

BELLTEL RETIREE

The Official Newsletter of NYNEX and Bell Atlantic Retirees

Spring 2002

Volume 21

A YEAR OF CONTRASTS:

COURAGE, SACRIFICE AND ... CORPORATE GREED

By Rep. Bernie Sanders (Ind-Vermont)

As we reflect on the year 2001, our minds catapult to the World Trade Center in flames and hundreds of courageous firemen and police officers racing up stairs to try to save their trapped fellow citizens. Almost all of them gave their lives in this heroic effort.

For the last several months, the nation has been impressed by the dedication and discipline of American troops in Afghanistan successfully fighting to help rid the world of international terrorism. Some of these young people have died or been wounded. Throughout the country, in the wake of Sept. 11, there has been a growing sense of coming together and shared sacrifice. Hundreds of millions of dollars have been donated to special funds for the families of the victims, and Americans are taking a deeper look at the meaning of their lives. And then, of course, there are the titans of corporate America.

Unfortunately, for many of them, it's the same old story. Greed, greed and more greed. Case in point is the Enron Corporation, which, just last year, was the seventh largest company in America with revenue exceeding \$100 billion and over 20,000 employees. Having contributed millions in campaign contributions to the Republican Party and the President, the company was strongly positioned to influence the direction of energy policies in the Bush Administration. One of the results of their efforts was a huge increase in electric rates in California.

Earlier this year, Enron was forced to admit that it had over-reported its profits by nearly \$600 million. This led to the largest bankruptcy in history. While Enron was exaggerating its profits - and before its artificially high stock price plummeted - three top executives in the company, Lou Pai, Kenneth Lay and Jeff Skilling cashed in stock options worth some \$560 million. Like rats on a sinking ship, they got their money out just in time. But they didn't give that same opportunity to their employees.

While Enron's stock was crashing, the company forced more than 12,000 of its employees to retain Enron stock in their 401(k) pension plans. This caused massive

losses for the workers and many lost their entire retirement savings. Taxpayers will be delighted to know that the House Republicans included a \$254 million corporate welfare check for Enron as part of their so-called "economic stimulus plan." But it's not just Enron.

Another case in point, Verizon's retirees have been at odds with the company during the past six years and have had to start a stockholder proxy battle just to win the pension and benefits they were promised long ago. But isn't it a crying shame that they must resort to challenging their former employer? These retirees are trying to stop that company's executives from giving themselves multi-million dollar golden parachutes and using massive profits from the retirees' \$55 billion pension fund to boost executive bonuses and compensation. While the pension fund soars, many of the 165,000 retirees have not had a pension increase in a dozen years and struggle with eroding health care benefits.

With their proxy fight, the Verizon retirees are seeking to force the company's board of directors to act independently from upper management. According to Bloomberg News Service (3/13/01), in 2000 alone, Verizon's President and Co-CEO Siedenberg's compensation, including options and a \$52.5 million merger bonus, was \$117.6 million, while Chairman and Co-CEO Lee's take was \$97.7 million. The top executives under Siedenberg and Lee also split another king's ransom. There are far too many examples of corporate executives padding the paycheck when they also control the board of directors of public companies.



U.S. Congressman Bernie Sanders

This is a betrayal of stockholder trust; just ask shareholders at Enron, Polaroid or Sunbeam Corporation, whose accounting problems came to light during the tenure of "Chain-saw" Al Dunlop.

Take also the drug companies. The American people continue to pay by far the highest prices in the world for prescription drugs. Many of the same drugs sold in this country by American drug companies are sold abroad at a fraction of the price. The result is that millions of Americans suffer, and some die, because they are unable to afford the medicine they need. Meanwhile, year after year, drug companies constitute the most profitable industry in our country. Last year, they had profits that exceeded \$30 billion.

At a time when elderly citizens cut their dosages in half, nine executives at the top of

(Continued on page 12)

Verizon 2002 Annual Meeting in Minnesota

Verizon Communications, Inc. will hold its 2002 Annual Meeting of Shareholders at 10 a.m. on Wednesday, April 24, at the Hyatt Regency Minneapolis, 1300 Nicollet Mall in Minneapolis, Minn. On the meeting agenda will be three proxy proposals put forth by retirees of Bell Atlantic/Verizon and the

Association of BellTel Retirees.

In the centerfold of this edition of the "BellTel Retiree" newsletter, we explain each of the three proposals. Please take time to read this material carefully and save it for when your proxies arrive by mail. Then cast your vote - your voice in the future governance of Verizon.

2001 FINANCIAL REPORT

Total income for 2001 was \$437,250, reflecting a slight decrease for the year despite an increase in membership. Contributions represent 93% of total income. The number of contributions declined significantly in the fourth quarter when compared to last year (down 66%), reflecting the impact of Sept. 11th. We are confident that this is a temporary setback and expect a significantly positive response to our recent annual appeal letter. The average contribution increased 2% to \$22.16. Credit card contributions increased 16% and averaged \$26.07.

Printing, postage and publishing costs represented 45% of our total expense of \$384,289 and increased 33% over 2000. Reflected in this category were:

* Our quarterly newsletter mailings, the January appeal letter with membership card, and follow-up appeals to non-contributors.

* Separate mailings dedicated to educating members on HR 1322.

* Additional mailings to contact 10,000 new members.

We also incurred an increase in postal rates, and expect an additional increase in 2002.

Legal expense increased significantly in 2001. It included a \$60,000 payment to our litigation escrow account, the expense of preparing proxy proposals,

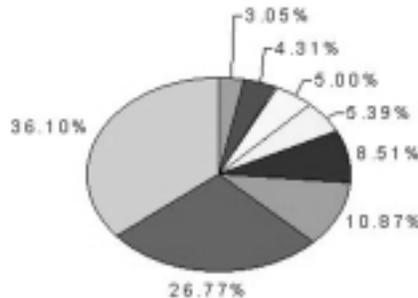
and our dues contribution of \$17,741 to the National Retiree Legislative Network, Inc. As reported to you last year, we, along with other member organizations, are sharing the cost of supporting HR 1322 in Congress as well as the development of future legislation. This greatly reduces the cost to the Association had we continued shouldering this responsibility on our own.

Clerical costs increased from \$35,473 in 2000 to \$41,765 this year. This reflects the additional time required to keep our data-

base current and to add 10,000 new members. All other expenses, including meeting and travel expense, public relations and promotions, telephone, web site and office overhead were held at or below 5% of total expense.

Our Net Income for the year was \$52,961 and our Corporate Fund Balance as of Dec. 31, 2001 was \$327,527. As always, we are thankful and heartened by your support and we will continue to maintain a constant vigil to control costs.

EXPENSE FOR THE YEAR 2001



Printing Postage	- 36.10%
Publishing	- 8.51%
Clerical	- 10.87%
Meeting/Travel	- 5.39%
PR/Promotions	- 4.31%
Tel./Web Site	- 3.05%
Office Overhead	- 5.00%
Legal/Accounting	- 26.77%

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Mail Order Prescription Dilemma

A member from New Jersey sent an e-mail to the Association to alert other members about a problem he had with his first mail order prescription delivery.

At the end of April, the retiree opened the delivery of five different drug prescriptions he ordered from Verizon supplier Merck-Medco. When he noticed one of the bottles felt a little light, he dumped its contents and found that there were only 72 and a half pills, instead of the usual 90 prescribed.

He contacted Merck-Medco and was mailed the rest of his pills, but said the company treated the shortage "matter of factly," which caused him to assume that this might happen quite often. He requested we relay a warning to other members to check their prescriptions - especially from Merck-Medco - and call the supplier if there is a shortage.

On a separate note, for those of you who may look to purchase medicines via

the Internet, the Federal Consumer Information Center offers a free information package containing 12 of the center's most helpful guides and addresses. It covers issues such as buying medicines online, purchasing life insurance and child protection.

It may be ordered at no cost by calling toll-free (888) 878-3256 from 9 a.m. to 5 p.m. EDT weekdays, or visiting the Website at www.pueblo.gsa.gov.

Arthritis Fighter May Keep Alzheimer's at Bay

Middle age and elderly persons who took anti-inflammatory drugs like ibuprofen or naproxen for at least two years were apparently protected from Alzheimer's disease, according to a new scientific study in the Netherlands. The study found that these individuals' likelihood of getting Alzheimer's dementia was one-sixth that of people who did not take the drug.

The study, published in November in the New England Journal of Medicine, offers hope for preventing Alzheimer's but experts say it falls short of being definitive. They cautioned that the findings did not mean that people should dose themselves with anti-inflammatories, which have serious side effects, to prevent Alzheimer's.

The researchers, led by Dr. Bruno H.C. Stricker of the Erasmus Medical Center in Rotterdam, invited every person 55 or older in a local suburb to participate in their study. Of 10,275 who were asked, 6,989 agreed

and were eligible. None had Alzheimer's. But by the end of the study, 293 had developed it.

Some participants took anti-inflammatories and some did not, by their own choice and not the researchers' design. Most who took the drugs used them for arthritis. In the group that took no anti-inflammatory drugs, 210 out of 2,553 or 8.2 percent developed dementia. But only 3 out of 233 or 1.3 percent who had taken the drugs for at least 2 years developed it. The dose did not appear to be important, the researchers found.

The effect was specific for Alzheimer's. The drugs did not help other diseases like ministrokes, which can cause memory loss and confusion.

The sole drugs that seemed to affect the risk of Alzheimer's were anti-inflammatories. Aspirin, unlike other anti-inflammatory drugs, did not appear to have a protective effect, possibly, the researchers said, because participants were taking very low doses.

The study followed healthy people for an average of 6.8 years, to track who among the participants developed Alzheimer's disease. The researchers also kept exact records of other drugs used by the study patients and factored that in their data.

Medical experts say a potential flaw in the Dutch study is that the scientists did not randomly assign people to take active drugs or dummy pills for comparison purposes. For that reason, they cannot be certain it was the drugs and not some other characteristic of the patients that made the difference.

Because the drugs have side effects like serious, sometimes fatal, stomach bleeding, medical experts advise healthy people to await the results of randomized trials now under way before taking anti-inflammatory drugs other than aspirin in the hope of preventing Alzheimer's. Disease experts say that clinical trials that may confirm or refute the Dutch study will be completed soon.

OFFICE ASSISTANTS (Full Time/Part Time)

Should be computer literate
(Windows 95/98) with data input skills.
Exp'd telephone/correspondence, etc.

Verizon retiree residing
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Position on Main St.
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Resume w/Phone to:
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Long-Term Care: An Alternative Worth Considering

You work hard all your life and suddenly you or your spouse suffers an illness which incapacitates you or limits your independence. What do you do about it? How do you handle it?

Your first look at your present health policy may reveal to you that, for example, Medicare covers only limited nursing home care. If you are in a poor financial condition and have depleted your savings, Medicaid will cover your nursing home care.

The more you check it out, the more you realize that what you have is not enough. Perhaps the answer — before you find yourself in this position — is Long-Term Care Insurance.

What is Long-Term Care Insurance and how will it help where Medicare won't? Long-Term Care is set up to help retirees and those who are concerned about maintaining their present way of life after retirement. It has many plans, most of which cover in-home or nursing home care and home alterations (such as a wheel chair ramp).

What age is the right age to start looking into Long-Term Care? Is it too late? A good age to start looking into it is between 55 and 60.

When choosing a company, you must look at a variety of issues including the company's track record, cost, coverage, deductible policy, benefits and when those benefits kick in. But considering the upwardly spiraling costs of health care - especially nursing home care - Long-Term Care may be worth the investigation.

Les Abromovitz, author of "Long-Term Care Made Simple," offers a list of suggestions for retirees looking into such plans. First, one should buy a plan that, along with nursing home care, would offer payments for assisted living, home health and

homemaker services. Another suggestion is a policy that offers a benefit of at least \$200 a day for three years, since the average nursing home stay lasts two and a half years.

He also suggested buying from a company that has been in the Long-Term Care Insurance business for at least five years and is in good standing with the buyer's state insurance department. To keep prices down, he writes, companies offer a sort of deductible - called the elimination period - which is the number of days you pay for care before your policy kicks in. The recommended period is 90 days.

Last, but not least, Abromovitz also issued a warning for potential buyers to watch out for policy triggers, which are the conditions that start the payment of benefits. One commonplace trigger is the inability to perform at least two of six activities of daily living, like bathing and dressing. Some policies require that the insurer's doctor determine your abilities, while others allow your doctor to determine your ability.

The costs of these plans increase in correlation to a person's age. For example, for one person, a policy that pays benefits for three years by The American Council of Life Insurance is \$693 per year for a 50-year-old, \$2,756 for a 70-year-old and \$5,133 for a 75-year-old and older.

For the past two years, the Association has sponsored a series of seminars on Long-Term Care. We send letters to our members who live in the vicinity, inviting them to seminars as they are scheduled. These meetings, which have been very well attended, help better educate retirees on the many complications, nuances and decisions that may be considered when taking on such a fiscally important decision.

LIVING LONGER

4) What is the life expectancy at birth in the U.S. today?

- ___ 64 years ___ 76 years
___ 80 years ___ 83 years

5) What portion of your physical health in later life is due to heredity?

- ___ one-quarter ___ one-third
___ one-half ___ two-thirds

6) What percentage of centenarians (people age 100 and older) are women?

- ___ 50 percent ___ 65 percent
___ 75 percent ___ 80 percent

7) What percentage of Americans over age 65 live in nursing homes?

- ___ 5 percent ___ 10 percent
___ 20 percent ___ 30 percent

ANSWERS:

1) What is the maximum life span for humans?

The correct answer was: 120 years.

In most species, maximum life span is approximately 6 times the length of time from birth to maturity. Apply this to humans, and 120 years would be a "maximum life span."

However, some species of fish routinely live 140 years. The oldest living organism is a 4,862 year-old pine tree. Since these species do not appear to have a genetic built-in limit to aging, humans may not either. But it may be centuries before humans can live to be 120 or older.

2) What is the fastest growing segment of the U.S. population?

The correct answer was: Those over age 85

Thanks in part to advances in preventive medicine and health care, more and more people are living into their 80s, 90s and beyond. Today, there are roughly 61,000 people age 100 or older (centenarians) in the United States. By the middle of the 21st century, that number could increase to 600,000.

3) What was the life expectancy at birth in the U.S. at the turn of the 20th century?

The correct answer was: 47 years

Until fairly recently, people did not live through middle age, let alone beyond age 65. Infectious diseases were rampant, medicine was primitive and nutrition was poor at best. A woman born in 1841 could expect to live to age 42, and a man to 41.

4) What is the life expectancy at birth in the U.S. today?

The correct answer was: 76 years

Many people now reach the later years and continue to thrive. Each day in the United States, about 5,000 people reach age 65, and about 3,600 people age 65 and older die. This net increase of 1,400 people a day is changing the makeup of U.S. society.

5) What portion of your physical health in later life is due to heredity?

The correct answer was: one-third

Research has dispelled the notion that one's genes are destiny. Certain key habits help people age well, including getting regular exercise, eating a well-balanced diet, maintaining a positive attitude, avoiding tobacco products and limiting alcohol intake.

6) What percentage of centenarians (people age 100 and older) are women?

The correct answer was: 80 percent

Women tend to live longer than men due to a combination of biologic, genetic and environmental factors that are not fully understood. If you're a healthy 65-year-old male, you can reasonably expect to live to 80 and beyond. Healthy women of the same age can expect to live, on average, to 84 or older.

7) What percentage of Americans over age 65 live in nursing homes?

The correct answer was: 5 percent

Although many people assume that loss of independence is an inevitable part of aging, most people do not lose it or do not lose all of it. Even among people age 85 or older, only about one in five live in a nursing home.

The following quiz has been reprinted from MayoClinic.com with permission of Mayo Foundation for Medical Education and Research, Rochester, MN 55905

Aging quiz: Secrets of longevity

Life expectancy has risen dramatically in the United States since 1900, when it stood at 47 years. In fact, it has increased an average of 110 days a year since the turn of the 20th century to about 76 years today. Each of these questions tests your knowledge about longevity and wellness in your later years, and is designed to help you consider how the lifestyle choices you make today may affect your long-term health and survival.

1) What is the maximum life span for humans?

- ___ 100 years ___ 110 years
___ 120 years ___ 125 years

2) What is the fastest growing segment of the U.S. population?

- ___ Those under age 5
___ Those between ages 35 and 45
___ Those between ages 55 and 65
___ Those over age 85

3) What was the life expectancy at birth in the U.S. at the turn of the (19th) century?

- ___ 18 years ___ 31 years
___ 47 years ___ 73 years



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Retirees Making Headway in Proxy Proposals

Four years ago, members of the Association of BellTel Retirees began taking on Bell Atlantic, now Verizon, through the proxy vote. As the years have passed, these proposals have received increasing shareholder support, and one of them received 32% of the vote last year.

This is the year that your vote can get these proxies over the top. If we vote together, along with support that's already been pledged by Wall Street institutional investment groups, we can improve not only the interests of shareholders, but retirees as well. A large "YES" vote can help persuade management and the Board to take seriously the issues being raised by Association members again this year.

Last year, all three proxies received strong support. Some 576 million shareholders (32 percent of the votes cast) were in support of our "anti-golden parachute" proposal and more than 540 million (30 percent) were in favor of our "independent director" proposal. In its first run as a proxy, the proposal on the Calculation of Incentive Compensation pulled in 340 million shareholder votes (19 percent).

The "anti-golden parachute" proposal was designed to fight the overly generous severance agreements given to executives with little or no restrictions on why they are leaving the company or if the company's performance has slipped.

The "independent director" proxy would require Verizon to amend the company by-laws to require a majority of independent directors on its Board of Directors.

The third, the "compensation calculation," proposal would disallow the company from including the earnings from our \$55 billion pension fund as net income for the purpose of calculating officers' incentive pay.

Therefore, the Officers and the Board of Directors of the Association of BellTel Retirees Inc. ask you to do your part by exercising one of the following options and encouraging your friends and family who own shares of Verizon to do the same:

OPTION 1.) Sign and date your proxy and send it to the Association to be voted by the Association at the Annual Meeting.

OPTION 2.) Mark your proxy, voting on the various proposals as recommended below. Sign, date, and return it in a self-addressed envelope.

If you choose OPTION 1.):

a.) There is no need to vote on the proposals. We will do that for you.

b.) Sign and date the Proxy and send it to:

Association of BellTel Retirees
P.O. Box 33
Cold Spring Harbor, NY 11724

If you choose OPTION 2.):

a.) Vote "FOR" the proposition "Board Composition," requiring a change in the

corporate by-laws to provide that the Board consist of a majority of truly independent directors and to have no more than two directors who are current or former senior executive officers of Verizon.

b.) Vote "FOR" the proposition, "Executive Severance Agreements," which requires the company's Board of Directors to seek shareholder approval for all future or renewed severance agreements with the company's top executive officers, which provide more generous pay-outs than the Senior Management Retirement Plan available to other senior managers.

c.) Vote "FOR" the proposition, "Calculation of Incentive Compensation," to exclude pension credits from performance-based pay formulas, which would prevent executives from earning inflated bonuses because of phantom earnings gained from profits on the pension fund.

d.) Vote on the other propositions according to your own conscience.

e.) Sign and date your proxy and return it in a self-addressed envelope.

If you have any questions regarding this matter, call us at: (631) 367-3067.

This newsletter is prepared by and paid for entirely by the Association of BellTel Retirees, which is the only participant in the solicitation of proxies discussed in the articles herein.

Proxy 2002- Board Composition: Require Majority of Independent Directors

John Parente and John Sellen, Association Board Members, will be resubmitting a proxy resolution to amend the company by-laws to require a majority of independent directors on the Verizon Board of Directors. We ask that our Association membership vote for the proxy proposal, which we believe will improve decision-making by the Verizon Board.

The proxy resolution garnered a 30% showing last year, which is a 58% increase from two years ago. After the retiree shareholder proposal first highlighted the issue two years ago, Verizon eliminated some board members who were not independent and reduced the number of senior executives on its board from six to two.

However, this concession still left the board short of a majority of independent directors, which may make it difficult for it to serve as a truly independent monitor of management decisions. Currently, decisions are controlled by directors who may

be swayed by their close ties to management. Requiring independent directors would reduce the excessive influence of corporate management on the Verizon Board.

Currently, no more than half of the 16 members of the Board of the Directors are truly independent of management. In addition to the two Co-CEOs, six outside directors are considered non-independent due to board interlocks or because their own employer receives substantial grants, fees or business from the company, or did in the recent past. An example of an interlock is that Co-CEO Seidenberg sits on the board that employs and sets the salary of board member Stafford. A ninth director, while technically independent, has an interlock similar to this example with a company officer. The standard that we use is detailed in the supporting statement of the proxy proposal.

Our company has one of the least independent boards among large U.S. companies.

The boards of 89% of S&P 500 companies have a majority of independent directors, according to a 2001 study by the impartial Investor Responsibility Research Center. Verizon should bring itself up to the standards of other corporations by updating the Board's composition to include a majority of independent directors. This proposal would also require Verizon's Board to consist of no more than two directors who are current or former senior executives of the company.

We believe that passage of this bylaw could help retirees receive a fairer and more open-minded hearing than is possible with a Board composed disproportionately of Verizon executives and directors with direct ties to Verizon management. We urge all of our members to support this proxy proposal by voting FOR the company to require a majority of independent directors on its Board of Directors.

Proxy 2002 - Executive Compensation Calculation: Exclude Pension Credits From Performance-Based Pay Formulas

Association President Bill Jones and Board Member Joe Ristuccia, and his wife, Ann, will resubmit a proxy resolution to stop Verizon executives from reaping performance-based benefits by including pretax pension credits in the company's earnings. In its first run last year, the proxy received 19% of shareholder votes - a very impressive showing.

Verizon executives are wrongly earning record high bonuses partially as a result of profits arising from the \$55 billion retiree pension fund, while the company's loyal retirees struggle to get by with their inadequate retirement benefits. Retirees continue to see cutbacks in healthcare benefits and erosion of pension buying power due to lack of regular cost of living adjustments, while Verizon executives take in higher and higher bonuses. If pension credits are excluded from performance-based pay formulas, executive bonuses could be lower and more in line with their true value to the corporation. By giving

them less incentive to hoard the over funded pension fund, this proposal would tie executive compensation more closely to the company's performance. This proposal also could encourage management to use the pension surplus for its intended purpose: paying benefits, including much needed and long overdue cost-of-living adjustments to retirees.

Verizon continues to use interest earnings from its pension fund to bolster its earnings - with that number growing larger every year. A recent study by Merrill Lynch, entitled "Making Sense of Pensions," revealed that a significant portion of net operating income reported by Verizon was not cash flow from operations, but rather "pension credits" from paper gains on assets held in the company pension plan. The study, released on Aug. 1, 2001, stated that the company posted pretax pension credit of \$3.5 billion toward its 2000 earnings, which is an 81% increase from 1999.

The study said that the pension credit increase when compared to Verizon's total income is "significant" and "an adverse issue" when valuing the company's total worth.

A study by Credit Suisse First Boston stated that when Verizon is compared to other S&P 500 companies it made the largest pension credit contribution to reported earnings ("Pension Accounting Primer," June 13, 2001).

This proxy proposal is important to Verizon shareholders and to the economic futures of our members because the pension funds should be administered for their original purpose - to provide retirement benefits to the company's employees, and not be used as a yardstick to justify higher personal bonuses for executives. We urge all of our members to support this proxy proposal by voting FOR excluding pension credits from performance-based pay formulas.

Proxy 2002- Executive Severance Agreements: Require Vote on "Golden Parachute" Agreements

Association Board Member Bob Rehm and the Association of BellTel Retirees again will co-sponsor the proxy to require shareholder pre-authorization of "golden parachutes" agreements at this year's shareowners meeting. The proxy automatically qualifies for submission as it garnered 32% of the vote last year.

It argues that "golden parachutes" and "golden good-bye" agreements should require prior approval by a shareholder vote before being granted. These agreements - which we regard as among the most costly, wasteful and anti-shareholder forms of executive compensation - cover executives with multi-million dollar provisions in addition to extremely generous retirement benefits. They are triggered not just by a hostile change of control, but even by voluntary departures under a range of circumstances and even termination for cause. We believe this is contrary to stockholder interests.

For example, the 2000 Verizon merger proxy stated that several senior executives were promised multi-million dollar payments concerning the status of current Co-CEO Ivan Seidenberg. If he "is not elected Chairman of the Board" or "if there has been a change of control of Bell Atlantic" (with "change of control" defined very broadly), then certain provisions in these severance agreements are triggered. According to the proxy, executive officers Babbio, Cullen, Salerno and Young are given the option "to terminate his employment on grounds of

constructive discharge following Charles R. Lee's election" as Chairman and thereby walk away with millions of dollars in severance payments on top of their other generous retirement benefits.

These agreements don't reflect the track record of the executives or their years of service to the company. Such generosity can frustrate long-term shareholders, who believe that executive pay should be properly aligned with shareholder interests. It also is in direct contrast to the treatment of the loyal retirees

of Bell Atlantic/NYNEX, who have dedicated decades of their lives to the company, only to have their pension buying power reduced and their health benefits withered away.

If this proxy proposal receives a majority vote, future inflated compensation packages would need pre-approval from the Verizon shareholders. Giving shareholders a vote could help curb unduly generous pay packages that drain money from operating funds. We are asking all of our members to vote FOR this proxy resolution.

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Association Growth = Strategic Planning In Place

The Association of BellTel Retirees is growing rapidly. In the last year we have added 12,000 retirees to our ranks and we expect this growth to continue. While growth is a positive thing to any issue-oriented non-profit organization, with it comes added responsibility, to properly plan and carry out the Association's mission.

To cope with the increased need for prudent governance of the Association, the Board of Directors has implemented two key initiatives to better aid us in managing that growth and larger membership. First, the Association has created a finance committee to study and oversee all revenues and costs associated with the daily operation and management of the organization. Association Director Bob Rehm

is leading this effort, as Vice President-Finance, a newly created position.

Second, a Strategic Planning Committee was formed, whose job it will be to continually evaluate and examine the issues the Association should be involved with and recommend to the Board the position which is best suited to meet the needs of our retiree members. This committee, which already has had a most productive first meeting, will be led by Director Jack Brennan, who assumes the new role of Vice President-Strategic Planning.

Six years ago, with only a handful of retirees as members, little did we expect the Association's mission and representation of retirees would be so vital for so many.

We are appreciative of the support and confidence you have placed with this group of retiree volunteers, to serve as advocates for the protection and enhancement of Bell Atlantic Retiree and beneficiary pensions and benefits. We take that trust very seriously and that is why, as we enter this new phase in growth and development, issues of management and governance of your Association are of critical importance.

We are always interested in retirees - wherever they may live — interested in stepping forward to serve as volunteers in this crusade to fight for the protection of our families economic future. To serve as a volunteer, call us at 631-367-3067.

Verizon's National Customer Base Zooms in 2001 Despite Recession

In the midst of what is being recounted as one of the most difficult years for the American economy and business in more than a decade, Verizon announced customer results for the year demonstrating that, despite Sept. 11, the company is chugging along quite well.

According to operational data announced by the company in January, Verizon ended the year with an estimated 1.2 million DSL subscribers, a 4th quarter increase of 225,000 additional users. Verizon also ended the year with an estimated 7.4 million long-distance customers nationally, surpassing its 6.9 million customer goal.

The real boom in business could be seen at Verizon Wireless, which ended 2001 with an estimated 29.4 million customers, with some 715,000 new customers in just the fourth quarter alone. As the BellTel went to press, Verizon was preparing to announce complete fourth-quarter and full-year financials, too late for inclusion in this edition.

Verizon Wireless, a joint venture of Verizon Communications and Vodafone Group, saw a customer growth rate of almost 10 percent over year-end 2000 and an "industry-leading" retention level. In 2001, the company said it continued to invest significantly to expand and enhance its wireless network,

with more than \$4 billion invested nationally, resulting in a 13 percent increase in cell site coverage, deployment of two-way SMS (short messaging service), and more than 20 percent of the network converted to next generation 1XRTT technology, capable of high-speed data transmission.

But the growth and profitability for the company in 2001 is not without problems. Around Labor Day, The National Labor Relations Board (NLRB) announced it was preparing a complaint against Verizon Communications because of violations of federal labor laws as a result of what the NLRB called "anti-union behavior." The NLRB, an arm of the Executive Branch of the Federal Government, whose members are appointed by the President of the United States found 86 labor violations for Verizon in New York State.

The NLRB allegations range from physical assault of workers because of membership or support for the CWA, to threats of reprisals, including losses of jobs, stock options and time off for family illness. Companywide, more than 140,000 of Verizons workers have the benefit of union representation, while 45,000 do not.

After a strike in August 2000, the company signed neutrality and card-check agreements with the CWA, pledging to allow workers to decide whether or not to form unions without interference. Under a card-check agreement, the employer agrees to recognize the union once a majority of workers has signed up through the cards. Despite the neutrality clause that Verizon signed, the NLRB complaint alleges that the company has increased resistance to organizing drives. Verizon was also accused by Morton Bahr, President of the CWA, of operating a company website that attacks unionization efforts.

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Chef, Fisherman, Grandfather and Retiree Leader

When John (Jack) Brennan began working at New Jersey Bell in 1953, he heard these words from his employment manager, "Remember this, kid: When you reach age 55, you can retire with a full pension and your health and other benefits for life."

While those words may have been true some 50 years ago, Brennan has seen things differently since he retired.

"All the reductions in healthcare, the company never intended to do that," he said. "It's only the people running it today."



New Jersey Retiree and Association Board Member Jack Brennan with grandsons Alex (left) and Cole (right)

And, in the decade since he retired, he said, it's only getting worse. "Of course, I haven't gotten what I should have, and they're slowly pecking away at it," he said.

After speaking to a neighbor who worked at New Jersey Bell, Brennan decided to give a telephone career a try in 1953 when he was 17 years old. He was originally a draftsman because he was under 18.

"I couldn't work outside," he said. "I couldn't do anything that was deemed as a hazardous duty."

After turning 18, Brennan worked the next

nine years in outside craft and dealt with "every function in that department" from splicing to installation to repair.

Starting in 1963, he moved up in the company into first and then second level management positions. One of the positions he held was the Presidential Coordinator of Communications, who was in charge of communications when the U.S. President came to New Jersey. He was the coordinator once when Lyndon B. Johnson paid a visit, and twice when Richard M. Nixon dropped by.

In 1981, he went to human resources where he held two jobs. The first was management job evaluation and salary administration. He determined what salary grade each job should be classified as and then how much a person in that grade should be paid. The second position was in labor relations.

But nowadays Brennan can't believe how out-of-whack salaries have become since then. "The higher levels of management are grossly overpaid," he said.

He retired in December of 1991. He took a lump sum, which meant that future pension issues wouldn't affect his situation. But four years ago he decided to join the Association of BellTel Retirees in their fight for protection of pensions and benefits. But why did he get involved when his only interest is in the cutbacks in

healthcare?

"I'm particularly concerned about the people at the lower end of the scale...who are living on a meager pension because it hasn't been updated," he said.

Brennan, who is the Director of B.A. South, has been recently appointed Vice President-Strategic Planning. The newly-formed Strategic Planning Committee, will study and recommend to the Board "how we're going to structure the Association," including setting goals, scheduling meetings and deciding how to best

use membership contributions effectively.

In the past, he has run the Association's annual meetings when they were held in his home state of New Jersey. He continues to attend Pioneer meetings and talks to everyone he knows about the Association and its cause.

When he's not out trying to get new members, he's whipping up new dishes in the kitchen. Brennan's an avid chef, making delicious dinners for he and his wife of 44 years, Anna Mae, at their home in Hillsdale, N.J.

He sometimes brings some of his creations to the Pioneer meetings, where they've been met with an enthusiastic thumbs-up.

"They've (recipes) gone around the U.S. in the Pioneer organization," he said.

But his favorite dish he makes is a special weekend one for his granddaughter, Isabella. "She loves my chicken soup," he said.

Isabella and his two grandsons, Alex and Cole, are what really lights this retiree's eyes.

"They are really my pride and joy," he said.

So it's no surprise that his favorite time of the year is the summer when the kids are out of school and he goes down to South Mantoloking, N.J.

"We go fishing," he said. "I get the whole summer with my grandchildren."

And, true to his nature, Brennan is involved in that community as well. He is one of three officers on the Federation of Beaches Board for Brick Township. He helps represent the 13 Beach Association, which fights for the rights of homeowners in each township. In the past few years, he said, it has gone from a fight to a partnership.

"It's gone from an adversarial relationship to a harmonious one. We work together rather than work apart," he said. "The township comes to us if they have a problem, and we go to them if we have a problem."

Despite all the activities he takes part in, Brennan said he loves retired life.

"I keep busy. I'm working harder now than when I was working," he said with a chuckle.

ASSOCIATION OF BELLTEL RETIREES INC.

P.O. BOX 33, COLD SPRING HARBOR, NY 11724

Yes! I want to join the Association of BellTel Retirees Inc. I support you in your fight to protect the pension and benefit rights of both management and non-management retirees and active employees.

Enclosed is my tax-deductible contribution of:

Active Employee Member* \$25 minimum \$36.50‡ \$50 or Other \$ _____

Retiree Member \$20 \$25 \$36.50‡ \$50 or Other \$ _____

Check Enclosed or Charge contribution to my Visa MasterCard

Credit Card Acct.# _____ Exp. Date _____ Signature _____

Name _____ Address _____

City/State/Zip Code: _____ Telephone: _____

Management Non-Management I retired or expect to retire in (year) _____ from (Co.) _____

* All names are kept strictly confidential ‡ Only 10¢ a day

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Member Mailbag



To the Association:

Verizon just fired management in the city! You can now ask Verizon for money for my member fee! I quit! You helped the enemy! Traitor!!

Unsigned

Editors Note:

One reader, offended by a story in the Winter 2001-02 edition, sent us this note scribbled on the newsletter in response to an article 'Verizon Donates \$1 Million on Behalf of Retirees.' The story commended the company for its swift response in providing funding to charities aiding families victimized in the Sept 11th attacks. Verizon's donations were made in the name of the company's retirees. This reader took offense to the Association reporting on its offer to "help get the Verizon system back in full operational order," following the terrorist attack upon our nation, upon the World

Trade Center and the damage inflicted on 140 West Street, a key Verizon location damaged in the attack. This reader did not sign his/her name to the note.

That day terrorists achieved some of their goals. They slaughtered many innocent men, women and children and brought untold devastation to thousands of families. They sought to halt American commerce and damage our economy, which they did temporarily. The stock exchanges closed for many days as result of the attacks, one major reason being that with switching facilities at 140 West Street and the World Trade Center destroyed, some of New York City phone service was spotty with continued disruptions.

For months now, two members of the BellTel newsletter staff have worked as volunteers with the Widows' & Children's Fund of the Uniformed Firefighters Association, which lost 343 brave firefighters that day. One of those volunteers was even at ground zero Sept 12 aiding the firefighters. Ironically the onsite emergency command center was set up right in front of the partially destroyed Verizon building on West Street. It stood as

a symbol of the task ahead and how we must go about rebuilding and fighting back against our nation's enemies.

To the member who penned this note, without the courage to sign his/her name, we respond to you. The offer this Association made to the company was not that of a traitor to the retiree body, as you might characterize, but a gesture of cooperation and working together when America needs us most. For much of our lives we were all good and loyal Bell System workers, but first we were Americans! While we disagree with Verizon over their management of OUR benefits and pension funds, when America is attacked there can be no division among us. We must stand together for the good of our nation and show these cowards that they cannot cripple America, nor our system of ideals and beliefs.

Should you still wish to disassociate yourself from this Association because of our Pro-America stand please write us back with your name this time and we will happily remove you from the membership of this proudly American Retiree Association. God Bless America.

HR 1322 Petition Deadline Extended

In December the Association and the National Retiree Legislative Network (NRLN) began a national petition drive supporting the enactment of HR1322, legislation concerning health care benefits. The results of the drive to date have been promising and, to increase the opportunity to get every last signature possible, NRLN leaders and our lobbyist in Washington, D.C. have asked us to extend the deadline for submission of these petitions by the end of April.

When passed, HR 1322 will close a loophole in ERISA that concerns health plans. It will prevent corporations from taking away promised health care benefits from retirees, and would order the return of health benefits already taken away.

Our national petition drive must focus in on representatives who have failed to

announce support for this pro-retiree bill. The bill currently has 76 sponsors, all Democrats, so we have to focus our efforts on Republicans. Each and every signature you get will send a message to your Congressman or Congresswoman.

To make this legislation fly, retirees have to show they care and are concerned about the passage of HR 1322. Members of Congress Won't Care Unless All of Us Speak Up Loudly.

We are asking Each Member/Retiree to go out and get at least 20 signatures of neighbors, family and friends of legal voting age, if you can.

They Ask each signer to autograph three petitions, with one for your local member of Congress and the others for each of the two Senators in your state of residence. Petitions

are available online at www.NRLN.com or by calling the Association of BellTel Retirees at (631) 367-3067. All petitions should be returned by April 30 to the Association's headquarters at P.O. Box 33, Cold Spring Harbor, N.Y. 11724.

Signed petitions from retirees around the country will be delivered to our elected officials on Capitol Hill. If there are only a handful of signatures from your Congressional District it will be an embarrassment and your elected official will realize that retirees in his/her district just don't care about retiree economic justice. Let's make sure the effort is a powerful indication of what we retirees can accomplish.

ASSOCIATION OF BELLTTEL RETIREES INC. MISSION STATEMENT

The Association of BellTel Retirees Inc. is dedicated to promote the protection and enhancement of Bell Atlantic retirees and/or their beneficiaries' pensions and benefits.

The Association will convince the company to properly care for its thousands of dedicated retired employees.

The Association will conduct activities designed to educate elected federal, state and local representatives and promote passage of legislation which will protect and guarantee, rather than invade our hard-earned pension and benefits funds.

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Note: Herb Manna is a *Bell Atlantic Retiree*.
Discounts are offered to fellow retirees.



President's Message

by C. William Jones

Mr. Lee also made it clear that he was not at all happy about our proxy proposals. In fact, he hates them! We view his reaction as embarrassed and concerned about being criticized in public and in front of his Board and shareholders. He asked that we not submit them again and said that he would instruct his General Counsel to go after us if we did. However, SEC regulations prevent Verizon from blocking our valid and legal proxy proposal submissions.

Well, fellow retirees, given Mr. Lee's views on your dwindling pension buying power, let's give him exactly what he doesn't want - a bigger-than-ever vote for the proposals that the company opposes. Each year we have increased the vote in favor of Association-backed proposals. If we pull out all the stops and work hard to get every person we know who owns Verizon shares to vote for our proposals, we can send an important message to Chuck Lee. Your Association has plans in the works to maximize the vote but we need your help as well. More on the proposals and how to vote can be found elsewhere in this edition.

This year will be important on many fronts, in addition to the proxy battle. With Congress distracted by the war on terrorism, home security and the economy, we have decided to use the time wisely by circulating

petitions and obtaining signatures of Congressional constituents asking for support of HR 1322, the Emergency Retiree Health Benefits Protection Act. We plan to present these petitions in person and at the right time. The more signatures we obtain, the more powerful the message. Our elected officials must be told how important this bill is to us.

I promised myself that I would not write about our legal action until the suit was filed, however, I have to break that promise. The terrorist attack on our country has caused a significant downturn in contributions to the Association. For the first time in our history, we received fewer contributions than we did in the previous year. This occurred in spite of a larger membership and nine months of record contributions. My point is that the turn-around since Sept. 11 - if not reversed - could spell trouble for our ability to mount a powerful legal attack. You received our annual appeal letter about one month ago. For those who contributed, I sincerely thank you for your support. For those who have not yet sent a contribution, I ask that you give it your most serious consideration.

Finally, to those of you who live in Florida and or will be vacationing there in March, I hope that I will have the opportunity to meet you personally at our Annual Meeting in Fort Pierce. I promise that you will find the meeting interesting and enlightening.

I look forward to an exciting 2002 working with my fellow Board members to protect and enhance retiree and beneficiary pensions and benefits.

God bless you all and God bless America.

The Board of the Association joins me in wishing you a happy, healthy and prosperous New Year. However, if you are waiting for Verizon to take care of the "prosperous" part, think again.

At a face-to-face meeting with Chairman and Co-Chief Executive Officer, Charles Lee, Association Vice President-Finance, Bob Rehm, and I were given a message in no uncertain terms. Mr. Lee made it clear that his position is: 1) the shareholders own the pension fund, not the retirees; 2) retirees do not need a pension increase at this time, nor do they deserve one; 3) when inflation reaches 15% they might consider an increase (the fact that inflation since the last increase for most retirees is almost double that number does not count according to Lee).

On a positive note, Mr. Lee suggested that we meet in the near future with Ezra Singer, Executive Vice President-Human Resources, to discuss some of the other pressing retiree issues. That meeting will be held by the time you receive this newsletter.

Retiree Meeting Coming in March To Florida

The Association will be hosted by Florida retirees for its sixth annual membership meeting on Friday, March 8, in Fort Pierce, FL, at the Spanish Lakes Country Club Village. We encourage all current members and those retirees who might be new to the works of the Association of BellTel Retirees to join with us.

The annual meeting gives members a chance to gather with other company retirees and old work friends, hear about our Association's progress, recent discussions with company leadership, future plans and our retiree legislation on Capitol Hill. Further, you will have an opportunity to voice your own concerns and introduce the Association to other issues that may be causing hardships for you or other retirees.

Past annual meetings in Boston, Syracuse, Atlantic City (twice) and Long Island were widely successful, each attended by hundreds of retirees from the operating companies

making up Bell Atlantic. With more than 4,000 retiree members now living in Florida and many more who take winter vacations there, it is sure to be an outstanding meeting.

Do you want to know how to best protect your own pension and benefit rights? If so, join us this day.

More than 180 Florida-based retirees have already responded to the early bird RSVP special in the Winter 2001-2002 newsletter! Hurry and send in your registration form as seating is limited to only 300. If we exceed capacity we will return your check.

Danish and coffee will be served at 8:30 a.m., followed by a business meeting from 10 a.m. to noon. There is a \$5 registration fee per person. An admission ticket and directions

to the meeting will be mailed to you when your check and registration form is received.

To reserve a seat or if you have any questions about the meeting call our headquarters at (631) 367-3067 or e-mail us at association@belltelretirees.org

RSVP for Association of BellTel Retirees Annual Meeting

Fort Pierce, Florida, March 8, 2002,

Friday at 8:30 a.m.

I will attend the meeting in Florida - # in party _____

Name _____

Address _____

Phone Number _____ E-Mail _____

Enclosed is a check for \$ _____ (\$5 per person)

Please return this registration form and fee to: Association of BellTel Retirees Inc; c/o Jack Sellen; P.O. Box 457; New Milford, N.J. 07646.

COURAGE, SACRIFICE AND ... CORPORATE GREED

(Continued from page 1)

pharmaceutical corporations in the U.S. were given \$890 million in stock options according to Families USA. This is on top of the \$169.9 million in wages, bonuses and other compensation that these executives are already receiving. How does the pharmaceutical industry manage to rip off the American people, generate huge profits, get massive tax breaks and provide outrageous compensation packages for their top management? Easy. As the wealthiest political lobby in Washington they have spent, over the last three years, more than \$200 million in campaign contributions, lobbying activities and media advertising.

Even in the face of the bioterrorism attack on the United States, the drug giants are choosing profits over the health of the American people. When the federal government

chose to stockpile the antibiotic Cipro, the "deal" struck with the drug companies requires the government to pay far more than is charged by generic manufacturers abroad, and, in fact, more than the federal government itself already pays under a different program. But wait, corporate self-dealing doesn't end there.

Take, for example, Big Blue. As the holiday season approached, IBM announced a new round of job cuts. According to published news reports, the company has cut more than 5,000 jobs in the United States since July. Meanwhile, they are building two new micro-processing plants in China where workers are paid a fraction of what American workers receive.

To IBM watchers, this latest act is par for the course. Two years ago, despite record-breaking profits and a pension fund surplus

of some \$10 billion, IBM slashed pension and retirement health benefits for workers in 1999 and 2000 and curtailed salaries in 2001. Meanwhile, the CEO of IBM, Louis Gerstner, raked in \$176 million in total compensation and stock options over the past 2 years. In addition, he has accumulated over \$260 million in unexercised stock options from IBM during his tenure. While slashing the pension plans of IBM employees, he negotiated a retirement plan over \$1.1 million a year for himself.

Once again, no bad deed goes unrewarded. If the House Republican leadership gets its way, IBM will receive \$1.4 billion in corporate welfare this year.

This country has gone through an extremely traumatic year, and we are now confronting serious economic and security issues. It would be nice if, for once, some of our corporate leaders looked out for someone other than themselves.

Checks Are No Longer 'In the Mail'

Are you one of the many retirees who expected your pension check to be in your mailbox on Jan. 2, but found bills instead?

Are you tired of hearing "the check's in the mail?"

Recently, the Association received hundreds of calls a day from retirees who didn't receive the pension checks on time. Some checks still were not received as of Jan. 16.

When a member of the Association contacted Verizon, they told her that the checks were delayed due to the snowstorm in North Carolina.

Well, there's a better way for you to get your pension checks - on time - every month by signing up for "Electronic Funds Transfer (EFT)."

EFT is a quicker, easier and more dependable way to receive your pension checks on time. With EFT, on the first of every month, your pension check is deposited directly into a bank account that you specify. Normally, you receive a statement verifying the transac-

tion prior to the first of the month.

So on those snowy, cold winter days, you don't have to walk out to your mailbox for your check, hop in your car and cash or deposit at your bank - it's already there! No more waiting for your check so you can send out your bills. Your money will be in the bank, ready for your use.

It's a safe, easy way for you to make sure you get your money on time every month. Many retirees have already taken advantage

of this service and rave about it. One member said he had never had a late EFT in 11 years - sometimes it's early!

To change to EFT, call your benefit group, In Touch Center, at 866-998-8777 and follow the voice prompts.

You may want to consider arranging an EFT for your Social Security payment as well. Just call your local Social Security Office and they will be happy to change you to EFT.



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