



Verizon and AT&T Want to Eliminate the Use of Land Lines?

In 1913, AT&T President Theodore Vail promised a united telephone system and a united policy and service so people can be connected with one another. Almost 100 years later, AT&T and Verizon Communications are seeking to get rid of landline customers and service in favor of wireless services alone.

For the past 99 years, consumers could always rely on the fact that any address in America would be equipped with a landline telephone, as “the provider of last resort.” But times are changing as the expression goes.

“AT&T wants universal service obligations to end whenever two or more voice services are available,” said AT&T’s public policy Vice President Joel Lubin.

With the alternatives available, communication giants, including Verizon, wish to limit the century old requirement, allowing them to focus on their market for higher earning communications bundles, which combine telephone, television, and Internet services.

The two companies have been in the process of quietly, yet aggressively, lobbying to overturn their status as providers of

last resort. Heavy lobbying is taking place in state capitals across America.

Consumer advocate group, the Utility Rate Network reported 120 AT&T lobbyists in Sacramento alone, totaling one for each California lawmaker. The companies say land lines are outdated, costly, and unneeded with mobile options available.

At our news deadline, legislation mandating providers of last resort has been overturned in Texas, North Carolina, Wisconsin, and Florida, many other states are currently debating it.

With no one outside of AT&T and Verizon to mediate customer service and the removal of land lines, some wonder what effect it will have on consumers. Other options would include mobile service, Internet calling through a computer, and satellite calling. These are more expensive than land lines and may require the user to buy expensive technology.



Reuters columnist David Cay Johnston asks, “What will happen to the elderly and disadvantaged with no place to appeal for help when telephone service is degraded, denied, or cut off? Without universal landline service, many poor and rural people will lose connectedness to family and work. The law should not force people to buy costly services that they do not need.”

“I find this troublesome. How will people communicate with relatives and friends or call in an emergency if land lines are gone? Frequently, cell service is weak or non-existent in many rural areas,” said Bill Jones, president of the Association of BellTel Retirees. “According to a recent survey, nearly 30% of Verizon retirees use land lines alone. What will become of people’s phone service if landline service becomes a thing of the past?”

Association Honors Board Member for 15 Years of Service

At the Association’s 16th member meeting, the outstanding dedication of Eileen Lawrence and her volunteer work with the Association was recognized. Ms.



Lawrence has been actively working with the Association, serving as treasurer for 15 years. She is the first woman to serve on the board of the Association of BellTel Retirees. Eileen, Congratulations and thank you.

PENSION FUND SHORTFALL

2011 was a difficult year for private pensions, since the 100 largest funds overseen by American companies hit a record combined deficit of \$326.8 billion, \$94.7 billion more compared to 2010.

In its 2012 Pension Funding Study, pension consulting firm Milliman Inc. blamed this on lagging stock prices and a combination of lower investment returns and increased investment liabilities.

According to the study, in 2009 and 2010, pension funds showed strong investment returns. However, the fluctuating economy and an unstable market world-wide prevented funds from

continuing to grow. The 100 funds gained just 5.9 percent on average in 2011. The low returns on stocks, compounded with losses in other equity markets worldwide, also prevented large earnings on long-term bonds. Interest rates added to the funds’ future liabilities, all factors helping to create the pension deficit.

In light of this deficit, the study suggests that American companies must either add another \$80 billion-plus in contributions or seek relief from Congress. According to Milliman, the companies contributed just \$55.1 billion last year.

(Continued on page 3)



President's Message

by C. William Jones

I am dedicating this message to one important issue because it has become clear that the majority of the Association of BellTel Retiree members do not understand our relationship with ProtectSeniors.Org, and how important it is and how it must be funded. How do I know that? I know because only 18 out every 100 BellTel members contributed to ProtectSeniors.Org in 2011.

Possibly the most important part of our mission is the protection of our earned healthcare benefits. We know that the two most valuable benefits we have are pensions and healthcare benefits. However, the benefit that is the most at-risk of elimination is healthcare. Pensions are protected by law. No such law is in place to protect healthcare.

Your Association hired a well-known

Capitol Hill labor lawyer to draft a bill to protect your healthcare benefits. This bill has been before Congress, in one form or another, now for 10 years.

It was clear that to gain passage of the legislation we had to attract retirees from many different corporations, in all of the 50 states to help us with this task. For that reason ProtectSeniors.Org was formed in 2006.

Creating and passing a law to protect healthcare is a huge, expensive, complicated effort. You have witnessed over the past few years how difficult it is to get a bill through Congress and signed by the President.

Your Association contributes a significant portion of its budget to ProtectSeniors.Org to lobby Congress for passage of HR 1322. However, there is a limit to the amount that the Association is allowed by law to contribute – significantly less than what is required to pass HR 1322.

The bottom line is that every member of the Association of BellTel Retirees must financially contribute to both organizations, every year.

Remember, the Association of BellTel Retirees and ProtectSeniors.Org are the only organizations working for you to guarantee that your benefits will remain intact for your lifetime.

Thank you for your continued understanding and support.

Are You Receiving Our Emails?

The Association of BellTel Retirees sends out important email communications to our membership about proxy information, quarterly newsletters and other updates and messaging.

If you have trouble receiving our emails, please make sure that you have listed association@belltelretirees.org as one of your accepted contacts. We also encourage you to sign up and add our sister healthcare protection advocacy organization, ProtectSeniors.Org to your accepted email contacts as well. To be added for ProtectSeniors.Org important updates about the protection of your Verizon sponsored healthcare, please contact info@protectseniors.org.

If you have changed your email or are not sure if we have your email address on file, please send us your updated information to association@belltelretirees.org or call us at 1-800-261-9222.

See below, which explains the difference between the Association of BellTel Retirees, ProtectSeniors.Org and ProtectSeniors.Org PAC

Association of BellTel Retirees Inc. 501(c)(3)

•All Volunteer Board

•Contributions are **tax-deductible**

•**16 Years** of volunteer service dedicated to **Verizon & IDEARC Retirees**

•Provides a variety of Program Services to **protect pensions and benefits of Verizon & IDEARC retirees**

•**Supports ProtectSeniors.Org** lobbying efforts within the IRS guidelines

www.belltelretirees.org

ProtectSeniors.Org 501(c)(4)

•All Volunteer Board

•Contributions **not tax deductible**

•**PURPOSE:**

Pass a law protecting **ALL** retirees' healthcare, **IN ALL INDUSTRIES.** This will keep companies from stealing the healthcare you earned. Speak out for **protection of Social Security, Medicare and pensions.**

•**Unlimited lobbying** – hired professional lobbyist who is actively pursuing protection of **YOUR EARNED** benefits with all members of Congress

www.protectseniors.org

ProtectSeniors.Org Political Action a PAC Committee of ProtectSeniors.Org

•All Volunteer Board

•Contributions **not tax deductible**

•Administered by **ProtectSeniors.Org**

•**Lobbies and financially supports** Members of Congress who **support our legislation**

•Can only **solicit funds** from **members of ProtectSeniors.Org**

The user id and password for the PAC website is the word **pac**

Access through: www.protectseniors.org

Latest on Social Security and Medicare Funding

With Social Security reform and Medicare being very hot topics in the run to the 2012 presidential election, questions remain about the stability of the benefit programs. The Old-Age and Survivors Insurance, and Disability Insurance (OASDI) Trustees Report was released by the Board of Social Security and Medicare Trustees in April, outlining future funding of the program that provides monthly support for 55 million Americans.

Findings showed that 2012 will have larger deficits overall in Social Security and Medicare; Treasury Secretary Timothy Geithner called the report "somewhat more pessimistic than last year's."

The report shows Social Security is on the path to depletion by 2033. After that date, only 75% of the benefits will be able to be paid out by the current work force, until 2086.

The deficit that Social Security faces is also growing each year. While 2011 saw a \$45 billion dollar need, the fund trustees predicted an average need of \$66 billion between 2012 and 2018. After 2018, they feel that the deficit will rise steeply because of a slower economy and a growing number of beneficiaries.

A temporary reduction in Social



Security payroll tax lowered revenues coming into the fund by \$103 billion during 2011 and is predicted to add another loss of \$112 billion during 2012.

Trust fund assets from the General Fund of the Treasury will provide some of the needed revenue to meet this deficit. However, these funds also showed a decline between 2008 and 2011 and are expected to decline until they are exhausted in 2033.

Medicare faces an early depletion date and is expected to be tapped out in another dozen years, by 2024. The trustees predict that its costs will grow 5.7% until 2035. They also projected a 75-year deficit in the Medicare Hospital Insurance (HI) Trust Fund of 1.35%, where their fund will pay out more in benefits than it receives in income. Approximately 26% of the programs costs will remain uncovered.

Medicare Part B and Part D are expected to remain well funded because the law currently finances it to meet the next year's costs. However, the population of beneficiaries is projected to grow rapidly within the next 30 years, with only 25% of Medicare's costs paid by premiums. This is expected to add to the deficit.



The report notes that government officials are hopeful that the 2010 Affordable Care Act will save Medicare up to \$200 billion and help it preserve the benefit past 2024.

After studying the results, the OASDI Board of Trustees suggested that lawmakers should take action to fix the financial deficits as soon as possible. After the release of the report, two camps have formed in response to the findings. One side argues that Medicare and Social Security must be majorly reformed and the other thinks that only minor adjustments are needed.

Max Richtman, president and CEO of the National Committee to Preserve Social Security & Medicare, said, "Contrary to the sky-is-falling prognosticators, we don't have to destroy Social Security to save it. We don't have to turn it over to Wall Street, raise the retirement age (which is a benefit cut for future generations), or adopt a cost-of-living adjustment that guarantees benefits will not keep up with inflation, leaving our oldest seniors vulnerable."

According to a Gallup.com poll, 57% of U.S. retirees say Social Security is a major source of their retirement income, while 33% of non-retirees expect the same to be true for them when they retire.

PENSION SHORTFALL

(Continued from page 1)

However, it was not enough to cover investment losses in other areas.

John Ehrhardt, co-author of the study said: "We saw contributions decline, setting up 2012 as a major contribution year for some of these companies. We are already seeing evidence of this, with several companies making high-profile announcements for pension contributions in excess of a billion dollars."

The two largest pension funds, Ford Motor Co and Exxon Mobil, have already announced that they plan to contribute about \$3 billion each for 2012. Verizon Communications, Boeing Co. and six others have announced that they will contribute at least \$1 billion dollars each.

"With over \$15 billion already committed by just 10 companies, if the rest of the big funds just keep contributions at the same level as last year, we'll be up over \$80 billion," said John Ehrhardt.

To offset future pension fund investment losses, the companies managing the funds have increased allocations to bonds instead of stocks. This is expected to help to prevent the sagging market from decreasing returns.

"The shift is part of a strategy to better match funds' investments with their future obligations to retirees," said Andy Hunt, a managing director at money manager BlackRock. "The goal of so-called liability driven investing is to match the cash flow coming in from a portfolio of bonds with the retiree payouts the funds know they

must make in coming decades," Hunt said. In this program, bonds would offer a more stable investment in the fluctuating stock market.

In light of the pension deficit, lawmakers in Washington are also considering a change to the key accounting rule that decides how companies will calculate their underfunding levels. Currently, additional company contributions are required when the particular pension's funds have just 80 percent of the needed obligations to meet future payout. The proposed accounting regulation change would make it easier for companies to remain above 80% without having to make contributions. The U.S. Chamber of Commerce is among the groups pushing for the accounting rule change.

— For Verizon Retirees Only —

Verizon 2012 Dependent Verification Request

As you know, in April Verizon conducted a Dependent Verification by sending a communication package to all its employees and retirees who have a dependent on record. It is extremely important that every retiree take the time to review the entire package. If you did not receive the Verification Form and you have a dependent listed on record with Verizon, we suggest you contact Verizon benefits at 1-877-489-2367.

Our office received many calls and emails from members regarding this verification process. If you are verifying just your spouse as a dependent, Verizon is asking for a copy of a government issued marriage license and a copy of the first page of your 1040 federal tax form or a copy of a joint bank statement or credit card. You should black out all personal information on the tax form, bank or credit card statements – such as Social Security numbers and all financial information on all copies. If you do not have a copy of your government-issued marriage license, you can get a copy by contacting the town or city hall of the city in which you were married.

There are different requirements to verify dependent children. Please refer to the forms sent to you.

The material is time-sensitive and, if ignored, your dependents' coverage will be terminated. Action is required by everyone.

The Time Line for the Dependent Verification process is:

- 4/17/2012 - Packages Mailed to Home Address on file
- 5/15/2012 - Reminder Mailed
- 6/15/2012 - Communications End Date
- 6/20 – 6/25/2012 – Coverage Termination Notices Sent
- 7/13/2012 - Grace Period Ends
- 7/31/2012 - Termination of Benefits for Unverified Dependents

The first action that must be taken by retirees is for everyone to review the list of dependents that they have enrolled as of March 6, 2012. Please note that dependents who are certified as disabled or are covered under a QMCSO are not subject to this verification process. Dependents who fall into these categories are pre-populated with a verified date, and no further action is required.

If the retirees have an ineligible dependent on their list, they must remove that dependent from coverage by accessing the website at www.verizon.com/benefits or by calling the Dependent Verification Center at 1-877-489-2367. They should follow the instructions that are provided in the package under Verification Request Notice- in section -Your Action is Required-Dependent Verification. The company has agreed that it will not be looking back on any of the changes that our members make during the first phrase of the verification process. The time for a retiree to drop a dependent that does not meet the qualifications for coverage is as soon as they receive the Dependent Verification Communications.

There are documents that are needed for every dependent on the list that you have enrolled as your dependents. Please follow the instructions that are outlined in the "Eligibility Rules and Documentations Required" section in the package. If you are having trouble obtaining any document- birth certificate, marriage license or whatever document you need to verify eligibility- you should call "Dependent Verification" representatives at 1-877-4891-2367 to inform them.

Recover Investment Losses!

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Contact Debra G. Speyer, Esq. who represents Bell Retirees nationwide. 1-800-510 STOCK
www.wallstreetfraud.com

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.

Hundreds of Retirees Travel to Massachusetts for Annual Member Meeting



Bob Rehm, CFO of the Association presents the financial report.



Association President Bill Jones (left) with Board Member Emeritus Lou Miano.



Keynote speaker Curtis Kennedy discusses the Murphy v. Verizon lawsuit.

Over 300 retirees from across 15 different states, traveled to Massachusetts to attend the Association of BellTel Retirees 16th annual membership meeting.

The meeting took place in Milford, MA. Some members traveled up from Florida to attend the meeting. Another member demonstrated his commitment having attended 15 of the 16 BellTel annual meetings held across the country. Attendees began the morning meeting catching up with old friends over a continental breakfast and speaking with members of the Association's Board.

The official business portion of the Association of BellTel Retirees meeting opened with remarks by Association Chairman Jack Brennan and Board Secretary Pam Harrison.

Association Chief Financial Officer Bob Rehm spoke to the group about how the Association started and gave the crowd an update of the Association's fiscal analysis. [A financial report for the Association of BellTel Retirees can also be found on page 10.]

Then the Association President Bill Jones gave a state of the Association overview, speaking about BellTel's annual proxy and the lawsuit, Murphy v. Verizon, that the Association sponsored on behalf of the SuperMedia retirees because according to Mr. Jones, "it was the right thing to do." Further, the threat of future wire-line spins means all retirees' pensions and benefits are at risk!

Our keynote speaker was Curtis Kennedy, the Association's pension and benefits special counsel attorney who is leading the legal team working on behalf of the Murphy v. Verizon court case. Mr.

Kennedy spoke about the lawsuit and pointed out that the Association posts all related court files on their website. He showed the crowd an email circulated throughout Verizon's senior management about their views on Idearc/SuperMedia. The email says, "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."

Mr. Kennedy said that Verizon has billions that should be dedicated to retiree benefits, but they are not. He said it was a part of the battle between markets v. morals and he is committed to protecting retiree benefits and bringing Idearc/ SuperMedia retirees back under the Verizon umbrella.

After Mr. Kennedy's speech dozens of members took the microphone to ask questions and share their concerns with the Association. One retiree had urged the crowd to strongly support the Association.



Retiree members participate in Q&A at the annual meeting to share their concerns with the Board.

After the meeting, the Board members and Mr. Kennedy spoke one on one to meeting attendees about retiree health-care and the lawsuit.

The Association would like to thank all of the retirees and their family members who participated in this year's membership meeting and to all who contributed to the planning of the event and to Association Executive Vice President Jack Cohen who was the lead coordinator of the event and to Mr. Kennedy for delivering such an informative speech.

All Photos by Dave Simmonds

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Your Association's Role at the

Union Says: Verizon C



Verizon Communications held its 2012 shareholders meeting on May 3rd in Huntsville, Alabama where the Association submitted one proxy proposal, its 15th year pursuing shareowner proxy activism.

concurrently receive 50 percent of their target incentive pay, even if the company performs below the 30th percentile in its peer group.

"In school, that would be a 'D' or an 'F';

you certainly wouldn't get a pat on the head for it," Mr. Jones said. "Our recommendation is that performance should be at least at or above the median in the peer group."

The Association's proxy proposal which received a strong 29.7% of shareowner support, gained significant media attention in articles reviewing if executives should get large amounts of pay even when performance is sub par. Coverage included a front page Sunday New York Times feature along with other news outlets across the country.

Since being initiated, your retiree association's shareholder campaigns have resulted in astounding eight changes to corporate

*"In school
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Mr. Jon*

Association President Jones' Address to Verizon Board and Share

Good Morning Mr. McAdam, Mr. Horton, members of the board and fellow shareholders. I am Bill Jones, President & Executive Director of the 128,000-member Association of BellTel Retirees Inc, representing over 230,000 former Verizon employees.

I retired from NYNEX in 1990 after 30 years of service. My position at the time of my retirement was Managing Director of Corporate Planning.

I am here to present the Association of BellTel Retirees' proposal, item number 6, calling on the board to raise the minimum performance level required for the vesting and pay-out of Performance Share Units for senior executives.

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 pay-outs are granted, for performance as low as 25th in the 34 corporation peer group selected by the board. That would be a rank of 9th from the bottom of Verizon's peer group! How can anyone consider performance at that level as justification for a performance-based bonus, in the

millions of dollars? **If you were in school, that would be a "D" or an "F" and would not earn you a pat on the head!**

A study by the Corporate Library pointed to this low performance bar when it singled out Verizon for two consecutive years as one of the 12 "Pay for Failure Companies" with the worst combination of excessive CEO pay and negative shareholder returns over a five-year period.

The Corporate Library's 2008 update on "Pay for Failure" companies extended its criticism of our board's executive compensation policies: "Verizon's performance stock units continue to pay out for TSR performance below the median ... in fact the company would have to perform below the bottom 20th percent in 2008 and 2009 in order for executives to receive nothing."

Three years ago Verizon raised this minimum performance hurdle slightly, to roughly the 25th percentile for 2009. At that level 50% of the target award amount would be granted and senior executives would still receive 100% of the target PSU award for median performance.

This sort of **disregard** for shareholder interests is particularly tough on retirees of Verizon who have not seen a cost of living

increase in over 20 years while the buying power of their pensions **dipped by as much as 70%** of what it was at retirement. Retirees are concerned about having to pay more each year for healthcare benefits and, on top of all that, see the value of their savings, in the form of Verizon stock, erode and stagnate.

Another concern is the precipitous drop in the value of the pension funds. The officers, who are the stewards of our pension funds, managed to lose nearly \$11 billion in 2008 – and ended the year with \$14.9 billion or 34.9% less in assets than at the end of 2007. This caused the fund to become underfunded for the first time in our history.

The news in 2011 is even worse. The funding status declined to a historic low of 78.8%, a **\$6.5 billion shortfall**.

There are about 230,000 Verizon retirees, approximately 72% of whom are VZ shareholders. They are depending upon the leadership of this company to fully fund their pension plan, make good on their commitments to provide healthcare and other earned benefits and grow their savings in Verizon stock. It is troubling to us that for the past 5 years Verizon officers have been unable or unwilling to reverse the pension funding downward spiral.

2012 Verizon Annual Meeting

Can Run But Not Hide

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es said.

governance rules, two approved outright by shareowners and others that were negotiated off the ballot with the Verizon board as the measures gained popularity among shareowners. This record has earned the Association of BellTel Retirees the reputation as the most successful shareholder activist group in the nation.

At the shareholders meeting, Verizon employees who are members of CWA, IBEW and others, held protests outside the convention center, raising concerns about executive pay and the undecided and stalled state of contract negotiations.

In the last decade there have been many sentiments that Verizon moves its meetings

each year to remote parts of the country as a strategy to reduce attendance, even though annual meetings are intended to allow shareowners to speak out.

Al Henley, President of the Alabama AFL-CIO said, "Verizon is on the run from their own workers."

He added that Verizon thought they could take their meeting to Alabama to avoid protests but "they (Verizon) misjudged our sense of solidarity here in the South."

Shareowners-protestors also voiced their concerns inside the meeting and some had to be escorted out by Huntsville police.



Shareowners at 2012 Verizon Annual Meeting

Meanwhile, the top officers are being rewarded with multi-million dollar stock pay-outs for below **mediocre performance**.

We have another concern and that involves the spin off of the directory operations to **Idearc**. People who worked for Verizon and its predecessor companies for 20, 30, or more years - many because of the security it provided - were transferred to this **weak, undernourished** spin off that went bankrupt, emerged from Chapter 11 as SuperMedia, and now continues to falter.

The entire retirement security for those folks was put at risk with the stroke of a pen in 2006. I have yet to hear a plausible explanation as to why this **tragic** move is in the best interests of Idearc/SuperMedia and the retirees who were transferred to Idearc.

A class action suit is in the courts at this time that would force Verizon to return those retirees to the relative safety of the Verizon umbrella.

And, what is going on in the so called "union bargaining?" I am obviously not involved in that process but it appears from the weekly bulletins I receive that it is just a series of demands by the company, followed by rejections of union counter offers. **It has been going on like this for**

over eight months!

The Verizon employees signed on with this company with a promise that they would receive a compensation package that included the best pension and healthcare benefits available. We accepted lower pay in return for this promise - morally, if not legally, a social and business contract. We **earned** these benefits through years of service; they were not gifts from a benevolent employer. Further, the company reaped many financial benefits over the years by deferring or avoiding these costs.

However, we submit that when the performance bar is set so low for the attainment of objectives there is **little incentive** for the top officers to excel and be able to keep these commitments to Verizon shareholders, customers, employees and retirees.

We urge all shareholders to vote **"FOR"** this proposal asking the Board to restrict awards of Performance Share Units to average or above average performance.

Should the board fail to act on this proposal, we recommend strongly that shareholders also cast a **NO vote** on the Advisory Vote on Executive Compensation in the future.

Thank you.



Association of BellTel Retirees Inc.

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HAVE A QUESTION?

Call 800-261-9222 or

Email: association@belltelretirees.org

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Verizon Reports Strong 1st Quarter Results

Verizon Communications announced its first quarter 2012 fiscal results. Total operating revenue was \$28.2 billion, a 4.6% increase compared with first quarter 2011. Verizon reported cash flow from operations at \$6 billion compared to \$922 million in first quarter 2011.

Verizon added an additional 193,000 net new FiOS internet connections and 180,000 net new FiOS video connections.

Verizon Wireless added 734,000 net customers in the first quarter and continued to sell its 4G LTE devices. The 4G LTE series is available to more than 200

million people across 230 different markets in the United States.

Verizon Enterprise Solutions, an organization that handles all of Verizon customers' cloud (file storage), mobility and technology solutions, offers technology applications for customers such as mobile health, electronic health records management and secure e-prescribing for Verizon.

"Verizon delivered a double-digit earnings growth and strong cash flow this



quarter," said Lowell McAdam, Verizon Chairman and CEO. "Our repositioning of Verizon Enterprise Solutions has better aligned our strengths in high growth markets and we expect our

enterprise business to contribute even more to overall wireline revenue growth and profitability over time."

Verizon also reported 59 cents in diluted earnings per share (EPS) compared with 51 cents per share in 1Q 2011, a 15.7% increase.

Verizon and Redbox Collaborate to Revitalize Movie Streaming

In December, Verizon and Redbox's movie rental service's parent company Coinstar, announced a new partnership, to launch in the later half of 2012. Redbox is a DVD rental service with kiosks found at supermarkets and convenience stores which provides 1 day movie rentals for \$1.

The new Verizon/Redbox service would allow customers to pay a monthly fee and access both new and older movie releases via their televisions, tablets, and smart phones. Subscribers would also be able to get immediate rentals from any Redbox kiosk.

"The most instant way for customers

to access content is to have the option of either pushing a button or going on a two-minute drive to the store," said Bob Mudge, president of Verizon Consumer and Mass Business Markets.

Coinstar CEO Paul Davis said that he feels the partnership will please customers by providing a variety of old and new movie releases in physical or digital form. "This alliance is the result of a deliberate and strategic process to identify a partner who shares our commitment to delivering innovative



solutions to consumers," Davis said.

According to *The Los Angeles Times*, the movie streaming service will be majority owned by Verizon and will make it the first telecom or cable company to stream video to customers who are not already subscribers.

Currently, the only other services that are similar are Blockbuster.com and Netflix. After being acquired by The Dish, Blockbuster closed many of its stores and now offers content primarily online and by mail.

During 2011, Netflix separated online streaming and movie mailing plans and raised its rates for combined services by 60%. As a result, it suffered a large loss of subscribers. According to *Forbes Magazine*, experts have cited the Verizon and Redbox partnership as a major competitor for Netflix, calling it a 'dangerous new foe.'



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ALL FOR ONE CAUSE

By Mike McFadden

Several years ago I wrote an article for the BellTel newsletter entitled "The Wall."

In that article I referred to the wall that existed between union and management retirees that was created by differences of opinions on philosophy from years ago, during our working careers.

My plea then as an Association board member was about asking all retirees to put aside those differences and to work together to save our EARNED healthcare benefits by helping to pass HR1322 the "Earned Retiree Healthcare Benefits Protection Act" in Congress.

Unfortunately, unlike the Berlin Wall, there is a good portion of that stubborn old ideology that still exists. It is mostly held in place by those retirees that have defined their life by what they were, or did 10, 20 or 30 years ago. I know that some of us will never change or decide to work together no matter what I or anyone else says, but I would hope that you will read on, and look at this from another persons' point of view.

In my humble opinion the only thing that matters once we leave the workplace is how much we are going to enjoy retirement. Key to our enjoyment, is how well we have prepared ourselves for the rest of our lives.

During my military tour of duty, I was a member of the U.S. Air Force and stationed at McGuire Air Force Base in New Jersey. The general that I sometimes drove for, Gen. Cassidy, appointed me to a military burial detail.

Our mission was to travel between 4 states and honor military persons at their burial sites. At that time, the war in Vietnam was just starting to heat up and being only 19 or 20 years of age, I wasn't quite sure what to expect. I found out soon enough.

As most of us know there is a similar chain of command in industry as there is in the military. In a military command there are quite often differences between officers and enlisted personnel similar to the differences that exist in industry between management personnel and workers. These differences often

times cause hard feelings between people that last for years. However, in the military these types of differences have dissipated very quickly when these adversaries are threatened by a common enemy.

I believe that all union and management retirees that EARNED benefits are today dealing with a common threat from their former employers. The loss of EARNED healthcare.

Getting back to the burial detail and the reason that I have even mentioned that, in relation to our present plight is because of the many similarities that exist between the two. As the military has proven we need to all come together, forget the past and move on united for the good and welfare of all retirees.

Our burial detail was made up of about 20 people of different ranks. We had officers, non commissioned officers and enlisted personnel. We worked together as a team of color guard, firing squad, pall bearers, officers and bus driver. We buried officers, non commissioned officers and enlisted personnel. They all received the exact same send off.

In the end, we are all retirees dependent on our former employer for pensions



Mike McFadden

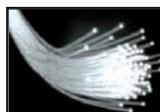
and/or earned healthcare benefits. If those benefits cease or are drastically reduced we all lose out, regardless if you were an installer, operator or senior vice president at the company.

We are all in this together and must collectively throw our firm and full support behind the Association of BellTel Retirees and Protect-Seniors.Org as they are fighting for us on Capitol Hill.

I am honored to have worked shoulder-to-shoulder with many fine men and women of all ranks throughout my careers starting with the United States Military, through my time at N.J. Bell, Bell Atlantic, Verizon, IBEW Local 827 and, in more recent years, the board of the Association of BellTel Retirees. I know what we can achieve together.

— Advertisements —

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



Engineering Employment Opportunity

TRC Engineers, Inc. is seeking applicants to provide OSP engineering support for installation of special circuits in electric utility substations. Ideal applicant will be familiar with the OSP engineering organization in New York and New England and be familiar with the grounding and protection requirements of special circuits. TRC communication engineering offices in San Antonio, Texas will oversee this work. Applicant must be self-starter, willing to travel as needed and possess excellent communication skills.

Interested applicants should contact Dan R. Banks, R.C.D.D. (retired Belltel) at 210-496-3200 x118 or email to: drbanks@trcsolutions.com



2011 FINANCIAL REPORT

A great deal of work goes into tracking our financial information accurately throughout the year. The process involves input of detailed data to a QuickBooks system of accounting by our office staff members who work closely with our accountant throughout the year, adhering to a system of checks and balances, with appropriate board approvals. The result is a system of reports allowing for monthly budget and membership statistical analysis.

The Association is grateful to our staff for their constant attention to detail, insuring accuracy and gathering the required documentation. Our annual audits – an IRS requirement for 501(c)(3) nonprofit organizations — have reinforced the importance of this team effort. The staff also fulfills the important role of being our personal voice to you – answering members' many questions concerning benefits and ongoing issues.

2010

As required by the New York State Attorney General's Charities Bureau, BDO Seidman, LLP conducted a 7 day on-premise audit of our 2010 financial statements, presented it to the board on August 3, 2011, and received board approval of their findings on August 12th. The audit included "... *examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.*"

The auditors found that our financial statements "*present fairly, in all material respects, the financial position of the Association of BellTel Retirees Inc. as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.*" The audit's statement of financial position as of December 31, 2010 reflected **total**

assets of \$518,564. A copy has been filed with the New York State Attorney General.

2011

The following are brief highlights of our financial transactions for the fiscal year 2011. Our financial records will be audited in June 2012 prior to filing our IRS Form 990, and the NY State CHAR 500, "Annual Filing for Charitable Organizations." In addition to filing in New York, we will file in 34 additional states where we have members.

REVENUE

Our total income on a cash basis for 2011 was **\$794,665**, an overall increase of 3.3% for the year.

Contributions represented 97% of revenue, and averaged **\$27.40**.

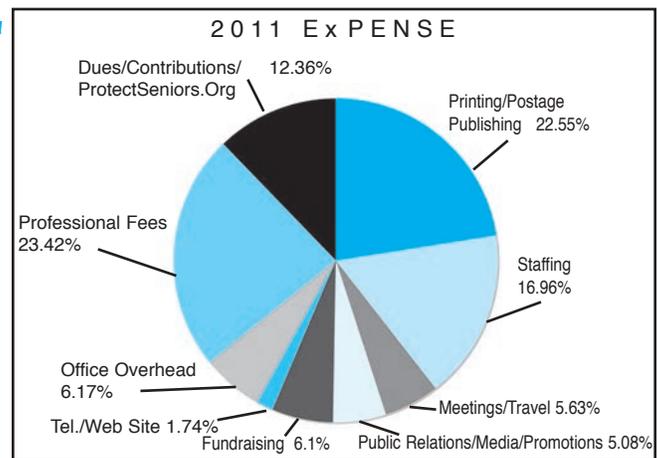
EXPENSE

Total operating expense for the year (pre-audit) was **\$834,319**, an overall increase of 6% compared to 2010.

Professional fees include **legal, accounting and temporary consulting services** and account for **23%** of overall expense. This category **increased** year to year by **15%**, most of which is attributable to our class action lawsuit against Verizon on behalf of Verizon retirees transferred against their will to Idearc/SuperMedia.

Publication and distribution of our newsletter, *including printing, postage and PR/media costs*, accounted for **22.5%** of the total. Cost-saving measures and more members choosing to receive their newsletter online helped reduce these costs by 4%.

Your Association's media communications effort provides us a taller stage and brighter spotlight for the retiree concerns we advocate for. With a record as one of the most successful groups bringing attention to the plight of retirees, we have drawn critical attention



to our proxy campaign, the federal court certifying the Idearc/SuperMedia retirees' lawsuit as a class action, as well as the need for retiree health benefit protections and more.

Maintaining a visible presence in key online, broadcast and print articles, your association's efforts made headlines in the news outlets America frequents including the *Wall Street Journal*, *New York Times*, *Barron's*, *Kiplinger's*, *Crain's New York Business*, *Bloomberg Business News*, *Fox News* and numerous top 40 circulation newspapers across the U.S. including: *Baltimore Sun*, *Chicago Tribune*, *Denver Post*, *Houston Chronicle*, *Newark Star Ledger*, *Record of North Jersey*, *Indianapolis Star* and more.

In order to attract and put our message before the eyes of tens of millions of YouTube's daily viewers and to attract the eyes of younger retirees, soon to be retirees and other non-members, a variety of videos and animations were created to give outsiders who were searching for retirement topics a reason to see and listen to informative and even fun videos online. At press time of this newsletter, three animated videos were created and cumulatively had rapidly attracted over 8,500 views.

Our wages and taxes, at 17% of our total expense, remained stable for the year, despite having to increase temporary office personnel hours. Each of our mailings generates many calls to our staff, including updating of member personal information, benefit questions, how to reach a benefit specialist at Verizon or the annual proxy filing.

FINANCIAL

Every call is answered. Wage expense is offset by the unpaid volunteer hours of work by your board each year – who also answer member questions received at their homes.

Your Association continues to support ProtectSeniors.Org — our chosen lobbying partner **dedicated to pursuing a legislative guarantee** to protect against loss of our earned healthcare subsidy from Verizon. On April 1, 2011, ProtectSeniors.Org successfully garnered bi-partisan support for the introduction of a revised HR 1322, which will protect our earned benefits without cost to taxpayers. We are pleased with their grassroots and lobbying efforts during 2011, and we will continue to support them in 2012. This year, ProtectSeniors.Org expanded their mission to include oversight of Medicare and Social Security issues. Your grassroots and financial help are important to their tireless volunteer efforts. They continue to be singularly vital to the Association's efforts to protect your healthcare in retirement. (www.protectseniors.org)

The Association ended 2011 with pre-audit **total cash assets** of **\$402,908**.

IMPORTANT

2012

As this report is written, we are reviewing the results of our 2012 annual fundraising effort, kicked off in January. As of April 27, we had reached 57% of our year-end goal of \$800,000 with over 14,700 contributions. **But we need 100% support from our members. Please consider a donation today** to help us continue our



work on your behalf. Your contribution is vital to our ability to continue publishing the newsletter, to attend and be heard at Verizon's shareowner meetings, and to actively support legislation protecting your earned healthcare benefits. We will continue to keep you informed on the latest issues important to you. If there is something you'd like to see in your newsletter, please let us know. We

are the only organization fighting for the needs of Verizon and IDEARC retirees. **Please ... support our work. And spread the word to friends and family.**

Thank you.

Eileen Lawrence, Treasurer

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.

 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.

NEW BELL LABS BOOK: THE IDEA FACTORY

Innovation and creative thinkers are the fuel behind modern technology. The new book, *The Idea Factory*, by author John Gertner, tells the stories of the innovative minds working for the Bell Telephone Laboratories from its golden era of 1920 until 1980. The book is published by the Penguin Press and is available at book stores for \$20 and for downloading on kindles for \$14.99.



During its heyday, Bell Labs employed about 15,000 people, including 1,200 PhDs and thirteen future Nobel Prize winners. These scientists helped create the modern lasers, solar cells, satellites, and mobile communications.

The Bell Labs was also the center for American technology, thanks to its founding president Frank Jewett. After World War II, the lab did cutting edge research and advised American Presidents. They were the main technology advisors during the Cold War and space race.

One of the many stories told in the series of biographies, is that of William Bradford Shockley, though considered a difficult personality, was a brilliant man. He worked with Bell Telephone Labs; leading physics based research.

During his time there, the telephone system ran using unreliable fragile glass vacuum tubes to amplify signals. In 1947, he and a team developed smaller, sturdier, and more reliable transistors, and changed the future of communication.

The *Wall Street Journal* called the invention “the most important of the 20th century, and the essential building block of the Information Age.” Computers, cell phones, internet routers, and even microchips contain anywhere from

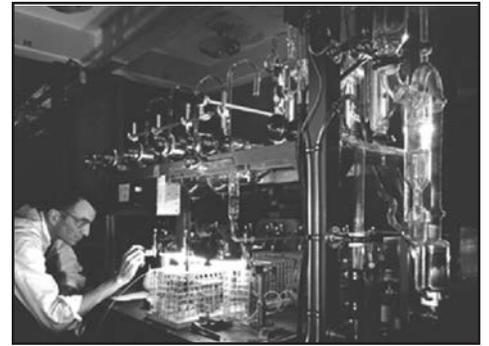
a few to billions of transistors.

However, the book’s author questions if Shockley actually invented the transistor he is famous for. Gertner suggests the device was actually invented three separate times by fellow researchers working under him, which Shockley just took credit for.

John Bardeen and Walter Brattain first created the point-contact on the transistor, with little help from Shockley. Then Shockley invented a second and more reliable “junction” transistor, while locked away in a hotel room- much to the annoyance of his Bell Labs superiors who wished he worked in the offices. Finally, in 1954 Morris Tenebaum went on to develop a transistor made out of silicon. These are closest to transistors used in most every technology today.

Shockley, Bardeen, and Brattain would go to share a Nobel Prize in Physics in 1956, after which Shockley went on to start his own company, that would lay the foundations for what would become California’s Silicon Valley.

Author John Gertner, who grew up near the Bell Labs in Murray Hill, NJ,



BellLabs researchers circa 1960.

Courtesy AT&T Archives and History Center



Courtesy of BellLabs, Lucent Technology

challenges his reader throughout the book, to seek innovation for him/herself instead of waiting for the chosen few to design and create. He writes “To consider what occurred at Bell Labs, to glimpse the inner workings of its invisible and now vanished ‘production lines,’ is to consider the possibilities of what large human organizations might accomplish.”

Robert F. Manning

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