

BELLTEL RETIREE

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

Fall 2006

★ 1996 ★

10 Years of Service to the Verizon Retiree Community

★ 2006 ★

Volume 39

Retiree Health Care Cut to Increase Corporate Profits

By Representative John Tierney

After years of hard work, all Americans deserve to retire with the confidence that they will be financially secure and have access to high quality health care. In all too many instances, companies are breaking their promises to retirees, leaving individuals like you without health care benefits that they were promised upon retirement.

In fact, just over 30% of large employers offered health benefits to their retirees, according to a 2004 study by the Kaiser Family Foundation. In the 1980s, nearly 70% of these firms offered such benefits. In addition, of the employers that do offer coverage, many have reduced the terms of coverage by increasing premiums, co-payments and deductibles, resulting in a gradual erosion of employer-sponsored benefits. While retiree health care costs are rising rapidly, private-sector pensions usually do not keep pace.

Due to the lack of strong laws to protect Americans in this area, Americans across the country are growing increasingly concerned about their retirement security. To address this issue, I am a proud author of the **Emergency Retiree Health Benefits Protection Act (H.R. 1322)**, which seeks to ensure that companies honor the commitments they make to their retirees.

Although retirees kept their end of the bargain during years of hard work, the companies have not held up theirs. H.R. 1322 will prevent companies from using loopholes to renege on promises and jeopardize the life savings of people who are forced to dip into their living expenses in order to make up for cut or cancelled health benefits.



Rep. John Tierney (D-MA)

We cannot allow companies to continue cutting retiree health care and threatening Americans' retirement security. America has to get back to its legacy of striving for opportunity, prosperity, security, fairness and accountability for all citizens.

In the 1938 address on the third anniversary of the Social Security Act, President Franklin Roosevelt declared: "There is still

today a frontier...that remains unconquered, an America unclaimed. This is the great, the nationwide, frontier of insecurity, of human want and fear. This is the frontier - the America - we have set ourselves to reclaim."

In response, working together, we implemented the Social Security

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CWA Spotlights Shifting of Union Work to New MCI Affiliated Non-Union Shop

According to the CWA, Instead of bringing MCI into the existing Enterprise Services Groups at the company and using experienced union workers, Verizon has set up a non-union company, Verizon Business (VZB) to take on work from MCI, while also quietly absorbing work that has long been performed by its union members.

According to the union's Unity@Verizon communications, many work and service orders that were previously performed by Verizon union workers have quietly been switched to this new non-union Verizon Business entity.

The CWA states that tech work and service orders for pre-merger customers like University of Maryland,

Con Edison, and Washington Mutual Bank have been shifted to the new entity, VZB. They say that in buildings that contain both Verizon and MCI multiplexers, the new circuits are all going onto the VZB equipment.

The union points to new office buildings for the New York Times and Bank of America, all of which require multiple voice and data lines, have had not a single service order that have come to union service representatives.

Another matter the CWA questions is Verizon's claim that its core computer systems and VZB's systems are separate, and core employers have no

Unity CWA & IBEW - Coast-to-Coast
@Verizon

access to VZB's systems and data. The union questions this by noting that a Verizon union technician

has had calls from VZB to check up on that company's trouble tickets.

The union has indicated that it is pursuing discussions with the company as well as a review of possible grievances and other legal options. "We need to let the company know that we will not sit quietly by and watch our work disappear," according to the CWA communication. It goes on to say, "We must stop Verizon's plan to wall off good union wages and benefits and destroy union jobs."



President's Message

by C. William Jones

I have good news and good news. Which do you want to hear first?

OK, we are really excited about the formation of our new organization, ProtectSeniors.Org. Our office in Washington is set up; our Chief Lobbyist is in place and is already working the halls of Congress; we have received our 501 c 4 tax status and many retiree supporters have made contributions to get us started.

Further, we have formed a political action committee called ProtectSeniors.Org Political Action and we are presently collecting contributions that will be used to support the election campaigns of Members of Congress who have or will support our bill.

We are in the process of conducting a nation-wide direct mail solicitation drive that is aimed at attracting folks from all over the country, from all industries to join us in this important journey. We are putting the finishing touches on a five-state press campaign to gain name recognition.

We have created a mass e-mail system to communicate with our membership and enlist their help in this important effort. We have also subscribed to CapWiz, a user-friendly system that will deliver your messages to your Representatives in Washington.

We have worked hard for over five years to get the Emergency Retiree Health Benefits Protection Act (HR 1322) through Congress. While we have had great support from Democrats, we have yet to have a Republican co sponsor our bill. We hope to change that shortly.

This new organization, formed by the Association of BellTel Retirees Inc., is the key, we believe, to move our bill forward. However, we cannot do it without your help. Here is what you can do:

If you have not joined ProtectSeniors.Org, please do so. (www.ProtectSeniors.Org).

If you have joined, please make a contribution to ProtectSeniors.Org Political Action.

Get your friends, neighbors, relatives and co-workers to do the same.

Volunteer to join our Grassroots Legislative Network and become part of the solution to our healthcare protection effort.

Call the ProtectSeniors.Org office if you have questions or would like to help (1-800-398-3044).

Thank you for your continued support. You are a wonderful group of dedicated telephone people who have given your lives to serve the public. It is time that you give something back to yourself and your co-workers to preserve your financial security in retirement.

Verizon Pays \$49 Million to Settle Pregnancy Discrimination Suit

Verizon Communications is paying \$49 million to more than 12,300 retirees and current employees in 13 states to settle government allegations that it discriminates against pregnant women. The settlement was the largest of its kind in pregnancy related discrimination suits, according to the United States Equal Employment Opportunities Commission (EEOC).

The company first reached this agreement in 2002 when the EEOC, which along with two labor unions, accused Verizon and its predecessor companies for failing to count the time spent by employees on maternity and parental leave towards pensions.

The agreement covers women employed by Bell Atlantic or NYNEX at any time since January 8, 1994, who took pregnancy or maternity-related leave of absence between July 12, 1965 and April 28, 1979 or a leave of absence to care for a newborn child

between July 12, 1965 and December 31, 1983.

The settlement benefits effected employees who worked in: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, New Jersey, Pennsylvania, Rhode Island, Vermont, Virginia, and The District of Columbia.

Company Surpasses 100th Municipal Market for Its Broadcast TV Services:

In July Verizon won its 100th municipal franchise to offer video and television services in Collegetown Borough, Pennsylvania, Skippack Township, Pennsylvania and Camarillo California bringing the total number of areas served to 102 nationwide as of our news deadline. Fiber Optic Service (FiOS) approvals give the company the right to open up new markets for corporate and consumer

video sales.

The company has also signed a deal to carry sports programming, allowing it to compete with old line cable television operators in this medium. Verizon now carries SportsNet New York, which airs New York Mets and New York Jets games, as well as a video-on-demand deal with CBS, NBC Universal, Discovery Networks and others.

Verizon Wireless Inching Up on Cingular in Wireless:

Verizon Wireless announced that its wireless customer base grew by 1.8 million consumers in the 2nd quarter as opposed to Cingular Wireless whose customer base grew by just 1.5 million new subscribers. In the race for first, Verizon has 51.3 million wireless subscribers, behind Cingular in the lead with more than 54 million subscribers.

US West CEO Gets \$72 Million Golden Parachute

Millions Go Undisclosed for Years Until Attorney, Retained by US West & BellTel Retirees, Uncovers Agreements

According to the Rocky Mountain News, Qwest Communications agreed to pay former U.S. West CEO, Sol Trujillo a \$72 million golden parachute only one day before the merger of the two companies, which occurred in June of 2000.

The previously undisclosed executive perk was uncovered by retiree advocate and attorney Curtis Kennedy, who was keynote speaker at the Association of BellTel Retirees 10th annual membership meeting in May. Mr. Kennedy serves as an attorney for both the Association of U S West Retirees and Association of Bell-Tel Retirees.

Mr. Kennedy characterized the payout to the former exec as "outrageous."

The golden severance package included a \$5.5 million dollar allocation to allow him use of the company's corporate jet for 3 1/2 years after leaving the company's employment.

If he had stayed with the company, Mr. Trujillo's four-year employment retention package would have been worth \$48 million. Amazingly, by leaving the company he nearly doubled his payout overnight.

Mr. Trujillo is now chief executive of Telsta and Australian Communication giant.

Lynn Turner a former chief accountant with the Securities and Exchange Commission, now currently research director of the shareholder advisory group Glass Lewis & Co.,

said the Trujillo arrangement is another example of why changes in executive pay disclosure are warranted.

"One must seriously question what value or benefit was provided to investors by a \$72 million payment for doing nothing but walking away," Turner said. Trujillo worked with U.S. West for 26 years, including two as C.E.O.

The SEC approved new rules in July that require additional executive compensation disclosure.

The \$72 million that Trujillo received included a \$36.9 million fee because the company changed management control; a \$10 million signing agreement; \$13.7 million pension

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"Disintegrating Pensions" Topic of Concern

Pension loss victims from across the nation and from a variety of industries appeared earlier this year in Washington, D.C. in a meeting convened by the Claude Pepper Foundation.

The event titled "Disintegrating Pensions National Crisis: Call to Action" included Thomas Spulak, chair of Pepper Foundation and former Staff Director of House of Rules Committee and Association of BellTel Retiree President C. William Jones participated.

A panel of pension loss victims included retirees and former workers from Enron, IBM, AT&T, and Verizon.

Also taking part in the event were policy experts from the AFL-CIO, Pension Rights Center, Ernst and Young, Ameriprise Financial Services and University of Florida.

Victims told heart-wrenching personal experiences of impact of losses in their expected pensions on their lives and families. During the event panelists proposed changes that are needed to guarantee that workers are protected from losing earned benefits.

According to the foundation, the national pension crisis is "threatening

the lifeblood of nearly all American seniors and their families, as well as younger workers." Among the statistics they cite, is that out of 142.6 million active American workers only 101 million have a private pension plan

and hundreds of major companies including: United Airlines, GM, IBM, Verizon, Sears, Hewlett Packard, Polaroid, ATT and Enron have reduced their guaranteed retirement plans.

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Surviving Spouse Offers Thanks in Telling Her Life Story

Dorothy Waibel met her future husband, Roy Waibel on what she recalls as a great blind date. At the time, Dorothy was in nursing school and a few months after their date, Roy enlisted in the U.S. Navy.

In February 1943, he was assigned to a destroyer escort ship in the Atlantic Ocean that traveled from the U.S. to South America. He was then transferred to a troop transport traveling from France to the Pacific Theater in the Philippine Islands. Later in the war, he was assigned to the "Brule" and the "Gen. Omar Bundy" transporting troops back and forth to the West Coast and Japan.

Like many young couples in those times, World War II and the demands of nursing school upon Dorothy allowed little time for the two to see

each other. So in order to communicate, they wrote letters and it wasn't until the end of the war that they would be reunited.

In 1945, Roy Waibel was discharged from the Navy after nearly three years of service and once home, Roy and Dorothy married at the Elsmere Presbyterian Church in Wilmington, Delaware. When Diamond State Telephone Company offered Roy a job as an installer, earning \$36.00 a week in March of 1951 he jumped at the opportunity to have a career with the telephone company.

Dorothy recalls that as a registered nurse she earned the same salary. With good jobs and security the couple could now build upon their dream of having a family.

In November of 1952, Roy and Dorothy welcomed their first son

who was born with a heart condition and passed away after just five months of life. In 1954 the couple was blessed with the birth of a second son, David, and in 1958 a third son, Paul, followed. In between, they settled in a new home just outside Wilmington, Delaware.

At Diamond State Telephone Roy became very active in the local union, rising to position of Vice President.

The couple's dedication was also to their family. When their boys were old enough to join the Boy Scouts, Roy became a Scout Master. He planned hikes in the Pennsylvania Mountains and a 50 mile hike from the Maryland state border to New Jersey. Roy continued as Scout Master for Troop 43 for 15 years.

Looking back over careers that span decades with the company, think about of all the blizzards, nor'easters, hurricanes or times when a project deadline kept you away from the family. In those times it has been these spouses who held things together at home as we were focused on the Spirit of Service.

After nearly thirty years with the company, Roy retired in March of 1981 as a PBX installer. He and, by extension, Dorothy had given decades of their lives to the company and the union. On December 13, 2005 Roy, a member of the Association of BellTel Retirees, passed away at age 81.

Recently Dorothy wrote to the Association to tell of their life together.

Among the more than 111,500 members of the Association are many, many surviving spouses, just like Dorothy Waibel. The Association recognizes the vital importance of protecting the benefits and rights of our surviving spouses and not only Verizon retirees.

We often get calls from Verizon surviving spouses after the passing of their loved one seeking guidance and letting us know that they would like to continue receiving the BellTel Retiree newsletter or continue to

(Continued on page 7)

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Healthcare Cost Escalation for Pre-Medicare Retirees

By Jim Chumley

I heard from the Escalation Committee at Verizon regarding my particular concerns with rising contributory premiums (nay, skyrocketing) for retiree healthcare coverage.

I was told that basically, Verizon negotiates every year with the various healthcare providers. A provider's charge for coverage may vary location-to-location in part, based on the number of retirees/employers who will be under the respective provider's coverage umbrella.

A large number of folks covered by a provider's plan will provide a larger base over which Verizon can spread the cost of coverage. A smaller cluster will cost more per unit to cover. Perhaps this is one reason why the premium costs are so varied around the country, zip code by zip code.

Florida, for example, has significantly lower rates for coverage than does Texas. Austin has higher premium rates than does the Dallas area.

Secondly, Verizon/GTE, uses a system to determine a monetary cap based on the number of the individual's service years. That percentage, or cap, limits the benefit coverage each employee may receive, with 29 years being a breakpoint between lower and higher amount of company contribution. Thus, for those who retired before and after 29 years, there are different caps. This contributes to the reason for further variations across the retiree population.

In January 2006 I originated my quest for answers to the rising retiree contributory healthcare premiums. At the time, Cigna (in my case) told me to call Verizon. Now that Verizon has spoken, the finger points back to Cigna, or any of the healthcare

providers that have held out for ever-increasing revenues.

Wouldn't it seem that Verizon should have sufficient muscle to negotiate better rates for its retirees' healthcare coverage? The pillars of power have not done so. Instead, they adhere to pricing formulated fifteen or more years ago (per Escalation Committee).

The spokesperson for the Verizon Escalation Committee told me that a great number of complaints have been filed with Verizon regarding this subject.

Thanks for the concern and assistance the Association of BellTel Retirees has provided on this matter. I am encouraged by your enthusiasm. Please continue what you are doing to ease the financial burdens being placed on us by these healthcare issues.

Jim Chumley is a retiree from GTE who resides in Austin, Texas.

Help Us To Keep You Informed

While our newsletter is our primary communications vehicle, e-mail and our web site are particularly valuable to get information out quickly. Please give us your e-mail address if you have not done so and be sure to notify us when it changes.

We have occasions when an e-mail is the only way we can get information to you in a timely manner. You can send it to us at: association@belltelretirees.org.

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ProtectSeniors.Org Growing in Washington, D.C.

Since its start up, ProtectSeniors.Org has several immediate accomplishments and is building on that effort every day. The organization was granted its official 501 (C) (4) tax status as a recognized non-profit organization. It has also taken steps to open a separate political action committee (PAC) which enables the group to support the campaigns of elected officials who stand behind pro-retiree legislation in Washington, D.C.

As we go to press leaders and volunteers from ProtectSeniors.Org have been working the halls of Congress to seek Republican sponsorship of the Emergency Retiree Health Protection Act (HR1322). The organization is also working on an upcoming town hall meeting somewhere in New England that would include an opportunity for candid discussion between retirees and Members of Congress.



On the membership front we have some good news. In just the first 100 days following the announcement of ProtectSeniors.Org's establishment, more than 29,000 signed up for membership and 400 donated to the Political Action arm, supporting the cause of retirees on Capitol Hill.

We need you to join, if you have not

already done so. We encourage you to recruit every retiree in your neighborhood, place of worship and retiree and senior citizen family and friends to join to make this grassroots effort in Washington, D.C. take root and grow in all 50 states.

If America's retirees have enough votes to elect our own President and determine the outcome of every Congressional race in the United States, why is it that corporations and drug companies are successfully able to pass anti-retiree legislation time and again? How is it that our elected officials are essentially allowed to dress up a pig and put lipstick on it and tell America's senior citizens and retirees that this is good for you so accept it? All the while they know it is to the detriment of the retiree class in this nation.

ProtectSeniors.Org is not just for retirees from the telephone company or Verizon, but retirees from every company and every industry in America. It is for those who were promised lifetime health coverage – that was paid for in our working years by accepting lower salaries – and now find that coverage being diminished or eliminated.

This has already happened to millions of American retirees without recourse and now that the judicial system has ruled against retirees and in favor of the corporations in their desire to take these benefits away from retirees, our only road to fix the problem now lies with influencing change to the laws of the land. HR1322 is the bill that, when passed into law, will protect America's retirees from wholesale loss of their earned healthcare benefits and protections.

We ask you all to join and play a role in growing ProtectSeniors.Org's member base; ask friends to send in a donation to ProtectSeniors.Org. Have them sign up to play a part in our growing national grass roots network which hopes to have leaders in every Congressional District in the 50 states.

The protection of your benefits is worth it so take action today to get involved. Member and recruitment brochures are available upon request for distribution in your community. For more information go to www.ProtectSeniors.Org or call 202-434-8193.

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Retiree Health Care Cut to Increase Corporate Profits

(Continued from page 1)

program, the G.I. Bill and unemployment insurance. Employers provided health care and retirement benefits. Later, Social Security was dramatically expanded under the Eisenhower Administration to include disability insurance and, later still, Medicare and Medicaid were established to protect Americans.

As we addressed American's sense of insecurity in the 1930s, and years following, we need to address the problem we face today with companies cutting back on retiree health care and pension benefits. I am pleased to see that retirees are not sitting back and allowing corporate America to continue to raid their health benefits.

H.R. 1322 would stop profitable companies from unfairly cutting the hard-earned health benefits of retirees. Further, it would:

Prohibit group health plans from making post-retirement reductions in retiree benefits;

Require plans to adopt provisions barring post-retirement cuts in retiree health benefits;

Require employers to restore benefits reduced after retirement;

Provide an exemption for employers who are unable to restore benefits because they would experience substantial business hardship, as determined by the Secretary of Labor; and

Create a loan guarantee program to assist employers in restoring retiree health benefits.

We must do all that we can to prevent workers' hard-earned retirement benefits from being reduced or eliminated and to protect the retirement security of thousands of employees, retirees and their families. With your help, I will continue to fight this fight.

Representative John Tierney is a Member of the United States Congress representing the 6th Congressional District in Massachusetts and is the author and sponsor of HR 1322. Congressman Tierney serves on the House committee on Education and The Workforce which has jurisdiction over pension and benefit legislation in the United States.

Surviving Spouse Offers Thanks in Telling Her Life Story

(Continued from page 4)

support our efforts to communicate on behalf of retirees and get vital legislation passed in Washington, D.C.

When we think about the protection of the pensions and benefits we worked so hard to earn – and why we volunteer our time in retirement to carry out the mission of the Association – the answer remains “The Spirit of Service” as Angus McDonald would have espoused or the giving back to community that Pioneering has shown us.

As Retirees we must always be cognizant of the obligation we have to be there for our fellow retirees and their surviving spouses.

This past April 20, Dorothy and

Roy would have celebrated their 60th wedding anniversary. As Dorothy expressed, instead she will be eternally grateful for the 59 years and 8 months they spent together as husband and wife.

It is reading heartfelt letters like

those from members like Dorothy Waibel that reinforce the importance of the mission of this retiree organization to continue its fight for the protection of the pensions and benefits for all of our retirees, future retirees and surviving spouses.

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BellTel Retiree Appears in Clint Eastwood & Steven Spielberg Movie

In October a Clint Eastwood and Steven Spielberg film, *Flag of Our Fathers* is set to be released telling the story of the six men who raised the American flag at the Battle of Iwo Jima, creating one of the most viewed photos in history.

A member of the Association of BellTel Retirees was recruited to play a small but historically accurate part in the film, as the White House teletype operator.

In two key scenes of the movie, a



BellTel Member Don Robert House on set of movie Flag Of Our Fathers.

U.S. Army TG-7B teletype and a U.S. Army TXC-1 Facsimile Machine are being used by the Roosevelt White House. The operator of the machines in the movie is Don Robert House, an active member of the Association and a retiree from Ameritech, now a part of AT&T.

It was last October when Don arrived in Hollywood for two days of filming on Sound Stage 2 at the old Goldwyn Studios. Once on set,

House was given a 1940's style haircut, had his goatee shaved, his modern era glasses were confiscated and he was dressed in attire befitting the era and his role at the White House.

In the past Don has provided vintage machines for films, but this was the first time getting face time in a major motion picture.

In retirement, Don is Curator of the non-profit North American Data Communications Museum (www.nadcomm.com). The museum collects, displays and keeps the equipment which powered the communications revolutions of the twentieth century, from telegraphy to digital telephony operational. The organization maintains everything from the teletype to modem technology.

Don's insights and knowledge of this machinery, and its use is what brought him together with the producers.

Back on the White House set for his big moment, Don was seated next to a secretary's desk, equipped with a model 15 (TG-7B) teletype, where he explained to Director, Clint Eastwood the format of the machine and its messages and how it might have been utilized at the time to communicate military messages.

Golden Parachute

(Continued from page 3)

payment; \$5.5 million airplane use allowance; \$2 million for him to rent new personal or professional office space; and a variety of perks including \$943,441 in club memberships; \$100,000 limousine service; \$13,000 to attend the World Economic Forum and some \$1.5-\$2 million in stock options.

The Association of BellTel Retirees has waged numerous proxy shareowner proxy campaigns against its own former employer Verizon Communications — winning on multiple occasions — in an attempt to halt overly generous payouts to top executives in the form of compensation, benefits, bonus stock options and golden parachutes.

Verizon Yellow Page Spin-off in the Works

Verizon Communications Inc has proposed a spin-off of its Yellow Pages publishing operations and its on-line directory: SuperPages.com.

In a Form 10 registration filed with the Securities and Exchange Commission (SEC), the company provided details about its proposal to create a new independent publicly-traded company. Form 10 is an official regulatory request by a company or entity to register stock with the SEC and to be listed on the national stock exchange. It also informs potential investors about business financial statements and possible risk factors. A spin-off would be subject of final approval by the Verizon Board of Directors.

At our news deadline, two private equity firms are reportedly preparing a bid for Verizon Yellow Pages: Provi-

dence Equity Partners Inc. of Providence, RI, and Boston's Thomas H. Lee Partners LP.

It is not clear at this point where the newly proposed company would be headquartered. The present company is headquartered in Dallas, with 7,100 employees located throughout the country.

Though there are many details related to this proposed spin off that still need to be resolved, some key points are maintaining the current benefits level for both active and retired employees.

Verizon Information Services (Yellow Pages) is presently in what is called a "quiet period", which will last from now until after the spin-off is completed and this limits the amount of information that can be shared with employees.

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Pension Protection Rules Up For Consideration on Capitol Hill

On July 28th the Pension Protection Act of 2006 was passed in the House of Representatives. On August 3rd the bill passed in the Senate.

This measure, as it stands now on Capitol Hill, would affect more than 44 million people relying on pension plans and more individuals who are saving for retirement through IRAs and 401 (k) plans.

In what is considered to be an unconventional move, the House of Representatives took out a part of the Pension bill that would have extended favorable tax breaks and attached it to the Estate Tax and Extension of Tax Relief Act of 2006, calling for changes to Estate Tax and minimum wage.

The Pension bill consists of a variety of provisions meant to strengthen the funding rules for defined benefit pension plans. Tightening funding requirements, ensuring employers are making greater contributions to their pension funds, will secure their solvency and avoiding potential multi-billion dollar tax payer bailout of the Federal Pension Benefit Guaranty Corporation (PBGC).

Under the bill, company's pension plans will have to be 100-percent funded and if not, they will be required to be fully funded within seven years.

If employers are not in compliance, the bill has restrictions on how they can fund their plans.

Those firms that are below 80-percent funded are prohibited from using credit balances for funding or making any new promises of benefits. Plans that are less than 60-percent funded also will be subject to restrictions.

The bill also contains penalties for employers by prohibiting companies from offering special pensions to executives if their general employee pension plan is at risk or the company is in bankruptcy. It also provides added assurances to taxpayers that they won't be left responsible for paying pension promises by instituting a termination premium of \$1,250 per participant if a plan sponsor terminates an unfunded pension plan. In the event of bankruptcy, the for-

mer plan sponsor must pay this after the company emerges from bankruptcy.

The bill will also provide greater legal certainty to cash balance plans, including the provision of a safe harbor rule for testing these types of plans for age discrimination.

The bill also addresses retirement savings held in IRAs and 401 (k)s. The bill encourages workers to save by allowing companies to automatically enroll employees into 401 (k) plans.

Major Provisions of the Pension Protection Bill:

- Requires employers with defined-benefit plans to make sufficient contributions to meet a 100 percent funding target and erase funding shortfalls over seven years.

- Forces employers with "at-risk" plans to make accelerated contributions. Under one scenario, a plan is deemed at-risk if it falls below 70 percent funded status using assumptions that employees take the most expensive benefits and retire at the earliest possible date.

- Changes the interest rate model used for measuring a company's pension liabilities.

- Prohibits employers and unions from increasing benefits if a plan is less than 80 percent funded, unless

the benefits are paid for immediately.

- Restricts the use of deferred executive compensation arrangements for employers with severely underfunded pension plans.

- Ends the legal uncertainty surrounding cash balance pension plans and establishes a simple age discrimination standard for all defined-benefit plans.

- Bars companies from forcing employees to invest any of their own retirement savings contributions in company stock.

- Permits qualified financial companies to offer face-to-face investment advice to help employees manage 401(k) and other retirement options. Those companies would be required to base recommendations on employer-sponsored plans such as 401(k)s on a certified computer model.

- Makes permanent provisions in a 2001 tax cut law that raised annual contribution limits for IRAs.

- Gives taxpayers the option of depositing a portion of their federal tax refund directly into an IRA.

- Allows employers to offer automatic enrollment in employer-sponsored defined contribution pension plans such as 401(k)s.

- Allows employers with defined benefit pension plans that are more than 120 percent funded to use assets to fund retiree health benefits.

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Member Mailbag



Dear Association,

My wife and I, both retirees from Bell Atlantic, NJ, just finished reading the summer 2006 issue of Bell Retirees. We couldn't help but comment that it was one of the most informative that we have received. Especially so was your message concerning the need for three organizations.

A short time ago we received our solicitation to help support the newly organized PSO. As retirees, we have budget constraints and cannot always donate to the many, many organizations seeking financial aid, so the solicitation was set aside.

After reading your message and discussing it, we decided that we couldn't afford Not to contribute. For should our current pension and benefits be diminished, we wouldn't be able to donate to any charitable organization. We would, more than

likely, move from the donor side to the needy side. The need for strength in numbers was very apparent. Thanks again for the timely message. Rest assured all three organizations will be on our donation list.

*Jacqueline & Bernard Seeko
Hackettstown, NJ,
* * **

Dear Association,

As a retired craft member, I contributed \$25 for my membership. However a "Member Mailbag" (*Summer 2006 Edition*) convinced me that I should do better. Enclosed please accept my additional check for \$25 to help the cause. Mr. German's message really struck home.

*Richard Shields
Retired Switchman, Bell of PA
Pittsburg, PA
* * **

EDITORS NOTE:

After receiving multiple reader comments we have decided to reprint a letter submitted by C&P Retiree Roy

C. German:

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*

Members, We Need Members!

While we have a very large membership at this time, we can never have too many. Our success in carrying out our mission to protect and enhance retiree pension and benefits is dependent upon the power of our people. The more members we have, the greater our power. That is true when dealing with our former employer as well as when we are working the halls of Congress.

Do us, and yourself, a big favor; please recruit two additional members for the Association. Help us reach all of Verizon's retirees in order to maximize our influence. And, don't forget, we encourage active employees to join as well.

Just send us their names, addresses, telephone numbers and e-mail addresses and we will take care of the rest. You can use: telephone (1-800-261-9222), e-mail (association@belltelretirees.org) or US mail (P.O. Box 33, Cold Spring Harbor, NY 11724).



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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 111,500

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
Michael S. Kucklinca,
Executive Vice President (516) 741-2424
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Robert A. Rehm, Chief Financial Officer
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(718) 444-8080

Advertising Representative:
Jim Falborn (212) 260-1731

Retiree and Pioneer News & Notes:



Over 13,000 Pioneers Expected at Virginia Family Gathering:

The Pioneers Old Dominion Chapter will hold their 27th annual Family Fun Day on Sunday, October 1, 2006 at Kings Dominion Amusement Park in Richmond, VA.

The park is closed to the public for this gathering and only those associated with the Pioneers are admitted. Last year more than 13,000 friends and family of the Pioneers joined for this day of fun and activities. Bring your children and grandchildren, as the park will be at their complete disposal from 10am to 8pm. All Pioneers and Association members, family and friends are invited to participate.

Discounted tickets are \$20.00 per person. An optional full picnic lunch including food, beverage and ice cream is also available for \$13.50 per

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.

person for those ages 7 and up; and \$7.95 for attendees ages 3-6.

For more information contact Carol Warburton 757-489-8948; or Email: sissygirlcarol1@aol.com or information can be found online at www.verizonvirginiapioneers.org

Association Chairman Jack Brennan spoke before two Pioneer Life Member groups in New Jersey in June. Jack joined with members of the Hack-Eng-Hud Life Member Group on June 13 and the following day joined retirees from the Trenton-Burlington Member Group. Each group had an impressive 60-65 members in attendance and led a lively discussion about the Association's annual proxy campaign, questions about the Verizon retiree death benefit; the importance of the recent formation of new lobbying organization called ProtectSeniors.Org and how it is working to support the Emergency Retiree Health Benefits Protection Act (HR1322) on Capitol Hill.

Retirees from upstate New York recently gathered in Syracuse for the Empire Federal Telephone's Annual Meeting in Syracuse, NY.

The Blue Ridge Council of the Pioneers will hold a Crab Feast from 1-4 p.m. on Saturday, September 23 at the Pythian Building located at 330 Wallace Lane, Fredericksburg, Virginia.

The menu includes crabs, shrimp, hamburgers, hot dogs and soft drinks. Cost is \$21 for adults and \$8.50 for non-crab eaters and children under 12. For reservations, please send a check before September 10, payable to the Telecom Pioneers, to Florence Monroe, 1101 Oakwood Street, Fredericksburg, VA 22701 or to Robin Willis, 19011 Industrial Drive, Culpeper, VA 22701. Please attach a list of names of the people attending in your party.

Inquiries may be directed to Florence Monroe at 540- 373-3541 or Robin Willis at 540-825-9924.

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To Live Like a Congressman in Retirement

After just 12 years in office a federal lawmaker is able to retire at the age of 60 and receive a pension of \$25,000 a year and lifetime benefits that could be more than \$800,000, not including 401 (k) benefits, according to a recent analysis by the Seattle Post Intelligencer.

Any Member of Congress who remains in office for five years also qualifies for taxpayer subsidized healthcare until reaching Medicare age.

The newspaper's analysis clearly was that Congressional pensions are far better and more lucrative than those for taxpayers in the private sector, beginning earlier, granting a fixed monthly payment based on years worked and pay that increases a third faster than the average private pension.

Members of Congress with five years in office are eligible for full benefits at age 62.

After 20 years of service Members of Congress can receive full benefits at only age 50.

According to John Ehrhardt, a corporate retirement expert, regular COLA's received by Members of Congress could add about 25 percent to the value of the Congressional plan over a recipient's lifetime.

Even the pensions and benefits of former elected officials thrown out of office for wrong doing are secure according to the report. Among the examples they note: Former Rep. Randy "Duke" Cunningham, (R-CA), who was sentenced to jail for eight years and four months after pleading guilty to bribery is still entitled to an annual pension of about \$36,000 for the 15 years he served in the House, not including his military pension or 401K.

Another instance is embattled former House Majority Leader Tom DeLay, (R-TX) who after serving 22 years has qualified for an initial pension of \$56,000. He could receive pension payments of up to \$2 million in his lifetime.

But according to James Klein, President of the American Benefits Council, Congress' slow action on national pension reform may be in part, due to the overall health and security provided by

its own pension. "I don't think that many people in Congress would be quite so indifferent to the demise of the defined-benefit plan if they didn't have such a robust plan themselves," he said.

As reported in another article in the BellTel newsletter, both Houses of Congress are working on a variety of pension reforms that many feel are long overdue.

According to the National Taxpayers Union, after three decades Rep Henry Hyde (R-IL) is retiring and will receive a pension of \$119,000 a year and Ted Stevens (R-AL) a 38-year veteran of the Senate would receive a pension of \$125,000 if he retired at the end of his current term in office.

Former Presidents of the United States, for comparison sake, receive a taxable pension equal to base pay of Cabinet Secretaries, currently \$183,500.

Verizon Quarterly Profit Falls as Revenue Grows on MCI Merger Costs

In August Verizon said its second quarter profit fell 24% to \$1.6 billion or 55 cents per share due to merger integration costs.

The results included 9 cents a share in expenses from the former MCI Inc., which merged with Verizon on Jan. 6. Excluding results post MCI merger the company had profit of 64 cents a share. Revenues for the quarter were up 25.6% to \$22.7 billion from the same period in 2005. Growth was attributed to Verizon's wireless and broadband units.



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