



2006 Issue 4

# THE RETIREE GUARDIAN

News from Association members in all 14 US WEST/Qwest states

Newsletter of the Association of U S WEST Retirees

[www.uswestretiree.org](http://www.uswestretiree.org) or [www.qwestretiree.org](http://www.qwestretiree.org)

## Retiree Benefit Cutbacks!

**Life Insurance Benefits Explained**  
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**Terminally Ill Retirees Important Advice**  
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### Notebaert Bombshell

## Life Insurance & Health Cuts

By Barbara Wilcox, Secretary AUSWR Colorado/Wyoming

At the close of his speech at the Colorado/Wyoming U S WEST Retirees Annual Meeting in Denver, October 14, Qwest CEO and Chairman, Richard Notebaert, announced that retiree benefits would be cutback:

- Qwest’s contribution to health insurance costs for post-1990 retirees will be capped, and those retirees will have to pay all future increases in their health care costs.
- The basic life insurance will be reduced to a flat \$10,000 for all current and future retirees. [After his presentation it was determined that retirees from bargained-for work groups are not included in the life insurance cap].

..see *Benefit Cutbacks* page 2

### Notebaert Tells Denver Meeting:

## “Where Qwest Is — Where It’s Going”

By Barbara Wilcox, Secretary AUSWR Colorado/Wyoming

Qwest CEO Richard Notebaert [pronounced Note-a-bart] addressing the annual meeting of the AUSWR Colorado/Wyoming retirees in Denver on October 14, described the period of 2002-2003 as a “life-changing experience.” “It brought transparency to Qwest, and brought Qwest back to the Spirit of Service.” Notebaert stated.

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WE WERE THE OPERATORS AND REPAIR CLERKS, THE INSTALLERS AND LINEMEN, THE ENGINEERS AND NETWORK PLANNERS, THE CRAFT AND MANAGEMENT EMPLOYEES OF EVERY DESCRIPTION WHO BROUGHT TELECOMMUNICATIONS TO THE HOMES, BUSINESSES, AND INSTITUTIONS OF 14 STATES. NOW WE ARE UNITED IN OUR COMMITMENT TO PRESERVE AND ENHANCE THE RETIREMENT BENEFITS PROMISED TO US AND TO THOSE WHO FOLLOW US AS TODAY’S ACTIVE EMPLOYEES.

# Retiree Benefit Cutbacks

*...Benefit cuts con't from page one*

Notebaert stated, "In 1989, three message were going out loud and clear to us": 1) Healthcare costs were going up 18%; 2) those who retire on or after Jan. 1, 1991, should expect to pay monthly premiums for their health insurance as early as 1993; 3) the concept of 'healthcare cap' [was put forward], which meant that the Company would contribute a specified amount to health care. Post-1990 retirees began to pay a portion of their monthly premiums in 2004.

"Over the years, we all worked very hard not to implement the cap. Bellsouth, Verizon, SBC [have] implemented the cap.

We are now in a position where we will be implementing caps," Notebaert said.

## Questions from the Audience:

Notebaert accepted questions from the audience following his announcements about the pension benefit cutbacks.

**Shirley Willis**, Mountain Bell retiree, Dillon, Colorado, asked if we could expect a cost-of-living increase in our pensions. Notebaert answered that the Company has fulfilled the commitments that it made, and there is nothing that says retirees are entitled to or will get a cost-of-living increase.

**Bill Pittman**, Denver retiree, asked how much money Qwest is saving per year by cutting the life insurance to \$10,000. Notebaert said he would get that information for us. [In an exchange of emails

following the meeting, Notebaert notified AUSWR that it was Company policy not to disclose such information].

**Barbara Wilcox**, Denver retiree, asked if there was some way we could partner with Qwest to work for national health care reform. The answer was "Yes," and that Teresa Taylor [HR Vice President] would be our contact.

**Jimmy Carvessa**, a 2002 Qwest retiree, asked what prevents Qwest from putting a cap on executive compensation. Notebaert responded that the competitive market determines executive pay.

**Nelson Phelps**, Denver retiree and AUSWR Executive Director, challenged the basis of Qwest's decisions to make the benefit changes, and expressed his outrage over the impact on retirees.

*...Notebaert continued from page one...*

He praised the service technicians, the service representatives and the Union.

"They stood next to us. It goes back to where we all started ... to Angus McDonald.

"What we needed to do as a company was to focus —not internally, but on the reason why we even existed, the customer," Notebaert said.

"It's not a model, its not a brand, its our culture." Notebaert told the 300-plus US WEST/Qwest retirees.

"We're moving from that circuit-



**Richard Notebaert,**  
Qwest CEO

switched world, ... which was all voice with a data overlay, ... into a data world, where voice just kind of rides on top of it," Notebaert said.

He told the retirees that convergence, or integrated service, is another market development. Qwest plans to roll out a nomadic phone, which switches automatically between cell phone and landline when you enter or leave your home.

"When technology changes it creates an opportunity to win a customer." Notebaert described the current marketplace by saying, "It's really a competitive place. So, I tried to give you a little dose of the future.... I think you would find that we are excited about it."

# AUSWR President's Message

—Letter to Richard C. Notebaert, Qwest CEO

Dear Dick,

I am sorry that a family wedding in California kept me away from your appearance at the Colorado/Wyoming AUSWR Annual meeting. I understand from some who were present that you used my name several times in an attempt to justify your reprehensible cuts in retiree benefits, particularly when it came to Health Care benefits.

So, let me set the record straight, which I have tried to do several times with Teresa Taylor, Executive VP of Human Resources, about employees' and retirees' expectations of having health care benefits for life, at no cost to them. I have received via email, copies of four articles sent by Qwest HR, which were published throughout 1990, in an internal publication distributed to all employees, known as "Benefits Today". These articles quote me and my former boss, Jack Shea. But before we get into the specifics, let me refresh your memory about what was going on in those times, since you were at a sister Bell Company and subject to the same dynamics.

In the late 1980's the Financial Accounting Standards Board (FASB) had issued new regulations which required publicly traded corporations with retirees who were promised health care benefits in retirement, to disclose the anticipated financial costs of those promised future benefits to shareowners.

With the assistance of a benefit consulting firm, U S WEST (as well as other major corporations) determined that they could quantify the cost of these future benefits if they established a "cap", or a maximum dollar amount that they would pay for retiree

health care benefits. In the 1989-round of bargaining with the CWA and the IBEW, U S WEST negotiated a labor contract which established these caps, but the dollar amount was significantly higher than the current cost of health care, and it was anticipated at the rates of health care inflation then in force, the caps would not be reached during the life of that contract.

These same caps were subsequently imposed on Management employees. It was the intent that in each subsequent round of bargaining that the caps would be negotiated higher than the anticipated health care inflation for the life of the contract. The same caps would go into force for the Management employees, and consequently no employee or retiree would be required to make premium contributions for their health care, and shareowners would be provided with the current information required by FASB.

And so it rolled along smoothly until 2004, until your regime broke those promises and imposed ever-increasing health care premiums on Management retirees, who are on fixed incomes, and



Mary "Mimi" M. Hull  
President, AUSWR  
(Association of U S WEST Retirees)

...continued on the next page

## **2006 AUSWR Officers**

Executive Director — Nelson Phelps

President — Mimi Hull

Regional Vice Pres —Legislation — Hazel Floyd

Treasurer — Phil Graham

Secretary — Ed Kerber

## **2006 Board of Directors:**

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Colorado/Wyo President — Jack Beattie

New Mexico President — Irene Chavira

NWB Chairman — Dick Johnson

Oregon/Washington President — Judy Stenberg

Utah/Idaho/Montana Chair — Donnetta Mitchell

Litigation Attorney — Curtis L Kennedy

# “not on the backs of retirees...”

...AUSWR President's message continued from page 3...

never included these costs in their retirement planning, because they were consistently told by the Company they did not need to.

Now, before you go quoting those articles in “*Benefits Today*” which did tell employees and retirees that they “might” have to pay something towards their health care, let me tell you about the other dynamic that was at work in that timeframe, six years after the divestiture of the Bell System and the merger of Mountain Bell, Pacific Northwest Bell and Northwestern Bell: **MEGA EMPLOYEE SURPLUS**, particularly in the Management ranks.

In a more kind and caring time by corporate officers, direct layoffs of Managers was not considered as an option by Bell companies who had valued their employees. So, again with the help of a benefits consulting firm, an incentive retirement package was created to urge early enhanced retirement, known as the “5+5”. Add five years to your age and five years to your service and keep your health care and other benefits for life. Over 4,000 managers, higher numbers than anticipated, accepted this offer, and greatly alleviated the surplus manager problem. In 1990, the threat that retirees “might” have to pay something in the future was used as a bit of a “stick” to encourage more managers to accept the early retirement offering.

So, what happened after 1990 on this issue? The answer is NOTHING. The researchers who dug out the 1990 “*Benefits Today*” issues have not found any subsequent statements in the intervening **15 YEARS** to employees in any publications which informed them that they could lose benefits in the future, because

there was never any intent to reduce benefits. The early retirement offering took care of the immediate problem and the need to “threaten” (hence the *Benefits Today* articles) employees/retirees with the fact that they “might” have to pay for healthcare went away.

Former Executive VP of HR for Qwest, Ian Ziskin, reiterated those promises to retirees in a letter in 2000, telling them that their benefits would not be changed; and only future retirees might be impacted by decisions regarding benefit changes.

This is why your announced intentions to permanently cap the Company’s contributions for retiree health care and limit life insurance benefits to \$10,000 are reprehensible and will not go unchallenged. The Association of U S WEST Retirees exists solely to protect the benefits that were promised to us, and our mission will not waiver in light of your announcements.

In case you have not been listening when I have spoken at the shareowners meetings, we will support you in every way in returning Qwest to financial viability —except if you attempt to do it on the backs of its retirees. I warn you again, as I have in the past, that we will fight this with all of our might in a court of law and in the court of public opinion.

I anxiously await, after reconsideration of the devastating effect that these pronouncements have on thousands of retirees who have no recovery or recourse, that you will reconsider and withdraw these onerous and financially devastating benefit reductions for the MB/NWB/PNB/US WEST and Qwest retirees. May the Spirit of Service include us all,

*Mimi Hull*

QWEST COMMUNICATIONS	
<i>Estimated savings from Life Insurance Cuts: \$20 million</i>	Revenues (2005) \$13.903 billion
<i>Estimate number of retirees: 48,000 (Qwest Bob Toevs)</i>	Operating Income (2005) \$393.0 million
<i>Executive stock option cash-outs (Nov, 2006) : \$50 million*</i>	Employees (2005) 39,000
<i>*Notebaert announced charity donation: \$18.4 million</i>	Third-quarter profit (2006) \$194 million

# Life Insurance Benefit

AUSWR leaders asked Curtis Kennedy, our Litigation Attorney, to determine the viability of Qwest being allowed to cap the Basic Life Insurance at \$10,000 for all retirees –other than those in bargained-for work groups who have already had their basic life insurance reduced.

AUSWR wants to protect the life insurance for as many retirees as possible.

A call was put out November 16th to our membership via email to send copies of all Group Life Insurance plan documents that were dated prior to July, 1996.

Curtis picked the 1996 date because he knew that after that time, U S WEST had added a “reservation of rights” clause which allows some benefit changes at the discretion of the company.

Curtis was rewarded with a deluge of hundreds of letters containing packets of information from our membership.

However, after his review of the SPDs (Summary Plan Descriptions) and U S WEST letters, Curtis reports what appears to be bad news for those who retired after June, 1987.

## **AUSWR May Challenge Qwest’s Group Life Insurance Reduction to Flat \$10,000 for Persons Retiring *Before* June 1987**

*by Curtis Kennedy, AUSWR Litigation Attorney*

Certainly, you’ve learned that Qwest plans to reduce your basic group life insurance benefit to a mere \$10,000. Qwest CEO Richard Notebaert decided it was best for the company to cut everyone’s life insurance coverage to a mere \$10,000 effective upon any death occurring on or after January 1, 2007.

This is a move to save the company what amounts to less than \$20 million per year in annual insurance premiums.

Every retiree, management and non-management, as well as past U S WEST, Mountain Bell, Northwestern Bell and Pacific Northwest Bell executives, is to be affected.

It is the position of AUSWR leadership that this

newly announced decision runs counter to a long history of company promises to provide employees and retirees Group Life Insurance benefits payable upon death.



**Curtis L. Kennedy**  
AUSWR  
Litigation Attorney

The series of *promises and commitments* began with AT&T and continued for some time after the break-up of AT&T and the establishment of U S WEST as the regional holding company. However, unbeknownst to thousands of workers, by 1987, U S WEST and the ‘Baby Bells’ included in the Summary Plan Description (SPD) the “proverbial snake in the grass,” language that is commonly called a ‘reservation of rights’ clause.

*..continued on the page 6*

# Summary Plan Documents

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The following shows the evolution of the 'reservation of rights' clauses set forth in the SPDs (Summary Plan Descriptions):

**The SPD dated May 1, 1982** in effect before the break-up of AT&T contained the usual representations that the basic life insurance benefits once reduced at age 70 to be equal to 50% of the retiree's last annual salary would remain in effect the rest of retirement. The May 1, 1982 SPD issued within Mountain Bell, North-western Bell and Pacific Northwest Bell states: "**Program Continuance** *The Company intends to continue the Group Life Insurance Program indefinitely but reserves the right to end or amend it in accordance with applicable collective bargaining agreements.*" Since bargaining agreements did not affect the rights of persons already retired, this language can be legally challenged as being ambiguous, inconspicuous and not legally sufficient to constitute an enforceable 'reservation of rights' so as to put persons then taking retirement on notice that the company might later reduce the promised basic life insurance coverage.

**The SPD dated July 1984** states: "**Program Continuance** *The Company intends to continue the Group Life Insurance Program in accordance with the applicable collective bargaining agreement.*" Again, since bargaining agreements did not affect the rights of persons already retired, this language can be legally challenged as being ambiguous, inconspicuous and not legally sufficient to constitute an enforceable 'reservation of rights' so as to put persons then taking retirement on notice that the company could reduce the promised basic life insurance coverage.

**The SPD dated June 1, 1987** states: "**Plan Continuance** *The Company intends to continue the Group Life Insurance Program indefinitely but reserves the right to terminate or amend it at any time, subject to applicable limitations of the law or any applicable collective bargaining agreements.*"

**The SPD dated July 1991**, distributed after August 1, 1991 states: "**Plan Termination and Amendment** *U S WEST, Inc. as the plan administrator for all Companies, intends to continue your group life insurance plan, but reserves the right to terminate or amend it at any time with respect to any or all classes of current or future participants (including retired employees) subject to applicable limitations of the law or any applicable collective bargaining agreements.*"

**The SPD dated January 1994** states: "**Plan Termination And Amendment** *U S WEST, Inc. as the plan administrator for all Companies, intends to continue your group life insurance plan, but reserves the right to terminate or amend it at any time with respect to any or all classes of current or future participants (including retired employees) subject to applicable limitations of the law or any applicable collective bargaining agreements.*"

**The SPD dated January 1, 1996**, distributed in July 1996 states: "**PLAN TERMINATION AND AMENDMENT** *U S WEST, Inc. as the Plan Administrator for all Companies, intends to continue your U S WEST Group Life Insurance Plan, but reserves the right to terminate or amend it at any time with respect to any or all classes of current or future participants (including retired employees) subject to applicable limitations of the law or any applicable collective bargaining agreements.*"

...continued on page 7



# ...AUSWR prepares...

...continued from page 6

**The SPD dated January 1, 2001**, distributed on or after April 30, 2003 states: **“Right to Change or Terminate the Plan** *The Company reserves the reserves the right to amend or terminate any of the plans – with respect to all participant classes, retired, or otherwise – without prior notice to or consultation with any participants, subject to applicable laws.*”

## **There is Little Chance of Successful Legal Challenge For Persons Retiring After June 1987**

Absent other unknown facts or legally significant variables, **AUSWR leaders do not want to raise hopes of anyone who retired after June 1987.**

No doubt, many of you are shocked and angry, rightfully so, that there was always this unknown proverbial 'snake in the grass' language to which federal law ERISA has been applied to allow corporate employers to renege on what many believed to be promises of secure family financial benefit coverage during retirement. It might be helpful to review a report that explains why the health care guarantee or lifetime commitment could only be applied to protect pre-1991 retirees.

See *“The Dark Side of ERISA”*:  
[http://www.uswestretiree.org/  
QwestRetireeHealthCareReport.pdf](http://www.uswestretiree.org/QwestRetireeHealthCareReport.pdf)

There might be a similar final result for any legal challenge made to Qwest’s announced reduction of basic group life insurance to a flat \$10,000; not everyone is going to be happy with the outcome.

Therefore, **while AUSWR cannot be certain any of the promises and commitments or other past representations made about the life insurance can be legally enforced against Qwest so as to benefit all other retirees who retired before June 1987, AUSWR leaders have decided we must make a legal challenge and fight back**, just as we have done to protect the Pension Death Benefit, the subject of the *Kerber, et al v. Qwest, et al* lawsuit pending in Denver Federal Court. You can keep up with the developments concerning the *Kerber* case at the AUSWR website: <http://www.uswestretiree.org/legal2.htm#death>

## **AUSWR is Preparing to Make a Legal Challenge Concerning Life Insurance Reduction to \$10,000.**

In preparation for likely litigation to be filed *next year* in Denver Federal Court, AUSWR urges all persons who retired before June 1987 and who have been counting on the Group Life Insurance coverage to search for and forward to me all pertinent Group Life Insurance documents (dated prior to June 1987) and other informational literature which discuss terms and

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AUSWR Retiree Advocates					
Arizona	Don Gillespie	602-275-4213	No Dakota	Arnie Pauls	701-451-0771
Colorado/Wyo	Jim Heinze	303-442-1831	Minnesota	Barb Hermanson	763-757-4985
Idaho/Montana	Shirley Moss	208 342-3449	Oregon	Barbara Brown	541-382-5544
Iowa/So Dakota	Vikki Farrand	605-332-3670	Oregon	Howard Rickman	503-646-4848
Nebraska	Milt Jenner	402-333-4455	Utah	Dick Johnson	801 963-6220
New Mexico	Monte Shriver	505-258-8640	Utah	Byron Lemmon	801 295-4653
			Washington	Shirley Jones	206-368-8686

# ...what to send...

....contuned from page 7

promises about the life insurance.

## **Please search your records for copies of the following:**

1. Summary Plan Descriptions issued by AT&T, Mountain Bell, Northwestern Bell and Pacific Northwest Bell during years **1976-1987**;
2. Summary Plan Descriptions issued during years **1984-1987** by U S WEST;
3. All other newsletters, informational letters, bulletins and other literature discussing and promising the group life insurance payment, which papers were issued anytime *before June 1987*.

**There is no need for you to call me or AUSWR leaders.**

**There is no need to email me.**

**Just send via *regular* mail copies of the SPDs and any other documents dated before June 1987 that discuss the terms of the Group Life Insurance benefit.**

**Do not send me anything via certified mail or any other special form of delivery.**

And, it doesn't matter if I receive duplicates, as often the next duplicate received is not marked up and is more legible than the prior one received.

Just send in your old group life insurance documents existing before June 1987, so that AUSWR

can reconstruct the past history of representations about the Group Life Insurance Benefit. None of the papers you send to me will be returned to you; therefore, please make a photocopy of anything you deem important enough to keep and send me only the photocopy.

**Please remember, this request concerns the Group Life Insurance benefit.**

- Do not mail me any papers dated after June 1987, and
- Do not send me any papers that concern the Sickness Death or Pension Death Benefit, a totally different matter.
- Do not mail me individualized or personal statements of the amount of your life insurance coverage.

Finally, there is no need to repeat this process if you previously sent papers to Nelson Phelps, AUSWR Executive Director.

**Please mail the papers addressed to:**

QWEST GROUP LIFE INSURANCE  
Legal Challenge  
c/o Curtis L. Kennedy  
Attorney-at-Law  
8405 East Princeton Avenue  
Denver, CO 80237-1741

An Internet 'blog' set up by *Denver Post* Business Columnist Al Lewis displays retirees' comments and stories. You can review the postings and add your own message and comment: <http://www.denverpostbloghouse.com/lewis/2006/11/11/wheres-the-spirit-of-service-for-qwest-retirees/>



# ***Terminally Ill Retirees***

## **Very Important Advice**

*By Curtis Kennedy, AUSWR Litigation Attorney*

The \$10,000 [Basic Life Insurance] coverage reduction takes effect on January 1, 2007. If you are a 'terminally ill' retiree or you know a retiree who is terminally ill, there may be a procedure to follow before January 1, 2007 that may result in successfully getting a basic life insurance payment larger than \$10,000.

The Qwest Group Life Insurance Plan allows a claim to be made for an 'Accelerated Benefit' equal to half the basic life insurance benefit.

Therefore, it is **recommended that a person on behalf of the terminally ill retiree immediately** - before January 1, 2007 - start the process of making a claim for the 'Accelerated Benefit' by **a telephone call to Prudential Life Insurance 800-778-3827** to report the terminally ill retiree and ask for a claim form. Make certain to re-

cord the name of the person you speak to and ask him or her to expeditiously send or fax back to you a claim form.

After the phone call, **immediately fax Prudential 888-772-5265** a letter explaining that you have **started your claim for the 'Accelerated Benefit.'** The claims process will require a written verification of the retiree's 'terminally ill' status signed by a physician.

If the "Accelerated Benefit" application process is **started before January 1, it may result in an early life insurance payment of more than \$10,000**, even if the 'terminally ill' retiree dies after January 1, 2007, when flat \$10,000 maximum coverage begins, as dictated by Dick O'Notebaert.

### **\*\*\*\*\* RETIREES DECEASED AFTER JANUARY 1, 2007 \*\*\*\*\***

**When you learn of a pre-June, 1987, retiree who dies after January 1, 2007, please contact your local Retiree Advocate or AUSWR leader. (List on page 7)**

We are seeking beneficiaries of the basic group life insurance program (especially surviving spouses) who will be willing to initiate a legal challenge — a process that will require perhaps six months of internal claims procedure. See your latest Summary Plan Document dated January 1, 2001, explaining the claims procedure - "Filing a Claim" — *before* any litigation can be commenced.

**Note: Checks for the \$10,000 Basic Life Insurance received after January 1, 2007, leave no alternative but to cash them. Do not hold them and refer them to AUSWR or to Curtis.**

# Medicare Part B Reimbursement

The Medicare Part B reimbursement for 2007 quoted in the retiree Open Enrollment package does not consider the possibility of "means-based" Part B charges which will begin in 2007.

Erik Ammidown, Director, Health & Disability Benefits, for Qwest Communications, stated that, "we are planning to reimburse at the lower level, and if certain retirees that may not be capped for Medicare Part B reimbursement (e.g., Pre-1991) can prove they are required to pay more, we will reimburse at the higher levels. The retiree is required to provide proof and documentation based on the Medicare documents.

Millions of seniors will be required to pay substantially more for their Medicare Part B premiums than other seniors next year. In 2007 the government will begin "income relating," or "means testing." Higher income seniors will have to pay more for their doctors' services and outpatient coverage.

Income: Individuals	Income: Filing jointly	Monthly premium in 2007*	Monthly premium in 2008*	Monthly premium in 2009*
Under \$80,000	Under \$160,000	\$93.50*	\$104.30	\$116.50
\$80,000 - \$100,000	\$160,000 - \$200,000	\$106.00	\$132.20	\$163.00
\$100,000 - \$150,000	\$200,000 - \$300,000	\$124.70	\$173.90	\$232.90
\$150,000 - \$200,000	\$300,000 - \$400,000	\$143.40	\$215.60	\$302.80
Above \$200,000	Above \$400,000	\$162.10	\$271.82	\$372.60

\* Estimated

## What can AUSWR do? Healthcare caps

The announced 2007 healthcare caps for retirees caused a formal request from our litigation attorney, Curtis Kennedy, to Qwest Human Resources for the dollar amounts and categories for each healthcare cap. No response from Qwest yet. We will pursue efforts to gain this information.

AUSWR is exploring a series of options to help keep healthcare costs down for retirees. Your state leaders participated in a presentation in Denver November 9, 2006, which described an insurance plan created for Lucent retirees when they lost benefits. GBW is partnering with AUSWR to develop life insurance and healthcare offerings to replace or supplement existing and lost benefits. Future newsletters (and emails if you subscribe to our email service) will give you explanations and offerings.



"So, you understand I had to cut your benefits so that I could pay for my country club membership?"

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## ***Tribute to Phil Graham, Retiring AUSWR Treasurer***

Phil Graham, Mesa, Arizona, is retiring again! This time from the AUSWR Treasurer job.

Phil was founding member and President of the *Telephone Retirees Association of Arizona* for several years starting in 1992.

Soon after Phil's retirement at divestiture (1984), he saw the need for a strong retiree oversight organization to protect pensions and benefits. In late 1998, he was a leader in the 14-state affiliation that became AUSWR.

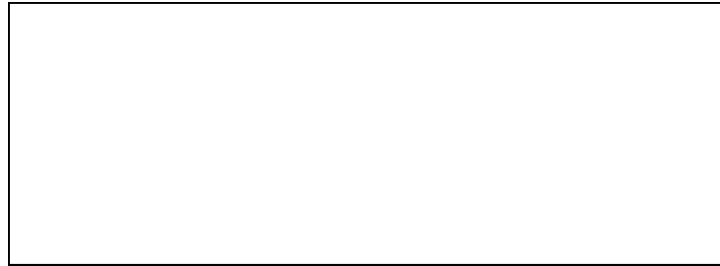


**Phil Graham,  
AUSWR Treasurer**

Phil accepted the regional assignment as AUSWR Treasurer —and he has done an outstanding job of keeping the complex regional financial books in "tip-top" order. Each year, he has undertaken IRS filings and financial reviews of AUSWR books to ensure that we maintain the highest standards.

Phil will be "retiring" in February, 2007, at his request. All retirees owe Phil, and his wife Sharon, a debt of gratitude for their many years of dedicated service!

## **Milestones**



## **Who Benefits from AUSWR Membership?**

The recent knowledge that those who retired after June, 1987, may not have recourse to challenge the Qwest announced life insurance cap at \$10,000 causes many to question why they should be members of the Association of U S WEST Retirees.

Consider the AUSWR history of success in protecting benefits for all retirees.

- The pending Kerber case, known as the Pension Death Benefit case, includes plaintiffs who are recently retired (2004); all retirees are affected by this case.
- Those retired before 1991 have healthcare benefits because of AUSWR litigation (Phelps case).
- The Rathbun case protects the current tax-free status of the retiree telephone concession benefit.
- The Colvin case negotiated an agreement with Qwest to provide unlimited lifetime Qwest long distance and a one-time cash payment to those retirees who lost their telephone concession.
- The Unger case forced U S WEST to return \$8 million to the pension trust fund which we believe was withdrawn improperly.
- Retiree Advocates who network with Qwest Human Resources contacts were established in each state to help fellow retirees resolve their benefit problems.
- Stockholder proposals that favor retiree interests are presented at Qwest annual meetings.

## **AUSWR Mission**

To preserve and protect those benefits that we worked so hard to earn  
and that were promised to us.