

Verizon Healthcare Costs Set to Pierce the Cap

Verizon executives love to talk about how great their corporate profits are looking these days, but there is a more urgent matter they're not making a peep about: The company wants to phase out retiree medical coverage.

Beginning January 1, 2026, the cost of the pre-Medicare Verizon retiree MEP plan will pierce the cap on the company's contributions towards retiree health care.

This is an urgent matter for current employees and retirees alike.

According to a July 24, 2025 memo from Communications Workers of America (CWA) Assistant to the Vice President William Gallagher, the 2016 agreement between Verizon and CWA union members set the annual cap on the company's contributions towards pre-2008 pre-Medicare retiree health care as follows:

- Retiree: \$15,447
- Retiree + 1: \$30,893
- Retiree + Family: \$38,639

The agreement provides that when the cost of the pre-Medicare plan options exceeds the company's caps, the retiree shall be responsible for paying the excess in the form of premium contributions.

Currently pre-2008 pre-Medicare retirees who retired on or after January 1, 2013 pay the following annual premiums:

- Retiree: \$472
- Retiree + 1 and Family: \$809

Beginning January 1, 2026, the cost of the pre-Medicare MEP HCP will be as follows:

- Retiree: \$18,211
- Retiree + 1: \$36,422



- Retiree + Family: \$45,528
Unfortunately, that will result in the following cap excesses and annual premium contributions:

- Retiree: \$2,764
- Retiree + 1: \$5,529
- Retiree + Family: \$6,889

So for those keeping track, Verizon expects to enjoy \$2 billion in tax breaks in 2025 based off recent U.S. tax reform, but we retirees will have to start paying up to \$6,889 a year for medical.

On what planet is that fair?

In response to this situation, BellTel Chairman Tommy Steed stated, "Any lifetime limit or cap on employees' health care only serves one purpose: It accelerates the race to the bottom."

According to IBEW Local 2324 Business Manager John Rowley, IBEW, CWA, and Verizon began negotiations in late May to discuss potentially extending the current collective bargaining agreements.

Significant differences between the parties remained in late June, and by August the Company had chosen to end the bargaining process without adequately responding to the needs and priorities of union members, according to Rowley.

(Continued on page 3)

CEO Pay Soars

The AFL-CIO has released its annual Paywatch report, which measures the ever-widening gap in pay between CEOs and their workforce.

The results are once again staggering and are a perfect example of the wealth inequality that is only increasing at major U.S. corporations.

According to the report, the country's top CEOs made 285 times what their workers did in 2024. The average S&P 500 CEO took home \$18.9 million last year, a 7% increase from the previous year, when the CEO-to-worker pay ratio was 268 to 1.

Reporting by the Associated Press found that chief executive compensation rose 10% between 2023 and 2024.

Meanwhile, the Rich Get Richer

Hans Vestberg is paid 183 times the average Verizon worker



John Stankey is paid 215 times the average AT&T worker

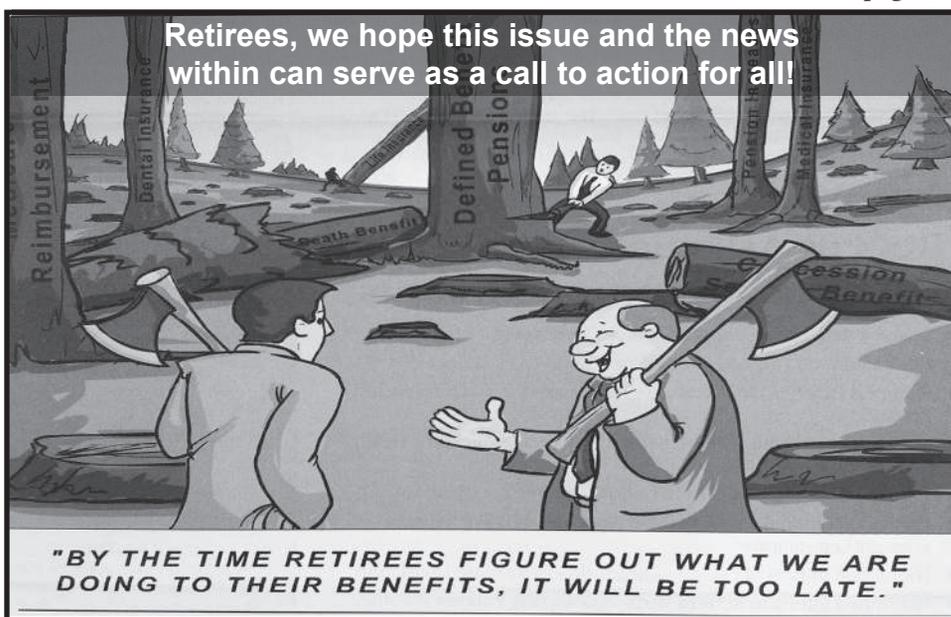
The biggest offender on the list was Starbucks CEO Brian Niccol, whose \$97,813,843 take-home in 2024 was some 6,666 times the median company employee's, and second only to Patrick Smith, the CEO of Axon Enterprise Inc, which makes stun guns and body cameras. He took home \$164,525,721 in 2024.

Companies headquartered in the states of Washington, Oregon, and Kentucky had the largest disparity between S&P 500 CEO compensation and the median worker compensation. These three states are home to companies such as Starbucks, Nike, and Texas Roadhouse, respectively, with pay ratios of 6,666 to 1, 759 to 1, and 303 to 1.

The industries with the largest CEO-to-worker pay ratio gaps are arts, entertainment, and music (1,924 to 1), educational services, which includes all public and private educational institutions, (618 to 1), and retail (516 to 1).

Utilities had one of the lowest gaps, with an average CEO pay of \$13.2 million and average median worker salary of \$138,526, a ratio of 97 to 1.

(Continued on page 2)





Chairman's Report

By Thomas Steed

In my 27 years of being a member of this Association, I can't recall a time when our collective voice was more needed than right now.

Corporate bosses at Verizon and AT&T are slowly and steadily chipping away at retirees like you and me. They're hoping nobody notices, but your Association is here to call them out.

Last year so many of our members were thrown off the deep end by Verizon's pension-stripping transaction with Prudential and Reinsurance Group of America (RGA), a \$5.9 billion deal that allowed company executives to free up their own cash flow at the expense of unsuspecting retirees.

Meanwhile, AT&T leaders took the same pension spinoff route in 2023, and at the end of 2024 they made public their long-held intentions on ending landline service across the country.

That ongoing battle is another corporate cost-saving initiative that would harm our fellow union brethren as well as older Americans, many of whom live in rural areas where cell service is a liability and landlines are a necessity.

And now we've got a healthcare crisis in full swing. Beginning January 1, 2026, the cost of the pre-Medicare Verizon retiree MEP plan will pierce the cap on the company's contributions towards retiree health care.

Many retirees will suddenly find themselves paying thousands more every year for healthcare bills. It's clear Verizon wants to phase out retiree medical coverage altogether at some point, so this issue could get even worse.

Any lifetime limit or cap on employees' health care only serves one purpose: It accelerates the race to the bottom.

As a former lineman who dealt with extensive lead toxicity in the blood and subsequent lymphoma treatments, this issue hits home for me.

Many of us went down to the manholes day after day, handling toxic lead cables with barely any protection and doing whatever was necessary to get the job done for the company and its ratepayers. We did it in good faith for a company that guaranteed fair compensation, pensions, and quality retirement healthcare benefits.

Chipping Away at Retirees Like Us

We need to rally together and make our voices heard on this issue now and in the months ahead.

Collective bargaining for the next four-year contract between Verizon and the unions ends on August 1, 2026, so the clock is ticking. Retirees who can participate in any forthcoming contract mobilization events will be needed.

Your Association is not letting the lead cables issue go by the wayside either. Our proxy proposal on lead cable remediation came up short at Verizon's annual shareholders meeting in May, but this is a long-term battle that won't end there.

Similar to the retiree healthcare issue, Verizon wants to sweep the lead cable problem under the rug and keep the spotlight on its expanding fiber network. Retirees can get sick all they want, so long as corporate earnings keep getting fatter.

We applaud IBEW Local 2324 in

Massachusetts for their ongoing work on this issue, as well as Massachusetts Senator Ed Markey, who recently asked Verizon to update the public on what the company is doing to identify and monitor worker exposure to lead.

Going forward, we seek to continue monitoring these important issues and fight on behalf of all active employees and retirees.

Your Association needs active employees who are concerned about their retirement benefits to join our cause. The number of retirees in this country is going up every day, so we must make them aware of the staunch advocacy and retiree representation that we have built over the course of nearly 30 years.

Every year I write my extra \$20 conscience check to this Association, and I humbly ask our current members to do the same. It is through the generosity and support of member donations that we are able to keep fighting.

CEO Pay Soars

(Continued from page 1)

Still nearly 100-1, this is pretty damning evidence against corporate compensation abuses.

The AFL-CIO estimates that at Verizon, the ratio is 183 to 1, with the median employee taking home \$132,471, compared to CEO Hans Vestberg's haul of \$24,160,024.

John Stankey of AT&T was paid \$26,410,845 for his efforts last year, while his median employee was rewarded \$122,611 for theirs, a ratio of 215 to 1.

According to the Associated Press, Mr. Vestberg's pay remained the same between 2023 and 2024, while Mr. Stankey's actually decreased by 2%. However, earlier this year Vestberg did receive a 40% boost to his annual target long-term incentive opportunity, the largest part of his annual compensation, raising it from \$18 million to \$25 million.

A 2023 report by the Institute for Policy Studies and Jobs With Justice further found that CEOs enjoy far greater retirement benefits than their workers.

Verizon and AT&T have long had defined pension plans which they have been aggressively spinning off into insurance annuities, as occurred in 2012 and 2024 at Verizon and 2023 at AT&T.

Your Association has strongly opposed these pension-stripping efforts and has a long history of proposing proxy proposals to rein in ballooning executive compensation.

BellTel has won several proxy fights to give shareholders a say in executive pay, and tightened standards for awarding performance stock unit payouts (PSU) to senior executives.

Both in employment and retirement, CEO compensation is rapidly outpacing that of employees, whose labor is instrumental to their companies' success.



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(Continued from page 1)

The current collective bargaining agreement expires on August 1, 2026.

“While I am certain the Company would say otherwise, what is clear at this time is that Verizon had no real interest in reaching an early agreement,” Rowley said. “The positions taken by Verizon during this round of negotiations leads me to believe they are preparing for a worst-case scenario.”

Rowley continued, “With that, we have two options. We either prepare ourselves for a protracted strike, or we accept the true worst-case scenario: the end of retiree healthcare in the not-too-distant future.”

To say that Verizon retirees are going to feel this in 2026 would be an understatement. As Rowley pointed out, unless something is done now, the next contract could set those healthcare costs

even higher for the following four years and beyond.

And let’s not forget that healthcare costs keep rising over time. Rowley projects that with these premium increases, coupled with the rising cost of healthcare, many active members could see a healthcare cost increase of 80% by 2030.

Some retirees might not think this issue applies to them if they’re aging into Medicare next year. But if you’ve got any dependents younger than 65, then these cost increases will affect you.

The same goes for current Verizon workers who feel safe with their 401Ks, or retirees comfortable with their pension. If Verizon is truly set on a path to abandoning our healthcare coverage, you better set aside some funds for future healthcare issues.

This is a terrible shame for rank-and-

file workers already struggling with everyday cost-of-living increases. Whether they realize it or not, these workers will encounter unforeseen healthcare issues when they get older, and Verizon may no longer be willing to foot the bill.

We cannot let Verizon’s move be the new norm for healthcare coverage. Every one of us spent many years working our tails off for this company. With Verizon making major financial gains in recent years, it would be downright inhumane for them to let our healthcare coverage go by the wayside.

Your Association will continue to keep this issue front and center as we approach August 1, 2026, when the current collective bargaining agreement expires.

In the meantime, we encourage all our members to review their specific plan documents and stay informed about any changes or negotiations.

What Does the Federal Budget Bill Actually Do to Social Security?

The passage and signing into law of the “One Big Beautiful” budget bill in Washington has led to much confusion over a topic that is crucial to many retirees: Will taxes be owed on Social Security benefits?

President Trump has said that the bill eliminates such taxes, and the Social Security Administration has echoed his claims.

According to USA Today, PBS, and other news outlets, the bill does not “eliminate” taxes on Social Security benefits. Rather, it gives single retirees an additional \$6,000 deduction on their federal income taxes between 2025 and 2028, while joint filers receive a deduction of \$12,000.

The tax deduction starts to phase out for single taxpayers with yearly incomes greater than \$75,000, and married couples earning double that. Individuals earning more than \$175,000 and mar-

ried couples earning more than \$250,000 do not qualify for the deduction.

According to analysis by the Urban-Brookings Tax Policy Center, a nonpartisan think tank, this deduction will benefit less than half of older Americans, and the tax break provided is smaller, on average, than an overall elimination of taxes on retirees’ Social Security benefits.

Howard Gleckman, a senior fellow at the Center, described it as a “modest [tax] reduction for older adults,” further explaining that “the winners here are upper-middle-income people. People who could get nothing are very high-income people and very low-income people.”

Another expert, Garrett Watson, Director of Policy Analysis at the Tax Foundation, a think tank that studies



U.S. tax policy, concurred, remarking that “while the deduction does provide some relief for seniors, it’s far from completely repealing the tax on their benefits.”

Higher-income households earn too much to qualify for the tax deduction, but lower-income seniors already do not pay federal income taxes because they earn less money than the standard deduction, which prior to the bill’s passage was \$33,200 for a married couple.

Thus, most retirees who receive Social Security benefits will continue to pay some taxes on those benefits, but a smaller amount. The Brookings Tax Policy Center estimates that 29 million households will owe taxes on their benefits, down from 31.2 million, as a result of the bill.

BellTel’s Impact in the News

In 2025, the Association of BellTel Retirees has continued to make noteworthy headlines, sharing our retirees’ vital perspectives across a wide range of national and industry media outlets.

We continually seek to do this to help shine a brighter spotlight on the plight of our fellow retirees and soon-to-be retirees, and to ensure that our advocacy campaigns are seen on a taller stage, or using industry terminology, with a wider bandwidth.

Among many stories connected to YOUR Association, BellTel Chair Tommy Steed was featured by Next Avenue, Public Broadcasting’s (PBS) national publication for older adults, in a piece, titled “Finding Meaning in a Post-Retirement Vocation.” There he shared insights

on making retirement meaningful, by volunteering and giving back to an amazing telco retiree community.

In the article, Tommy shared a proverb that his father used to tell him: “You can’t put an old head on young shoulders.”

Steed explained that retirement has made him understand the meaning and the necessity of giving back, something he seeks to convey to fellow retirees and encouraging them to get involved in protecting their own economic future.

Steed also spent time with writers from Common Good Magazine about the national importance of landlines, in the wake of AT&T’s late-2024 announcement that it wants to completely eliminate copper lines.

(Continued on page 4)

Keep the News Coming!

We love keeping you informed with our quarterly printed newsletter — packed with important updates on how we’re protecting your hard-earned retiree benefits.

To continue receiving the newsletter, we ask that you make a minimum donation of just \$10. Keep the News Coming!

Many of our members do not donate to our Association. Without your donation, we may be unable to sustain the expense to continue sending non-donating members future printed newsletters.

Let’s keep the connection going! Your support helps us keep fighting for you.

Send your \$10 donation today
— THANK YOU

Key Retiree Concerns Addressed at Member Meeting

Your Association's successful 2025 Annual Member Meeting was held in Hoboken, New Jersey at the Mile Square Theater.

The event was aimed at delivering some important information to attendees, but above all, we believe the Q&A portion when members take control of the narrative, can and should be the most informative.

During our Q&A session, the BellTel team worked to answer any questions our retirees had on their minds.

Q1: Was the financial advisor Verizon hired truly independent?

Our first question was posed by Pennsylvania retiree and BellTel Board Secretary Don Kaufmann, who asked if the financial advisor that Verizon hired to lead its 2024 pension spinoff, was



truly independent of the company.

Edward Stone, Special Counsel to the Association, who is involved in ongoing litigation about that pension stripping transaction, explained that when performing a pension risk transfer, an "independent fiduciary" must always be appointed to provide a recommendation on what the safest annuity provider is.

In 2024, Verizon chose to hire State Street Global Advisors to lead this process.

However, upon further investigation into their public information, Stone says attorneys involved in that litigation, including him, have raised concerns that State Street Global Advisors was collectively in control of over \$10 billion of stock for the various involved companies.

This includes control of \$2 billion in Prudential common stock, half a billion dollars in Reinsurance Group of America (RGA) common stock, and \$7.7 billion in Verizon common stock.

This prompted the gathered retirees in Hoboken to gasp and to question the financial advisor's so-called independence.

BellTel's Impact in the News

(Continued from page 3)

He explained, "Landlines are a matter of national security." This is important for older Americans, as nearly one quarter of seniors do not own a cell phone. While cell phones provide meaningful connection, the loss of landlines will be felt by many, including the union workforce who maintains them.

In the weeks leading up to the 2025 Verizon shareowners meeting, BellTel announced the launch of our proxy campaign, arguing that Verizon should produce comprehensive maps "of the locations impacted" and details of the cost to remediate any sites "posing a risk to public health."

Our announcement was covered in over 130 news outlets, including Mobile World Live, Scientific Journal, Science of the World, Today's Family, and more.

PlanAdvisor reported on Verizon's 2024 \$5.9 billion pension risk transfer and BellTel Special Counsel Edward Stone's representation of three Verizon retirees in the lawsuit. The retirees took legal action against Verizon for transferring their pensions, and BellTel is quoted calling for strengthened federal protection for pensioners.

Major Report on Lead Toxicity in Manholes:

Two exceptionally significant news narratives included investigative reporting by the Springfield Republican in New England, which were then syndicated to other key news outlets including Yahoo News and Yahoo Finance.

For this important Massachusetts campaign, IBEW Local 2324 led the way in propelling this narrative, calling significant attention to this ongoing workplace health safety crisis. Their

efforts have continued the call for lead cable remediation that our team and retirees worked on for nearly six months in 2023 with the Wall Street Journal.



The Springfield paper and its regional website, MassLive, are part of Conde Nast and Newhouse Newspapers, the owners of over 100 magazines and newspapers, as well as a significant co-owner of Charter Communications, Warner Brothers Discovery and even the online community Reddit. They are one of the biggest players in the U.S. media landscape.

The two Springfield Republican articles were, "Phone workers worried about lead on old lines wonder: Who will answer their call?" The second was, "CDC: Lead from phone lines is highly concentrated in Springfield manhole muck."

So important was this issue that noted OSHA safety expert Dr. Philip J. Landrigan, MD, who is both an epidemiologist and pediatrician, was brought in by the IBEW team and he lent his voice to the study and this regional campaign by the union team in Massachusetts.

The findings reported that significant amounts of lead were found in air samples from maintenance tunnels across the City of Springfield and that sedi-

ment samples from manholes produced a finding of 3% lead. Further, workers' hands also showed the presence of dangerous neurotoxins.

Most of us who know something about manholes and other places where abandoned lead cables reside recognize that this issue is likely not isolated to that single New England city.

In fact, at our recent annual membership meeting held in Hoboken, New Jersey, one member who spent decades working for Empire City Subway, a division of Verizon, explained the very same thing about the degradation of lead lines underground and just how unsafe it is for the workforce, and by extension, the retirees who labored there for many years to always provide the best service for ratepayers.

The two articles went on to explain the frustrations by many current union members and our telephone retirees regarding the lack of action about the safe removal of lead-sheathed cables.

The health scientist warned that even if workers wear respirators when inside the maintenance holes, contaminated dust could get on their clothing and be brought back to their homes, potentially exposing children.

The articles noted both IBEW Massachusetts and BellTel's work in advocating for action. Our proxy asking Verizon for a comprehensive independent study of the cost of remediation was on the shareholder ballot again this year but ultimately was not popular enough with the wider group of shareowners, many of whom are pension and hedge funds.

Being active, engaged, and visible in the news is a strategy your Association deploys to keep Verizon and AT&T on their toes and to help educate the public on our critical points of view.

Key Retiree Concerns Addressed at Member Meeting

Stone explained that due to their massive financial holdings collectively, State Street has the power to vote at shareholder proxy meetings and weigh in on significant corporate decisions, making it unclear just how far their reach truly goes.

Q2: What special strategies exist to fight against federal attempts to tear down watchdog agencies?



Our second question came from Diana Halvey, a Verizon retiree from New York City who was curious if there were any strategies to fight against the administration's attempts to downsize federal watchdog agencies responsible for looking out for retirees.

Counselor Stone, who leads the non-profit advocacy group Retirees for Justice, stated that power is shifting back to the state level, and that more focus by retirees will need to be placed on lobbying for state legislation to replace lost federal protections.

Q3: In case of insurer insolvency, which state law governs your pension assets if you move (or are a snowbird)?



Our third question came from Laura Fox-Lyngholm, another Verizon retiree, who inquired about which state would govern a retiree's pension assets if they were to move to another state or are a snowbird, in cases of insurer insolvency.

Stone once again answered, first explaining that ERISA is a federal law that established minimum standards for most voluntarily established retirement plans in private industry.

However, if a company offloads one of its retiree's pensions — known as pension stripping or de-risking — these federal protections are lost and replaced by state protections, which are non-uniform.

The retiree's state of residence at the time of any insurer insolvency will be the state law that determines the protections you will receive.

State guaranty associations' coverage levels range anywhere from \$240,000-\$500,000 for your entire lifetime, depending on the state of residence.

This is also a per-individual, per-life-time cap; so if you have multiple policies, those will not result in any additional money if an individual has already reached their cap.

Q4: What actions should Verizon, AT&T and Empire City Subway workers and contractors, or their families, take if they were exposed to toxins following the 9/11 terrorist attacks?



Our next question was posed by Pat DiPietro, an Empire City Subway retiree who spoke about his experience working in Lower Manhattan near the World Trade Center and experience as a 9/11 terrorist attack survivor.

DiPietro was the second person that day who spoke up about 9/11-related illnesses, and BellTel board member Tom Butler used the opportunity to speak about the 9/11 Notice Act, a law signed on September 11, 2023, by Governor Kathy Hochul.

The New York law mandates that employers must inform any employees who were assigned to work at or near Ground Zero about the federal 9/11 Victim Compensation Fund and World Trade Center Health Program — two crucial federal programs designed to help those who were exposed to the toxic, carcinogenic environment.

Friends and family may also be eligible for compensation for any loved ones from Verizon or AT&T who passed away due to their toxic exposure.

There are currently 69 cancers threatening the lives of those who lived, worked or went to school in the area and inhaled the toxic air in the 10 months following the attack. Thousands of workers and contractors from Verizon, AT&T, and Empire City Subway were impacted.

Q5: Why didn't Verizon just offer a direct pension buyout option instead of the pension spinoff?

Lastly, Pat DiPietro posed another question as to why Verizon neglected to offer a direct pension buyout option to



those whose pensions were transferred in 2024.

Mr. Stone once again took to the mic to offer legal insight, stating that most people simply are not aware of how expensive pensions can be for employers.

Verizon likely believed that transferring the risk to third-party insurers as a group annuity, as it did in 2012, would lead to cost savings in the long term, since they would no longer need to pay the Pension Benefit Guaranty Corporation (PBGC) premiums or make minimum required contributions that were set under ERISA.

Stone explained there was nothing concrete stopping Verizon from potentially offering a lump sum option to everyone, but they instead chose to transfer the pensions to Prudential and RGA.

Continuing to maintain those defined benefit pensions would have cost them about \$105 annually per plan participant, and this amount, set by Congress, has only been increasing over the years.

Finally, Stone explained if the plan were to have fallen to an underfunded status, Verizon would have been subject to variable rate premiums that could have cost them hundreds of millions of dollars.

BellTel Chairman Tommy Steed provided closing remarks, stating that the organization could use more members and volunteers to take a more active role in advocating together for the collective benefit of our Verizon and AT&T retiree communities.

Steed stressed the importance of both introducing new members and new ideas, as well as doing even more to address the concerns of the next generation of retirees as to the important advocacy work we do at the Association.

Steed thanked everyone at the meeting for coming and repeated the significance of supporting the organization.

He gave the powerful remark that if the members don't support the organization, no one else will. Chairman Steed thanked everyone one final time and the half-day gathering was officially adjourned.

If you would like to see a video of this member Q&A or other parts of the 2025 Member Meeting, tune into our BellTel YouTube page: www.youtube.com/@BellTelRetirees/videos.



"BY THE TIME RETIREES FIGURE OUT WHAT WE ARE DOING TO THEIR BENEFITS, IT WILL BE TOO LATE."

We're Fighting for Your Benefits – But We Can't Do It Without You

For three decades, the Association of BellTel Retirees has been your unwavering advocate — standing up to corporations, policymakers, and anyone who threatens the hard-earned benefits of retirees like you.

Together, we've won battles that many said couldn't be won. We've stopped pension freezes, reversed cuts to health-care coverage, and kept your voices loud and clear where it matters most.

But our work is far from over.

We're Still in the Fight

Each year brings new challenges: corporate maneuvers that jeopardize pensions, shifts in federal policy that affect retiree protections, and the ongoing erosion of healthcare and earned benefits. Your Association is on the front lines — monitoring, organizing, and acting on your behalf. We do this work every single day.

We Need Your Support to Keep Going

We are deeply grateful to our loyal donors who continue to give year after year — you are the lifeblood of this organization.

But as costs increase and the battles grow more complex, we're asking you to consider increasing your donation this year, if you're able. Every additional dollar goes directly to strengthening our advocacy and communication efforts.

And if you've never donated before, now is the time.

If you value the work we do to protect your benefits, if you appreciate the information we provide, and if you believe retirees deserve a strong voice, please make a contribution today. Even a donation of \$25 or \$50, in addition to your regular contribution, makes a meaningful impact.

We can't do it without you.

You earned your benefits through a lifetime of hard work — and we're committed to making sure they're there for you. Help us continue this important mission by sending in your donation through our website: www.belltelretirees.org.

Together, we are stronger.

With gratitude,

BellTel Association Board

OUR MISSION:

The Association of BellTel Retirees is dedicated to promoting the protection and enhancement of the pensions and benefits for all retirees and for the current and future beneficiaries of the companies derived and evolving from the original Bell System.

Since 1996, the Association has worked to convince the companies to protect and guarantee, rather than raid or erode, the hard-earned retirement security for hundreds of thousands of dedicated current and former union and management personnel and their families.

ASSOCIATION OF BELLTEL RETIREES

Department 3170, PO Box 986500, Boston, MA 02298-6500

I want to support the Association of BellTel Retirees Inc. in the fight to protect the pensions and benefits of all retirees and active employees. Enclosed is my tax-deductible donation:

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Acct.# _____ / _____ / _____ / _____ Expiration Date _____ Zip Code: _____

Please consider adding \$1.00 or more to help offset costly transaction fees and ensuring your donation will fund the work we do on your behalf.

Name _____

Address _____

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

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

Consider a recurring donation – an easy and safe way to budget your contribution.

The Association of BellTel Retirees Inc is a 501(c)3 tax-exempt organization.

Verizon-Frontier Merger Progresses

In late 2024, Verizon Communications Inc. announced its intention to acquire Frontier Communications Parent, Inc.

In the deal, Verizon agreed to buy Frontier for \$9.6 billion and absorb \$10 billion of its debt — a transaction valued at nearly \$20 billion.

As of May 2025, this merger has been approved by the Federal Communications Commission (FCC).

In buying Frontier, Verizon will be enabled to deploy new fiber, facilitating the retirement of old copper networks in many Frontier territories.

The \$20 billion merger will add Frontier's 2.2 million fiber subscribers across 25 states to Verizon's approximately 7.4 million Fios subscribers in nine states and Washington, D.C.

In May, the Communication Workers of America (CWA) praised the merger, noting that as a result of the acquisition, "workers at Frontier have a more stable outlook for their jobs after years of inadequate investment and mismanagement."

Services provided will include premium mobility, home internet, streaming, and connected home offerings, alongside business products like Verizon Business Complete to current Frontier customers.

Even though customers will receive new offerings, some are concerned that the merger could lead to higher bills for Frontier customers. Verizon's Fios plans are, in general, more expensive than similar Frontier plans, and prices often rise to the acquiring company's pricing structure.

In buying Frontier, Verizon will also be enabled to deploy new fiber, facilitating the retirement of copper networks

in many Frontier territories. The company says this will ensure that more communities have access to advanced technologies.

Access to fiber networks has been limited until now because of its higher costs, so Verizon's acquisition of these lines stands to help its business and customers.

In addition to adding Frontier's 7.2 million fiber locations to its network, Verizon plans to build out 2.8 million more locations by the end of 2026.

This expansion will bring high-speed fiber to more communities nationwide, with the potential of catching up to AT&T fiber, which currently has over 30 million locations.

Frontier fiber customers should be concerned about network speeds. Verizon's fastest residential Fios plan is 2Gbps, whereas Frontier has higher speeds at 5Gbps and 7Gbps.

While still a monumental deal, this acquisition is technically a reacquisition.

In 2015, Frontier acquired Verizon's spin-off wireline operations in California, Florida, and Texas, for \$10 billion.

These Verizon properties included 3.7 million voice connections, 2.2 million broadband connections, and 1.2 million FiOS video connections.

In the interim years, Frontier filed for Chapter 11 bankruptcy in 2020, with \$17.5 billion in debt.

Now, 10 years later, after offloading these assets, Verizon is buying its former property back.

The pending merger, while expanding Verizon's reach, is not a done deal. The California Public Utilities Commission



Photo credit: Mike Mozart

(CPUC) still needs to approve the merger, which may not be smooth sailing.

The CPUC has raised concerns about Verizon scrapping its diversity, equity, and inclusion programs in an effort to appease the current leadership at the FCC.

CPUC Commissioner John Reynolds explained that "Verizon's commitment to 'no longer set quantitative goals for diverse spend' raises what may be a direct conflict with Public Utilities Code (Pub. Util. Code) Section 8283."

This code requires certain public utilities to issue mandates for increasing procurement from women, minority, disabled veteran, and LGBT business enterprises. The CPUC wants Verizon's DEI policy to follow state law. Experts believe it is unlikely that the CPUC can unilaterally block the deal and that the CPUC just wants clarification on the matter.

If the deal passes muster, Verizon will gain access to new markets complementary to Verizon's core Northeast and Mid-Atlantic base.

Barring any complications, the transaction is expected to close by the first quarter of 2026.

AT&T Landline Fight Shifts to California Legislature

After AT&T's 2024 efforts to end landline service in California were thwarted by community outcry, including from BellTel leaders, causing regulators at the California Public Utilities Commission (CPUC) to just say no, the telecom giant has decided to try their luck instead with the Legislature.

AT&T is trying to withdraw from its obligation as "carrier of last resort" and end landline service in California, a state with a massive 39.4 million residents.

This is part of a broader move by AT&T to eliminate landlines across the 21 states where it currently provides that service. Thus far, California is the only state that has stood in their way.

BellTel Chairman Tommy Steed has stressed the importance of maintaining a connected, coast-to-coast landline system as a national security imperative due to their superior reliability during emergencies.

As he explained to ABC News San Francisco during the 2024 fight, "If the entire electrical grid in the United States went dark, your landline phones will still work because our central office generates our own power automatically."

At a recent California Senate hearing, AT&T Vice President of Legislative Affairs Terri Nicole Baca argued that the current Carrier of Last Resort (COLR) policy "no longer reflects the reality of today's competitive communications landscape in California." According to the provider, fewer than 5% of Californians have landline phones.

AT&T's strongest ally in the Legislature, Assemblymember Tina McKinnor, has authored a bill that would allow AT&T to be relieved of this status.

That bill is supported by many pro-business groups and opposed by the AARP and over 20 county governments.



The pro-AT&T bill was approved 9-2 in the Legislature's Communications Committee. The bill is now in the hands of the Appropriations Committee.

One of the bill's chief opponents is the CWA. Frank Arce, Vice President of CWA District 9, said "they are pushing people off of phone service in low-profit areas as a strategy to increase profits for shareholders."

The Association of BellTel Retirees has vigorously opposed AT&T's efforts to end its obligation as carrier of last resort.

Chairman Tommy Steed testified at multiple public hearings and wrote to the CPUC during the fight in 2024. That fight ended with the CPUC rejecting AT&T's proposal.

AT&T argues that maintaining copper wire landline infrastructure is costly and outdated, promising that they can provide better service with fiber and wireless networks.

(Continued on page 8)

AT&T Landlines

(Continued from page 7)

They fail to acknowledge that landlines are a necessity for many of the country's most vulnerable citizens. Retirees and low-income Americans disproportionately rely on landlines. Over half of Americans over 65 have landlines in their homes and prefer them to cell phones. Landlines are often the only reliable option for seniors, particularly those who live in rural areas.

As Steed explained to MarketWatch in the aftermath of the February 2024 AT&T outage, landlines are key for 9-1-1 emergency first responder communication. If cellular systems fail, "you just pick up the phone, they're going to be there in five minutes."

A Pew Research Center report found that 24% of low-income Americans lack smartphones, 41% don't own laptop or desktop computers, and 43% don't have home broadband access, further underscoring the need to maintain landlines.

MEMBER MAIL BAG



Wow is your newsletter so important. As a power of attorney for my father, Fred W. Jaeck, who recently passed away and was a BellTel member, it really helped me with some leads on business that I needed to take with regard to some of the benefits that he had. So thank you so much for your good writing and reporting.

— Gale Jaeck-Quick
* * *

Thank you for all the hard work the Association does protecting my retirement benefits. And thank you so much Stef for getting back to me on the same day regarding questions I had in connection with my 2025 health benefits.

— Marie Warren
* * *

Everything except cost of living increases? As the services increase we fall further behind.

— @franksigona5971 via YouTube
* * *

There was a reason why Verizon gave up the (Frontier) areas it did back in 2015. They'll regret taking those areas back. I wonder what kind of bonus packages senior management will have with this merger?

— Brian Reilly
* * *

Great for Verizon. But with all that money to throw around one would think they could give their retirees a bump in their pension. Same amount since 1994!

— Peggy Martin Caraccio
* * *

Thanks for all you do for us. Appreciated!

— Janice Marineau
* * *

Most pensions get cost of living increases. I doubt we will ever see that.

— @marlenecesarotti8468 via YouTube
* * *

Frank [Bruzek], great letter! Thanks for stepping up and taking on the role of CFO.

— Larry O'Malley

INDUSTRY NEWS & NOTES

Verizon New NYC HQ + Return to Office

Verizon has signed a 19-year lease for its new Manhattan corporate headquarters at the Penn 2 skyscraper located above Penn Station and adjacent to Madison Square Garden.



Credit: Vornado Realty Trust

This move consolidates the company's offices, which had been split between 1095 Avenue of the Americas — now the "Salesforce Tower" — and 140 West Street, and comes as the company implements stricter return-to-office policies.

The new offices will house roughly 1,000 corporate employees across the eighth through tenth floors of the building, beginning in 2026.

Additionally, Verizon also signed a lease for a new, 4,400 square-foot flagship retail store at a street-level space in Penn 2.

In a statement, Sam Hammock, EVP and Chief Human Resources Officer at Verizon, said, "Our employees deserve a workplace that is just as vibrant as our culture. PENN 2 is more than an office. It's a space designed to bring us together — to collaborate, to celebrate, to think

boldly and to build the future side-by-side."

He continued, "New York has played a central role in Verizon's story, and there's no better place to create our next chapter. As the network New Yorkers trust, we're proud to invest in the city that's always inspired us."

Hybrid corporate employees will now be required to be in-office three days a week, an increase from the current eight days per month. The policy will go into effect after Labor Day.

Verizon is the latest company to join the trend of requiring hybrid or remote workers to return to the office, as JPMorgan Chase and Amazon have required their own employees to return to the office full time.

Verizon will still maintain its other major corporate campuses in Basking Ridge, New Jersey and Irving, Texas, as well as its additional offices across the country.

AT&T to Pay \$177 Million Settlement

After a series of data breaches between 2019 and 2024, which leaked sensitive data of millions of current and former AT&T customers to hackers, the telecom giant will now begin paying out a \$177 million settlement.

The 2019 data breach exposed extremely sensitive data, such as Social Security numbers and dates of birth, of 7.6 million current and 65.4 million former customers to hackers, and the data later appeared on the dark web.

AT&T launched an investigation into the data breach after it was discovered in March 2024. It confirmed the

data breach in May of that year.

The second data breach occurred in 2024, when a hacker breached AT&T's cloud storage provider, Snowflake, allowing them to access call and text records of nearly all the provider's 109 million U.S. customers.

AT&T said no names were attached to that data, and two people were arrested. The leak was discovered July 2024 after the investigation into the 2019 data breach.

The settlement proposal was approved on June 20, 2025, by a U.S. District Court judge. Those who can prove that they were affected by the 2019 breach can receive up to \$5,000, while those affected by the 2024 breach can receive up to \$2,500.



It is not yet clear how AT&T will handle customers affected by both data breaches.

The deadline for submitting a claim is currently November 18, 2025. The final approval of the settlement must be given at a court hearing on December 3 in order for payments to begin.

After the claimants receive their shares, what is left of the \$177 million settlement will be given to anyone whose data was accessed, even without proof of damages.

The payments are expected to begin in early 2026. Those who are eligible should expect to receive a notice in the post or via email between August 4 and October 17, 2025.