has always recovered. I personally believe that as the economy recovers our pension trust will bounce back once again.

We have received many calls and notes from members who want to know when they will get a cost of living increase in their pension. While I can only speculate about that subject, I do have very strong feelings. First, I would be shocked if the company would give such an increase when the pension fund was in an underfunded status. Further, as you have seen in the past and as recently as 2007 when the fund had \$10 billion in excess assets, no increase was forthcoming in spite of all of our efforts.

The volatility of the stock market requires that a significant surplus be held in the event that economic conditions like we have seen in the recent and distant past are experienced. So the bottom line is that I would not expect any pension increase in the next few years.

That said, the Association will continue to do everything that we can to keep this issue on the table so that when the time comes that an increase is possible, we will be in a position to put forth a very strong case for retirees.

Should you desire more information

on this subject, please call or write to us and we will be happy to provide more detailed information.

### Capitol Hill Update

On the legislative front, ProtectSeniors.Org, the organization we support to lobby for us in Congress, worked diligently to insert language from our HR1322 Bill into the healthcare reform package that would protect your healthcare benefits. That effort was successful for the House bill but was not included in the Senate version. When the two bills were merged, all our language was dropped.

ProtectSeniors.Org President, Jim Casey, reports that the organization has drafted a modified bill which they believe will attract votes from both Republicans and Democrats. They now have a Republican and are looking for a Democrat to be first sponsors of this bill. The new bill, a modification of HR1322, contains important protections from the original, but the language that some members of Congress objected to was stripped out of it. This strategy is thought to be more attractive to both sides of the aisle.

Once the new bill is introduced you will be asked to write to your members of Congress. This effort will continue, with your help, throughout 2010. Please support ProtectSeniors.Org both financially and by responding to their legislative alerts.

### Membership Support and Appeal

This economic downturn has put added pressure on all of us, including our Association. Many members have responded generously to our annual appeal but unfortunately others have not. Contributions, as of the end of April, are down about 10% from the same period in 2009. For those who have contributed we sincerely thank you for your generosity. For those who have not we ask that you ask yourself, what would I do if the Association were not here to represent my interests? For those who are unsure if you have sent a contribution this year, please look at the envelope or your contribution card next to your name for a date. This date represents the last pay-

*(Continued on page 3)*

### — Advertisements —

All representations made in advertisements are solely the responsibility of the advertiser. The Association of Bell-Tel Retirees is not responsible for any such representations. The Association does not endorse any advertiser.

## President's Message

*(Continued from page 2)*

ment that we received from you.

I make a special appeal to the Idearc retirees. Of the 3,000 folks who were transferred to Idearc, we have only 1,416 on our database. More shocking is the fact that only 338 have contributed in 2010. This at a time when the Association is taking action to try to get those retirees returned to the security of Verizon.

A Complaint for Proposed Class Action Under ERISA was filed, the Defendants Motions to Dismiss were received and the Plaintiffs' Opposition to the Motions to Dismiss have been filed. We now await word from the Judge. Then we will know what the next step will be. We need all Idearc/SuperMedia retirees to make sure that all retirees who were transferred to Idearc are Association members and that they contribute. With Idearc out of Chapter 11 bankruptcy and now named SuperMedia, this could not be more important.

We understand that some members are under great financial distress at this time. For those in that situation, if you are unable to make even a small contribution, please call or write to our office and we will be happy to make you a complimentary member.

A final thought: a contribution to the Association of BellTel Retirees is an investment in one's own financial future. Please make sure that the Association is financially healthy and able to protect your pensions and benefits.

### Marco Island, Fla. Beautiful Townhouse for Rent.

2beds/2baths, lanai just steps to gorgeous pool and hot tub.

One mile to the beach.

No Smoking/No pets. Avail \$3,000/ month - year round.

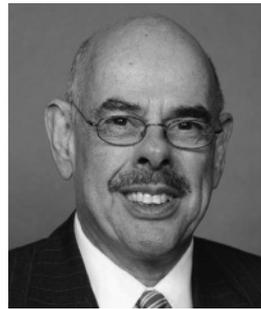
Please call (781)264-3106.

## Congress Cancels Hearing on New Health Care Reform's Effect on Corporate Retirees

Representative Henry A. Waxman (D-CA) chairman of the House Energy and Commerce Committee had summoned the CEO's of companies such as Caterpillar, John Deere & Company, AT&T and Verizon to a hearing on Capitol Hill on April 21, 2010, to discuss the impact of national health-care reform law on large employers. The health care reform bill was signed into law in late March.

These companies claim that the new healthcare law will negatively impact their ability to continue to provide earned retirement benefits to retirees. Since December, these and other employers' maintained this point of view surrounding the Senate version of the bill which was eventually signed into law.

However, a week before the hearing Rep. Waxman abruptly canceled, stating that companies had asked for more time to assess the law as it is being implemented.



Henry A. Waxman

"As the committee examined the potential impact of the new law on large employers," Waxman said in a memo, "several companies and their representatives expressed the view that the new law could have beneficial impacts on large employers if implemented properly."

However, these statements conflict with what Caterpillar, Verizon and AT&T representatives have claimed. Prior to Rep. Waxman summoning them to the hearing, each company claimed that the new legislation would cost them \$100 million, \$970 million and \$1 billion, respectively.

What these companies are referring to is a tax provision in the new health-care reform legislation that no longer allows companies to take a tax deduction for government subsidies they received for providing healthcare cover-

*(Continued on page 5)*

## Long Term Care Insurance Exclusive Discounts for BellTel Retirees

### POLICIES INCLUDE:

- HOME HEALTHCARE
- NURSING HOMES
- ASSISTED LIVING



- ✓ FREE COMPARISONS
- ✓ COMPANY PLANS ARE NOT THE BEST VALUE!
- ✓ FAMILY PLANS ARE AVAILABLE
- ✓ PROTECT YOUR ASSETS

Request info [www.completelongtermcare.com/belTel](http://www.completelongtermcare.com/belTel)

**CALL US NOW - FREE INFORMATION**

**800-644-3422** 24 Hrs.  
or 1-800-701-9545 (STEVE) ext. 22

# BellTel Retirees 2010 Proxy Campaign

According to a March 2010 Crain's New York Business Magazine, "One asset that [Verizon] management probably would prefer to do without is its network of former employees, the Association of BellTel Retirees, which has proved to be one of the noisiest—and most effective—shareholder advocacy groups around."

Association president Bill Jones echoed the magazine blurb at the recent annual membership meeting in Tarrytown, New York. "The Association has filed 29 proposals over the years, except for two not permitted by the S.E.C. rules, all of which caused Verizon to change corporate governance."

In its latest proxy proposal to Verizon shareowners at the May 6<sup>th</sup> annual meeting in Little Rock, Arkansas, the Association urged shareholders to vote for their proposal to limit the award of Executive Performance Stock Units for only above median performance.

Many times in the past, the Association has forced changes in company compensation and management policies through the proxy. This year it sought an affirmative vote for a proxy proposal on Performance Stock Unit Performance Thresholds (PSU) and received a strong 30 percent of the

shareowner votes. According to the proposal, "Performance Share Units should not vest or pay out unless Verizon's performance is equal to or above the median relative to the company peer index selected by the Board."

Said Association president Bill Jones, "While we commend the Board for tying the majority of long-term equity compensation to the performance of Verizon's stock, we believe that large pay-outs for below-median performance — as low as the bottom 26th percentile — does not adequately align pay with performance."

The Association was also advocating shareowners use their "say on pay" power to vote against approving the board's recommended executive compensation package and clarify that key elements of Verizon's executive compensation are not aligned with shareholder interests. Mr. Jones said, "Verizon's pro-shareholder compensation policies have come only because shareholders send a strong message to the board."

Just 16 percent of the shareowners voted against the compensation package. Significantly the annual shareowner meeting gives the Association leaders a great chance to communicate one-on-one with top management, the Verizon

board and shareowners.

Some of the past major proxy wins by the Association includes:

**2007 Say on Pay** — With 50.12% of shareholder support "Say on Pay" was affirmed effective for 2009; Shareholders will be able to vote on executive pay every year.

**2007 Corporate Governance Guidelines** - In late 2006 Association CFO Robert Rehm proposed a proxy to limit the number of corporate boards a Verizon director can serve on. Following its submission, Verizon changed its board guidelines to "provide that a Director who serves as an executive officer of a public company should not serve on more than three public company boards," and that other directors "should not serve on more than six public company boards."

**2005 Supplemental Executive Retirement Plan (SERP)** - Before Verizon's proxy went to shareowners Verizon's board agreed to a retiree proxy to reign in SERPS for senior executives. Previously SERP equal to 32% of combined salary plus bonus for every dollar above \$210,000 were awarded, amounting to \$161 million in 2004 and over \$400 million over three years. The agreement reduced the 32% level down to a range of 4% to 7%;

**2004 Binding Proposal on Executive Severance Agreement** – After Verizon failed to implement the 2003 Executive Severance Agreement which shareowners ratified with a 59% vote, the Association put forth a new binding Executive Severance Agreement proposal, which caused the board to implement the original 2003 measure.

**2003 Exclude Pension Credits from the Calculation of Executive incentive pay.**

**2003 Executive Severance Agreement** – Retiree proposal limiting overly generous executive compensation packages and golden parachutes won 59% of shareowner ballots.

## Recover Investment Losses!

- Pension Buy-Out funds invested & lost?
- Stockbrokers mismanaged your money?
- Let me help you!

(Cases on contingency basis only)

**We have many satisfied BellTel Retirees as clients & have effectively retrieved hard earned pension \$\$\$ lost carelessly.**

**Contact Debra G. Speyer, Esq. who represents Bell Retirees nationwide. 1-800-510 STOCK**  
[www.wallstreetfraud.com](http://www.wallstreetfraud.com)

## Congress Cancels Hearing on New Healthcare

*(Continued from page 3)*

age. This provision could have the practical effect of encouraging companies to drop their retiree prescription benefits programs, thereby adding millions of people to Medicare prescription drug benefit programs. According to the New York Times, this tax burden does not require any immediate cash payments and that the added taxes will be paid out over a period of time, perhaps 30 years or more.

“The recent dire statements from corporate titans further prove the need to legally protect the benefits earned by former employees who traded off wage increases and vacation time for decades in exchange for post retirement healthcare benefits,” said Paul Miller, executive director of ProtectSeniors.Org. “If companies go through with these threats, retirees living on a fixed income will be forced to shoulder additional costs. Many are too young for Medicare and earn too much to be eligible for Medicaid,” he said.

If companies actually drop healthcare benefits it would add a significant burden to taxpayers. The Employee Benefit Research Institute estimates that for each retiree who loses drug coverage through an employer and replaces it with Medicare Part D, the additional cost to the federal government would be \$544 per person. An estimated 18.5 million Americans receive supplemental healthcare coverage through their former employers. Research shows that if a significant number of these retirees lose their private coverage, the added expense to Medicare would be \$5.2 billion.

## White House Announces Subsidies

*(Continued from page 1)*

sion of the health care reform bill but dropped in the final stages in favor of the Senate bill, which makes no protections, leaving retirees wondering if their former employers will opt to cut their earned medical benefits.

Many have already lost their benefits, as seen with the retirees of General Motors and Caterpillar, and others fear the trend will continue now that the health care reform bill has passed and given companies the green light to stop offering medical benefits to their retirees.

This new subsidy will be available until January 1, 2014 as long as the \$5 billion pot money isn't used up before then. According to the AP, employers will be signing up for the plan en masse because, “Passage of the law has prompted employers to reassess whether they need to keep any of their retirees on workplace health plans over the long run.”

To be considered for the subsidy program, employers must apply through the Department of Health and Human Services; applications will be made available towards the end of June.

For more details on the Early Retirement Reinsurance Program, visit [www.whitehouse.gov](http://www.whitehouse.gov).

Republican House leader John Boehner of Ohio has a different opinion on why the hearing was canceled. “They [Democrats] do not want to give America's employers a forum to tell the public how President Obama's new health care law is already hurting our economy and hampering job creation,” he said.

The healthcare reform passed the second time without any Republican support and they believe that this hearing would have been an embarrassment for the Democrats because it shows flaws within the new healthcare reform legislation.

The House of Representatives' version of the bill included language from HR 1322 – The Emergency Retiree Health Benefits Protection Act to protect retirees' earned benefits but the Senate's bill did not and that language was left out of the reform bill that passed. The Association's sister organization, ProtectSeniors.Org, has been busy monitoring these developments, going so far as to preparing written testimony to submit to the committee had the hearing taken place.

“Retiree health benefits cannot be ignored. The President should add an addendum to the healthcare reform package stating that companies cannot cancel or terminate post retirement coverage,” said Paul Miller.

The Association will continue to monitor the stance of these corporations on the new health care provisions.

**TALK TO A RETIRED VERIZON  
MANAGER ABOUT YOUR  
RETIREMENT SAVINGS AND  
INCOME STRATEGIES.**



**Jim Biggins is a retired Verizon Manager with a Masters Degree in Personal Financial Planning from Bentley College.**

Please call Jim at  
**781-373-4492** or email  
[James.Biggins@IFPadvisor.com](mailto:James.Biggins@IFPadvisor.com)  
for a consultation and/or  
a Financial Second Opinion™  
on your existing strategy.

James Biggins is a registered representative of Lincoln Financial Advisors Corp.  
Securities and advisory services offered through Lincoln Financial Advisors Corp., a broker-dealer (Member SIPC) and  
Registered Investment Advisor. Branch office: 115 Glastonbury Blvd., 2nd Floor, Glastonbury, CT 06033

## OVER 350 GATHER FOR 14TH ANNUAL MEMBERSHIP MEETING

(Continued from page 1)

organization, outlining expenses and how the retiree organization was faring in these difficult economic times (full financial report can be found on page 10).

Association president and executive director Bill Jones provided a State of the Association report, speaking in detail about a variety of retiree concerns and priorities, including the health of the Verizon pension fund, importance of the retiree shareowner proxy campaign, IDEARC retirees' lawsuit and more.

He began by discussing how the Association has sought to keep an eye on the progress of the numerous Verizon pension funds and that it does engage an attorney proficient in pension matters to monitor the health of the fund. Recent filings show the pension fund is currently underfunded by 10.1 percent or \$3.2 billion.

"At its apex, the Verizon Pension

Fund was overfunded by \$26 billion. But in 2008 the economic downturn caused it to be underfunded by 8.6 percent," said Mr. Jones. He said the Association is inquiring why the benefit obligations have gone up in the past year.

Mr. Jones also gave those in attendance an update on this year's proxy proposals filed by the Association at the Verizon Shareholders' Meeting. Statistically, the Association has the best record in the nation, even when compared to professionals on Wall Street, in regards to filing proposals that prompted changes in company policies. Many of the Association's proxies, regardless of being passed by shareown-



Association president Bill Jones addresses the gathering at the 14th Annual Membership Meeting.

ers have been adopted by the company and have led to corporate policy changes at the company that only make it better in the long run, Mr. Jones detailed. He also explained that the forum of the shareowners meeting enables the Association to present to the chairman and board of directors "an opportunity to speak to company executives and other shareholders about retiree issues".

While discussing IDEARC (now SuperMedia) and how retirees of the former directory division have been treated in the spinoff, Mr. Jones mentioned the example of one retiree who worked for the Bell System Companies in a non-directory capacity for nearly 28 years, and moved to the directory unit in only the last year and a half of her career. With the company emerging from bankruptcy now as SuperMedia, she is now among the thousands of retirees worried about the viability of their pension and benefits.



Many retirees participated in the Q&A portion of the meeting

After a presentation on the healthcare reform legislation in Washington, D.C. by Paul Miller, executive director of Washington, D.C. based ProtectSeniors.Org, retirees were able to participate in a Q&A session with the Association board.

Bob Ferguson, a 2003 retiree of Verizon, took the opportunity to address his fellow Association members about the lack of financial support the membership provides to support retiree advocacy activities of the Association. He said it was a shame that only 25 percent of the retiree members donated to the Association's mission and work, and mentioned that more reminders and appeals should be sent out.

Mike Foley, a 1998 retiree of NYNEX/Bell Atlantic and CWA Local 1101 member, thanked the Association for demanding and causing change at Verizon on retirees' behalf. Saying that he was a proud contributing member of the Association for the last decade, Mr. Foley asked those in attendance to put their full support behind the organization as a united front before the company. "All retirees are brother and sister, and we need to stick together... the Association is the best hope for CWA retirees' future protections."

Stephanie Dyan, who retired from Verizon in 1997, was concerned that the retiree health plans for IDEARC retirees would soon be bankrupt along with the company.

In total more than two dozen retirees took the microphone to ask questions, add their voice of support and to make suggestions to strengthen the effort to support retiree economic protection.

Mr. Jones closed out the meeting with a reminder of the reason BellTel board members donated over 12,000 volunteer hours to the Association last year.

"In order to keep an employee for the entirety of his or her career, the company offered a compensation package that was more than just salary; it included a pension and retiree health-care. What if there were no Association to advocate for you and me, our surviving spouses and our benefits? I'd hate to think



Association members had the opportunity to catch up with fellow Verizon retirees before the member meeting.

where we would be and I think we are all in a better state because of the advocacy and voice the Association of BellTel Retirees provides on behalf of all retirees. More than ever, we need you to support the Association with your financial contributions and by recruiting new members to the organization."

The Association would like to thank all of the retirees that participated in this year's annual membership meeting and to all of the members of our event committee for making the event such a huge success.

### You CAN sue your broker...

who invests **YOUR** savings, pension or buy-out **inappropriately.**

### RECOUP LOST ASSETS

DeVita & Associates, an experienced law firm with a practice limited to Brokerage, Fiduciary Abuses, and Financial Tort cases, represents telecommunications employees and retirees across the nation, all on a contingency basis, regaining their irreplaceable funds.

For a **FREE** consultation, contact Richard DeVita, Esq. personally at **201-714-7623** or [rddevita@optonline.net](mailto:rddevita@optonline.net).

### Historic ST AUGUSTINE, FLORIDA!

Newly redecorated **BEACHFRONT** Condo Avail. yr-round!

2 B/R; 2 1/2 baths; DR; Full Sz W/D; 2 balconies overlook Pool/Ocean/ Boardwalk. Tennis & Raquetball Courts. Hi-Speed Internet.

Master Suite is King Size. Other is attractive Queen Size

Full Sleeper in L/R This is the ideal place! Weekly \$1050;

Monthly \$1650 **SPECIAL** discount for 2+ Mo.

**Marianne Anytime 516 313-1935**

## Income for life!

Sound good? We thought so too. That is why we are now offering this service to BellTel Retirees.

Introducing **Income Solutions**<sup>®</sup>: an innovative immediate income annuity program designed to help you reduce the risk of outliving your retirement savings.

To learn more, visit [www.EZRetirementSolutions.com](http://www.EZRetirementSolutions.com) or talk to an expert today by calling **1.212.324.3900**.

**RetirementSolutions**<sup>™</sup>  
Innovative solutions for today's retirement income challenges.

© 2010, UNFCU Financial Advisors LLC, a United Nations Federal Credit Union owned company.



The 14th Annual Membership Meeting attracted over 350 Verizon retirees to Tarrytown, New York



# CenturyTel Set to Buy Qwest, Former U.S. West

The increasing consolidation of the landline telephone business is poised to claim another telecomm as CenturyTel, Inc. prepares to purchase Qwest Communications International, in a stock swap worth \$10.6 billion.

After the buyout the combined companies will have 18 million landlines in almost 40 states, and move Qwest's base of operations to Louisiana from Colorado. Both companies expect that this deal will help reduce expenses, allowing it to compete with cable companies that now offer phone services to customers.

CenturyTel, Inc. got its start as the Oak Ridge Telephone Company growing to 75 paid subscribers in 1930. By 1968 the company provided service in three states and had 10,000 access lines, incorporating as Central Telephone and Electronics. By 1978 the company continued to grow and was listed on the New York Stock Exchange.

Throughout the decades the firm has grown by acquisition, consistently gobbling small local carriers including Universal Telephone, Pacific Telcom, in addition to assorted access lines and the directory business of Ameritech, as well as GTE assets in Arkansas, Missouri and Verizon lines in Wisconsin, Alabama, and Missouri. In October 2008 the firm acquired EMBARQ (formerly Sprint/Nextel) for \$11.6 billion.

Although Qwest and CenturyTel

plan to continue servicing residential landline phone customers, as opposed to focusing attention competing against large wireless carriers, the combined company intends to increase the percentage of business customers it serves. CenturyTel also plans to increase the number of broadband Internet, television and phone lines it delivers service to, helping it compete with cable companies and telecomm giants like AT&T and Verizon.

Founded in 1996 Qwest has had a turbulent existence. Originally created by railroad tycoon Philip Anschutz, the company used the right of way of the Southern Pacific Railroad and Union Pacific Railroad to run fiber optic cabling for MCI. Qwest merged with one of the major Baby Bell companies, US West in June 2000 in a hostile takeover. As a condition of the merger Qwest had to spin off its long distance operations located within the former Baby Bell's boundaries.

Qwest was beset by scandals including being accused of helping Enron hide losses from 1999-2001. In 2005 former Chairman and CEO Joseph Nacchio and eight other company leaders were accused of fraud by the Securities and Exchange Commission. In April 2007 Nacchio was convicted of 19 counts of insider trading and was sentenced to six years in prison and ordered to pay a \$19 million fine and forfeit \$25 million in illegal stock gains.

As expected, the deal will result in a loss of jobs at both Qwest and CenturyTel.

After the acquisition, which was approved by both boards of directors, Qwest shareholders would receive 0.1664 CenturyTel shares for each share they owned, totaling a 49.5 percent share of the new company. CenturyTel shareowners would own a controlling 50.5 percent of the combined entity.

In addition, CenturyTel will assume Qwest's \$11.8 billion debt. In the end the new company projects it will save over \$625 million over the next five years.

A brand name had not been settled on at press time, but a statement from CenturyTel mentioned the possibility of "CenturyLink" for use with residential consumers and using the "Qwest" brand for businesses.

## OUR MISSION:

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

**The Association will convince the company to properly care for its thousands of dedicated former union and management 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 fund.**

**We specialize in assisting Verizon/Bell Atlantic Retirees!**



**GOTLIEB & ASSOCIATES, LLC**  
**RETIREMENT PLANNING**  
**WWW.INVEST2RETIRE.COM**

**Choose a company with experience.  
 Call us to learn what separates us  
 from the others!**

**For more information call us at  
 1-800-644-4204 or visit us at  
 www.invest2retire.com**

Securities offered through Securities America, Inc. Member FINRA/SIPC. Advisory services offered through Securities America Advisors, Inc. Leo A. Gotlieb, Representative. Gotlieb & Associates and Securities America, Inc are not affiliated. Gotlieb & Associates, LLC and Securities America, Inc. are not endorsed or retained by nor affiliated with Verizon, IBEW or CWA. Gotlieb & Associates, LLC is an independently owned company that specializes in retirement planning.

4/08

## VERIZON BUSINESS NEWS

### Verizon Halts the Expansion of FiOS

If Verizon's FiOS service is not available in your town, it might never be. Verizon has recently announced that it has halted the expansion of its FiOS service indefinitely.

"We're simply doing what we originally pledged to do. We said we would enable approximately 18 million households to receive FiOS, and we stated that more than five years ago," said Bill Kula, a Verizon spokesperson. "We never said we would deploy our fiber optic service to 100 percent of all residences we serve."

Verizon is working to maximize profits and increase sales by saturating their existing markets, and has not decided what is next for FiOS. "Right now our plan is to build out the areas we've pledged to build out and we'll see what happens in the future," said Rich Young a Verizon spokesperson.

Thus far Verizon has not entered the Albany, New York, Boston or Baltimore markets, however it does have plans to continue expanding in Washington, D.C., New York City and Philadelphia. It has entered some new markets in Central New York, others are in negotiations to be added onto FiOS services list, but Verizon has not commented on their contract status.

Verizon estimates that FiOS costs \$750 for every household it passes, and \$600 more in equipment and manpower. However, less than 30 percent of households passed have signed up for FiOS. Currently, FiOS has the potential to cover 12.7 million homes and has around 3.4 million subscribers in 16 states. Analyst, Craig Moffett of Sanford C. Bernstein & Co. estimates that Verizon spends close to \$4,000 for every FiOS customer acquired. Moffett believes that competing cable companies will lose fewer subscribers because of the end of FiOS expansion.

Other analysts are not surprised by Verizon's decision, and are more surprised that the FiOS build out lasted this long. Many have expressed that if FiOS was making Verizon money, the company would continue to develop FiOS into other markets.

Verizon has been spending billions on FiOS. Halting expansion should save Verizon money and can be used to maintain its dividend. However it also limits the company's ability to compete with cable companies in new markets.

### Verizon 1<sup>st</sup> Quarter Financial Results are in

Verizon Communications has reported cash flow growth in their first fiscal quarter in 2010. For this period total operating revenues were \$26.9 billion, an increase of 1.2 percent compared with 2009's first quarter results. Cash flow from operations totaled \$7.1 billion up from the last year's first quarter by 7.5 percent and a reported \$3.7 billion in free cash flow up 25.6 percent.

"Our first quarter results were in line with our expectations, with solid growth in all strategic areas," said Chairman Ivan Seidenberg. "Customer demand for broadband, such as a growing demand for wireless data, has improved revenue trends, and we are beginning to see signs of economic recovery, particularly in business market."

Verizon reported a net income of \$400 million and diluted earnings per share of 14 cents, as Verizon added 1.5 million in wireless customers, 185,000 FiOS internet customers and 168,000 TV FiOS customers. Overall Verizon increased its retail customers by 4.4 percent, with 87.8 million customers.

### Xerox Retirees Sue Over Lost Medical Benefits

As a result of Xerox, Inc's planned cancellation of supplemental health benefits, members of the Association of Retired Xerox Employees have filed a class-action lawsuit against the company.

Xerox had informed its retirees that those 65 and older would no longer receive these benefits beginning in 2011; however the retirees and their attorneys contend that Xerox is contractually obligated to provide the benefits to employees that retired before 1990.

Should the cancellation of benefits for Xerox retirees take place, it would affect roughly 16,000 retirees, especially former salaried employees.

Losing this coverage will cost non-union Xerox retirees about \$1,400 a year in out-of-pocket health expenses. David Coriale, the retiree association's chairman maintains that the lawsuit is more about a breach of contract than anything else. "We were told not to worry; Xerox will take care of you. We have that in writing."

He also noted that he interprets Xerox's reasoning for the cuts in benefits as 'ingenuous' and cannot reconcile a company that's willing to pay three executives \$23 million in salary bonuses while cutting \$11 million in medical benefits to thousands of devoted former employees.

## During your retirement, you deserve a BIGGER ALLOWANCE



Enjoying a steady secure income is critical at every stage of your life. We can help you now to plan for the years ahead.

- ◆ Let's discuss your plan, NO COST and see if we can add value thru dividend income suited to your individual needs.
- ◆ We can help to provide a steady income with the potential to grow your assets...

... and that allows you to enjoy more of life.

Helping you manage your financial goals is our job. Call H.P. for an independent, no-obligation review, and let's get started.

**Lincoln**  
Financial Securities  
A member of Lincoln Financial Group

Call H.P. Singh at 888 607-7100 x 304  
or email to [HSingh@KSCapital.com](mailto:HSingh@KSCapital.com)

**KS Capital Management, Inc., 11 Park Place New York, NY 10007**

©2010 Lincoln Financial Securities Corp. Securities offered through Lincoln Financial Securities Corporation. A broker dealer (Member SIPC). Insurance offered through Lincoln Affiliates and other fine companies. Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.

# 2009 FINANCIAL REPORT

A review of 2009 fiscal year-end financial data was presented at the fourteenth annual meeting in Tarrytown, NY on April 21, 2010.

Revenue and expense data are documented daily by our office staff as they track contributions, pay invoices and process payroll. Line item revenue and expense data is reported monthly to the board, giving them a snap shot of how we are doing in comparison to our budget, and what to expect by year-end.

The Association is grateful to its office staff for their constant attention to detail, insuring that data is correct and that proper documentation is on file. This effort is critically important to the audit process which occurs each year, generally for four to five days during June.

board meeting. The audit included examining, on a test basis, records, receipts, methods and internal controls as supporting evidence of the amounts disclosed in our financial statements.

The auditors found that our financial statements “present fairly, in all material respects, the financial position of the Association of BellTel Retirees Inc. at December 31, 2008 and the results of its activities and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.” The audit’s statement of financial position as of December 31, 2008 reflected **total assets of \$512,288**. Audit results were presented to and approved by the Association board and a copy has been filed with the New York State Attorney General.

for Charitable Organizations” and other state filings, where required.

### REVENUE

Our total revenue for 2009 was **\$715,838**, an overall *decrease* of 5% for the year.

Contributions represent 96% of revenue, and averaged **\$27.99**.

### EXPENSE

Total operating expense for the year (pre-audit) was **\$730,216**, reflecting an overall year-to-year **reduction of 3%**. **Publication of our newsletter**, including printing, postage and advertising, continues to be our largest expense. In 2009, we reduced this expense by 17% through careful administration of our mailings. Our newsletter remains our best vehicle for keeping you informed and attracting new members.

In 2009 the Association was able to successfully utilize the news media to tell segments of the American population of our retirees’ economic and health care concerns. This investment in PR helped us achieve new coverage we could never afford to buy as adver-

### 2008

As required by the New York State Attorney General’s Charities Bureau, BDO Seidman, LLP conducted an audit of our 2008 financial statements, finalized on July 18, 2009, and presented their findings at our August 2009

### 2009

Following are brief highlights of our financial transactions for fiscal year 2009. Our financial records will be audited in the second quarter of 2010 prior to filing our IRS Form 990, the NY State CHAR 500, “Annual Filing

**ASSOCIATION OF BELLTEL RETIREES INC.  
P.O. Box 61, Glen Head, NY 11545-0061**

Yes, I want to support the Association of BellTel Retirees Inc. in our fight to protect the pension and benefits of all retirees and active employees. Enclosed is my tax-deductible contribution of:

**\$100.    \$75.    \$50.    \$36.50.\*    \$25.    Other \$\_\_\_\_\_.**    **Check Enclosed.**    (\*Equals Only 10 cents a day)

*Or you can use your credit card. Just fill out the information listed below.*

Visa    MasterCard    Credit Card Acct.# \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_    Three digit code on back \_\_\_\_\_

Name \_\_\_\_\_    Expiration Date \_\_\_\_\_

Address \_\_\_\_\_    City/State/Zip Code \_\_\_\_\_

E-mail \_\_\_\_\_    Telephone # \_\_\_\_\_

**I am interested in learning more about Planned Giving. Please contact me.**

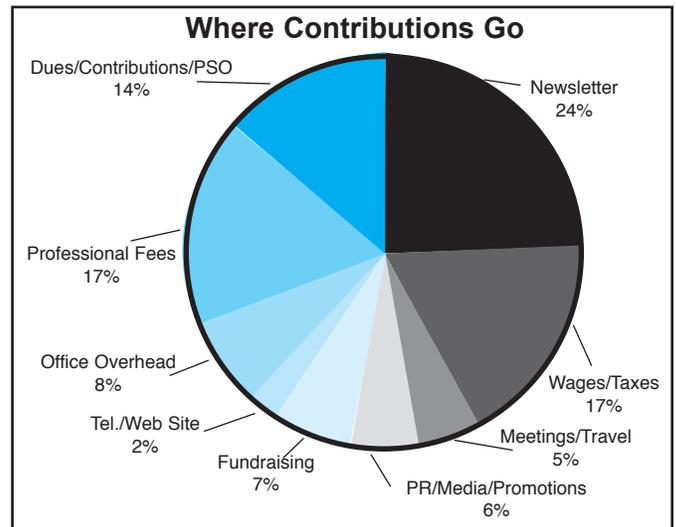
The Association of BellTel Retirees is a 501 © (3) IRS Tax-Exempt Corporation representing retirees and active employees of Verizon, all of its subsidiaries and all of the companies that were combined to form Verizon and Idearc.

tisements alone.

The results include coverage in over 900 news web sites and several print publications such as The Wall Street Journal, San Antonio Express, Courier Journal, Philadelphia Inquirer, Newark Star Ledger, Baltimore Sun, Newsday and the Associated Press national news wire and many more. Clearly the fact that in 2009 Association of BellTel Retirees has the capability to tell its story in newspapers with a total circulation well exceeding 10.2 million readers makes a difference.

**Wages and taxes**, at 17.4% of our total expense, increased 2%. This includes an increase in paid hours for our part time office staff due to

work volume, in particular the additional time required to respond to increased calls regarding Verizon benefit changes and to the inquiries of IDEARC retirees. Wage expense is at a bare minimum and it is offset by the unpaid hours of work by your board, totaling over 12,000 last year.



**Professional fees** (17% of total) include **Legal, Accounting, and staff consulting**. Major projects included our commitment to support the IDEARC litigation effort, our annual proxy filing and accounting costs associated with our audit, annual IRS filing, as well as New York and other state filings. This expense increased by 20% for the year but was offset by cost containment in other areas.

**Your Association continues to support ProtectSeniors.Org** with an annual grant to pursue a legislative remedy to our potential loss of our earned healthcare subsidy from Verizon. At press time, ProtectSeniors.Org was in the final stages of entering a new bill into Congress (it is a modified form of HR1322) which will not cost taxpayers a penny. We are pleased with their grassroots efforts during 2009, and we will continue to support them in 2010. Your grassroots and financial support are appreciated, and continue to be

vital to this effort.

The Association ended 2009 with **total cash assets** of \$490,451.

Thank you.

Eileen Lawrence, Treasurer

**IMPORTANT  
2010**

*As this report is written, we are reviewing the results of our 2010 annual fundraising efforts, kicked off in January. Unfortunately, as of April 25, 2010 we are **lagging 2009 by 10 %**. Please **consider a donation today** to help us continue our work on your behalf. Have you considered a small monthly stipend charged to your credit card? Your contribution is vital to our ability to get the newsletter to you and to keep our web site updated. Together they keep you informed on the latest issues important to you. We are the only organization fighting for the needs of Verizon retirees. **Please ... support our work. And spread the word to friends and family.** Thank you.*



UNITED, TO PROTECT OUR FUTURE

**Published by: Association of BellTel Retirees Inc.**

P.O. Box 33, Cold Spring Harbor,  
New York 11724 · (631) 367-3067  
website: www.belltelretirees.org  
E-mail: association@belltelretirees.org  
Hotline: (800) 261-9222  
A 501 C3 IRS tax-exempt corporation  
Circulation Exceeds 100,000

**President and Executive Director:**

C. William Jones (410) 770-9485

**Office Manager**

Christina M. Kruger (631) 367-3067

**Board of Directors:**

- John M. Brennan, Chairman (201) 666-8174
- Eileen T. Lawrence, Treasurer (718) 229-6078
- Robert A. Rehm, Chief Financial Officer (516) 827-0801
- Pamela M. Harrison, Secretary V.P. Union Relations (845) 225-6497
- Donald R. Kaufmann, Director (610) 687-1367
- David J. Simmonds, Director (732) 636-4847
- Jack K. Cohen, Assistant Treasurer 914-245-3129
- Patricia Trent Wells, Director (610) 388-6286
- Charles Schalch., Director 610-399-3626
- Louis Miano, Director Emeritus (781) 444-8080

Advertising Representative:  
Jim Falborn (212) 260-1731



[ProtectSeniors.Org](http://ProtectSeniors.Org)

[ProtectSeniors.Org](http://ProtectSeniors.Org)

Tel: 1-800-398-3044/WWW.PROTECTSENIORS.ORG  
E-mail: info@protectseniors.org

**HELP US HELP YOU!**

Financial support is needed to help pass our law:  
The Emergency Retiree Health Benefits Protection Act  
HR 1322

**CONTRIBUTE TODAY!**

BE A GRASSROOTS VOLUNTEER!

Send contributions to:

ProtectSeniors.Org, P.O. Box 476, Cold Spring Harbor, NY11724

ProtectSeniors.Org is a 501(c)(4) nonprofit organization. Contributions are not tax-deductible

Paid for by ProtectSeniors.Org.

## Member Mailbag



Dear Association,

I really appreciate all that the Association and ProtectSeniors.Org do for the Bell System retirees. It is a great relief to know someone is fighting for us and our benefits.

I've sent four checks to the Association and three checks to ProtectSeniors.Org in 2009. As long as I can I will continue to support both organizations in 2010.

Again, a great big "thank you" to everyone fighting for us.

*-R.R., Langhorn, PA*

\*\*\*

Dear Association,

I just want to let you know that I am very thankful for all the work you have done. I have been a member since the Association started. When I retired I was a construction supervisor so I know both sides of the coin. I really enjoy the newsletter; it keeps me informed on what is going on. I have no problem sending a

donation from time to time.

I retired in 1985, starting as lineman in 1950 and I'll be 86 years old or young in the next few months. Having friends like you all has made retirement a lot better. It reminds me of the way the Bell System started out.

Keep up the good work and I will keep sending a donation from time to time.

Many thanks to all of you.

*Bobby Watts, Richmond, VA*

\*\*\*

Dear Association,

Thank you for all your hard work and dedication in the fight to protect our benefits and pensions. I've been to quite a few of your annual meetings and your determination to protect what we have earned is remarkable.

*Carol Carr, Hewitt, New Jersey*

\*\*\*

Dear Association,

As the saying goes... "Wish the enclosed check could be more." I admire and appreciate your work on behalf of all of us.

*Evelyn R. Spaccarelli, Folsom, PA*

## RETIREE NEWS & NOTES

On April 27th, Association board chairman Jack Brennan attended a Pioneer Life Member meeting in Totawa, NJ.

Nearly 70 members of the retiree group were present to hear Mr. Brennan speak on the goals and mission of the Association. Mr. Brennan also addressed the retirees' concerns about the recently passed health care reform legislation and its possible impact on America's retirees.

\*\*\*

Association board member Charles Schalch spoke to a Philadelphia Northeast Council of Pioneers on Wednesday, May 26th.

\*\*\*

On June 3rd at noon, Association board member Charles Schalch is scheduled to speak at noon at the Philadelphia Germantown Council of Pioneers meeting. For more information on this meeting, please call Anita Stitt at 215-242-1002.

## Making it was a full-time job. Does putting it to work have to be?

A lifetime of accumulated assets. Now it's time to enjoy what your money can do for you. But who will manage it? Come to Morgan Stanley Smith Barney. We'll put your wealth to work. By taking stock of your diverse assets and where you want to go. Then, help develop a focused plan designed to meet your retirement goals.

Call today to learn how to put your wealth to work.

### Robert F. Manning

Director - Wealth Management  
Financial Advisor

1 Liberty Place, 42nd Floor  
1650 Market Street  
Philadelphia, PA 19103

**(215) 854-6271**  
**(800) 233-1414**

robert.f.manning@smithbarney.com  
fa.smithbarney.com/manning

**Morgan Stanley**  
**Smith Barney**