Anti-Pension Stripping Legislation Campaign Expands

In September and October, your Association and fellow retirees participated in multiple events announcing new actions to fight against “Pension Stripping.”

Pension Stripping is what happened to 41,000 Verizon management retirees this year. It is when a company sells off their retirees’ pension plans to an insurance company or an investment fund without the retirees’ consent. This has the effect of converting pensions into annuities, which causes the retiree to then lose uniform federal protections under ERISA and the Pension Benefit Guaranty Corporation (PBGC).

At one of two New York press conferences, more than 30 retirees gathered to support the legislation. The legislation (A-8161) would protect retirees from pension stripping transactions.

Assembly Member Steve Katz said, “I think that the economic crisis of the past 5 years has demonstrated that we need to protect those that could be financially vulnerable. This bill ensures that pensions retain all protections under the ERISA rather than being packaged into an unprotected annuity.” BellTel board members Jack Cohen, Tom Steed, Pam Harrison, John Hyland and Special Counsel Edward Stone spoke at the press conference.

Just weeks earlier, NY State Senator Tony Avella

(Continued on page 7)
President’s Message
by C. William Jones

As 2013 comes to an end we can look back and take pride in the work that we have done to represent Verizon retirees and those who were transferred out from under the Verizon benefits umbrella either completely or partially.

Yes, it was disappointing that a federal Judge found in favor of Verizon in the Murphy v. Verizon case in spite of what appeared to be a solid argument presented by our attorney, Curtis Kennedy, but the court did leave the door open for appeal as we hoped. Those retirees who were transferred from Verizon to Idearc, now DexOne, are losing their earned benefits and we cannot turn our backs on them. Our appeal “on their behalf” is currently progressing to the Fifth District Court of Appeals (see story on page 1).

In a horrific example of mistreatment of loyal retirees, SuperMedia also sent letters to those souls who are losing their earned health benefits and enclosed a form that retirees could use to protest this loss of benefits. SuperMedia then immediately filed a suit (SuperMedia v. Bell) against those retirees who submitted the forms! Needless to say those retirees were faced with the fear that they would have to hire an attorney and travel from all across the U.S. to Dallas, Texas to defend themselves. Many could never afford to do that.

So, the Association stepped in to defend our fellow retirees. In October, Curtis Kennedy and I went to Dallas and participated in a mediation session that resulted in the lawsuit against the retirees being dropped and SuperMedia was ordered to pay our attorney fees. Chalk up a win for the good guys!

While all of this was going on in the courts, our Lee v. Verizon case was proceeding in defense of the 41,000 retirees whose pensions were stripped away, were transferred out of the Verizon Management Pension Fund and sold off to Prudential Insurance Company. Those retirees lost the protections provided by ERISA and the Pension Benefit Guaranty Corporation.

This stunt is called Pension De-risking by corporations, but Pension Stripping is what it truly is. Our board member, Eileen Lawrence prepared a member alert that is very compelling and deserves repeating. She said:

“We think it is time to clarify the language used by Congress as they prepare to honor us with some work on our behalf. Language is important, and many an evil task has been done to human beings over the years simply by putting a negative, untruthful label on an issue or a group of people.

When Congress decides to go back to work, do not take on these labels - these are corporate definitions meant to brainwash the country. Some examples:

Pension De-risking: serious action taken by corporations to enhance their bottom line by stripping away workers' pension earnings and protections and leaving them vulnerable to risk.

It is the corporate code word for the act of Pension-Stripping: the violent act they have taken against you and your earned pension funds.

Social Security: a retirement system of funds contributed by participants over a lifetime of work, and paid for by workers with their taxes. This is not an entitlement, as some in Congress would have you believe. Calling it an entitlement is an attempt to brainwash the entire country into thinking you are receiving a handout. Social Security recipients are not on the dole. They have earned every penny of what they receive. Unfortunately, this money has been mismanaged.

Medicare: Earned healthcare insurance paid for with your taxes. This is not an entitlement. It is money taken from your earnings and delivered to a secure government lockbox to provide healthcare in your retirement.

As your elected representatives in Congress work to solve major budget problems, let them know you are not part of the problem, you are part of the solution. You spend money in local communities, you take vacations, you babysit children and grandchildren so your families can survive — you help create jobs. You volunteer and are active, important members of your community.

Do not let our government solve these problems on the backs of the people who believed in the promises of government, and planned ahead. We are not an entitlement generation. We earned and paid for every benefit we are receiving.”

Thank you, Eileen. I could not have done a better job.

While I have focused on numerous ongoing retiree court actions to defend our retirees’ cause, please be aware that the Association is also proactively introducing both state and federal retiree-friendly legislation, which you read about earlier in this issue on page 1. Legislative action has been launched in New York and Connecticut and with more efforts on the way, you can help propel this process in your own home state.

Finally, I thank all of the members who have generously contributed to the Association this year. We promise to spend your funds wisely. To those who have not yet contributed, it is not too late and remember, contributions to the Association are tax deductible!

In Defense of Our Cause

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U.S. Senate Hears Testimony on The Future of Retiree Financial Security

The U.S. Senate Special Committee on Aging convened a Capitol Hill hearing to look at the financial landscape for America’s retirees and ways to improve their financial security.

The Special Committee regularly reviews pension coverage and employment opportunities for older Americans and conducts oversight of major programs like Social Security and the Older Americans Act. At the hearing, they heard from retirement experts and a retiree who has been negatively impacted.

Retiree Joanne Jacobsen testified that her former employer, Verizon, committed to give health benefits in retirement, in exchange for her and fellow employees accepting lower pay throughout their careers. However, for Jacobsen and thousands of others spun-off from Verizon, those benefits were cancelled in 2012 by a new company, formed via a spin-off, years after she left the workplace. Since then, Ms. Jacobsen, like tens-of-thousands of other retirees, has been forced to find a job.

“All my financial planning was centered on Verizon’s promised pension and retirement healthcare benefits. All that was factored into the budget for my retirement,” said Ms. Jacobsen. In 2006, Verizon sold its directory operations division, exiting Jacobsen and 2,750 existing retirees as part of a multi-billion spin-off. Jacobsen’s Verizon employment concluded four years earlier in January 2002.

Ms. Jacobsen, now a Florida resident, worked for AT&T pre-divestiture in Massachusetts. She later worked for New England Telephone post-divestiture, rising to become a manager of Training and Education in the Information Services division at NYNEX and then later known as Verizon. Verizon callously laid her off just nine months shy of full retirement of 30 years. Since then, Jacobsen has been speaking out about retirees concerns and served for numerous years on the board of the Association of BellTel Retirees.

Senator Susan Collins (R-ME), Ranking Member of the Committee said, “After four decades in the workforce, these Americans should be confident they will have the resources to enjoy their retirement years without fearing they will run out of money and fall into poverty. Yet far too many Americans struggle to get by.”

Dr. Olivia S. Mitchell of The Wharton School, University of Pennsylvania testified, “Few of us have retiree medical coverage and traditional defined benefit pensions. Some of us with defined contribution pensions have not saved enough….With longer life spans in the offing, we very much need protection for long term care costs.”

Dr. Richard W. Johnson, Director of the Urban Institute’s Program on Retirement Policy, echoed the bleak healthcare picture for older Americans. “Half of all Americans, ages 65 and older spend more than 12 percent of their incomes on healthcare….out-of-pocket healthcare spending by older Americans is projected to rise in the coming decades as healthcare costs continue to grow.”

“I will still be working into the unforeseeable future, or until my health holds out,” Jacobsen said. “The older people, like me, you see working at places like WalMart and Home Depot, a lot of us are not doing this because we are bored with retirement; we’re doing it to survive.”

C. William Jones president of the Association said, “We appreciate Joanne telling her story and achieving such a visible stage to tell what she and fellow retirees are suffering through. Such aggressive retiree advocacy and visibility is necessary to get our issues in the public eye. We need to encourage our members to take action and add a public face and name to the issues we advocate for.”

What’s In a Name?

Retirees of the Directory Operations Division have not only had to battle against being spun-off from Verizon and the safety of the Verizon pension plan, but have since undergone three name changes.

The company Verizon spun-off was Idearc. After bankruptcy it was renamed SuperMedia and finally after a merger, the group is currently known as DexOne.

Despite the many name changes, this does not affect the ongoing Murphy v. Verizon class action lawsuit filed to protect our Directory Operations retirees.

Retirees who were transferred are now receiving their communications from DexOne and no longer from SuperMedia.
2014 Retiree Meeting April 30 in Atlantic City, NJ.

The Association of BellTel Retirees will hold its 2014 member meeting in Atlantic City, New Jersey. Save the date and plan to attend and participate.

The meeting will take place at Harrah’s Resort in Atlantic City on Wednesday, April 30.

Atlantic City has been a popular meeting location and is often suggested by our members as a great destination because of its proximity to transportation, the beach, boardwalk, casinos, restaurants, entertainment and shopping.

The hotel will be offering BellTel members a special rate of only $69 dollars for a reserved room, for those wishing to stay the night before or after the meeting. The promo code is good for the night of April 29 and April 30. The rate must be locked in by April 14, 2014.

Reservations are needed if you want to attend the 2014 Association of BellTel Retirees meeting.

To reserve a seat for the meeting, please complete and send the early RSVP form below. Be sure to include the names of all those attending and return it with your $5 per person registration fee to: Susan Donegan c/o the Association of BellTel Retirees, P.O. Box 33, Cold Spring Harbor, NY 11724.

Please make all checks payable to The Association of BellTel Retirees. Entrance tickets and directions will be mailed to you closer to the event date.

Please note that hotel reservations and event reservations are separate, and a reservation to one is not to another.

All members must register with the Association to guarantee a spot at the meeting.

To also reserve hotel reservations at the special rate of $69.00 a night, please contact Harrah’s Resort at 1-888-516-2215. Please give the reservation desk the code SHO4BR4 when booking.

We look forward to seeing you in Atlantic City this April 30th!

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RSVP for The Association of BellTel Retirees Annual Meeting
Wednesday, April 30, 2014 at the Harrah’s Resort, Atlantic City, NJ.

A Ticket Is Required To Attend

I will attend the meeting in Atlantic City, NJ - # 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:
_____________________________________________________________________________________________
_____________________________________________________________________________________________

PLEAS 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
WE CAN’T DO IT WITHOUT YOU

By Pamela Harrison,
John W. Hyland & Thomas M. Steed

In retirement, some of us took the lump sum and some receive a monthly pension. To those employees who retired with a lump sum and think they “took everything off the table,” think twice! Our and your earned Medical benefits are still in jeopardy.

One example is that some retired and all active Verizon North craft employees started to pay a monthly healthcare premium on January 1, 2013. Many of our spouses and dependent children rely on our earned medical benefits until they are employed.

As we grow older our “Doctor’s Orders” might require more medications. Even if Medicare is our primary insurer, our secondary healthcare coverage was earned through Verizon and covers prescriptions. Now it seems too many of us are now paying back our lump-sum or monthly pension to pay our health care tab.

The only thing quarantined in this three year contract is annual increases to premiums at about 6% per year. Through our lobbying efforts via ProtectSeniors.Org and the Association of BellTel Retirees, we are pursuing federal legislation to protect our earned healthcare benefits.

Recently Verizon transferred 41,000 retired management defined benefit pensions to a Prudential Insurance Company annuity. You could be next!

While Verizon refers to these transactions as Pension De-Risking, in truth it is actually Pension Stripping. Why? Because when your pension is converted to an annuity, you are stripped of federal guaranteed protections under the Employee Retirement Income Security Act (ERISA) law and from the federal Pension Benefit Guaranty Corporation (PBGC) that employers pay into to insure the security of their pension funds.

The Association of BellTel Retirees is currently challenging Verizon’s transfer of these earned retirement benefits in federal court as a flagrant violation of ERISA and other statutes.

At the same time we are lobbying various state legislatures to introduce bills to mandate companies like Prudential or others offering or investing in annuities as pension replacement products to provide guaranteed protections provided by ERISA and the PBGC. In the event of the annuity sponsor, Prudential or another company who might take over the management of our pension assets in the future, could default or be bankrupt.

Retirees dogged lobbying efforts have instantly been successful on your behalf. Legislation has been recently introduced into both houses of the New York State Legislature and our board members are working with the New Jersey and Connecticut Legislature to introduced laws that will protect retirees there from the impact of Pension Stripping.

To those employees who are still active, there was an article in the Sunday September 29, 2013, New York Times titled, “Why Verizon Wanted it All.” It was primarily about the $130 billion Vodafone buy out. The article provided some prime comparative financial statistics on Verizon’s wireline vs. wireless revenue.

In the first six months of this year, Verizon non-wireless business earned just $87 million in operating profit compared with $20 billion in sales or a 0.435% margin. In the same period, Verizon Wireless has twice the revenue, but returned close to $13 billion in operating profit for a 32.5% margin.

In view of the spin-off of wireline operations at Fairpoint (bankrupt), Hawaii Telephone (bankrupt), Idearc / SuperMedia (bankrupt) or Frontier Communications, it is likely Verizon intends on becoming a totally wireless company.

It is wrong that we become victims of the progress we create, such as Voice

(Continued on page 8)
Directory Operations Retirees’ Case Headed to Federal Appeals Court

(Continued from page 1)

Facts:
Within the first 13 pages of his decision and order, Judge Fish and his staff of law clerks do a fairly good job of summarizing some of the important facts and the convoluted procedural history of the case started almost four years ago in November 2009.

However, he and his law clerks selectively downplayed material facts adverse to the interests of the corporations, and I will point out a few examples in that regard, as I explain the outcome of the claims.

Breach of Fiduciary Duty Claim:
We contend that although the rules of the Verizon pension plans specifically allowed the corporation to transfer surplus “assets” and “liabilities” to another pension plan, “persons” are neither, and there were no rules in place when the spin-off occurred to allow persons to be transferred out of the pension plans.

The rules that purport to allow the corporation to transfer retirees did not come into existence until weeks after the fact. Hence, Verizon’s conduct violated the well established “plan documents rule.” Incredibly, Judge Fish took a position that wasn’t even argued by our opponents.

Judge Fish avoided dealing with our argument about improper retroactive application of the new rules. Instead, he seized upon the notion that Verizon always had the ‘implicit’ right to transfer any retirees. But, there is no legal authority for that position, again, one not even argued by Verizon’s counsel.

Our breach of fiduciary duty claim will be the centerpiece of the appeal proceedings.

No Prior Disclosure to Any of the Retirees that a Spin-off Could Cause Loss of Continued Participation in Verizon’s Pension Plans:
Judge Fish agreed with our position that a spin-off situation was never specifically listed within any summary plan description (SPD) as a disclosed circumstance that could result in any retiree’s loss of continued participation in a Verizon sponsored pension plan. However, he went out of his way to rule it was enough for the corporation to simply state within the SPDs that the company reserved the right to make changes in the future.

So, he totally dismissed our well-reasoned contention that the SPDs failed to comply with ERISA’s mandate and a specific requirement of an important U.S. Department of Labor regulation.

Judge Fish erroneously ruled that, since the company said it could make changes to its pension plans, any reasonable retiree would know that would include the possibility of his or her being selected for removal from a Verizon pension plan and transferred to another corporation’s pension plan.

Since all of you retirees are reasonable persons, did any of you understand that, after you retired, a possible circumstance whereby you could be removed from a Verizon pension plan if the company picked you out to be removed and transferred? Of course, there is no such evidentiary testimony in the convoluted Murphy case court record.

Plan Fiduciaries’ Prohibited Involvement On Behalf of the Corporation:
We directly asserted an ERISA statutory prohibition against fiduciaries involving themselves in a transaction that benefits the corporation at the expense of the retirees, plan participants and beneficiaries.

Members of the Verizon Employee Benefits Committee (VEBC) improperly engaged in conduct favoring the corporation over the interests of retirees. All of this happened even though both an independent fiduciary hired by Idearc and Idearc’s soon-to-become leaders urged Verizon’s leaders not to transfer the retirees.

ERISA Section 406(b)(2) specifically says that a fiduciary acting in his or her individual or any other capacity cannot serve to undermine the best interests of the plan, plan participants and beneficiaries. It is a plainly worded statute. Nevertheless, Judge Fish and his staff of law clerks did not follow plain language.

Judge Fish ruled that since VEBC was not acting in a fiduciary capacity when it served to help out Verizon, it did not violate the statute. This may prove to be the most glaring error in Judge Fish’s rulings. And, indeed, appellate courts exist to correct errors made by trial court judges.

Failure to Provide a Full and Fair Review During Administrative Process Before the Lawsuit:
Of course, before we filed the Murphy class action, we went through a
Anti-Pension Stripping Legislation Campaign Expands

(Continued from page 1)

announced a companion anti-pension stripping bill.

Senator Avella stated, “Retirees depend on their hard earned pensions and when companies go through the process of pension stripping, they are playing a risky game with a retirees’ pension. By leaving affected retirees with virtually none of the long standing federal pension protection mechanisms provided by ERISA and the PBGC, companies are shifting the burden of risk onto pensioners. That is why it is necessary to provide protections to retirees whose pension plans have gone through pension de-risking. My legislation will put in place these protection mechanisms that retirees had before their pension plans were transferred.”

These two events have led media outlets across New York, to report on the new threat pension stripping creates for retirees.

BellTel Board Member Tom Steed said, “My fellow union retirees and I are aware that these 41,000 management retirees are probably not the last group of retirees Verizon will dump. It is only a matter of time before union retirees have a bulls-eye on our backs. This is not just a New York issue, or a Verizon retiree issue or a union or management issue, it is a national crisis affecting all retirees.”

The Association’s Executive Vice President, Jack Cohen said, “I was one of the 41,000 Verizon managers who had my pension moved to a Prudential group annuity contract. This arbitrary decision was made without giving us any rights over what was being done with our retirement funds. Verizon has caused us not only to lose our ERISA and PBGC protections but also our peace of mind in retirement.”

Board Member John Hyland said, “Retirees are afraid for their financial future because their pensions are being sold off to insurance companies. Retirees should not have to worry and wait to see if their pensions get sold off. We urge the State of New York to come to the rescue of retirees to stop this from happening.”

To see highlights from the press conference, please visit youtube.com at the BellTelRetirees and ProtectSeniors channel.

BellTel Board Member Tom Steed addresses the crowd at a N.Y. Assembly press conference announcing important legislation.
WE CAN’T DO IT WITHOUT YOU

(Continued from page 5)

Link, a wireless technology replacing copper and fiber. Verizon wirelines are the crown jewel of America’s infrastructure and continue to operate through almost all natural or man-made disasters. The August 2003 Northeast blackout proved this, as have more recent disasters.

We owe this wireline commitment to our customers, our shareholders, to public safety and the American people. Each of the three of us, serving on The Association of BellTel Retirees board are 100% Union Craft, with a total combined seniority of more than 100 years. We volunteer and apply our experiences with the Association to protect your best interests. No matter what the problem or issue is, we will examine it, at times challenge it, but will always provide a team oriented solution. We will work for you.

In unity there is strength. There are a combined 128,000 Union and Management retirees in The Association, with 51% Craft and 49% Management. More important than the numbers, always remember as retirees we exist in the same lifeboat and must all row in the same direction.

Here is our request of you. If you are already a member...Thank You. If you are not yet a member of the Association of BellTel Retirees, JOIN NOW! Remember your fight is our fight!

The three authors serve on the board of directors at The Association of BellTel Retirees and retired from Union Craft. Pamela and Thomas retired as Telecommunications Technical Associates (TTA’s). John retired as a Central Office Technician and Chief Steward who continues his union activism to this day, as the President of the New York City Auxiliary Police Benevolent Association. We are 100% Union women and men and we will help put Verizon where it is today. I am so proud of you and all of your dedicated volunteers that are trying very hard to protect the likes of me and of course hundreds and thousands of others. Your cause is so difficult in dealing with folks that just do not give a damn about the likes of us that helped put Verizon where it is today.

Each time a decision must be made they (Verizon) skip right past our names and past input and go directly to what we all recognize as the bottom line.

I could go on and on, but I hope you realize how much I appreciate all you have done and will do for us. Thanks,

Sincerely,

Harry B. Kates

For Verizon Management Whose Pensions Were Sold To Prudential

If you are one of the management retirees whose pension was sold to Prudential, Prudential will still honor the elections made by you regarding your survivor benefits. You should have received information and a certificate from Prudential indicating the amount your survivor will be entitled to at the time of your death.

You can contact Prudential on 1-855-778-7526 for more information. Their web-site is www.prudential.com/retirementgateway/welcome

Also, if you haven’t already done so, you can contact Prudential to get a monthly statement of your annuity payment and also verify that your withholding payments are correct. You can also view this info on their web-site.

Dear Association:

I am encouraged by the clear and logical update provided by Curtis Kennedy’s (BellTel’s Special Legal Counsel) update. It provides hope for the former employees of Verizon who were so shabbily treated in this case. It is heartening to know our organization is seeking help from such competent people. Keep up the good work!

M.G.

**

Dear Association:

Once again the time has come to say thank you very much. Your dedication to our cause is just unbelievable to say the least.

I am so proud of you and all of your dedicated volunteers that are trying very hard to protect the likes of me and of course hundreds and thousands of others. Your cause is so difficult in dealing with folks that just do not give a damn about the likes of us that helped put Verizon where it is today.

Each time a decision must be made they (Verizon) skip right past our names and past input and go directly to what we all recognize as the bottom line.

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Sincerely,

Harry B. Kates

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

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

Please call Jim at 781-373-4492 or email: James.Biggins@IFPadvisor.com for a consultation and/or a Financial Second Opinion™ on your existing strategy.
Dear Fellow Members,

In our Fall 2013 newsletter we reported that as of July 31st we had received $698,862 in contributions, with an overall average of $32.06, and that we had reached nearly 70% of our 2013 fundraising goal. We have updated results to share with you. Here are the figures through October along with a look back at the full year results for 2011 and 2012:

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We continue to move closer to our overall 2013 goal and are confident that with your continued support we will reach it by the year's end, although we are still nearly 14% short of the goal.

You'll recall that we first reported in last year's Winter newsletter that Verizon had announced it was "Pension Stripping" - spinning off, transferring and converting "Our ERISA Protected Pensions" in exchange for insurance company annuities from Prudential. Since that time last year, the Association has actively sought legal and legislative relief and your support has been critical in this costly ongoing effort. We need to offset our legal expenses which are expected to rise by 14% this year.

Please contribute what you can and spread the word to others. There are many thousands of retirees that we are not yet reaching. When you speak with former colleagues, please ask if they are aware of the Association's efforts and if not please offer to contact our office with their name, and mailing and email addresses. We will take it from there!

Enclosed is a donation card, which lists your last donation date next to your name. If you have already contributed this year, we thank you very much for being a true team member. If you haven't gotten around to it yet, please consider enrolling in our recurring program and arrange for a small amount to be contributed directly every month, quarterly or annually. It really can be very convenient. You have the ability to enroll in this by using our on-line system at www.belltelretirees.org and click on the DONATE NOW button.

Thank you once again for your financial and moral support.

Bob Gaglione, Treasurer

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**ALERT – TO OUR MEMBERS WHO DONATE BY CREDIT CARD**

If you donate to the Association of BellTel Retirees by credit card, you will see the name of the company that processes our credit card donations on your statement – Network For Good.

Thankfully, we have seen over a 50% increase in recurring donations from our members this year. This has been critical in supporting our mission.

If this is something you are interested in doing and you have a computer, go to www.belltelretirees.org and click on the blue DONATE NOW button. You can choose how much you would like to donate (there is a $10 minimum) and how often you would like to donate (monthly, quarterly or yearly). Recurring donations are a quick and easy way to help the Association. Our board members are all on board to make their donations in this way. It’s fast, it’s easy, it’s secure, and no need to remember when you made your last donation.

If you do not have a computer, but would still like to sign up for recurring donations, contact our office on 1-800-261-9222 for further information.

The date of your last donation is printed above your name on the enclosed donation card. If you have contributed for 2013 – THANK YOU. If you haven’t had a chance yet to donate, please consider a donation at this time for 2013.

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**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 pensions and benefits of all retirees and active employees. Enclosed is my tax-deductible donation:

- [ ] Other $_______
- [ ] $100
- [ ] $75
- [ ] $50
- [ ] $36.50
- [ ] $30

We appreciate any amount you can donate $_______

**Or use your credit card.**

- Visa
- MasterCard

Credit Card Acct._______ / _______ / _______ / _______

Expiration Date_______ Three digit code on back of card:_______

Name______________________________

Address___________________________ City/State/Zip Code________________

E-mail____________________________ Telephone #_____________________

I am a: Management retiree ______ Union retiree ______ Other ______ Company Retired from:_____

You can also donate online by going to our web-site www.belltelretirees.org and click on the DONATE NOW button.

Consider a recurring donation—which is an easy and safe way to budget your contribution.

- [ ] I am interested in learning more about Planned Giving. Please contact me.

The Association of BellTel Retirees Inc. is a 501(c)3 tax-exempt organization representing retirees and active employees of Verizon, its subsidiaries and retirees who were transferred to Idearc/SuperMedia.

Bob Gaglione, Treasurer
Verizon Curtails Voice Link Expansion in New York

As far back as the Summer 2012 Newsletter, we reported that Verizon was seeking to phase out its copper wire services in parts of New York and New Jersey. In the wake of Hurricane Sandy it sought an inferior wireless product called Voice Link to do that.

Voice Link is a 4x4 inch wireless device with a 4 inch antenna, which connects a customer’s inside phone wiring to the Verizon Wireless Network.

After voluminous complaints, including from federal elected officials, Verizon announced it would restore true landline home phone service and internet access to residents on Fire Island, New York via fiber optic cables instead of Voice Link.

Verizon also withdrew its request to the New York State Public Service Commission to use Voice Link as a permanent substitute for traditional home phone service in the state.

“By installing fiber-optic cables on the island, Verizon will not only make the system as good as it was before, it will be making it better,” said U.S. Senator Charles Schumer. “Fire Island residents will now have greater access to high speed internet…and reliable voice service.”

However, the fight continues in other states. Verizon is advocating for Voice Link in New Jersey communities that were severely damaged by Hurricane Sandy.

Verizon argued that New Jersey shore residents do have alternative options and can get service from a competitor, Comcast.

Verizon’s decision to push Voice Link in New Jersey shore towns including Mantoloking, which encountered a direct hit from the Super Storm, is being criticized. New Jersey Rate Counsel Stefani A. Brand said, “I am not sure why New Jersey is not getting the same level of service as New York from Verizon.”

“It’s not enough to simply say there is cable in Mantoloking; therefore we don’t need to meet our obligation,” Brand said. “Why are they not willing to do it for similarly situated customers in New Jersey?”

Jack Brennan, Chairman of the Association of BellTel Retirees and a Mantoloking homeowner as well said, “All residents deserve reliable phone and internet from their service provider. Voice Link is an inferior product from Verizon that is unacceptable. I, together with the Association of BellTel Retirees, urge Verizon to change course and encourage all NJ retirees to contact the State Utilities Commission to say no to Voice Link.”

Contact the NJ State Utilities Commission at 1-800-624-0241 or http://www.state.nj.us/bpu/assistance/complaints/inquiry.html.

According to the New York Times, Verizon said that Voice Link is a short-term fix and it will eventually look to other alternatives.
When Dennis Rocheleau negotiated against General Electric’s unions ten years ago, he proposed benefit cuts so deep it caused the company to have its first strike in 30 years. Now a retiree himself, Mr. Rocheleau, a former labor chief negotiator at GE has turned the tables and is fighting to convince members of the G.E. board and its top executives to preserve health care benefits that current employees and retirees will lose in 2015.

According to Bloomberg News, he publicly addressed GE CEO Jeffrey Immelt at last April’s annual shareholders meeting, saying the company would be defaulting on obligations to employees and turn its back on time-honored traditions.

“I always maintained that at GE, promises made were promises kept. What’s so difficult to deal with is that now it turns out that’s not always the case,” said Rocheleau.

Many of GE’s current healthcare options, that are aimed to supplement Medicare plans, will be closed for new entrants on January 1, 2015. The company will also restrict retiree life insurance provided by GE. The cuts are estimated to affect the eligibility of 65,000 retirees and their spouses/dependents.

The move is expected to save a total of $832 million in future retiree obligations for GE.

“They’re saving millions of dollars and the people they’re taking it from are the ones who can afford it the least,” Rocheleau said.

According to Bloomberg, Mr. Rocheleau said in a written document to GE that GE retirees felt it “improperly stripped them of something of substantial value that they believed they earned over a career. Without a comprehensive re-examination of this issue, I am dedicated to escalating it as much as I intellectually and financially can.”

The Association is reaching out to Mr. Rocheleau to let him know what actions the Association is implementing and planning, and to engage him to provide guidance and pass that information to GE retirees and other major corporate retirees.

To replace the coverage, GE is putting retirees in touch with insurance brokers so they can purchase private plans. Costs, however, are expected to soar for those in poor health and in high cost areas.

According to Steve Blakely, managing editor of the nonpartisan research group, Employee Benefits Research Group, low interest rates have made companies put a much larger amount of money into retirees’ pension and healthcare funds to guarantee their benefits.

“Companies have seen their pension costs explode,” Blakely said which has led to a “financial climate that is extremely stressful to employers with pensions.”

In the recent years, other major companies such as Liberty Mutual, automakers Honda, Ford, General Motors, Nissan and Chrysler; Time Warner, and computer giant IBM have cut retirees benefits.

These are the very types of issues and concerns that the Association of BellTel Retirees and ProtectSeniors.Org are advocating on behalf of our retirees. We encourage members to play an active role in volunteering and financially supporting both of these nonprofit advocacy groups.
Verizon Seizes All of Wireless

In September, Verizon finalized negotiations to take total control of Verizon Wireless by buying out Vodafone’s 45% stake in the company. The acquisition is expected to be completed by the first quarter of 2014.

Verizon is paying $130 billion in cash and stock, $60 billion more than what Vodafone purchased the stake for more than 10 years ago.

According to Verizon, “As a wholly owned entity, Verizon Wireless will be better equipped to take advantage of the changing competitive dynamics in the market and capitalize on the continuing evolution of consumer demand for wireless, video and broadband services.”

Of the $130 billion, Verizon will pay $57.9 billion in cash, supported by a Bridge Credit Agreement of $60 billion with permanent financing with J.P. Morgan Chase Bank, N.A., Morgan Stanley Senior Funding, Inc., Bank of America, N.A. and Barclays. Verizon will also issue $60.2 billion in common stock to Vodafone shareholders and will sell its 23.1% stake of Vodafone Omnitel NV back to Vodafone for $3.5 billion. In addition to another $2.5 billion Verizon will pay to conclude the sale.

The purchase is the largest corporate-debt sale in history, with Verizon selling $49 billion in bonds.

Lowell McAdam, Verizon chairman and CEO, said, “Over the past 13 years, Verizon Wireless has been a key driver of our business strategy, and through our partnership with Vodafone, we have made Verizon Wireless into the premier wireless provider in the U.S. The capabilities to wirelessly stream video and broadband in 4G LTE complement our other assets in fiber, global IP and cloud. These assets position us for the rapidly increasing customer demand for video, machine-to-machine and big data. We are confident of further growth in wireless, and our business in its entirety.”

According to the New York Times, Verizon’s operating income without Verizon Wireless is $87 million. The Times say Verizon expects most landline customers will eventually switch over to wireless service.

Verizon Announces Strong 3rd Quarter Fiscal Results

Verizon Communications released its third quarter fiscal results for 2013, showing continued growth. Total operating revenue was $30.3 billion, a 4.4 percent increase compared with third-quarter 2012. It also reported a 16.8% increase in consolidated revenues.

Verizon Wireless reported $20.4 billion of revenue, a 7.2% increase. It added 1.1 million wireless connections. 42% of subscribers are now on a “Share Anything Plan,” allowing them to share data between several devices. Smartphones account for more than 67% of the Wireless customer base.

Verizon Wireline reported revenues of $3.7 billion, an increase of 4.3%. Verizon FiOS revenues grew 13.4% to $2.8 billion in third-quarter 2013.

Verizon added 173,000 net FiOS connections. Verizon says it is replacing residential copper wires with fiber optics, to provide enhanced services and reduce copper repair costs. Throughout 2012, Verizon converted 250,000 homes to fiber, targeting 300,000 by the end of 2012. The company expects it will have less than one million copper wires left to replace by the end of 2013.

Last year, CEO Lowell McAdam said his “vision” was “going into the copper plant areas and every place we have FiOS, we are going to kill the copper.”

Verizon reported adjusted earnings per share of $0.77, a growth of 20.3%. Year to date adjusted earnings per share of $2.18 shows 16.6% growth.

OUR MISSION:
The Association of BellTel Retirees Inc. is dedicated to promoting 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.