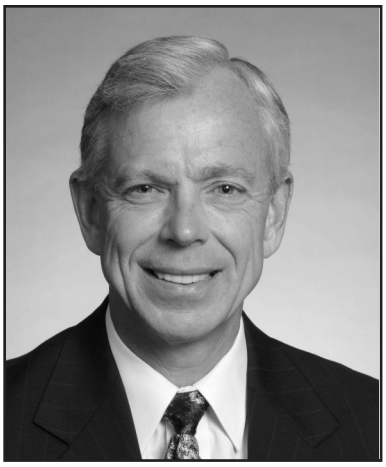
BELLTEL RETIREE

The Official Newsletter for Union and Management Retirees and Employees of Bell Atlantic, GTE, Idearc/Supermedia, NYNEX, Verizon and its Subsidiaries. Paid for by contributions from Verizon and Idearc/Supermedia retirees.

Spring 2012 54 Volume 61

Verizon CEO Discusses the Future of the Company

Verizon Communications President and CEO Lowell McAdam discussed the company's decision to scale back its wireline service at the December 2011 UBS Media and Communications Conference. He says the company will focus instead on growing its nationwide wireless empire.



Verizon CEO Lowell McAdam spoke of major changes at Verizon during the UBS Media Communications Conference.

In December, President and CEO Lowell McAdam discussed the company's decision to scale back its wireline service.

Verizon purchased a block of spectrum last December for approximately $3.6 billion from SpectrumCo. The acquisition of the network – from competitors Time Warner Cable, Comcast, and Bright House Networks – will allow Verizon to offer larger 4G LTE service, especially to western parts of the United States.

The new strategy stalls further FiOS expansion. The company will stop expanding its fiber optic lines after reaching a target of 18 million homes.

Although Verizon had originally planned to offer residential LTE satellite television service in partnership with Direct TV last year, the collaboration ended to make room for a deal with Comcast. Instead of adding more fiber optic lines, Comcast will instead sell its service with the Verizon bundle, in hopes the companies will target a larger market nationwide together.

This is not the first time that Verizon has taken steps to shift their focus away from its wireline division. During the past few years, Verizon has sold off land lines to other companies, and spinning off its directory operations division. In 2010, Verizon Communications sold 7 million of its access lines to Frontier Communications for $5.3 billion and in 2008 Verizon sold its landlines predominately in the Northern New England area, to FairPoint Communications for $2.3 billion. The Idearc spin off occurred in 2006.

In a transcript from the UBS conference, McAdam was reported saying:

"So we were well down the road in developing that for FiOS and then the

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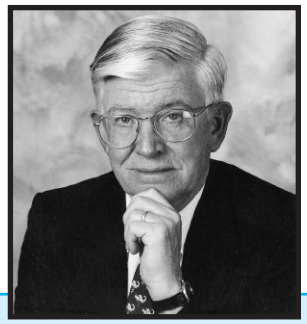
Save the Date!
April 25, 2012
Association Annual Meeting in Milford, Massachusetts
– See invitation on Page 9



President's Message

by C. William Jones

Shortly after the New Year celebrations concluded, the news media broke disturbing, if not frightening news. They reported that Verizon was looking to shed all of its "fixed-line operations" and that would allow it to merge their wireless business and enterprise operations with their Newbury, England partner, Vodafone. Vodafone presently owns 45 percent of the Verizon wireless business.

Further, it was reported that Verizon had reached an agreement in December to purchase frequency spectrum and form a cooperative marketing arrangement with Comcast Corporation and other U.S. cable companies.

This means that Verizon plans to sell cable-TV products and cable companies will sell Verizon wireless services. This would enable Verizon, if it chose to do so, to spin off its consumer wireline service assets, and its pension and benefit liabilities – and that means us!

Of course this would be subject to SEC, FCC and other regulatory scrutiny and will not happen overnight. However, the lessons learned when the company spun off the Directory Operations to Idearc, along with the active employees

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President's Message

(Continued from page 1)

and 2,500 to 3,000 existing retirees, are extremely disturbing.

The previous sales by Verizon of wire-line operations in New England and other territories to FairPoint and Frontier resulted in bankruptcy in one case and near bankruptcy in the other. This leads one to the conclusion that such sales can spell disaster for the employees, both management and union, and any transferred retirees.

From what we hear at press time, the current union bargaining, in its 30th week, appears to have an onerous mood. It seems to be more of a series of company demands, rather than give and take and compromises. Union jobs appear to be on the chopping block.

The decision that your Association made almost two years ago to lead and finance a class action law suit against Verizon and Idearc (SuperMedia) was made for two reasons. First, it was the right thing to do. Our mission is to protect all retirees' earned pensions and benefits. The spin-off of the directory operation's retirees to an undernourished, debt-ladened, new corporation with a questionable future was just plain wrong. This was, as far as I can tell, the first such action in our company's history. Second, the Association's board feared that this deplorable decision by Verizon might be an indication that it might take this path when it wanted to shed other unprofitable parts of the business. We felt that it was necessary to take firm action to prevent more spin-offs that are not in the best interests of retirees.

Well, faithful members, the new, reconstituted Verizon has appeared and it looks like the last vestiges of our beloved "Mother Bell" will be erased. Forget life-time earned benefits, forget secure, earned pensions; the new Verizon is looking to walk, no run away, from its obligations.

"Forget life time earned benefits, forget secure, earned pensions, the new Verizon is looking to walk, no run away, from their obligations."

We are all thankful that over fifteen years ago a small group of retirees decided to create an activist organization to stand up for all retirees. We have had many successes over the years and have, in place, the largest, most successful organization of its kind in the nation. We are presently planning our defense of the financial futures of 230,000 Verizon retirees as well as future union and management retirees.

There could not be a better time for everyone to make sure that all of your fellow workers are contributing members of the Association. We need everyone to carry the load since our legal expenses will be climbing considerably.

You are an integral part of this defensive and proactive action. It has never been more important for every single retiree to support the Association financially. Together, we must unite and fight any actions that seek to benefit the corporation at the expense of retirees. Some of you are already struggling. A small donation will show us that you are behind us in this important fight. Others can afford larger contributions and we thank you, in advance, for recognizing the importance of increasing your support. Together we can make a difference at this critical time!

QR CODE READER

Clicking on QR codes with your smart phone **(QR code reader)** will give you access to additional resources, new stories, online videos, and more.

BELLTEL
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UNITED, TO PROTECT OUR FUTURE

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Recent Court Filing in Related Lawsuit Supports Retirees' Claims in Murphy v. Verizon

The following is an update of the litigation in the federal court on behalf of SuperMedia retirees who were surreptitiously and involuntarily transferred from Verizon's pension umbrella to Idearc's pension umbrella.

Federal Judge A. Joe Fish is presiding over Murphy v. Verizon and US Bank National Association v. Verizon Communications.

Idearc's creditors, plaintiffs in another case, *U S Bank National Association v. Verizon Communications* allege in a recent court filing that Verizon knowingly spun off its directory services into a doomed-to-fail new company Idearc/SuperMedia. Association of BellTel members obtained the Amended Complaint filing made on November 30, 2011. It alleges that Verizon effectively removed approximately $9.5 billion from Idearc without providing Idearc with reasonably equivalent value in exchange. The allegations in the *U S Bank, NA* Amended Complaint and the several exhibits attached to it support the retirees' claim in *Murphy v. Verizon* that it was not in their best interest to be spun off and that they should be transferred back to the Verizon pension umbrella.

This *U S Bank, NA* case is NOT sponsored or brought by the Association of BellTel Retirees; however, it is materially relevant to *Murphy v. Verizon.* Both cases are pending before Dallas Federal Judge A. Joe Fish. According to the creditor-plaintiffs, "Idearc was a sham corporation organized and promoted by Verizon in order to perpetrate a fraud and commit public wrongs, including defrauding creditors and tax payers. Prior to the spin-off, Verizon never paid for any Idearc stock, never caused any Idearc stock to be issued to Verizon and failed to adhere to corporate formalities… Stripped to its (Idearc) essence Verizon refinanced and re-packaged its own debt as Idearc's debt to perpetrate a fraud."

Among the exhibits attached to the *U S Bank, NA* Amended Complaint is an email message from Verizon's primary merger and acquisitions lawyer. He said, "Since we basically decided not to give spinco (Idearc) eyes, ears, limbs and advisors until close to closing, I am not sure why we would want to give it a brain." Another exhibit is an email originated by then Verizon Chairman Ivan Seidenberg who said this about Idearc: ". . . but my assumption all along is that this business is going through a major secular change… but this business is changing quickly… the same lesson I learned in the telco. I listened for 10 years that we had the time and market position to deal with the technology shift and just in a flash wireless and cable ate us up."

Among the counts made against Verizon in the *U S Bank, NA* Amended Complaint are:

- Fraudulent transfer made with actual intent to hinder, delay, or defraud creditors of Idearc;
- Verizon effectively removed approximately $9.5 billion from Idearc without providing Idearc with reasonably equivalent value in exchange;
- Breach of fiduciary duty to the detriment of Idearc and its creditors;
- Willfully, or at a minimum, negligently authorizing and approved the dividends paid to Verizon even though Idearc lacked surplus or a net profit under which the dividends could legitimately occur;
- Unjust enrichment – Verizon exchanged the Idearc indebtedness for Verizon's own indebtedness, thereby reducing billions in Verizon's debt; and
- The creditor-plaintiffs in the *U S Bank, NA* case demand that the court "pierce Idearc's corporate veil and hold Verizon liable for all of Idearc's debts, including all debt and other obligations incurred by Idearc in connection with or because of the spin –off."

For more information on "*U S Bank, NA v. Verizon*," you can visit the Association's website. On the home page, click "Association Activities," then click "legal action" and "Idearc Fraud Litigation."

For those of you who have received the newsletter electronically, please click the link below:

http://www.belltelretirees.org/index.php?option=com_content&view=article&id=62&Itemid=62

Association Members More than Just Verizon Retirees

The Association of BellTel Retirees represents not only Verizon retirees, but YOU the many owners of the company, as well as YOU the many tens of thousands of the company's customers, according to a recent member survey.

In a survey of thousands of Association of BellTel Retiree members, 71.7% are Verizon shareholders.

Nearly 90% said that they are Verizon customers.

- 36.5% use BOTH a Verizon landline and cell phone
- 16.4 % use both FiOS and wireless services
- 17.5% are FiOS customers
- 17% have Verizon wireless services alone
- 37.6% said in addition to their Verizon account, their spouses also utilize additional services from Verizon, such as cell/smart phone service.
- 65.7% of BellTel members' reported that their children and grandchildren have remained loyal to the brand, by also patronizing Verizon products and services.

"Our membership is more than just a united voice of Verizon retirees. We speak for an important and large block of Verizon owners and many tens of thousands of its customers. Can you hear us now?" said Bill Jones, president of the Association of BellTel Retirees.

Verizon Chairman Ivan Seidenberg Retires

Ivan Seidenberg announced his retirement at the end of 2011. Although Verizon does not have a mandatory retirement age, Mr. Seidenberg turned 65 last December.

Last July, Lowell McAdam succeeded Mr. Seidenberg as CEO while Seidenberg remained Chairman to aid the company with the transition. Mr. McAdam was chosen to succeed Mr. Seidenberg as Chairman effective January 1, 2012.

Mr. Seidenberg served as Verizon's chairman since 2004 and was the company's CEO from 2000 to mid-2011.

He worked his way up through the company, starting as a New York Telephone cable splicers' helper in 1966. Mr. Seidenberg has maintained top managerial positions throughout his career. He was previously the Chief Executive and Chairman of both NYNEX and Bell Atlantic.

Mr. Seidenberg was at the helm of Verizon Communications throughout numerous mergers combining Bell Atlantic, NYNEX, GTE and MCI.

"Under Ivan's leadership Verizon Communications has grown to well over a $100 billion company. He has always been committed to his customers, his shareholders…and always to his employees," said Denny Strigl, former president and CEO of Verizon Wireless (12.12.2011).

"He once told me he had an obligation to build Verizon into a company which will survive and thrive long after he retired. He has done just that," Strigl added.

News analyses have referenced the possibility of Verizon moving to position itself as the largest provider of cell service (See page 1 for more details). If this happens, the fate of wire-line services, their employees and retirees and the associated Verizon financial commitments remains to be seen.

Recently retired Verizon Chairman Ivan Seidenberg received $20 million in undisclosed SERP bonuses.

Retired CEO's Extra $20 Million Bonus Went Undisclosed

The Security and Exchange Commission reported that Verizon Communications had failed to disclose to shareowners $20 million in additional compensation that now retired Chairman and CEO Ivan Seidenberg received in 2009 and 2010 alone.

The $20 million in undisclosed compensation related to above-target payouts on Performance Stock Units (PSUs), a form of restricted stock that is subject of a shareholder proposal that the Association received substantial support from at the 2011 Verizon shareholder meeting.

At Verizon's annual meeting last May, Association President Bill Jones stated that the performance hurdle associated with these PSUs did not align with stockholder interests since "senior executives would receive 100% of the target PSU award for median performance" compared to a peer group of companies selected by Verizon's board.

Verizon, however, said that the $20 million was disclosed. Verizon spokesperson Peter Thonis said, "The SEC did not suggest that anything was improper in past disclosures, but it wanted a new method of disclosure going forward…we have simply complied with a reasonable request, given that all of the information we provided was accurate and transparent."

The Association believes that Verizon has a fiduciary responsibility to provide a high level of transparency to all of the public owners of its stock.

"Our efforts have focused on reining in Verizon Executive Golden parachutes, overuse of shadow profits from the pension fund, excessive Performance Stock Unit levels to award bonuses to senior executives and the need to seek a truly independent Verizon board of directors free of members with clear conflicts of interest," said Bill Jones, Association president.

The Association has consistently campaigned against Verizon's liberal policy of granting stock bonuses for substandard results to senior executives.

2012 Retiree Proxy Campaign

Verizon Performance Bar For Bonus' Too Low

The Association filed a resolution to be voted upon at the 2012 Verizon Annual Shareholders meeting in May 2012. The proposal reads as follows:

"RESOLVED, the stockholders of Verizon hereby urge the Board to adopt a policy whereby future grants of long-term incentive awards to senior executive officers in the form of Performance Share Units (PSUs) will vest and become payable only if Total Shareholder Return (TSR) equals or exceeds the median performance of the Related Dow Peers, or whatever peer index the Board deems appropriate."

Last year, the Association filed this proposal and received 565 million shares or about 1/3 supporting votes. We are asking that you vote FOR this proposal.

Association President Bill Jones spoke at the Verizon 2011 shareholders meeting where he said, "We commend the Board for tying the majority of the long-term equity compensation to the relative performance of Verizon stock. However, we believe that the performance bar is set much too low. Large payouts are granted for performance as low as 25th in the 34 corporation peer group… that would be a rank of 9th from the bottom of Verizon's peer group. How can anyone consider performance at this level as justification for a performance-based bonus of millions of dollars?"

Bill Jones speaking at a Union rally before Verizon's 2008 shareholder's meeting.

The Association believes that PSUs should not be vested or paid out, unless Verizon's shareholder return (TSR) is at least equal to or above the median relative to the company peer index selected by the Board.

According to the Wall Street Journal (January 5, 2012), "Verizon will recalculate Mr. Seidenberg's compensation for 2009 and 2010 after the Securities and Exchange Commission said the company hadn't properly disclosed discretionary grants of restricted stock given to Mr. Seidenberg in 2007 and 2008." Verizon did not disclose $20 million of bonus pay for Mr. Seidenberg.

Each year the company has named executive officers who receive long-term equity awards with a potential payout between eight and ten times base salary. These equity performance grants are divided between PSUs (60%) and Restricted Stock Units (40%). Former Chairman and CEO Ivan Seidenberg is an exception, since 100% of his long-term grants are PSUs.

In the 2011 proxy, the Verizon Board argued that this proposal "appeared to suggest an all-or-nothing approach … with no vesting below median performance, and 100% or more vesting at or above median performance." However, we simply propose that the bottom rung of the ladder be performance no worse than the median.

Your Association will be at the Verizon Annual Stockholders' meeting to present the proposal and to address the Verizon Board, officers, employees and shareholders who are present. We always take this opportunity to raise retiree issues in this forum and ask for resolutions. There is not a better opportunity and we proudly represent you and the issues you face.

Please vote FOR this proposal.

CONTRIBUTION CARDS TO BE INCLUDED WITH EACH MAILING

You probably noticed that you are receiving a white donation card with every Association mailing. This card will have your last donation date printed next to your name. This card is critical to processing your donation correctly. Also, you will notice a number toward the bottom of the card. This is your individual member number and is used to ensure your donation gets properly updated to your membership record. PLEASE do not WRITE anything around this number.

This new system saves us time and money, and assures that our records are updated accurately and timely, eliminating the need for manual input.

If you sent in a donation after February 15th, 2012, it will be reflected on the next donation card you receive with the Summer 2012 newsletter. If you have any questions, you can email us at association@belltelretirees.org or call 800-261-9222.

THANK YOU FOR YOUR SUPPORT

IF YOU ARE A VERIZON STOCKHOLDER

Please read and save these instructions for use when you get your Verizon proxy information.

Wait for a letter from the Association that gives our recommendations for voting.

Understand, you will receive the annual report, proxy statement and ballot before you hear from us. Be patient. We do not know the name and number of the proposal until we receive their materials. We need that information to finalize our letter, print it and mail it to you. There is no rush; you will have plenty of time once you receive our letter to vote and send the ballot.

Those who are on the internet and are signed up for our email bulletin service will receive this information earlier than members receiving the mail but it will still be after the information from Verizon.

Healthcare Cost: It's The Difference Between

Jack Cohen, Executive Vice President of the Association of BellTel Retirees

By Jack Cohen

Back in Economics 101, we learned about something called **Discretionary Income**. My own revered "Eco" teacher, breaking out our text written by a guy named Paul Samuelson, instructed us that this kind of income has tremendous economic ramifications. It is the income left for "discretionary spending" after all the bills were paid.

If a society has lots of people doing this kind of spending, there will be loads of extra money for shopping and that makes for a healthy economy. Conversely, it does not take a Rhodes scholar to figure out that if people have little or no discretionary money available we have a depression.

With that in mind, let's talk about seniors who are on Medicare.

The financial burden of health care increases with age, mainly because health and long-term-care needs increase with age, while income declines. Among beneficiaries' ages 85 and older, median out-of-pocket spending as a share of income was 23.5 percent in 2006 – substantially higher than for those ages 65 to 74 (14.1 percent). As might be expected, the financial burden of health care was higher for beneficiaries in poor health (20.4%) than for those in excellent or very good health (14.2%). That was five years ago. Those percentages have undoubtedly gone up.

The **Washington Post** reports (Nov. 18, 2011, Op-Ed by Kaiser's Drew Altman and Larry Levitt) about a new U.S. Census Bureau finding relative to calculating who is poor by taking into consideration a broader range of living expenses and the help that people get from government programs. The finding was that 2.5 million more people are living in poverty than were classified as poor under the previous (and still official) method of determination. The single biggest factor driving the increase? ***Out-of-pocket health care costs.***

As policymakers consider options to rein in federal spending, including proposals that would increase costs for some or all people on Medicare, this analysis raises important questions about how much – and how much more – of their incomes Medicare beneficiaries can

(Continued on page 7)

Sharing Retirees Message and Fight With Younger On-Line Generations

The Internet is how younger generations communicate with one another and it's where they obtain their news and information.

Today you'll find most young people check YouTube.com and Facebook.com frequently throughout the day.

Nearly 17 million people have connected their YouTube account to at least one social media service such as Facebook, Twitter, and others, according to YouTube's statistics. More than three billion videos are viewed everyday on YouTube.

The Association of BellTel Retirees is now working to connect and share our retirees' story and issues with younger generations by using tools like YouTube and Facebook.

The Association recently unveiled two online video animations; "Retirement Used to be Easy" and "What would Angus McDonald Think" to highlight for younger non-members issues that retirees are concerned about.

"Retirement Used to be Easy," shows two retirees simply talking about how corporate CEOs take home millions, while retirees are losing their earned retirement health care and pensions.

Video animations help connect retirees message with younger online audiences.

In the video animation "What would Angus McDonald Think," two linemen are shown discussing the future of their retirement and benefits.

These videos have been posted on YouTube, Facebook, and Voped. You can watch the videos here:
http://www.youtube.com/user/BellTelRetirees

We encourage those with a Facebook account or YouTube to share these videos with your friends and family, and most especially your grandchildren and young nieces and nephews. It is vital that younger generations are aware of issues facing their grandparents.

So far over 6,000 people have viewed the online animations and we encourage all of you to spread the word. If you are not on the Internet, ask your friends or grandchildren to show the video to you and talk to them about how important it is to preserve and protect the benefits you earned over a life-time commitment to the company.

It's time to educate our friends and family to join the fight to protect retiree pensions and benefits.

Comfortable And Poverty In Retirement

(Continued from page 6)

reasonably be expected to spend on their health care.

There are still 14.3 million seniors who are still fortunate enough to have employer-provided health care even though the out-of-pocket costs in co-pays and deductibles are still going up in quantum leaps. If you have read Ellen Schultz's great work "***Retirement Heist,***" then you know that plan sponsors are constantly employing high-priced actuaries and human resource executives who are dedicated to the singular project of taking away employer provided benefits from those retirees still alive. Time is obviously on their side.

As a grandpa, one of my greatest pleasures is spending money on my kids and grandchildren. I suspect that I am not alone in that pleasure.

Frankly, I shudder at the potential nightmare of my kids or grandkids having to support me. Our policymakers have to consider that such a "nightmare" will not only reduce the discretionary income spending of seniors, but also the discretionary income and spending of our children.

Who will be left to do the shopping…only the one percent?

Retirees need to get our bill, The Earned Retiree Healthcare Benefits Protection Act (H.R. 1322), moving swiftly in the coming year. To do this, we need active members who don't sit on the sidelines waiting for others to fight this battle. ProtectSeniors.Org has been doing a great job just keeping it alive in spite of this dysfunctional Congress, and will continue to do so.

We do not, however, have the industrial resources available to the corporations on the other side of this debate. We have you. Don't sell yourself short by a long shot. Can you imagine if 14.3 million people got up and walked away from their bingo games to get involved in this fight? The other side would be way over matched. We need your financial and active participation. Please get involved!

$urving the Retirement $queeze

In 2011, the Kaiser Foundation published a special case study about two retirees with an annual income considered "comfortable" – and how they are being squeezed by a combination of declining income and increasing medical costs.

To add to their grief is the cost of their supplemental insurance plan that is quickly becoming prohibitive. This couple is on its way to becoming included in a new U.S. Census Bureau finding that calculates who is poor. It takes into consideration a broad range of living expenses and the help that people get from government programs. It found that 2.5 million more people are living in poverty than were previously classified as poor under the earlier (and still official) method of determination. What was the single biggest factor driving the increase? Out-of-pocket healthcare costs.

Retirees are well familiar with increasing co-pays, deductibles, "ceilings," and costs that are simply no longer covered because of decreased benefits from their employer-provided healthcare plans. Actuarial accounting well documented by the book "Retirement Heist," by Ellen Schultz has generated bottom line windfalls for the same corporations that complain endlessly about "burdensome legacy costs." Time is on their side along with senior apathy, and as a result, Congress remains without motivation to act.

H.R. 1322 can change that and ProtectSeniors.Org is battling every day to get this bill out of Committee and onto the floor for debate. We are also trying to get a companion bill introduced in the Senate. Some of you have been working hard in support of our effort by being proactive in contacting your Members of Congress.

ProtectSeniors.Org has accomplished a great deal in 2011. We need your financial support and active participation if we are to make continued progress in 2012.

How many of you out there – you know who you are – are content to sit on the sidelines hoping others will do the work?

You can find the case study at http://protectseniors.org/images/stories/kff%20living%20close%20to%20the%20edge.pdf

Key Findings of Kaiser Family Foundation- Medicare Policy

The Financial Burden Of Health Spending For People On Medicare

- Median out - of – pocket health spending as a share of income increased from 12% in 1997 to 16 percent in 2006.
- One in four Medicare beneficiaries spent 30 percent or more of their income on health expenses in 2006; 1 in 10 beneficiaries spent more than half their income on health expenses.
- The financial burden of healthcare costs is highest for Medicare beneficiaries ages 85 and older, those in relative poor health, those with low or modest incomes, and those with Medigap supplemental policies.
- Nearly 7 in 10 Medicare beneficiaries spent more than 10 percent of their income on premiums and other health expenses in 2006: 4 in 10 spent more than 10 percent of their income on premiums alone.
- Premiums account for the largest share of Medicare beneficiaries' out-of-pocket spending, followed by long term care (generally not covered by Medicare), medical providers and suppliers, and prescription drugs.
- Median out-of-pocket health spending as a share of income is projected to exceed 25 percent in 2020.

THANK YOU

Dear Fellow Members,

On behalf of our entire membership, we thank all of our members who responded so generously to our appeals in 2011 and ask for your continued support in 2012. Your 2011 donations helped us to exceed our year-end goal of $726,000 by 6%. We received 28,158 contributions averaging $27.40.

Of this total, **1,367 members donated amounts ranging from $100 to $900**. This is an amazing response in a tough economic climate and reinforces for us your belief in the goals of our Association. Donations are 99% of revenue. We are encouraged to continue our work, donating as much as 10,000 volunteer hours each year to reach our mutual goal: **protecting our pension and healthcare benefits.**

There are many statistics that pop out in our analyses, but there is one that deserves special mention: **3500 of our members have contributed every year since the Association was formed.** We are very grateful for their consistent support and loyalty for more than 15 years.

As in past years, the Association will comply with IRS regulations and have all 2011 financial records audited in the first-half of 2012. Those final results will be reported to you later in the year.

Thank you once again for your generosity and loyalty.

The Association of BellTel Retirees Inc.

— WHEN DONATING — PLEASE CONSIDER GOING ON-LINE

Did you know that we made our online donating feature a lot easier to use? While it has always been a safe and efficient way to donate to our great organization, it has now been made easier.

If you have used our on-line feature before and thought that it was a bit cumbersome, please check it out. We have listened to requests from our members and customized our site to make it very user friendly. If you have never used our on-line donation feature, we encourage you to do so today. Donating on-line is very safe, fast and a less expensive way for our organization to process your generous donations.

Using the on-line site, **you** can decide if you want your donation to be a one-time donation or like some members, set it up to be a recurring donation – monthly, quarterly or yearly.

Go to www.belltelretirees.org and click on the blue **DONATE NOW** button.

As always, thank you for your support.

GO GREEN

This newsletter is available to you on-line. If you wish to receive ONLY an on-line copy, please email us at association@belltelretirees.org and put in the Subject line of the email –GO GREEN. Please give us your name, mailing address and email address so we can make the change.

Join the Association's 16th Annual Member Meeting in Milford, Massachusetts

The 2012 Association of BellTel Retirees 16th annual member meeting will take place on Wednesday, April 25th at the DoubleTree Hotel located at 11 Beaver Street, in Milford, Massachusetts.

This year's keynote speaker is Curtis Kennedy, a renowned pension and benefits attorney. Kennedy served as keynote speaker at the Association's 10th annual meeting, where he discussed how to protect pension trusts and sickness death benefits. He is currently working with the Association to restore Idearc/ SuperMedia retirees back to the safety of the Verizon umbrella. Retirees were transferred without their consent from the Verizon's directory operations division to spin off Idearc (now SuperMedia).

The meeting begins at 8:30 A.M. with a continental breakfast and a meet-and-greet session with fellow retirees. This is an opportunity to connect with old friends and colleagues while meeting others.

BellTel board members will also be present, speaking one-on-one with retirees and answering questions. Members are also invited to attend a legislative briefing at 9:15 A.M., given by ProtectSeniors.Org. The business portion of the BellTel meeting should run from 10 A.M. to noon.

We encourage those who want to attend to complete the required RSVP form (below) and return it with your $5 reservation fee per person ASAP. Last year's meeting was sold out with over 500 members in attendance.

Faneuil Hall, in nearby Boston

Please make your RSVP check payable to: Association of BellTel Retirees Inc and return the check and form by April 11 to: Susan Donegan, c/o the Association of BellTel Retirees, P.O. Box 33, Cold Spring Harbor, NY 11724.

The meeting location is just 30 minutes from the beautiful city of Boston. Among some of the surrounding attractions within the vicinity of this year's meeting are Fenway Park (home of the Boston Red Sox), Gillette Stadium (home of the New England Patriots), Wrentham Premium Outlets, Faneuil Hall and Maple Gate Golf Course. To get to the hotel, drivers would take I- 495 to Exit 19.

For more detailed directions go to the hotel's website at:

http://doubletree1.hilton.com/en_US/dt/hotel/BOSMFDT-DoubleTree-by-Hilton-Hotel-Boston-Milford-Massachusetts/directions.do;jsessionid=35F04F8F878215C051B400A7D7421F75.etc22

Your tickets and directions will be mailed to you as we get closer to the meeting date. If you do not receive them three weeks prior to the meeting please contact the BellTel office at 631-367-3067. However, if you miss the mail deadline, you can still pay at the door.

Members wishing for overnight accommodations at the DoubletTree Hotel can call 508-478-7010. The Association of BellTel Retirees arranged for a special discount rate of just $89 per night for those attending the meeting. To ensure the discounted rate, please mention you are attending the Association of BellTel's retiree meeting, and provide the discount code ABT.

Please note that hotel reservations and event reservations are separate and distinct and a reservation for one does not guarantee a reservation for another. All members must register with the Association for a spot at the meeting.

We look forward to seeing you in Milford, Massachusetts!

RSVP for Association of BellTel Retirees Annual Meeting
Wednesday, April 25, 2012 at the DoubleTree Hotel

A TICKET IS REQUIRED TO ATTEND

I will attend the meeting in Milford, Massachusetts. # in party_____

Name:_____Address:_____

Phone Number:_____ Email Address:_____

Enclosed is a Check for $_____ (**$5.00 per person**)

Please list your guest's names and addresses:_____

_____

_____

PLEASE PRINT CLEARLY

(You can list invitees' names on a separate piece of paper if more than 2 are attending)

A ticket will be mailed to each member and guest for admission.

Please return this registration form and fee ASAP to: **Association of BellTel Retirees Inc.**
c/o Susan Donegan / **P. O. Box 33, Cold Spring Harbor, NY 11724**

Supreme Court Set to Hear Arguments in Healthcare Law

Almost two years after it was passed into law in 2010, the United States Supreme Court will meet in late March to decide if President Obama's Patient Protection and Affordable Care Act (PPACA) is constitutional. A decision is expected to follow in June or July.

The Administration's intention for the law was to improve the US healthcare system and ensure that all Americans had access to heath insurance. The healthcare law, however, has been heavily debated and criticized since being passed in 2010.

One of the biggest questions about the law is if it is legal to penalize someone who is uninsured. When the president signed the law, it stated that anyone without insurance by 2014 would face a tax penalty. Many also wonder if the government should offer a nationwide healthcare plan.

The lawsuit - which has been filed by the State of Florida, and was joined by 25 other states and the National Federation of Independent Business alleges that PPACA infringes upon the constitutional rights of Floridians and residents of the other states by mandating that all citizens and legal residents have qualifying healthcare coverage or pay a tax penalty.

The plaintiffs in this case believe it is unconstitutional because it violates the U.S. Constitution and 10th Amendment and that nowhere in the Constitution does it give the U.S. government the power to mandate that all citizens have qualifying healthcare. The plaintiffs maintain that the law exceeds the government's power.

The plaintiffs also allege that the 10th Amendment is violated because the rights of the people are infringed upon. The states would have to impose new operating rules for the State of Florida and the law would require the state to spend billions without funds or resources to meet the state's cost to implement the law.

If the healthcare law is upheld, then everyone in the nation will be required to have health insurance.

Many are also concerned about how PPACA will affect Medicare.

The first round of changes in 2010 included offering Medicare recipients a voucher for medications paid out of pocket in the donut hole coverage gap. From 2011 until 2020 those medications will be sold at a discounted rate and will continue to be discounted until the gap is closed. The discounts will decrease yearly as coverage increases.

The constitutionality of the Patient Protection and Affordable Care Act of 2010 will be decided by the United States Supreme Court this year.

PPACA will be partially funded by cutting down on Medicare spending.

Starting in 2010 and throughout 2012, the government has committed $350 million to prevent and fight fraud, abuse and payment errors in Medicare, Medicaid, and the Children's Health Insurance Program. The administration also plans to limit Medicare spending not directly related to patient care by 2014.

These benefits, however, do not come without some drawbacks. Accountable Care Organizations (ACO) have been formed to oversee Medicare payment. While they are supposed to improve care, it remains to be seen if the law will limit a patient's freedom in choosing doctors. Accountable Care Organizations (ACOs) are groups of doctors, hospitals, and other healthcare providers, who come together to give coordinated care to the Medicare patients they serve.

According to Doctors Robert Berenson and John Holahan at the Health Policy Center of the Urban Institute:

"ACOs may or may not have some limitations on freedom of choice. In some versions, beneficiaries may be assigned to ACOs without their knowledge because their freedom of choice is not affected. Yet, the organization they have been assigned to may have altered financial incentives [for doctors and hospitals treating certain patient populations], which some argue beneficiaries have a right to know about. In short, all of these payment incentives may have implications for access, cost, and quality of care."

Changes to the full retirement age for Social Security and Medicare eligibility are being considered, according to the Congressional Budget Office. Possibly raising the age to 67 would leave some without insurance forcing them to pay through former employers or continue working.

PPACA will also cause higher premiums for Medicare Part B and D patients. The income threshold for those plans was frozen in 2011 at $85,000 for an individual and $170,000 per couple, and will remain so until 2019.

The nine Supreme Court Justices are now tasked with deciding if the law will be revised, upheld as is, or struck out entirely.

The states involved in the lawsuit are Florida, South Carolina, Nebraska, Texas, Utah, Louisiana, Alabama, Colorado, Michigan, Pennsylvania, Washington, Idaho, South Dakota, Indiana, Mississippi, Nevada, Arizona, Georgia, Alaska, North Dakota, Wisconsin, Iowa, Ohio, Kansas, Wyoming and Maine.

Verizon CEO Discusses the Future of the Company

(Continued from page 1)

opportunity came up to partner with Comcast – that is where the discussions really began — that gave us the nationwide play. Because while we could do it and do it very well within the FiOS footprint, wireless is a national asset and I needed to look for an opportunity to expand that scale. So that is when we started talking about a joint venture, where we could develop these integrated, truly integrated products and bring them around nationwide."

McAdam also commented on the types of products the Comcast partnership would allow the company to develop:

"By the end of the year we really believe that we should be able to do things like a video conferencing that works between your TV set at home and your PC and your tablet device when you are out and about. And other things will roll from there. The general concepts on the products are as you walk into a home your device will sync up with your set-top box and you will be able to access the content."

"Verizon is looking to restructure new employees' retirement plans, while maintaining moral contracts"

Verizon's new market plan also brought up questions about how the company's union would be affected. Mr. McAdam briefly commented on the current negotiations during the conference. His main focus is to reexamine current policies:

"The bigger thing for me, or as big a thing for me, is some of the work rules. Because we have so many antiquated rules that govern how we can deploy the employees and, frankly, we put the customer in the middle of a bunch of silly policies. So we need to get those fixed so that we can streamline the operations."

KEEP INFORMED

Do we have your current email address on file? Please note that we have printed the email address we have on file for you on the enclosed donation card. If it has changed, please email us at association@belltelretirees.org with your current email address. It is also important to ensure that you receive Association of BellTel Retirees email bulletins. Please make certain our email address is included in your "accepted email list."

Mr. McAdam stated.

Mr. McAdam also stated Verizon is looking to restructure new employees' retirement plans, while maintaining "moral contracts" with employees who have longer standing.

Stay tuned to what is next as Verizon changes before our eyes. To be kept up to speed with the latest Verizon news and events affecting retirees sign up for the Association's member alerts at association@belltelretirees.org.

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/SuperMedia 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.

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.** * **$30.** **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.

3/12

Verizon's Fourth Quarter Results Breaks Company Records

Verizon Communications broke company records by reporting the highest year –over- year quarterly revenue growth in the company's 11-year history with a 7.7% increase, when it announced its fourth quarter fiscal results for 2011.

Verizon's consolidated total operating revenues for the 4th quarter was $28.4 billion, compared to $26.4 billion in 4th quarter 2010. The total operating revenue for year 2011 was $110.9 billion.

Verizon reported a loss of 71 cents in diluted earnings per share (EPS), compared with 93 cents per share in 4th quarter 2010.

Cash flow from operating activities totaled $29.8 billion in 2011, and capital expenditures totaled $16.2 billion. Verizon returned $5.6 billion in quarterly dividends to shareholders in 2011.

The company reported $18.3 billion, in fourth quarter revenues in their wireless division, compared to $16.1 billion in 4th quarter 2010. Verizon also added 1.5 million wireless retail net additions, which is the largest increase in the past three years.

The company reported a total wireless revenue of $70.2 billion for 2011. Verizon also introduced six new 4G LTE phones and was ranked #1 on PC World's 100 Best Product List.

Verizon reported a decline in its wireline total operating revenue from $10.3 billion to $10.1 billion.

Wireline operating income was $300 million, a 18.6 % increase compared to 4th quarter 2010.

Verizon added 201,000 net new FiOS internet connections and 194,000 net new FiOS video connections.

Verizon FiOS market penetration has continued to grow with a reported 35.5% increase. Broadband connections totaled 8.7 million at the end of 2011.

"Verizon finished 2011 very strong, both in terms of revenue growth and by delivering an 18.2% total return to our shareholders for the full year, and the company has great momentum for 2012," said Lowell McAdam Verizon Chairman, President and CEO.

Verizon has a New Line of Business:

Technology To Weed Out Healthcare Fraud

Departing from its existing business model, Verizon has developed a new technology platform to allow health insurers and government agencies to detect fraudulent health insurance claims.

The new platform, called "Verizon Fraud Management for Healthcare," is an advanced software platform that uses predictive modeling technology to examine healthcare payment requests and identify possible fraudulent claims for investigation. The platform is designed to highlight potential fraud before payments are made.

In the past, once a payment is made to a claimant, the payment data then get investigated to see if it was fraudulent or not. This healthcare industry model was called the "pay and chase" model.

Connie Schweyen, a managing principal of Verizon Connected Healthcare Solutions, said that the difference between Verizon's platform and the older platform is that "we (Verizon) actually intervene in the payment process prior to the payment, stopping those transactions and really manage risk."

It is estimated that $260 billion is lost every year to fraudulent claims in the United States. Verizon officials said that the new system will help mitigate the administrative and legal costs involved in going after the fraud claimants.

The Verizon platform is designed for Medicare, military health, Medicaid, child health and commercial health insurers across all lines of business.

"It (Verizon's platform) really allows healthcare programs to enhance their payment integrity and fraud management," said Schweyen.