

To: Mike Vivirito, President District 2 CWA Retired Members Council 11/1/03

From: Ed Creegan, National Chair CWA / Retired Members Council

Subject: Belltel Retirees organization. (Position paper)

Mike please share this information with whomever you please. I apologize for preparing such a long, detailed position paper. If I am going to try to respond to continued questions that come in from all over the country I want to be as clear as possible. The Belltel Retirees are determined to enlist union retirees and claim that they are their spokesperson. This is a very well organized group with a paid staff including their leader and a legal council. I was going to send you a copy of a position paper I put together in January, 2003 on the Belltel Retiree organization as requested by the Washington, D.C. office, however since a few significant things have occurred this year I will send an updated position paper.

To begin, those of us in a leadership position in the CWA retiree movement have an enormous task ahead of us. Not only are we in a difficult negotiating position on future pension increases for retirees there is also an overwhelming likelihood that employers, whomever we worked for, will be making a major effort to shift medical cost to the retirees as well as undermine our existing medical coverage in the future.

My major concern is that we do not get involved in rhetoric, making claims and statements in an attempt to satisfy our retirees that we are doing something to protect them when in fact we pursue a meaningless agenda. The basic issues are:

- 1) How do we retirees save and in some areas improve our medical coverage in the future? (Example- Medicare part "B")
- 2) How do we go about getting reasonable cost of living pension increases in the future?

If these objectives are achievable what do we do to achieve them in all or part? Well in my opinion we look back at our past actions and see what worked. As the CWA National Retiree Chair I have the advantage of having been involved in the union and the bargaining process for thirty-eight years as a union leader and bargainer. I have also been very involved in retiree issues as a retiree leader for ten years. I have never-ever seen any of the companies we have dealt with, ever give us anything unless we either fought them or were prepared to fight them.

I am not implying that we never were able to resolve our differences and even settle some contracts without a strike or job action but we were always ready to conduct a meaningful strike or a job action. To give you a perfect example let us consider the actions of Nynex before and since it became a part of Bell Atlantic and then Verizon. Retirees in the old Nynex portion of Verizon under the leadership of Ivan Seidenberg have had their pensions frozen for thirteen years.

Why would the company do such a heartless-mean thing to tens of thousand of former employees who worked for and respected the company? The answer is very basic they did it because they could do it and we could not hurt them. The pension fund was tremendously over funded and they have not contributed to it since 1987. The fund was increasing in value by two to three billion dollars a year and this is after all benefits were paid. Think about it, money was not the issue and we had gone many years without a nickel increase, yet they would not even discuss a pensions increase with our union or retiree leaders. We have tens of thousands of retirees with pensions under a thousand dollars a month and many thousands at five to seven hundred dollars a month. Still they froze them and continue to freeze them for thirteen years while the cost of living has gone up at least thirty five percent. Why do they continue this horrible, abusive treatment of retirees? Because they can, and they feel we cannot hurt them, that's why.

Now lets look at the medical issue. The company (Verizon) had notified the union that starting in January 2004 our medical benefits caps would be in effect.

In fact the cost of our medical had already exceeded the company caps. To make it perfectly clear starting in January 2004 **all union** Verizon north and east retirees would have to pay the entire cost of all future increases in our medical coverage. **This would have been an immediate monthly deduction from our pensions of \$146 a month in January 2004 increasing to approximately \$282 a month in January 2006 and increasing by an estimated six percent a year (Family plan) after 2006. These caps were already in place, in other words we had to negotiate them out or negotiate to increase the caps or postpone them.**

Now we get to my issue. What are we going to do to prevent this disaster from happening to all, as I stated union retirees? Well I did what I have done all of my union life. I became extremely aggressive with both the company and my union CWA as well as IBEW.

- 1) I met with the CWA/IBEW National Verizon Bargaining Council in Baltimore, Maryland back in early 2003. I was afforded the opportunity to make numerous presentations during the three-day meeting. All of the assembled leaders agreed to support retiree issues as I presented it to them. At the time I was not yet aware of the company's position on medical caps but I was sure they were coming after our medical.
- 2) Next I wrote a letter to our national union including President Bahr, explaining retiree concerns in detail and letting them know we expected their support.
- 3) Next I was invited to a meeting with the CWA District 1 National V/P and the chairpersons of the CWA and the IBEW bargaining chairs as well as the company bargaining chair and the Verizon National V/P for Benefits and the National V/P of Labor Relations. The entire four-hour meeting dealt with the problem of increasing retiree medical cost including the issue of caps.

Following the **aggressive approach** that I mentioned before, at the conclusion of the meeting I informed the company that if they were successful in negotiating with the union or in some way forcing the union to accept a position that was in my opinion unfair to retirees, I would do everything possible with the Verizon retirees nationwide to make their collective lives miserable, including legal action that I was already preparing.

- 4) Next I was invited to present the retirees proposals to the company at an official joint bargaining session. Once again at the conclusion of my presentation I informed the company that there would be a severe reaction from the retirees if the final settlement was unfair to the retirees. They were well aware that we would do what we said we would do because we have a lifetime record of doing what we say we will do.
- 5) Next, I held a retiree rally in New York that was attended by about seven hundred retirees along with President Bahr, Vice President Larry Mancino and most of the members of the bargaining committee, as well as nine local union presidents. Every one of them spoke and every one pledged support for the retirees.

6) Lastly there were dozens of rallies, demonstrations and hand billing at many-many locations, from bus terminals, train stations, company headquarters and many other key locations throughout the northeast region and the retirees were a major participant in all of these activities.

What was the final settlement after all of these “**Aggressive actions**” on the part of the **Union Retirees**?

Well not only did the company back off on the entire retiree medical cost shifting position, the final settlement was actually significantly better than the retiree medical position was before the bargaining began. To make it clear we did better than a total victory for union retirees.

We made an “**aggressive decision**” to make sure the company knew, that there would be a steep price to pay if they were successful in shifting significant medical cost to the retirees **and it paid off big time as it has always done in our long history.**

What does all of this have to do with the Belltel retirees? Well as I stated I insisted on a very “**aggressive position**” with the company in bargaining and it paid off, big time.

Now lets examine the position and attitude of the Belltel retiree leadership. They claim that they represent both union and management retirees in their organization equally. They claim they have every intention of protecting medical benefits for both union and management equally. So what did they do when they found out that their union members were about to have their medical benefits devastated? Did they come up with any approach? Did they inform the company of their deep concern and outrage? I think not. The only concern that was expressed to me by three of their top officers, including their leader was and I quote they asked me to “**be sure not to take any action that would hurt the company**”

This was before, during and after bargaining. After bargaining they congratulated me on “**not doing anything to hurt the company.**”

None of the Belltel top leadership (and I spoke with three of them) ever mentioned the fact that the union and the union retirees together with their leaders, **saved the retiree medical from being devastated**, in fact they never even mentioned it. They only mentioned “**they were happy that we did nothing to hurt the company.**”

Once again they have shown themselves to be totally company orientated, no matter how much the company abuses them and their members. This is their right and their business but I am tired of them trying to recruit union retirees into their management dominated, company orientated organization with the promise that they will help them in their battle with the company. Their management members are in a terrible situation because they do not have a union and their own former partners and friends in management are screwing them and they have little recourse. So in an effort to justify their existence they pursue a piece of legislation that if you knew the details you would know their chances of passing it are very unlikely and even more-so what would happen if it did pass, you would probably not favor it.

The labor movement including CWA does not support this legislation for a number of reasons and we have some very talented union people making these decisions.

We cannot evolve ourselves in a hopeless endeavor while we have hundreds of thousands of union retirees in danger of losing or having to pay a significant portion of the future cost of their medical. We are also in a position where we cannot allow our pensions to remain frozen while the cost of living continues to escalate. We have an unbelievable overwhelming task ahead of us for all CWA retirees.

In closing I will re-emphasize that **the union and its retiree leaders are the true and only spokespersons for union retirees**. I do not encourage union retirees to belong to the Belltel Retirees or any other management retiree group.

To sum it all up, the Belltel retiree organization is opposed to any action that in any way would annoy the company that is screwing the life out of them and us.

They refuse to even handbill at a shareholders meeting even though the handbills supports their proposals. When they speak at the shareholders meetings they praise the board chairman Ivan Seidenberg and his team for a job well done. They apologize to Seidenberg for anything they may have said that he may have found insulting.

They refused, over the years to participate in any demonstrations at company locations including the homes of the board of directors.

They believe that this action is inappropriate.

They praised the Verizon's top board members on their retirement and printed very favorable biographies about them in their newsletters and even invited them to join their organization. Remember these people were part of the team that has been freezing their and our pensions for many years and also has devastated their management medical benefits for years with not the least bit of concern for them or their families. The Belltel leadership when asked by the national news media if there was an adversarial relationship between the Verizon retirees and the Verizon leadership replied **no** that it was **strictly a business relationship.**

If they believe that the company's action in freezing all of our pensions for thirteen years and devastating the retired managers medical is strictly a business relationship that is a very inappropriate and sad comment. But when they claim to be the spokespersons for all Verizon retirees including union retirees, that statement is totally out of order and misleading. If they are worried about Seidenberg being angry with them even as he screws them, that is their business but they sure as hell have no right to speak on behalf of union retirees. When we get screwed and abused we get angry at the person or persons who are screwing us and we hope he/she dosen't like it.

I find the most reprehensible position of all was their lack of any position when the company attempted to devastate our **union** retirees medical at the recent bargaining sessions. Their only action was to ask their management retirees not to scab if there was a strike, and that was only after my request.

To make their position even worse, instead of encouraging the union and its retirees to fight to save our medical all they did was to continue to ask me "**not to do anything to hurt the company**". The exact same position the company took.

Lets be sure we understand, that all of these managers choose to be managers and not union and many of these managers were very high level managers working for many years in conjunction with the same people who are screwing them and us now.

We should continue to work with them when we have a mutual agenda as we do sometimes at shareholders meetings or if they come up with legal action or legislation that we agree on. Other than that we are two very different organizations with different attitudes and a different agenda and we should remain like that. They have no right to ever proclaim to be the spokespersons for all Verizon retiree's, they only speak for management retirees. This is my opinion and recommendation as the elected National Chair of the CWA Retired Members Council. But obviously each retiree has the right to do as he/she pleases.