Case on Behalf of 41,000 Pension Transferees Now Before Federal Court of Appeals

Lee v. Verizon Is "Case of First Impression" Under Federal ERISA Law

By Curtis Kennedy, Counsel
Association of BellTel Retirees, Inc.

On Wednesday, February 4, months after Attorney Bob Goodman and I submitted thorough legal briefing and expended countless hours on preparation for and presentation of the appeal for the Lee v. Verizon case, I presented oral argument at the Fifth Circuit Court of Appeals in New Orleans before Judge Benavides, Judge Southwick and Judge Costa. Judge Southwick called the Lee case, and you will hear his voice at the beginning of the tape recording.

Listen to court arguments: http://1.usa.gov/1xY9U2P

Immediately, I tried to direct the judges’ attention onto the key document for the case, the amendment to the Verizon Management Pension Plan. I highlighted the important provisions of the document before presenting the exhibit to the judges. I wanted the judges to visually see the most significant terms about the plan amendment which terms frame the key issues about the Lee case. The plan amendment created by Verizon corporate officials specifically instructed the pension plan fiduciaries to purchase a group annuity contract and to determine the best terms for the contract.

The retirees have rightfully claimed that the pension fiduciaries, when carrying out their responsibility in accordance with the plan amendment, did not act in the best interest of the retirees. The pension plan fiduciaries -- all high level corporate officers of Verizon -- did what was best for the corporation, not even bothering to consult with any of the retirees when determining the terms of the group annuity contract.

I need not repeat in this report all of the legal arguments either set forth in our legal papers or what I said at the oral argument. Please, listen to the audio recording and read the important court papers posted at BellTel’s website: http://bit.ly/1IDpVX7

I believe that, at the oral argument hearing, what really got the judges’ attention is our assertion that the terms of the group annuity contract put every affected retiree at-risk, especially those persons who may be facing either a bankruptcy or fending off claims made by creditors, such as claims made when one is at fault for an auto accident resulting in traumatic injuries to others. If each retiree had remained in the ongoing federally-protected pension plan, his or her retirement pension would remain protected in the event of either a bankruptcy or fending off claims made by creditors, such as claims made when one is at fault for an auto accident resulting in traumatic injuries to others. If each retiree had remained in the ongoing federally-protected pension plan, his or her retirement pension would remain protected in the event of either a bankruptcy, creditors’ claims and personal injury lawsuits. But, all of that protection evaporated when the retirees were involuntarily switched out of the pension plan into a group annuity sponsored by Prudential.

Moreover, because of the agreed upon terms and manner in which the pension fiduciaries shaped the highly secretive contract, Prudential will never have to disclose exactly what is happening with the group annuity fund, how it is invested, who is managing the fund, how much exists, etc. Retirees have lost all disclosure rights that they had under federal law. Obviously, all transferred retirees have lost the uniform protection they had under the Pension Benefit Guaranty Corporation.

Next, I explained (perhaps redundantly) that the Lee case presents a prime example of corporate discriminatory treatment of retirees, a clear violation of ERISA Section 510. Unfortunately, to date, that statutory provision has not been thoroughly tested and addressed by the federal courts. Indeed, the Lee case is one of first impression and the case directly tests the statutory provision. Essentially, it should be wrong to expel 41,000 unsuspecting retirees out of a very healthy ongoing federally-protected pension plan while leaving within the ongoing pension plan 55,000 other persons who continue to enjoy all the bells and whistles.

(Continued on page 8)
I have been a proud member of the Association of BellTel Retirees since shortly following the merger of NYEX and Bell Atlantic. It all started after a fellow retiree named Bill Jones came and asked me, a retiree of the New Jersey Bell/Bell Atlantic Company, to join forces to advocate for our fellow retirees.

Since then, and for much of the last 17 years, I have had the honor of serving as a volunteer officer of our retiree association and as chairman of the board since 2003.

On behalf of the Association board and all of our fellow Verizon retirees, I want to extend our deepest and sincerest thank you to our founder and fearless leader of so many years, Bill Jones and his wife Gail.

Throughout those many years our Association has soared, reaching heights and achievements that no other organization has soared, reaching heights and achievements that no association and as chairman of the board since 2003.

On behalf of the Association board and all of our fellow Verizon retirees, I want to extend our deepest and sincerest thank you to our founder and fearless leader of so many years, Bill Jones and his wife Gail.

Likewise 2015 is already lining up to be big:

◆ Our Lee vs Verizon litigation is currently before the Federal Court of Appeals and it is being looked at by many court watchers as a so-called “Case of First Impression.” These are the type of cases that find their way to the U.S. Supreme Court, the highest court in the land. The case has been argued before the Fifth Circuit Court of Appeals in February. We will keep you posted on the outcome.

◆ In the spring we have one measure on the Verizon shareowners proxy ballot. We have introduced a proposal that would require that excessive golden parachute severance payments for top executives must be approved by shareholders.

◆ Following the transfer of tens-of-thousands of Verizon pensioners and many more from other companies out of the safety of defined benefit pensions and into group annuity contracts, we have increased the public awareness of weaknesses in the individual state insurance guaranty association system. Since we began our educational and legislative efforts, 7 out of the 9 states and U.S. territories that we spotlighted as only having $100,000 in lifetime Guaranty Association coverage for annuity holders living in those states, increased those coverage limits to $250,000.

◆ The Association along with ProtectSeniors.Org obtained a ground-breaking resolution concerning “best practices” for pension de-risking transfers from the all-important National Conference of Insurance Legislators, Financial Services Committee. These “best practices” include the U.S. insurance industry support for state legislative efforts we are pursuing designed to enhance retiree protections at the state level.

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◆ Our sister organization ProtectSeniors.Org continues its efforts in multiple state capitals to achieve legislation on the state level where insurance and annuity products are regulated. This is and will be critical for retirees who have and may in the future be caught off guard by pension de-risking transactions.

While I could probably add so much more on these subjects, I want to remind all of you that our 2015 annual member meeting will be held at the Dover Downs Hotel and Casino in Dover, Delaware on April 21 (story on page 4).

Finally, the life-blood of any non-profit organization is not only its volunteers who serve, but also vital is the support from members in the form of financial donations.

In 2014 our contribution levels fell 10% below our need and the prior year’s contributions. I ask you today to do what you can to help us make up the difference and reverse this temporary drop off.

For those of you who did not participate in support of the Association financially in 2014, please do your best this year. The critical work we have ahead of us is vital to all Verizon retirees present and future.

In addition to making a generous financial contribution, go out and recruit TWO friends, or acquaintances who retired from Verizon. Have them join, participate and support the mission of the Association. The more of us that are united, the stronger we stand.

I look forward to seeing many of you in Dover Downs in the spring.

— Jack
Proxy 2015:
Retirees Launch Another Anti-Golden Parachute Proposal

Retirees of Verizon Communications launched their 17th consecutive Verizon proxy campaign aimed at reforming the company’s executive compensation and corporate governance by introducing a proposal that would require that excessive “golden parachute” severance payments for top executives must be approved by shareholders.

The Association of BellTel Retirees and its board members are seeking the support of Verizon shareholders for its 2015 proxy initiative. The company’s annual meeting is May 7 in Minneapolis, Minnesota.

This year, the Association is asking Verizon to seek shareholder approval for any new or renewed “golden parachute” severance payments for an executive officer that exceeds three times the sum of the executive’s base salary plus target short-term bonus. Unlike Verizon’s current policy on golden goodbye packages, the proposal defines the “total value” of “severance or termination payments” to include “any equity awards if vesting is accelerated, or a performance condition waived, due to termination.”

If CEO Lowell McAdam is terminated without cause, whether or not there is a change in control, he could receive an estimated $37.1 million in termination payments, more than seven times his 2013 base salary plus short-term bonus, according to the shareholder proposal introduced by Association Chairman Jack Cohen.

“A $37 million golden goodbye package is outrageous, particularly since it waives all the performance conditions that supposedly justify Verizon’s lucrative performance stock options,” Cohen states in the proxy proposal’s supporting statement. “This $37 million would also be paid out in addition to pension and nonqualified deferred compensation plans, which are worth millions more.”

VERIZON BOARD ELECTIONS:
The Association also submitted a proposal urging the Board to adopt a reform that would prohibit management from monitoring the running tallies of proxy voting results prior to the annual meeting and using those preliminary results to target solicitations. However, Verizon was able to deny shareholders an opportunity to vote on this policy by obtaining the approval of the Securities and Exchange Commission to exclude the proposal from this year’s proxy statement.

Previously 53.2% of shareholders voted in favor of an Association proposal allowing any individual or group owning 3% of Verizon common stock for at least three years to nominate candidates for election to the company board. Verizon’s Board, which initially opposed that proposal, adopted this bylaw amendment as a mandate changes through its proxy campaigns.

BellTel has won an unprecedented 11 corporate last year, making it only the second major public company to allow shareholders to nominate candidates for election to the board, without the need to fund an expensive independent solicitation.

John Brennan, President of the Association of BellTel Retirees said, “Our Association feels that these shareholder proposals are necessary to bring about change at Verizon and ensure better corporate governance. Our ‘proxy access’ proposal allowing shareholders to nominate board candidates won in 2013 and shareholders approved this bylaw change in 2014. Allowing the company’s owners to nominate candidates that are independent of management’s candidates is the next logical step. Having someone not ‘hand-picked’ by Verizon’s management allows for better corporate governance and thus shareholder interests would be better represented.”

Since 1999, the Association of BellTel Retirees has introduced a series of successful corporate governance and executive compensation changes. BellTel has achieved an unprecedented 11 reforms after shareholders strongly supported proxy proposals introduced by the Association or one of its officers over management opposition. Three BellTel proposals won a majority vote and eight others drew enough support that the company adopted the retiree proposal in part or after a negotiation with the Association.

If You Are a Verizon Shareholder:

Please read the following instructions for when you get your 2015 Verizon shareholder proxy information.

We ask you to WAIT for a letter or an email from the Association that will give our recommendations for voting.

Understand, you will receive the annual report, proxy statement and balance sheet BEFORE you hear from us. Please be patient. We will not know the name and number assigned to the Verizon Retiree proxy proposals until we receive this information from the company.

We will need that information to finalize our letter, print it and mail it to you. There is no rush to vote as you will have plenty of time to send in your ballot after you receive our letter.

Those who are signed up for our email bulletin service will receive this information first, then members receiving via U.S. mail will receive the information a week or more thereafter.

Please vote this proxy season.
The Association of BellTel Retirees will hold its 2015 member meeting on Tuesday, April 21 at the Dover Downs Resort and Casino at 1131 North Dupont Highway, Dover, Delaware.

The Association previously held its 11th annual member meeting in Dover, Delaware in 2007, with several hundred Verizon retirees in attendance.

The resort hosts a casino and spa with a wide variety of places to eat and shop. Some nearby attractions include Dover International Speedway, U.S. Air Mobility Command Museum, Old State House, Biggs Museum of Art and the First State Heritage Park and more.

That morning, the gathering will begin at 8:30AM with a continental breakfast allowing retirees to catch up with old friends. Members of the Association’s board will be available to speak with attendees and answer any questions or concerns. Prior to the business portion of the 19th annual member meeting at 10AM, our sister organization ProtectSeniors.Org will offer a legislative briefing starting at 9:15AM.

Members wishing for overnight accommodations can make hotel reservations at the special rate of 129/night. Please contact Dover Downs resort at 302-674-4600. Please give the reservation desk the code GBTELE15 when booking. You can visit their website at http://www.doverdowns.com/.

Reservations are needed if you want to attend the 2015 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.

We hope to see you in Dover. For those of you who participate in social networking, we encourage you to discuss the upcoming meeting on social media online platforms with friends and former co-workers.

For Facebook users, please consider going online and telling your friends and other members that you are attending. Feel free to post your thoughts on the annual meeting on BellTel’s FaceBook home page.

For Twitter users, feel free to start a conversation about the retiree meeting online. Please use #ABTR19meeting @BellTelRetirees.

This year the Association is breaking new ground by also hosting its 19th Annual Membership meeting online through a webinar. Members who cannot travel to Dover Downs but still want to participate can log in and listen live. There are 100 online participant slots open for members, so act soon to reserve your slot!

To participate, you will need a computer with high-speed Internet connection, such as cable or DSL, enabling you to view the meeting live and post questions to be considered.

There is no cost to participate online. Call 1-800-261-9222 to register for online attendance. You may also email us to register at belltelmeeting@gmail.com

RSVP for The Association of BellTel Retirees Annual Meeting
Tuesday, April 21, 2015 at Dover Downs Resort & Casino, Dover, DE.

A Ticket Is Required To Attend

I will attend the meeting in Dover, DE- # in party______

Name:____________________________ Address:_____________________________________________________

Phone Number:________________________ Email Address:______________________________

Enclosed is a Check for $__________ ($5.00 per person)

Please list your guest’s names and addresses:
________________________________________________________
_________________________________________________________________________________________
_________________________________________________________________________________________

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

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

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

Verizon has announced that it intends to hire contract workers instead of using CWA union members for certain tasks starting around July 2015.

The company said its new contracting initiative will affect union represented workers in New York and Massachusetts.

Following the announcement, the CWA Local 1101, who represents workers in New York, New Jersey and New England, said it will “mobilize and fight.” The CWA Local said on their website, “Our labor built this company and we will not allow this group of multi-millionaires to take away our ability to feed and take care of our families.”

In a January 2015 memo, Verizon’s Executive Director of Labor Relations, Patrick J. Prindeville, said the outsourcing would include all work performed by Field Technicians throughout Suffolk County, NY related to installation, removal or transporting utility poles, including but not limited to the transferring of any hardware from one pole to another. Any work that is related to handling calls in the customer financial services mass market collections centers will also be subcontracted.

Verizon indicated it is also planning to subcontract work in Bronx, Rockland & Staten Island Counties in New York and also in Massachusetts.

Jack Brennan, President of the Association of BellTel Retirees said, “It is appalling that Verizon would seek to do an end-around the union workforce to outsource work from contractors that might not have the same long-term interest in the company. Verizon must uphold to a high standard and commitment to maintain the talent and experience of its existing workforce.”

The Association has a long history of standing united with unions. If you are approached by the company, we ask that you support the CWA labor workers by declining any contract work offers from Verizon.

On 40th Anniversary, Members Recall 1975 2nd Ave. Fire

In our Winter 2014-2015 newsletter, we recalled the “Miracle on Second Avenue,” the 5 Alarm fire at New York Telephone’s Second Avenue building in New York City on February 27, 1975. We also asked you to share your memories of that time and major event with us. Below are some of the memories that you have shared along with some of my own recollections.

I was a Bronx cable splicer who had never worked in Manhattan before the Second Avenue fire. The first manhole heading uptown on 14th Street and Second Avenue was assigned to two Bronx construction splicing crews. There were about eight men to a team and we worked twelve hours on and twelve hours off. Consolidated Edison of New York gave NY Telephone employees permission to park our personal vehicles at their massive power plant facility on East 14th Street and Avenue C.

My gang’s first line foreman was Al Norton. Our master splicer was Sean Lakes who was always the first one into the manhole and quite often the last one out. Splicers were situated at different levels of the manhole from top to bottom. Since I was a junior man, I was assigned to the helpers position on the street above the manhole.

One day, V.P. Howard Schuster arrived. He looked down the manhole at everyone busy splicing wires. He seemed pleased that the operations were going smoothly and said “I wish there was something I could do to help.” I told him that in about an hour the men would be coming up for a quick meal and it would help if something was there waiting for them. Without saying a word he quickly left. Fifteen minutes later a man in a white apron from the Second Avenue Kosher Delicatessen was taking everyone’s orders. Every day going forward he delivered our lunch to the manhole. We were weary, sometimes cold and wet but we were never hungry.

After 42 days the 14th Street manhole operations were complete and we were told to report back to our Bronx garage for further orders. Looking back on how everyone pulled together to get the job done was a once in a lifetime experience. The little things like Con Ed providing parking, the delivered lunches and the support provided from around the country was really appreciated.

In the years that followed, as an outside plant technician, I responded to devastation created by hurricanes, ice storms and floods. None of these compared to the enormous national effort that made the Miracle on Second Avenue the Bell System’s finest hour.

Tom Steed, BellTel Board Member

At the time of the 2nd Avenue fire, I was a Planning Assistant in the Planning and Mechanization Department. I was involved with implementing the Central Office Maintenance and Administration System (COMAS) minicomputers in the electro-mechanical central offices in the New York City Region. The COMAS system ran on Digital
On 40th Anniversary Members

(Continued from page 5)

Equipment Corp. (DEC) 11-40 minicomputers. These computers were wired to the central office, and would track and record each call failure. When a piece of equipment failed a certain set number of times, a Teleport Printer, located near the Switchman, would print out the information. The Switchman could then take that equipment out of service and repair it.

We had several COMAS computers operational at 2nd Ave. before the fire. Each computer could handle two central offices. They were on the top floor of the building, and survived the fire. However, all the wiring to the offices had to be re-run and reconnected at both ends by Western Electric. Within the first week, Western had run the new cables and were connecting them. At that time, I was assigned to the building on the night shift (8PM to 8AM) to keep the minicomputers running by rebooting them if they crashed, and to work with the Plant testing team, who would check each wire connection and make sure the minicomputer read the central office data properly.

By March 17th, we had completed testing on two minicomputers, and were now tracking central office failures. I still have the first interval reports after the central offices were put back in service on March 21st. For the first half hour in service, the CA 8, YU 2 computer registered 4,769 call attempts and 4,176 completed calls. The OR 3, OR 7 computer registered 1,978 call attempts and 1,874 completed calls. After the cutover, there was still plenty of work to do, keeping the minicomputers running and adding additional central office equipment to the system as it came back on line. We finished all new additions by April 3rd, and I returned to my normal work assignment and an eight hour day.

Being involved with the restoration of 2nd Avenue was the most exciting and rewarding time of my entire career. We worked together as a Bell System team, and felt there was nothing that could stop us from restoring telephone service quickly and efficiently!

Willy G. Goedeke

It was great to see your article on the 2nd Avenue fire. I thought up until now, that chunk of Bell history was lost in time. I was a W.E. installer working evenings at the Mount Vernon, New York company. My supervisor told me not to take my coat off and get to 2nd Avenue. My first job down there was rip out, in many respects it reminded me of my United States Army days a few years earlier.

Some of the situations embedded in my mind were:

- Working 16 hour shifts 4PM to 3AM, in near freezing weather, and no heat in the building.
- The floor I was on, had most of its windows taken out to lower tons of charcoal equipment to an endless line of waiting dump trucks.
- The ground floor was being shored up by giant timbers, 12 x 12, only a few feet apart gave the appearance of a forest.

I would stay on the job another week or two closing cable holes between floors hanging in the back of my garage is a white hard hat given to me the day I arrived on the scene. I’m sure there is a lot more of them hanging in homes along the East Coast.

Being there I can truly say, “It was a miracle.”

Bill Fraser

Prior to the fire at 204 2nd Avenue, I was the Central Office Foreman responsible for two X-Bar Tandems, Interzone and City, both of which were retired as a result of the fire.

I received a call at home early one morning from my supervisor saying, “Come right in, the building is on fire.” Little did I know the extent of it until I drove down 14th street and could not see the Con Edison building through the smoke. The one thing I will never forget is when the New York City Firemen tried to vent the first floor windows. Since they were covered with LEXON to prevent locals from breaking our windows, the Firemen’s tools just bounced off the windows. To vent the first and second floor, the fire department had to ram the windows with a “Super Pumper.”

I was one of the many who worked 12 hours a day for three weeks cleaning equipment and relays in the two...
Recall 1975 2nd Ave. Fire

removing X-Bar tandems, Gotham 8 & 9, then running tests on all of the equipment, clearing troubles as we went along. Initially, seeing the gunk all over everything, I never expected that any Central Office in the building would ever be able to get up and running much less in three weeks.

Near the end of the three weeks, my father in law passed away and I was allowed time off for his funeral. To this day, I still have my “hard hat” from that “Miracle on Second Avenue” and I am proud of what we accomplished.

Raymond Hatke

I arrived on February 27, 1975 to be at the Engineering office the morning of the fire on Second Avenue.

My supervisor approached this INCA Engineer and said I should start the paper work for an estimate to replace cables at the Second Avenue Central Office. Once the estimate case was pre-approved we started to order cable and all the other materials for the job. We worked 12 hour shifts with Central Office Engineers and all the workers who were instrumental to restore telephone service in the Second Avenue Central Office. We were able to restore telephone service to Police Precincts, hospital and government offices in three days. The service to the 170,000 Second Avenue Central office customers was restored in three months.

The service to the 170,000 Second Avenue Central Office Engineers and all the workers who were instrumental to restore telephone service to Police Precincts, hospital and government offices in three days, after it was destroyed by fire on February 27, 1975.” It would also be nice if we could get a bonus check for the job well done!

Cesar A. Malaga
Retired OSP Engineer

Thank you for your article, “Recalling the Miracle on Second Avenue.” While I was no longer in Plant when it occurred, I clearly remembered the frantic scrambling and focus of everyone in the company.

I also remember days that while everyone with a set of tools was hard at work, a legion of management of all levels were on hand nicely dressed, hands in pockets of rain coats. More than one became a victim of the army of media people circling around the site looking for a news story and poking microphones in their faces. After more than one embarrassing TV interview, most of them were told to shut up and avoid cameras.

The interesting follow up was that after the dust settled, the PR department set up a program for upper management to teach them how to protect themselves and the company with the news media. Media professionals were hired to develop three day classes and conduct “real life” situations that simulated formal and casual interviews and confrontations. All levels, Division and above had to attend before they were allowed to speak to the press ever again.

Thanks for the memories,

J.V.O.

Thank you for sharing your memories of the Second Avenue fire with us. If you have any photos or key work place stories or projects stories you want to share with us please email us at association@belltelretirees.org.
Thanks to the work of the Association of BellTel Retirees and its sister organization, ProtectSeniors.Org, seven states have taken action and raised their guaranty association coverage limits from $100,000 to $250,000. The campaign to correct these super low lifetime caps occurred after Verizon de-risked its pension plans to Prudential in January 2013.

States implementing the increases are Alaska, Arizona, Indiana, Massachusetts, Mississippi, Missouri and Nevada. All include BellTel members whose pensions were transferred to Prudential.

When Verizon transferred its pensions to Prudential, it converted them into annuities. This conversion caused all 41,000 retirees to lose federal protections under the Employee Retirement Income Security Act (ERISA) and the Pension Benefit Guaranty Corporation (PBGC) because annuities are not covered.

Instead, these new annuitants must rely on individual state insurance industry operated guaranty associations. Unlike PBGC coverage, state guaranty association coverage is not uniformed and ranges from $100,000 to $500,000 per each individual insured’s lifetime.

The Association and ProtectSeniors.Org have brought significant attention to this matter, which helped lead these seven states to increase guaranty association caps. Currently, only New Hampshire and Puerto Rico remain with the minimal guaranty coverage limits of $100,000.

The following state’s coverage is $500,000 lifetime: NY, NJ, CT and WA. Nine states have coverage limits of $300,000 - AK, FL, GA, NC, OK, PA, SC, WI and the District of Columbia. The rest of the states have lifetime maximum limits of $250,000.

I remain bias. But, more than ever, I remain optimistic that on Wednesday, February 4 we prevailed to the "court of conscience", which is the job of a federal appeals court when sitting in equity in a case of this nature.

A "win" at this stage means that we will be allowed to go back to the trial court so that we can either prove our claims with evidence -- virtually all of which will be extracted from both Verizon and Prudential -- or we negotiate favorable settlement terms with Verizon and Prudential.

I expect to see a written decision issued by the federal appeals court within the next 90 days. I expect a "win".

― Curtis

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

Debra G. Speyer, Esq. who represents Bell Retirees nationwide. 1-800-510 STOCK
www.wallstreetfraud.com
A strike involving nearly 2,000 CWA and IBEW workers at FairPoint Communications has dragged on since October 17, 2014. As of our news deadline, no agreement was in place.

While the contract expired August 2, workers agreed to continue to stay in place until the company declared an impasse. Strikers include: linemen, splicers and customer service representatives throughout Vermont, Maine and New Hampshire.

FairPoint Communications had asked for $700 million in contract concessions, including pension freezes, healthcare coverage reductions and the future use of outsourcing jobs to non-union contract workers. The union said that they were only willing to lose $200 million in benefit cuts.

The company and the unions are now working with the Federal Mediation and Conciliation Service to work towards a new collective bargaining agreement.

FairPoint Communications purchased Verizon’s landline holdings in northern New England for $2.3 billion in 2007 but filed for bankruptcy 18 months later after losing customers because of operational and integration problems. According to reports, FairPoint has struggled to emerge from bankruptcy since 2011.

Since then hedge funds and investment funds purchased its shares at steeply discount-prices securing a controlling stake in the company. The hedge fund managers are looking for cost-cutting measures including lower wages and fewer benefits to make the company more attractive for a sale or merger.

Peter McLaughlin, the unions’ bargaining chair said, “They’re not here to run a telephone business. They’re here to make money. If they can pretty this thing up and sell it, then they’ll try to do it.”

CWA local 1400 leaders added, “We are on strike because FairPoint executives and their Wall Street investors decided it was more important to outsource good northern New England jobs than follow through on their commitment to provide good service.”

In February 2015, Verizon announced that it was selling off $10 billion - $15 billion in assets ranging from its cell towers and wireline assets to focus more on its wireless division. Verizon expects to have multiple buyers for their wireline assets, similarly to the way it sold off the northern New England and other company assets.

Association of BellTel Retirees Board Member Tom Steed said, “Verizon’s recent asset sell off announcement is concerning for the existing workforce and retirees. This follows a pattern of the company selling off struggling assets and with those its loyal employees and retirees.”

Former Verizon-New England Worker Strike Exceeds 100 Days

5,000 Auto Industry Retirees Now Get Their Pensions’ Stripped

Timken, a U.S. vehicle component maker has sold off its retiree pension plans to Prudential for $600 million. This is the first major pension stripping deal announced in 2015.

Timken’s asset transfer will not have an effect on the monthly amount Timken retirees will receive. Prudential will start making payments to Timken employees in April 2015.

The company said in a statement: “Timken has always been committed to meet its pension obligations responsibly and with care. Over the past decade, the company has contributed nearly $2 billion to its global pension plans, and its U.S. plans are now fully funded. This stewardship allows the company to take advantage of the favorable funded status in an effort to reduce risk and protect participant pension benefits going forward.”

The pension stripping trend has been growing. General Motors sold off 76,000 pension plans. However, they offered their retirees a choice of a lump sum buyout. Verizon sold off 41,000 Verizon management retirees’ pension plans, Motorola sold off 30,000 pension plans, and Bristol Myer Squibb sold off 8,000 retirees’ plans.

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New – Improved Online Donating Process

I f you have not already noticed we have changed the way we process our member credit card donations, making it easier than ever to give to the Association of BellTel Retirees. What’s more we can now also accept Discover and American Express cards.

When you click on the DONATE button on our website, you will go to a page with our logo.

Next, you’ll type in your member number (found on the right corner of your contribution card below the bar code). Entering this number helps us process donations more efficiently. Even if you don’t have it, we can still get it done just call our office.

Once you enter your information, click the green CONTINUE button and you will be asked for a donation amount. Enter and click on debit or credit card, before entering your card information.

You will be prompted to direct a one-time payment or to setup scheduled payments.

For a one-time donation enter your address and confirm payment. You will soon receive a confirmation email.

You can also schedule donations monthly, quarterly, semi-annually or annually. If you prefer this option, enter the month and year to start and conclude, beginning with the start date (note the earliest start date is one day into the future).

After entering your information, click on SCHEDULE NOW and the next screen will show a schedule of your desired future donations. You will also receive an email confirmation, along with a reminder when your credit card will be charged, should you wish to make a change.

Moving forward, the Association of BellTel Retirees Inc. name will now appear on future credit card statements in place of Network for Good. If you have any questions or need assistance, please call our office at 1-800-261-9222. We are always looking to improve the donation process because without your financial support, we would not be a success.

When Donating Please Consider Going Online

Did you know that we made our online giving feature a lot easier? If you have never used our online donations feature, we encourage you to do so today. Donating online is a safe, fast and easy way for you to give, and less expensive for our organization to process. Go to www.belltelretirees.org and click on:

DONATE ONLINE

We are always very appreciative of your support and contributions. Donations are our only source of revenue. When combined with the volunteer hours of your board, they make this a very significant and personal commitment to protecting all Verizon retirees’ retirement income security.

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 Discover Amex 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/DexMedia.
The Association of BellTel Retirees launched their video channel on YouTube.com during the close of 2011 and ramped things up in 2013 and 2014. Most recently, the channel surpassed 110,000 views!

The channel was introduced to help distribute content about retiree issues and concerns.

In several of our videos including, “The Many Faces of Verizon Retirees” and “Retiree Chronicles,” retirees have shared their memories of their working years and fears for their retirement future. We encourage you to join and share your stories on Facebook, Youtube or by emailing us a video.

We urge those of you who have not checked out our video channel to do so. You may just see some familiar faces. If you do not know how to use a computer, ask your children or grandchildren to help.

“Our YouTube channel is just another communications medium to promote our issues,” said Jack Brennan, Association President. “Sharing these videos helps others learn about our group and encourages others to join in our fight to protect retirees’ healthcare in retirement.”

“They subscribe” to our channel. Once you do, you are notified via email once a new video is uploaded. “Like” our videos and share them with friends or past colleagues and encourage them to join the Association.

You can find the Association’s channel at http://www.youtube.com/user/BellTelRetirees

Former Verizon Headquarters in Midtown Manhattan Sold Again in Rising Commercial Real Estate Market

The building which was formerly Verizon headquarters at 1095 Avenue of the Americas in New York City has just sold again for $2.2 billion.

The Blackstone Group sold the skyscraper to a foreign investment group, Ivanhoe Cambridge. The property is now called Three Bryant Park.

The building is a 41 story, 1.2 million square foot office tower between 41st and 42nd street, built in the 1970’s.

Verizon first sold the Sixth Avenue building in 2005 to Equity Office Properties (EOP) for $505 million. Verizon continues to utilize more than 200,000 square feet in the building. Blackstone Group then acquired the property in 2007. Verizon has offices on two floors and uses space on four other floors for telecommunication infrastructure.

The $2.2 billion sale represents the second highest purchase price for a single office building in the U.S. In June 2008, the General Motors building in Manhattan was sold for $2.8 billion.

Voices of Our Members

Dear Mr. Jones,

I’m sorry to hear that you are stepping aside. Your leadership will be missed. You and all the members of your staff have done a fantastic job in the pursuit to protect the retirement benefits of all the former employees of the once great telephone communications system in this nation.

I still look back and think how lucky I was to have worked for a great organization, especially when you think of the miracle on Second Avenue and all the other crises the company has faced.

I always looked forward to a Monday morning with the start of a new project to provide service to every household.

God bless you and enjoy your retirement. You definitely earned it.

T.W.M.

Retiree News and Notes

In April, Association Chairman Jack Cohen and Board Member John Hyland will be meeting with Bronx retirees in City Island to introduce them to the Association of BellTel retirees.

On February 16th, John Hyland spoke with Consol retirees in Pennsylvania at their “United for our Rights” meeting. Many Consol retirees lost their benefits when they were sold to Murray Energy Corp.

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If you have news to share or an upcoming retiree gathering, and would like to invite a member of the Association of BellTel Retirees to speak, please contact the office at 1-800-261-9222 or via email at association@belltelretirees.org.
Verizon Sells Billions in Wireline Assets

Verizon announced plans to sell $10.54 billion of wireline assets to Frontier Communications.

The assets include fiber-optic networks, and phone and television services in Florida, Texas and California. According to Bloomberg News, the assets are part of the former GTE properties acquired in 2000.

This deal includes the transfer of 11,000 Verizon employees to Frontier. Verizon also sold 3.7 million voice customers, 1.6 million FiOS internet service customers and 1.2 million FiOS video customers to Frontier.

Verizon’s CEO Lowell McAdam said on call in January with investors that “there are certain assets on the wireline side that we think would be better off in somebody else’s hands so we can focus our energy in a little bit more narrow geography.”

The sale of Verizon’s assets will help pay off the company’s debt. Verizon recently purchased 181 Wireless airwave licenses for $10.6 billion from the government, in addition to the $130 billion licenses for $10.6 billion from the government.

In fourth-quarter 2014, Verizon moved 52,000 customers from copper to fiber connections. In the quarter, Verizon Wireless added 2.1 million retail connections, for a total of 108.2 million retail connections. Smartphones account for 78.6 percent of that customer base, up 70 percent from the end of 2013.

For the full year, total revenues were $87.6 billion, up 8.2 percent compared with 2013.

Verizon Wireline

Verizon’s Wireline division continues to have strong results adding 145,000 net FiOS Internet connections and 116,000 net new FiOS video connections.

According to a statement from the company, “Verizon has been replacing high-maintenance portions of its residential copper network with fiber optics to provide customers with more resilient infrastructure, which improves customer satisfaction and reduces repair costs.”

In fourth-quarter 2014, Verizon moved 52,000 customers from copper to fiber connections. At the end of the year, Verizon has about 255,000 fiber connections.

Chairman and CEO Lowell McAdam said: “Verizon posted another year of consistently high operating and financial performance in 2014, with strong cash generation and the return of $7.8 billion to our shareowners. I am confident that Verizon’s assets and market momentum position us to continue to drive profitable growth in 2015.”

FiOS Build Out Winding Down

Verizon says it is close to the end of building its fiber network and plans to reduce its Wireline expenditures to invest in Wireless. Although FiOS has been doing well, the company says the expense of replacing old copper lines with fiber caused Verizon to halt expansion.

Verizon has not shown an interest in maintaining its copper telephone network and many customers complain the company is slow to fix copper line problems to force users to fiber or wireless.

FiOS revenue grew 11.6 percent to $3.3 billion in the fourth quarter. FiOS is responsible for 77 percent of Verizon’s consumer Wireline revenue. Verizon has converted more than 800,000 copper customers to fiber since 2011 and intends to convert another 200,000 in 2015. Customers can switch to fiber without purchasing FiOS service, but without the benefit of working during power outages as copper lines can do.