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VERIZON COMMUNICATIONS INC
Form PX14A6G
April 03, 2002

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

NOTICE OF EXEMPT SOLICITATION

1. Name of the Registrant:
VERIZON COMMUNICATIONS, INC.
2. Name of person relying on exemption:
ASSOCIATION OF BELLTEL RETIREES, C. WILLIAM JONES, MICHAEL S.
MICHAEL S. KUCKLINCA, EILEEN T. LAWRENCE, JOHN SELLEN,
JOHN M. BRENNAN, JAMES E. CASEY, JR., LOUIS MIANO,
JOHN A. PARENTE, ROBERT E. REHM AND JOSEPH A. RISTUCCIA
3. Address of person relying on exemption:
P.O. Box 33, Cold Spring Harbor, NY 11724
4. Written materials. Attach written materials required to be
submitted pursuant to Rule 14a-6(g)(1) [sec. 240.14a-6(g)(1)]

Association of BellTel Retirees, Inc.
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March 29, 2002

Board of Directors
C. William Jones
President

(410) 770-9485

Michael S. Kucklinca
Executive Vice President
(516) 741-2424

Eileen T. Lawrence
Treasurer
(718) 229-6078

John Sellen
Secretary
(201) 261-1454

John M. Brennan
Director -
BA South
(201) 666-8174

James E. Casey, Jr.
Vice President -
Information Systems
(540) 439-9568

Louis Miano

DEAR FELLOW VERIZON SHAREHOLDER:

We urge you to VOTE FOR three important
shareholder resolutions on Verizon's
proxy card for the upcoming Annual
Meeting on April 24 in Minneapolis.

PROXY ITEM NO. 6 deserves your special
attention and support. We believe it is
critical that executive compensation be
tied more closely to a truly relevant
and transparent measure of operating
income. The resolution in Proxy Item
No. 6 asks the Board to determine future
awards of performance-based compensation
for executive officers using a measure
of earnings that does NOT include
accounting rule income, particularly
"pension credits" resulting from
projected increases in the employee
pension fund surplus.

WE URGE YOU TO VOTE YOUR PROXY
FOR PROPOSALS 4, 5 AND 6.

In recent years a substantial portion of
Verizon's reported earnings has not been

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Vice President -
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cash flow from ordinary operations, but rather accounting credits from projected increases in the employee pension fund surplus. According to Merrill Lynch,/1/ in 2000 Verizon used pension credits to boost its reported earnings by \$3.5 billion, the largest contribution to reported earnings among all S&P 500 companies./2/

"THE MAGNITUDE OF THE PENSION CREDIT INCREASE RELATIVE TO THE CHANGE IN NET INCOME CLEARLY IS AN ADVERSE ISSUE WHEN ASSESSING THE QUALITY OF VERIZON'S EARNINGS." - - MERRILL LYNCH/3/

During the first six months of 2001, Verizon's \$1.1 billion in pension credits actually EXCEEDED the \$733 million in net income before extraordinary reported to shareholders. Because pension credits potentially can turn even operating losses into reported gains, we believe that they should not be included in the benchmark for performance-based pay.

We agree with proponents that increases in the pension surplus should NOT be used to calculate performance-based compensation for the following reasons:

PENSION SURPLUSES DO NOT MEASURE OPERATING PERFORMANCE. "The pension aspect of performance has nothing to do with the current performance of management," according to the publisher of THE ANALYST'S ACCOUNTING OBSERVER./4/ Pension credits do nothing to increase cash flow. In practice, the pension surplus is not available to pay dividends, finance investments, or for other operating purposes.
