

# BELLTEL RETIREE

The Official Newsletter for Retirees of Bell Atlantic, GTE, NYNEX, Verizon and Its Subsidiaries  
Paid for by contributions from Verizon retirees

Fall 2005

Volume 35

## Benefits in 'Air' as United Reorganizes

United Airlines was expected to be on track to emerge from bankruptcy in early 2006.

United's bankruptcy—the largest in aviation history – has had an effect on all aspects of the company since it filed for Chapter 11 in 2002.

Among the questions still looming are the fates of the retiree benefits of the company's current employees.

At press time, flight attendants were engaged in a dispute with United officials over pension losses. The Association of Flight Attendants had been the only union that had not yet negotiated a replacement retirement plan for its active members.

"We've got flight attendants leaving, and they need people to fill those jobs," Sara Nelson Dela Druz, an Association of Flight Attendants spokesperson, told the Associated Press. "They're leaving because this isn't the same job it once was."

Several billion dollars of United's defaulted pension funds were handed over to the federal Pension Benefit Guarantee Corp (PBGC). United's pensions had been under funded by nearly \$9.8 billion, of which \$6.6 billion will be "guaranteed" by the government agency.

Because funding from the PBGC will not cover all of the defaulted United pension funds, most current and former workers of the airline will likely be forced to accept cuts, some 50 percent or more, to their pension checks.

As if that wasn't enough, the PBGC publicly announced a \$23.3 billion deficit in 2004.

*(Continued on page 3)*



## President's Message

by C. William Jones

eliminate such benefits for employees and retirees. This is particularly troubling because healthcare insurance is not pre-funded, as pensions are, thus in a bad year these costs weigh heavily upon the income statement.

The bottom line is that retirees and employees are being told that in order to save the company, they must make sacrifices.

What is not made clear in the media is that these pensions and benefits were not just gifts from a benevolent employer who wanted to be good to its employees; they were earned over the span of their employment.

Another way to look at these benefits is that they are a form of deferred compensation.

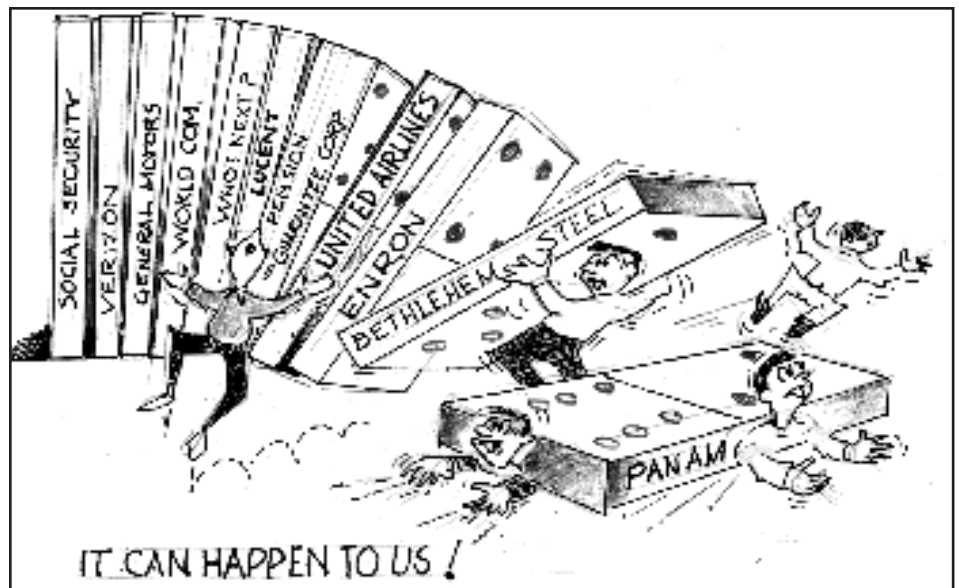
Had the company not provided these pensions and benefits, and the promise that they would continue in retirement, they would have had to pay its workers considerably more to attract and retain them. Those additional amounts of pay would then be included in the pension calculation, thus raising pensions.

Corporations that provided pensions and healthcare insurance for their employees and retirees also reaped financial bene-

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## Inside This Issue

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Credit: Russ Schaller

## Feds Investigate Qwest's Practice of Severance Payments from Pension Plans

According to the Rocky Mountain News, the U.S. Labor Department considered but decided not to take legal action against Qwest Communications in connection with the telephone provider paying more than \$400 million of severance benefits out of the employee pension fund between 2000 and 2003, documents show.

A Labor Department senior investigator told a Qwest executive in March 2003 that the government likely would allege that the Denver based company had violated ERISA by failing to properly inform participants of plan amendments, according to a summary of the interview.

The executive, Felicity O'Herron, Qwest's director of compensation and benefits, expressed concern during the interview that Qwest would not be able to repay the pension plan if the Labor Department found an ERISA violation.

The documents were obtained by the Association of U S West Retirees, under a Freedom of Information request. The Association of BellTel Retirees has for many years had a close affiliation with the

US West retiree association through groups like the National Retiree Legislative Network.

The documents show the Labor Department asked for an accounting of each severance payout and, in April 2004, got each Qwest director, including former CEO Joe Nacchio, to sign a document agreeing to extend the statute of limitations on the issue.

Curtis Kennedy, attorney for the Association of U S West Retirees, said the retirees "would all like to know why the Department of Labor seemed to be so interested in this matter and then why it would just drop it."

Labor Department officials didn't respond to a request for an explanation of why the department decided not to file action against Qwest.

The retiree group learned only recently that the Labor Department had concluded its three-year investigation of Qwest's pension plan. The only adverse finding was that Qwest had improperly charged \$83,321 of company expenses to the pension plan, which has since been

repaid.

Kennedy estimated that \$480 million of severance payments were made from the retirees' pension fund to more than 12,000 employees - including top managers - between August 2000 and June 2003 as part of Qwest's downsizing.

Qwest defended its handling of the severance distributions, known as "additional defined lump sum" benefits.

"We strongly believe that these pension benefit payouts were proper under the terms of the plan and in accordance with the law," said Qwest spokesman Bob Toevs. "The DOL fully investigated this question and had no adverse finding and took no action."

Qwest declined to confirm or deny the amount of severance payments made from the pension plan.

Mark Johnson, a Texas benefits consultant who was managing director of benefits compliance and pensions for American Airlines from 1992 to 2001, said it's not uncommon for companies to

*(Continued on page 7)*

## WIPED OUT BY WALL STREET?

1. DID YOU ACCEPT THE "BUY-OUT"?
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# American Retiree Magazine Online Focuses on Retiree Needs

A brand new online magazine for retirees and retiree advocates is blooming on the Internet.

The recently launched *American Retiree*, [www.AmericanRetiree.com](http://www.AmericanRetiree.com), offers helpful information and chronicles the accomplishments and issues most important to today's retirees.

The new publication is carving out a unique, alternative niche to the news and information that is currently available to retirees online. According to the magazine's creators, it strives "to serve as a looking glass into the issues that really matter during retirement."

The magazine contains news articles, feature stories and other tidbits tailored to help retirees wanting to stay knowledgeable about retirement issues both regionally and nationally. The publication also contains articles and opinion editorials written and submitted by retirees. Ideas and article

submissions from members of the Association of BellTel Retirees are welcomed.

Among the leaders of the *American Retiree* staff is Tom Butler who has been dedicated to working on behalf of retirees for the last decade. Butler has served the Association in a communications capacity since early 1997, when the Association had just a few thousand members.

An ongoing writing series in the *American Retiree* chronicles many of the various retiree activists and retiree activist groups throughout the nation. It delves into the plight of retirees many of whom are facing the daunting challenge of protecting their vulnerable pensions and healthcare benefits.

Initial stories in the series have explored

the unfortunate trend of companies slowly chipping away at retirement benefits and what this means for retirees from American companies big and small. One of the



organizations featured on the AmericanRetiree.com is your own Association of BellTel Retirees.

The Association supports the efforts of the *American Retiree* and encourages members to do the same. Log on to the online magazine and sign up to be a regular reader. If you are interested in submitting ideas or articles for consideration, email the magazine's staff at [editorial@americanretiree.com](mailto:editorial@americanretiree.com) or call at 212-685-4600, Extension 6.

## Benefits in 'Air' as United Reorganizes

(Continued from page 1)

"This again highlights the need for the comprehensive pension reform. Unless and until Congress fixes the rules that allow pension plans to become so underfunded, the insurance program and plan participants are at risk of suffering large financial losses," proclaimed PBGC Executive Director Bradley D. Belt on the agency's website.

In a letter to the editor in New York Newsday's May 26 issue, Association of BellTel Retirees President C. William Jones weighed in on the United situation.

He wrote, "Is it right that corporate executives can merely walk away from their obligations to millions of America's retirees only to see their businesses, stock prices and bonuses soar as a result? Is it right that Congress stands by and allows retirees who worked 30 or 40 years for their pensions and benefits, in lieu of wages, only to be stripped of those pensions and benefits when they really need them?"

Sadly, in today's world, a lifetime of loyalty to a company no longer comes with the security it once did."

According to the United Airlines Retiree Coalition, a total of 19 U.S. Senators led by Senator Edward Kennedy (D-MA) signed a letter to United CEO Glenn Tilton urging the bankrupt airline to

reconsider its proposed reductions to retiree healthcare benefits.

The coalition stated previously that it believed the airline may have engaged in fraud by encouraging employees to take early retirement while United executives

privately deciding to reduce retiree benefits. "Thousands of United employees retired shortly before July 1, 2003, based on assurances that their benefits would remain intact," according to a message posted on the coalition's website.

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## Retiree Spotlight :

# Meet Board Member Richard Knapp

There isn't a gadget, gismo or doohickey that hasn't passed through the hands of Richard Knapp and that has not been recognized by him as having some potential value.

The "scrap" Knapp, an Association of BellTel Retirees board member since 2003, collects, he catalogs and stores for future projects. These projects include fixing cars and household appliances.

But, he has a special penchant for antique radios and he even carries business cards describing him as in the business of "Antique Radio Restoration."

Once restored and depending on the model, the radios can pick up news broadcasts from around the world, according to Knapp, who frequently finds himself listening to news from countries like Australia, China, the Netherlands, and the United Kingdom.

But it is from India, the origin of Buddhism, that Knapp draws encouraging words from time to time. According to the Dali Lama (a Tibetan Buddhist monk), "people were put here to be happy and what makes most people truly happy is helping other people become happy," said Knapp.

Knapp, who headed several different departments while a NYNEX employee, said his desire to join the board was also swayed by moral reasoning.

"I always felt—and many other people do too—that retiree benefits were part of the pay package -- a promise and comparable to deferred compensation," said Knapp. "Our salary was less because our future benefits were more. I joined the board when I realized that there was a strong possibility that these benefits could, in part or totally, evaporate."

He continued, "These benefits are truly life support for many retirees, particularly craft. Think of an operator retired twenty years. Loss of healthcare benefits could cost as much as her or his pension."

News like the collapse of United Airlines' pension funds simply reinforced the

latter belief, he said. This past May, a federal bankruptcy judge ruled in favor of allowing United Airlines to walk away from its pension obligations. Knapp mentioned that the lack of payments into retirement funds by United led the company to default on its pensions. Had United kept current with benefit payments they would have gone bankrupt anyway, albeit sooner, but the employees would have been better off, said Knapp.

"Verizon's relationship with the Association of BellTel Retirees has an interesting component. We both profess that we are working for the same goals, yet we at times find ourselves in opposition," said Knapp. "We understand that the company has to remain competitive and monetary goals have to be met. We on the other hand have to make sure that committed benefits are provided," said Knapp. These two goals could be in conflict, he added.

Born in St. Louis, Knapp lived in California and then Ohio before settling in New York, where he attended Rensselaer Polytechnic Institute. He earned his master's degree and eventually served in the U.S. Navy from 1956 to 1958. Upon returning to civilian life, he joined New York Telephone in Albany as a student engineer after a brief hitch as a lineman.

Ironically, Knapp, who holds a degree in engineering, comes from a family of engineers. His father, brother and daughter all hold engineering degrees.

His father worked for Bell Labs before joining Ohio Bell, working in various positions before ending up as Chief Engineer.

Knapp, who was recently named chair of the Association's Strategic Planning Committee, said he and his fellow board members have set goals for the Associa-



*BellTel Board Member Richard Knapp shown tinkering away in his workshop.*

tion's upcoming years and developed a process to achieve those goals. The measures are contained in a strategic master plan recently submitted to the board, he said. He sees the master plan as a living document under continuous review and update.

"Life is a lot like steering a ship. If you are not prepared with a plan for what's ahead, you're going to end up in trouble," said Knapp. Quoting one of his favorite college professors, Knapp said, "you solve problems by going through the process of determining where am I and where am I going? Then, how do I get there?"

"We need more retirees from all corners of what is now Verizon and all other employment backgrounds to volunteer time and energy to work on the retiree front," said Knapp. "My wish is that all retirees would create and or join groups like the Association of BellTel Retirees serving their industry. These groups could then work together for the benefit of all retirees"

In a perfect world, he said, there would be no need for the Association, if among other things, COLAs promised to retirees by the company were given, health benefits costs weren't skyrocketing and the nation's Social Security system was not under attack. Unfortunately, this is not the case.

"I would love to see the Association with nothing to do," said the handyman Knapp, however, given the fact that many company retirees haven't seen a COLA in over a decade and the rising cost of healthcare that has many companies scaling back offerings, "It's not likely that we'll be out of things to do anytime soon," he concluded.

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# Keeping an Eye on Medical Billing Can Save You in the Long Run

If you don't protect yourself, who will? If you don't manage your own health-care, who will?

Those are two questions that Bob Rehm, a 1991 NYNEX retiree, asks all those that he talks with. Rehm is a founder and current Chief Financial Officer of the Association of BellTel Retirees Inc.

About nine months ago, Rehm's Health Maintenance Organization (HMO) doctor gave him a referral order form for an enzyme blood test and directed him to drive to the emergency room of the local hospital the HMO was affiliated with. This was because the HMO's on-site lab was closed for the day and the physician wanted the blood test ASAP.

Upon arrival at the hospital's admitting desk, Rehm was required to submit his HMO medical card and complete many

forms before the blood test would be performed. The paperwork process took about 20 minutes and no one appeared to have any sense of urgency.

As soon as the paperwork was done Rehm was sped into the Emergency Room while telling the nurse and the ER doctor that he was only there for a blood test since the local HMO facility lab was closed. Upon completion of several other medical procedures and tests, most that were previously administered at his HMO center, he finally was given the blood test that was originally ordered.

Oh, we should mention that they served Rehm a meatloaf lunch.

A few months later, Rehm received a billing statement from his HMO indicating that his HMO paid the hospital \$1,549.00 for this experience that included duplicate testing and add-on medical procedures.

At the hospital, Rehm incurred what is known as, "defensive medicine" practices. "Defensive"- in the event the hospital were to be sued for only doing the ordered blood test and then discharging "the patient."

It also generates newfound and additional revenues for the health care facility. Incensed by the \$1,549.00 charged, all paid for by the HMO with exception of a \$50 emergency room charge he was responsible for, Rehm wrote to the CEO of his HMO and the head of the hospital. The HMO then waived the \$50 co-pay for this specific case.

While the above case was being reviewed on an "appeal," Rehm had a separate MRI that his HMO specialist orders annually in order to monitor a slight loss of hearing in his left ear. Instead of receiving a billing statement from his HMO indicating a charge of approximately \$250, the usual cost paid by his insurer, the charge this year was \$2,375 and his HMO paid \$1,257.41. Rehm did not have to pay any of the cost. Seeing this he took the time to write another letter to the Chairman of his HMO questioning the 503 percent year-over-year increase in the HMO paid cost for this MRI.

Nine months of documentational letter writing exchanges and many telephone calls transpired related to Rehm's inquiries, claims and appeals. The HMO constantly told Rehm that all charges were paid by the insurer and everything was paid properly. Rehm's tenacity told him something was very wrong with these two medical events. In his final letter to the head of the HMO, Rehm wrote:

"Let me put my concerns of outrageously increasing health care costs in these specific matters to rest, by closing these issues on my part in stating, 'Why is the patient/ subscriber, me in this case, the only individual that appears concerned with and questioning the justification for the costs involved with an ER's Defensive Medicine policy and that of a cost increase for an MRI from \$250 to

*(Continued on page 12)*



## 10<sup>th</sup> Annual BellTel Membership Meeting Planned for Long Island, N.Y.

The board of the Association of BellTel Retirees Inc. has voted to hold its 10<sup>th</sup> Annual Membership Meeting on Long Island, New York. The meeting will take place in May 2006.

The decision on where to hold the meeting was made to mark the organization's first decade of service to the retiree community. The Association maintains its national headquarters in Cold Spring Harbor, Long Island.

Last year's annual membership meeting was held in Camp Hill, Pennsylvania with over 200 Verizon retirees in attendance.

Previous member meetings have been held in Boston; Atlantic City, New Jersey (twice); Syracuse and Long Island, New York; Herndon, Virginia; and Fort Pierce and Sarasota, Florida.

More details on the meeting will be provided in the Winter 2005-06 edition of the newsletter. Stay tuned.

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# President Bush's 'Private Accounts' to go Before Lawmakers this Fall

For one-third of Americans over 65, Social Security benefits constitute 90 percent of their total income.

With so much talk about changing the system is there any wonder why so many retirees are concerned?

Social Security — which will begin to run a deficit in 2018 and fund only 73 percent of scheduled benefits by 2042, according to the Social Security Administration — has drawn close public scrutiny due to proposals to “fix” the system.

Under President Bush's plan, some payroll taxes that are currently used to fund Social Security would be invested into private accounts. The accounts would be a mixture of bonds and stock funds.

Commenting recently on private accounts, Assistant Secretary for Economic Policy Mark Warshawsky said, “The Administration believes strongly in personal retirement accounts (PRAs). PRAs provide individual control and ownership, and expand opportunities for individuals to partake in the benefits of participating in private capital markets.”

He added, “Individual control and ownership means that people would be free to pass the value of accounts to their heirs through bequests.”

Currently, the system does not allow the option of passing benefits from one person to another.

Shortly after the July 4 holiday weekend, Congress geared up to begin the legislative phase of reforming Social Security. However, it was expected that lawmakers will not likely move on President Bush's plan to overhaul the system using private

accounts until this fall.

Saying that the current system can be fixed rather than altered from its current state, many Democrats have been opposed to the use of private accounts.

In opposing private accounts, 41 Senate Democrats sent a letter to the President in March.

“Funding privatized accounts with Social Security dollars would not only make the program's long term problems worse, but many believe it represents a first step toward undermining the program's fundamental goals,” the letter said.

“Therefore, so long as this proposal is on the table, we believe it will be impossible to establish the kind of cooperative, bipartisan process we need to truly address the challenges facing the program many decades in the future.”

Among those state senators who signed the letter were Senators Joe Lieberman, Barack Obama, Chuck Schumer, Hillary Rodham Clinton, John Corzine, Frank Lautenberg and John Kerry, who ran against President Bush during the 2004 presidential election.

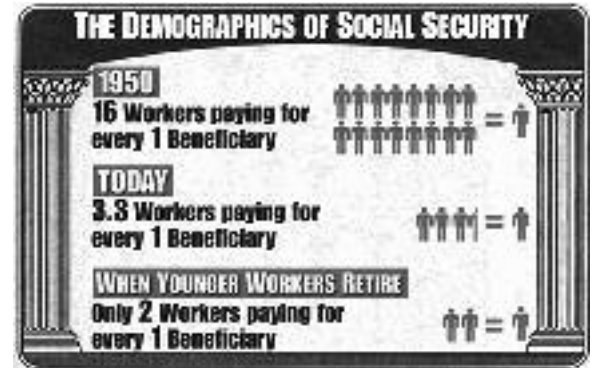
Weighing in on the debate over public accounts, former President Bill Clinton offered a plan to bring more money into Social Security without private accounts.

He said that by legalizing more immigrants there would be more money going into the fund.

“If we legalize just 250,000 more immi-

grants a year, it would solve half of the shortfall in the Social Security Trust Fund,” Clinton said while meeting with members of the League of United Latin American Citizens.

During Clinton's presidency, the trust fund experienced a surplus. Approximately one month prior the 2001 terrorist attacks, the news network CNN reported that the



Source: Whitehouse.gov

Bush Administration planned to cover \$9 billion of federal spending by dipping into that surplus. Many blamed a \$1.35 trillion tax cut championed by President Bush for the decision.

Democrats have come under fire from Republicans for criticizing President Bush's plans for private accounts without offering up solutions.

The presidential Social Security Commission outlined three privatization plans to fix Social Security in 2000, however the ideas were shelved after the September 11, 2001 attacks on the country.

What happens next will most likely depend on what takes place after Congress has had its say on whether or not private accounts are the way to go.

Many have suggested that the American public should be allowed to vote on any changes to Social Security before they are made. A Wall Street Journal/NBC poll found that 71 percent of seniors oppose the idea of private accounts.

We urge our members to take greater interest in the very important debate on the future of Social Security by actively supporting groups like the Association and the National Retiree Legislative Network working to give retirees a voice before lawmakers.

As soon as a Social Security bill is available, the NRLN's Legislative Committee will review it and provide us with the bill's strengths and weaknesses. We will then encourage you to write to your representatives in Washington. Talk points and sample letters will be available for your use.

## ASSOCIATION OF BELLTEL RETIREES INC.

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## President's Message

(Continued from page 1)

fits. Every dollar that was paid for these benefits instead of wages and salaries were exempt from taxes such as social security, workman's compensation and unemployment. Further, companies had some flexibility in when these benefits were funded.

For instance, in a bad year a company might not have made a contribution to the pension plan allowing them to show better earnings and attract investors. On the other hand, if a company had a great year, they could make additional contributions thus reducing net income and the taxes that would have had to have been paid on that additional amount.

The long and short of this story is that corporations, employees and retirees all benefited from these plans, as long as those promises were kept. When corporations walk away from the commitments that they made to us, they are stealing the deferred compensation that was earned by employees during many years of work.

When we are interviewed by the media we often hear, "What are you complaining about? Millions of people don't even have pensions and healthcare benefits." It is our job to tell the whole story convincingly, and

it is our job to remind our former employer of these facts. It is our position that the pension trusts do not belong to the company or the shareholders. Those trusts are part of the deferred compensation that we worked a lifetime for and they belong to us!

If we, the retirees who dedicated our lives to our employers in return for these guaranteed promises of protected pensions and benefits for our families, will just sit by idly without speaking up or protecting what is rightfully ours, those eyeballing OUR pension funds will realize its like taking candy away from a baby, except too many retirees wont even put up a stink.

If we will not stand up for our own rights and economic protection, do you really think anyone — even the government will do it for us? Likewise, unless each and every one of you takes action and supports the fight for the protection of your own benefits, who else do you think will do it for you?

Get involved. You will be glad you did.

The NRLN Grass Roots Network needs volunteers. This network is critical to our legislative success and will not require a large commitment of time.

For more information, e-mail me at [cwilliam@gocaston.net](mailto:cwilliam@gocaston.net) (Yes, you must be an Internet user.)

## Feds Investigate Qwest

(Continued from page 2)

make severance payments out of pension funds.

Qwest spokesman Toevs noted that Qwest's pension plan was fully funded as of Dec. 31, 2004, with a surplus of \$204 million. But that hasn't always been so.

Qwest's pension plan was underfunded by \$314 million at year-end 2002, two years after having a \$4.1 billion surplus. At the time, Qwest officials blamed stock market losses for the underfunding, but never mentioned severance payments as a factor.

Kennedy is bothered that the Labor Department withheld 15 to 20 pages of documents and plans legal action to release the information. "I think that's where they made the decision of whether it was worth it or not" to pursue legal action against Qwest, Kennedy said. "Qwest already had said, 'There's no way we could pay it back.' "

Mr. Kennedy was a guest speaker at the 2005 Association of BellTel Retirees Annual Member Meeting, during which he discussed the issues of pensions and benefits.



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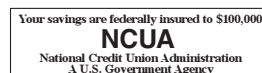
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# Members Join Media Response Team

Several hundred Association of Bell-Tel Retiree members volunteered to join our Media Response Team by completing a questionnaire that asked respondents to categorize their current economic situation.

The questionnaire, seeking members to join the team, was sent to listserv subscribers and also appeared in the Summer 2005 newsletter.

Those who responded have agreed to speak to journalists upon request about the concerns and issues they face during retirement. Having a media team is critical in aiding the Association in better responding to and communicating through the media.

Due to the overwhelming response, the Association has decided to publish some of the comments made by those who responded to the questionnaire, while at the same time protecting the confidentiality of our members (see sidebar).

One reason for this decision is to show how some of our members are dealing with retirement.

Nearly 93%, of those who responded to the questionnaire expressed concern

over their financial situation. One-in-three respondents indicated that retirement is not as financially comfortable as they had expected. Almost two thirds, or 65%, of respondents noted more than one cause for their financial hardship.

The No. 2 complaint among respondents was pension erosion because of the lack of cost of living adjustments. Almost 30% of respondents said they had wrongly believed that their pension would be sufficient to live comfortably during retirement.

Nearly 20% of respondents indicated that they have been forced to go back to work to make ends meet. Several respondents said that they have sought out full-time and part-time employment and may have been turned down due to their age.

A small number of respondents identified themselves as surviving spouses of company retirees and said they are also facing many of the same financial hardships. In addition, nearly 4% of respondents indicated that they have been forced to cut back on needed medications to cut expenses.

Although not required, many respon-

dents also penned in hand-written comments. Many also brought attention to recent congressional hearings regarding the Pension Benefit Guaranty Corporation, high-profile corporate bankruptcies and accounting scandals, plans to privatize Social Security, rising cost of living and a volatile stock market as issues that could place their pensions and supplemental incomes in jeopardy.

The issues raised by our members are at the core of the Association's dealings and we will continue to shed light on these issues in the public sector with the help of our media team volunteers.

Thank you to all of our members who have volunteered by submitting questionnaires and to those who may have already spoken to a member of the media on behalf of the Association.

We are still accepting completed questionnaires from members who wish to join. If you would like to tell your story to members of the media, please email your information to [association@belltelretirees.org](mailto:association@belltelretirees.org) or call (800) 261-9222.

## Hundreds of Members Volunteer for Media Response Team

*Here are just a few of their comments on retirement:*

**Paul, a Maryland resident who retired in 1991, said,** "I have to sell real estate to be able to afford to live in the same comfort level that I had when I was working. Since I haven't received a raise in my pension since my retirement and the cost of everything has [gone] up, it's pretty hard not to have additional income to compensate...."

**Robert of Pennsylvania who relied on what he and colleagues were told to expect when offered early retirement in 1991, said,** "We were told that although we would not get an increase in our pension yearly, the company made the increases every few years and they amounted to approximately 2.2% a year. This has not been the case. I worked for Bell for thirty six years and always was able to rely on what was told to us." He added, "Many things have changed and not for the better... (it) is a disappointment."

**Ann of New York worked for NYNEX for 25 years before being forced to retire after an illness and said** "(My pension is) not nearly enough to survive on with today's soaring cost of living, plus the huge amount of real estate tax....to remain in our own home." She added, "I sold off [my] IRA to pay off the remaining mortgage on our house. My husband... worked in the airline industry over 45 years and almost every airline he worked for went bankrupt, leaving him with almost no pension."

**William, a Florida resident who retired in 1978, explained** how he is trying to survive on a minimum pension after 33 years with the company.

**Joseph, a New Jersey resident who retired in 1995, said,** "I have two children...and the money I saved for their education might not be enough due to increases in tuition. My property taxes have doubled since I retired; coupled with the cost of liv-

ing increases..., rising medical costs, utility increases...it became impossible to survive on my pension."

**Charlene of Illinois retired in 1999 and said,** "My promised lifetime of free health benefits is no longer free...With the astronomical annual increases in premiums, I'm anticipating I will have to drop the company health [plan] and return to work for health benefits." She has been working on a part time basis and may soon have to seek full-time employment just to afford health benefits. "I no longer have the finances needed to support a modest retirement."

**Donald of Pennsylvania said** his pension is the same as it was upon his retirement in 1989 and that making ends meet is just not possible. He and his wife have been forced to cut back on needed medications and also noted that they could not afford for his wife to go to physical therapy.



# Cable and Cellular Technology Won't Replace the Public Telephone Network

*By Pamela Harrison*

**W**hen was the last time you didn't have a dial tone? Even during a power outage, your telephone works. You may not care about telephones and long distance, but you should.

You, your parents, grandparents and yes, maybe even your great grandparents, sacrificed land, aesthetics and money to put our national public telephone network into place.

Contrary to today's popular belief, all cable companies are completely dependent on the public telephone network. This is also true of cellular phones, which I refer

to as cellular radios because they do not meet the standards of a universal, reliable and secure telephone network.

Both cable and cellular companies exist only on the health of the public telephone network. Most "landlines" are aerial cables on public utility poles, maintained exclusively by public utilities. Cable companies place their cable onto existing public utility poles. If the public electric utilities fail, so does cable service, as does cellular service. Cable goes out every time there is a power outage, which in some areas is quite common.

Cable must also have regenerators on public utility poles powered by outside electricity provided by electrical companies, similar to the cell towers used to power your cellular radio signal. Telephones do not.

There is nothing existing today that can replace the telephone network and its service. When you lose cable and cellular radio service, you can't even let your cable and cellular radio provider know you are disconnected without using the telephone network. The cable and cellular radio companies cannot work on their technical problems without our telephone network.

Therefore, the cable and cellular radio networks are wholly dependent upon piggy-backing on the health of our existing public telephone network.

In truth, these cable and cellular companies are getting a free ride on the public network and we, the public, are subsidizing private profits at the expense of having our existing telephone network deteriorate, with no gain to the long term health of this vital universal, reliable and secure public network.

While cable and cellular telephones are nice tools, why anyone would want to pay to replace a service and reliable national network – and one already built and paid for – with something so uncertain and unreliable, is beyond my understanding.

Still many people suggest that the telephone is antiquated and on its way out. However, I believe telephones are here to stay since there is no technology today that can replace our existing public, universal, reliable and secure telephone network.

*The author is president of the CWA Local 1103 Retirees Council and is a member of the board and vice president of the Association of BellTel Retirees.*



Association of BellTel Retirees Inc.

UNITED, TO PROTECT OUR FUTURE

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8/1/05

## Board Seeks Applicants

The Association of BellTel Retirees is looking for dedicated individuals to join its board of directors.

To qualify you must be a member of the Association, a strong leader, and knowledgeable of current affairs and the telephone company. Retirees residing in the New England area are strongly encouraged to apply.

If you are interested, please send us a short description of why you would be a good candidate in addition to your background information. Responses may be sent via email to [association@belltelretirees.org](mailto:association@belltelretirees.org) or regular mail to ABTR, P.O. Box 33, Cold Spring Harbor, NY 11724.

# Member Mailbag



Dear Fellow Retirees,

Enclosed please find my check for my 2005 contribution. Today I received my copy of the summer 2005 newsletter – and as always I read through cover to cover. When I read the letter from Richard Turconi which addressed the 72% of members who had not paid their “dues” I was outraged!

How could our fellow members and co-workers not contribute to assist with the ongoing work, news and all you do for us?

Can you imagine my surprise when I found the enclosed note – I was one of those who had not paid! As I feverishly scanned my checkbook, I was sure there was a mistake – but I could not find my donation.

Lots of excuses, but who wants to hear them. Should this ever happen in the future please alert me ASAP!

Thanks for all of your help.

*Judy Kincaid  
NYNEX Retiree*

\*\*\*

The Association of BellTel Retirees gladly welcomes all correspondences. Please be aware that the Association will not accept or publish letters that are mailed anonymously and or without a proper return mailing address. As always keep the letters coming.

## MISSION STATEMENT

The Association of BellTel Retirees Inc. is dedicated to promote the protection and enhancement of the pensions and benefits for retirees and beneficiaries of the companies and subsidiaries that make up the Verizon Corporation.

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 the passage of legislation which will protect and guarantee, rather than invade, our hard-earned pension and benefits funds.

# RETIREE NEWS AND NOTES

## Sylvania Retirees Luncheon

Association of BellTel Retirees Director Emeritus Lou Miano and Board Member Joanne Jacobsen will be attending the Sylvania Quarter Century Club Luncheon on Saturday, September 24. Sylvania is a subsidiary of Verizon.

The luncheon will take place at the Danvers Yacht Club in Danvers, Massachusetts. Miano and Jacobsen will be handing out Association materials and answering questions from attendees.

\*\*\*

## Retirees volunteer at Great Camp Sagamore

Some Verizon retirees performed volunteer work recently at the historic Great Camp Sagamore in Raquette Lake, NY. The camp is located in the Adirondack Mountains.

The group assisted with restorations to the mountain retreat, which is open to the public. They helped repair a total of 19 buildings at the site. Pat Shaver George, the Association’s State Rep Coordinator, was among the many volunteers.

\*\*\*

## New Jersey Blood Drive

The Association of BellTel Retirees will sponsor a blood drive during a retiree reunion at the Stratford Senior Center in Stratford, New Jersey, on Tuesday, November 1. The blood drive will take place from 1 to 7 p.m. and you need not donate blood to attend. A local firehouse next door to the senior center will be made available for attendees to congregate and get together with friends. Tell

*(Continued on page 11)*

## Association of BellTel Retirees Membership Contest

Did you know that anyone who currently works for or is retired from a Verizon company is eligible to become a member of your Association of BellTel Retirees Inc.?

Speak with your family, friends and neighbors. Tell them that the Association of BellTel Retirees Inc. is a “must join.”

**When they become a contributing member**, you AND the person you refer, will each automatically be entered to win **\$250 American Express gift cards**.

To enter, fill out our referral form below. If you have more than one referral, please attach a separate sheet of paper with the required information.

### ENTRY DEADLINE – OCTOBER 15, 2005

### New Member Contest Entry Form

All fields are required for proper processing.

BellTel Member’s Name: \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

BellTel Member’s Phone \_\_\_\_\_

### **Name of Verizon active/retiree person you are REFERRING for Association of BellTel Retiree membership:**

Name \_\_\_\_\_

Address: \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Telephone: \_\_\_\_\_ email: \_\_\_\_\_

Contest Rules: Must be a current Association of BellTel Retirees Inc. member to enter. **Individual referred must become a contributing member**. BellTel employees and Board of Directors are not eligible. Entries must be received by midnight on **October 15, 2005**. Gift certificate winners are responsible for using gift certificates by expiration date. Some gift certificates have expiration dates and if not used before the expiration date the gift will be forfeited. You may also enter by mailing in a 3x5 card with your name and address and your referral’s address to: BellTel New Member Sweepstakes P.O. Box 33, Cold Spring Harbor, NY 11724. You may enter the sweepstakes as often as you like with new names.

# RETIREE NEWS AND NOTES

*(Continued from page 10)*

*(Continued from page 10)*

your former co-workers and just show up to be a part of the day's events. This will be an enjoyable event while also providing a valuable service to the community.

For more info, please call Mike McFadden at (856) 767-1131 or Gene Lista at (856) 627-2811.

\*\*\*

### Blood drive held in name of Leukemia victim

An emergency blood drive sponsored by the Association of BellTel Retirees in honor of a Leukemia victim in southern New Jersey was held on June 13 and collected 30 pints of whole blood. At the time, the total amount of blood donated through three Association-sponsored blood drives had been 99 pints. When broken down into blood products, this amount of blood enables the American Red Cross to help up to 297 individuals.

The Association would like to thank all who have participated by giving blood and encourage others to do the same.

If you would like the Association's sup-



*Retirees volunteered to help restore Great Camp Sagamore in New York. They helped repair buildings at the historic camp.*

port in organizing a blood drive in your community, please call us at (800) 261-9222.

\*\*\*

### Sewanahka Pioneers Meet

Board Member Robert Rehm was invited to speak at a Sewanahka Pioneer meeting Thursday, September 1. The meeting

was to be held at St. Thomas' Chapel in West Hempstead, New York.

\*\*\*

If you would like to announce an event, please forward the information to the ABTR, P.O. Box 33, Cold Spring Harbor, NY 11724 or email [association@belltelretirees.com](mailto:association@belltelretirees.com)

## PROTECT YOUR ASSETS FROM NURSING HOMES

- Nursing Home Care costs over \$80,000 per year
- 50% of senior citizens will be admitted into a nursing home
- Learn how to protect your assets from being attached by a nursing home
- Learn how Medicaid can pay for all, or part, of your nursing home expenses



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**ATTORNEY AT LAW**

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- Living Wills
- Free Health Care Proxy
- Medicaid Planning

Please complete and return this section to:

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Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

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Jude Avelino is a member of the AARP Legal Services Network



# Keeping an Eye on Medical Billing Can Save You in the Long Run

(Continued from page 5)

\$1,257.41 since last year? Doesn't this raise a red flag to the management of the HMO that this is wrong and most likely one of the reasons that the cost of health care and premiums are Out Of Control?"

Recently Rehm, who retired as Division Manager-Buildings Management, Real Estate and Motor Vehicles, received letters with the proper answers confirming his suspicions.

The HMO stated the \$1,549 charges for duplicate procedures (and add-on tests), "may have been" different if the HMO Lab was opened and performed the lone enzyme blood test. A subsequent letter from his HMO substantiated and validated Rehm's complaint that the HMO overpaid a health care provider by 503 percent, in error for the MRI.

"In both of these instances the only reason the HMO took action is because

Rehm's letters had to become annoying to them" and this motivated them to become more interested in investigating his claims.

Bill Jones, President of the Association of BellTel Retirees, noted that Rehm did a great job of raising red flags about inaccurate medical billing shenanigans even when the HMO didn't care about its own money going out the window.

"The average person probably doesn't question bills their insurer pays and probably gives up after the first response from the insurer," said Jones. "But all retirees should take notice of their invoices because in the long run such costly errors are passed on to us and companies like Verizon in rate increases. Looking at this example, one can only imagine the amount of health care related money that is slipping through the cracks unchecked."

In 1995 when NYNEX coaxed retirees

to join an HMO, Rehm received a \$144 credit/addition in his monthly pension check by signing up for an HMO. Now, 10 years later, he pays a portion of the HMO premium having lost all cash credits due to the ever-increasing costs of health care. To him it amounts to an additional annual health care cost of \$2,000.

An Explanation of Benefits Statements from your health care insurer is usually mailed to subscribers for review and information, and perhaps verification of services performed. So if you are not already reviewing and monitoring your health care billings you may want to begin doing so. You will be helping yourself, as we the retirees end up paying an increase in our monthly premiums, deducted from our pension checks, when these costs continually escalate. If you don't protect yourself, who will? And if you don't manage your own health-care, who will?

## ARE YOU PREPARED FOR WHAT LIES AHEAD?

It can be a stormy ride navigating through the maze of financial advice. When it comes to your life savings, you need someone you can trust. Someone who will go to bat for you with objective advice. Someone who has the experience and dedication to help you create a plan to overcome whatever lies on the road ahead.



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